

Global Transformation of the Contemporary Labour
Market for Merchant Navy Seafarers: Case Studies of
Filipino, South African and British Seafaring Labour
Markets.

Shaun D. Ruggunan
University of KwaZulu- Natal, South Africa,
Durban, 2008

The research for this thesis was made possible by a Thuthuka grant from the National Research Foundation.


Submitted in fulfillment of the requirements for the degree of Doctor of Philosophy in the School of Sociology and Social Studies, Faculty of Humanities, University of KwaZulu- Natal, Howard College Campus, Durban, South Africa.

DECLARATION

I, .Shaun Ruggunan declare that:

- (i) The research reported in this thesis, except where otherwise indicated, is my original research.
- (ii) This thesis has not been submitted for any degree or examination at any other university.
- (iii) This thesis does not contain other persons' data, pictures, graphs or other information, unless specifically acknowledged as being sourced from other persons.
- (iv) This thesis does not contain other persons' writing, unless specifically acknowledged as being sourced from other researchers. Where other written sources have been quoted, then:
 - a) their words have been re-written but the general information attributed to them has been referenced;
 - b) where their exact words have been used, their writing has been placed inside quotation marks, and referenced.
- (v) Where I have reproduced a journal publication of which I am an author, I have indicated in detail which part of the publication was actually written by myself alone and not by other authors, editors or others.
- (vi) This thesis does not contain text, graphics or tables copied and pasted from the Internet, unless specifically acknowledged, and the source being detailed in the thesis and in the References sections.

Signed:



27 November 2008

Global Transformation of the Contemporary Labour
Market for Merchant Navy Seafarers: Case Studies of
Filipino, South African and British Seafaring Labour
Markets.

Shaun D. Ruggunan

Submitted in fulfillment of the requirements for the degree of Doctor of Philosophy
in the School of Sociology and Social Studies, Faculty of Humanities, University of
KwaZulu- Natal, Howard College Campus, Durban, South Africa.

Abstract

The central aim of this thesis is to investigate how and why labour markets are formed in specific ways under contemporary global capitalism. This thesis achieves this through a sociological analysis and explanatory account of the contemporary transformation of merchant navy seafaring labour markets for Filipino, South African and British seafarers. The study is centrally concerned with four questions relating to the restructuring of these labour markets. These questions are:

1. How has the labour market for seafarers been reshaped?
2. How has the restructuring of shipping capital facilitated this process process?
3. What has the role of labour been in this restructuring process?
4. What other labour market institutions contribute to this restructuring?

Answering these four questions allows me to achieve the central aim of my thesis which is to investigate how and why labour markets are formed in specific ways under contemporary global capitalism. In answering these questions this thesis makes three theoretical interventions in industrial sociology. Firstly, this work offers a substantially different account of labour markets that advances a more fully social explanation of labour market formation that does not consider the social as a 'factor' or an 'add on' as does classical and neo classical economics (and some strands of economic sociology) but a significant shaper of global labour markets. Secondly, it fills a gap in theorising the agency of organised labour under global capitalism. The thesis demonstrated how the agency of organised labour and the importance of locality or place should also be accorded primacy in arguing how labour markets are produced. Thirdly in making my own assertions about the creation and decimation of working classes under capitalism, I draw on three detailed case studies of seafaring trade unions, capitalist and state strategies in the shaping and transformation of contemporary labour markets for seafarers and therefore demonstrate the fallibility of the 'race to the bottom' thesis using contemporary research and data.

TABLE OF CONTENTS

Acknowledgments

Dedication

List of Figures

List of Tables

List of Acronyms

Chapter One

Introduction: The Puzzle of the Transformation of Seafaring
Labour Markets in the Merchant Navy from 1970

- 1.1 Introduction
- 1.2 Arguments of the Thesis
- 1.3 The Scope of the Chapters

Chapter Two

Contemporary Capitalism and Labour Markets

- 2.1 Introduction
- 2.2 Capitalism and its Modes of Regulation
- 2.3 Understanding Crisis
 - 2.3.1 Arrighi's Perspective of Overaccumulation
 - 2.3.2 Marx and the Falling Rate of Profit
- 2.4 Capitalism and Labour Markets
 - 2.4.1 The Classical School
 - 2.4.2 The Neo-classical School
- 2.5 Fordism as a Mode of Regulation
 - 2.5.1 The Fordist Labour Market
- 2.6 The Crises of the Fordist Mode of Production
 - 2.6.1 The Globalisation of Fordism and the Decline of the
Fordist High Wage
 - 2.6.2 Fall in Productivity Rates
 - 2.6.3 Fall in Profit Rates

- 2.6.4 The 1973 Oil Crisis
- 2.6.5 The Collapse of the Bretton Woods System and the
Emergence of the Eurodollar Currency Market
- 2.7 The Emergence of a Post Fordist Mode of Regulation
 - 2.7.1 Ameliorating Factors in the Tendency
of the Rate of Profit to Fall
 - 2.7.2 Post Fordism as a Mode of Regulation
- 2.8 Post Fordism and the Labour Market
 - 2.8.1 The Labour Process and Functional Flexibility
 - 2.8.2 The Flexible Organization
 - 2.8.3 The Casualisation of Work and its Implications
for the Labour Market
 - 2.8.4 Labour Cost Flexibility
 - 2.8.5 Employment Flexibility
 - 2.8.6 The Growth of Temporary Employment Agencies
- 2.9 Conclusion

Chapter Three

Research Methodology: A Realist Approach

- 3.1 Introduction
 - 3.1.1 A Note on the Philippines
 - 3.1.2 Map of Research Locations
- 3.2. Realist Ontology and Epistemology
 - 3.2.1 Realism and Dialectical Logic
- 3.3 Realist 'Designs' and Methods
- 3.4 Critiques of Realist Ontology, Epistemology
and Dialectic Reasoning
 - 3.4.1 The Positivist Critique
 - 3.4.2 The Anti-Positivist Response
 - 3.4.3 The Relativist Critique and a Response
- 3.5 Positivism, Realism, Postmodernism and Objectivity
 - 3.5.1 The Distinction and Conflation Between Objectivity
and Objectivity² Research

4.5 South African Seafarers in the Global Labour Market	- 144 -
4.6 British Seafarers in the Global Labour Market	- 152 -
4.7 The Implication of Flexible Labour Markets for Seafarers	- 158 -
4.8 Conclusion	
Chapter Five	- 164 -
Accumulation Strategies in the Merchant Navy	- 164 -
5.1 Introduction	- 164 -
5.2 The 1973 and 1979 Oil Crises and its Impact on Merchant Shipping	- 165 -
5.2.1 Fuel Costs and its Impact on the Industry	- 171 -
5.2.2 The Collapse of the Tanker Trade and the Oil Crises	- 172 -
5.3 The Impact of Banking on the Industry	- 176 -
5.4 The Tendency Towards FOC Shipping	- 181 -
5.4.1 FOC Shipping and Labour Costs	- 189 -
5.4.2 The Case of Unicorn Shipping	- 191 -
5.5 Changes in Organisational Structures of Shipping Companies	- 195 -
5.6 The Impact of New Technologies on a Diverse Industry	- 204 -
5.6.1 Ships from the Liner Trade	- 206 -
5.6.2 Container Ships and New Technologies	- 207 -
5.6.3 Ro - Ro Ships and New Technologies	- 209 -
5.6.4 Ships for the Dry Bulk Trade and New Technologies	- 210 -
5.6.5 Tankers (The Liquid Bulk Trades) and New Technologies	- 211 -
5.7 Conclusion	
Chapter Six	- 217 -
The Role of Organised Labour in the Restructuring of the Global Labour Market for Seafarers.	- 218 -
6.1 Introduction	- 218 -
6.2 The ITF as a Global Force of Labour	- 218 -
6.3 Unionising South African Seafarers: The South African Transport and Allied Workers Union (SATAWU)	- 225 -
6.3.1 The Maritime Section of SATAWU	- 228 -
6.3.2 SATAWU and the ITF	- 229 -
6.4 Unionising Filipino Seafarers: Associated Maritime Officers	

and Seafarers Union of the Philippines (AMOSUP)	- 232 -
6.4.1 Understanding AMOSUP's Style of Unionism	- 233 -
6.4.2 The <i>Caciquismo</i> System	- 233 -
6.4.3 The American Repression of Filipino Trade Unions	- 236 -
6.4.4 The Marcos Era and its Impact on Trade Unions	- 241 -
6.4.5 The Post Marcos Era and its Impact on Trade Unions	- 243 -
6.4.6 The Current Context of AMOSUP	- 245 -
6.5 The ITF and AMOSUP: Globally High Wages versus Local Employment Security?	- 252 -
6.6 Unionising British Seafarers	- 256 -
6.6.1 Strategies of the National Union of Marine, Aviation and Shipping Transport Officers (NUMAST)	- 258 -
6.6.2 The National Union of Rail, Maritime and Transport Workers (RMT)	- 260 -
6.6.3 NUMAST and RMT Strategies Within the ITF	-261 -
6.7 Conclusion	
Chapter Seven	- 268 -
The Role of State Institutions in Shaping the Labour Market for Seafarers	- 268 -
7.1 Introduction	- 268 -
7.2 The State	- 269 -
7.3 The Philippine Overseas Employment Agency (POEA): Producing and Managing Global Labour Markets	- 274 -
7.4. Maritime National Authority (MARINA)	- 281 -
7.5 Maritime Training Council (MTC)	- 283 -
7.6 South Africa: Managing Local Labour Markets	- 285 -
7.6.1 Transport Education and Training Authority (TETA) and SAMSA-	287 -
7.7 The United Kingdom: A Reversal of Fortune	- 293 -
7.7.1 Provisions of the British Tonnage Tax Scheme	- 294 -
7.7.2 The Failure of SMART to Create Employment	- 297 -
7.7.3 The Government Strategy to Seek Alternative Shore Based Maritime Employment for Ratings and Officers	- 302 -

Acknowledgements

Writing this thesis was a lonely and sometimes frustrating process, and I would like to acknowledge and thank various friends, funders and colleagues who made it bearable and cheered me all the way to the end.

A big thank you to my generous funders, DAAD, the National Research Foundation's Thuthuka Programme and the Eastern Seaboard of Tertiary Institutions. All three of these funders have made the research possible. I would like to put on record my enormous gratitude to Tracey Douglas of the University of KwaZulu-Natal (UKZN) Research Office who responded to my numerous requests with patience and kindness. The NRF, was especially generous in their grant and in funding my trips to the Philippines, the United Kingdom and various parts of South Africa. My German funders DAAD, purchased my laptop, paid for conference visits and running costs, whilst ESATI provided much needed seed money when this project was still in its proposal stage. Thank you to Rajen Munesar in the Finance office of UKZN who processed my often last minute requests for research money with minimum fuss and bother.

Verna Viajar and Sharon Quinsaas were invaluable in securing me a research space in the Centre for Third World Studies at the University of the Philippines in Manila. They provided much needed assistance during my various visits to the Philippines for my research. Thank you for providing a home for me in Manila. Roli Talampas and Maragatas Amante provided intellectual and practical support whilst in the Philippines.

Helen Sampson was very kind in inviting me to the Seafarer International Research Centre in Cardiff, Wales during a very busy time for the Centre. A huge thank you to Dr Bin Wu who engaged me in many lengthy discussions during my

visit in Cardiff. Thank you to all the staff at SIRC for making me feel so welcome and providing me a desk and computer to work on. Thank you Janet and Joni Clarke who rescued me from a freezing and lonely London and provided me with warmth and a home in Dublin.

Ari Sitas and Simon Mapadimeng were instrumental for creating the space for me to take time off to write and research. Ari, especially for encouraging me at my lowest. Adarsh Maharaj who kept the food and coffee flowing and continually reminded me of how much progress I was making. I cannot express sufficient gratitude to you for listening and encouraging me from start to finish. Kathryn Pillay always listened and supported despite her own research commitments. Aisha Lorgat, Azad Essa always lent an ear when needed, so thank you for that. Louise Carlyle-Mitchell was instrumental in encouraging me from afar and proved to be a firm friend through and beyond this process.

My four musketeer friends, Ashwen, Viren, Hein and Dewon who are constantly amazed at the bizarreness of the academic world and its strange rules and rituals. You have kept me sane and reminded me that life exists beyond the academy. I would like thank Dewon for providing me a home in New York when I needed some respite from writing. Ashwen rescued my laptop when I was afraid it died with my work on it. I apologise for being an especially bad friend, by becoming a recluse towards the final writing up of my thesis. Hein provided me with a home during my research visits to Cape Town. Yvonne Erasmus was also instrumental in getting me over the final hurdle.

My parents and sisters have always supported me unfailingly during the four years in involved in writing and researching this thesis. Thanks for all the meals and mostly for the encouragement.

Debby Bonnin provided insightful comments and chunks of her time in the supervision of this thesis. I thank her for being a mentor and supervisor

extraordinaire, pushing me to produce the best I can and mostly for believing in me when I wanted to quit. I owe her a huge debt of gratitude. Gillian Hart, David Szanton and other participants of the ESATI cluster on 'Reworking Livelihoods' have all provided enormous intellectual insights and critical guidance for this project. Gillian Hart's seminars were especially useful for me.

Gratitude must go to Geoff Waters, Sandra Waters for proof reading and editing the thesis. Radhamany Sooryamoorthy from Sociology at UKZN provided much needed advice about various software programmes used to compile this thesis. He was also instrumental in ensuring the final submission of this thesis.

Finally I would like to express my heartfelt gratitude to Julian Deonarain for things too numerous to mention.

LIST OF FIGURES

Figure 3.1 The Multiple Case Study Method in Summary	-101-
Figure 4.1: The Global Nature of the Commercial Shipping Industry.	-124-
Figure 4.2: Demand Supply Summary, 2005	-126-
Figure 4.3: Supply and Demand Balances of Officers and Ratings	-127-
Figure 4.4: Supply Area of Domicile of Officers and Ratings	-127-
Figure 4.5: Organisation for Economic Co-operation and Development Officers, Age Structure (%)	-129-
Figure 4.6: Age Structure of Officers from the Far East	-129-
Figure 4.7: Growth Of Filipino Seafarers from 1975 - 2002	-138-
Figure 4.8: Rank Composition of Selected Seafarers (all flags)	-142-
Figure 4.9: South African Seafarer Employment Trends	- 145 -
Figure 4.10: British Officers and Ratings Serving in the Merchant Marine from 1980 to 1997	- 153 -
Figure 5.1: Contemporary Financing of Commercial Ships.	- 179 -
Figure 5.2: Development and Restructuring of Unicorn Shipping since 1949	- 200 -
Figure 5.3: Organisational Structure of Grindrod Holdings	- 202 -
Figure 5.4 Types of Commercial Vessels	- 205 -
Figure 6.1: Structure of SATAWU's Membership	- 227 -
Figure 7.1: Growth of Land and Sea Based Migrant Workers since 1984.	- 280 -
Figure 7.2: Deployment of Sea Based Workers and Remittances Returned to State.	- 280 -
Figure 7.3: Ratios of Officers of British and Chinese Nationalities Aboard UK Flagged Vessels, 2002.	- 301 -

LIST OF TABLES

Table 3.1	Types of Case Study Designs	-97
Table 3.2:	Interviews: Trade Unions and Trade Union Federations	-111
Table 3.3:	Interviews: Government Agencies	-112
Table 3.4:	Interviews: Labour NGOs	-113
Table 3.5:	Interviews: Crewing Agencies	-113
Table 3.6:	Interviews: Maritime Education Providers	-113
Table 3.7:	Interviews: Maritime Labour Historians and Experts	-114
Table 4.1:	Supply and Demand in 2000 (Thousands)	-126
Table 4.2:	Crew Nationalities (Officers) Aboard Selected National Flag Fleets: 1992-3	-133
Table 4.3:	Crew Nationalities (Officers) Aboard Selected National Flag Fleets: 1998-9	-133
Table 4.4:	Distinction between Traditional and Global Seafarers	-136
Table 4.5:	Percentage Distribution of Seafarers by Employer (Country of Economic Benefit)	-142
Table 4.6:	Top Five Nationalities and Rank by Employer (Country of Economic Benefit)	-144

Table 4.7: 2005 South African Monthly Wage Rates for Officers and Ratings in US\$	-148
Table 4.8: Monthly On-board Earnings for Ratings in 2005 (US\$)	-158
Table 5.1: Operating costs of a 60dwt modern bulk carrier with 16 Knot speed (1974)	-170
Table 5.2: Average Fuel Costs: 1970-1996	-172
Table 5.3: Growth of Gross Tonnage: 1977-1985	-174
Table 5.4: Evolution of Flag of Convenience Fleet as a Percentage of World Fleet (tonnage: gross weight tonnage)	-183
Table 5.5: Nationality of Effective Ownership of the Five Major FOC Registries by Percentage (as of 31 December, 1997)	-186
Table 5.6: Operating Costs of a 2005 Capesize Bulk Carrier	-190
Table 5.7: Unicorn's Ships and Flagging as of 2005	-193
Table 6.1: ITF/AMOSUP Rates Compared with SIRC's Findings of Filipino Seafarers (2003): n=362	-250-
Table 7.1: Estimated Numbers of Officers of Various Nationalities Employed Aboard UK Flagged Vessels, 2002.	-300

LIST OF ACRONYMS

AATUF	All African Trade Union Federation
ACC	Advanced Capitalist Countries
ACSA	Airports Company of South Africa
AFLICO	American Federation of Labour Council for Industrial Organisations
AMOSUP	Associated Maritime Officers and Seafarers Union of the Philippines
ANC	African National Congress
BIMCO	Baltic International Maritime Council
BLATU	Black Transnet Allied Trade Union
BWS	Bretton Woods System
CEB	Country of Economic Benefit
CNETU	Council of Non European Trade Unions
COCOSA	Coordinating Committee for South Africa
COS	Chamber of Shipping
COSATU	Congress of South African Trade Unions
CTWS	Centre for Third World Studies
DETR	Department of the Environment, Transport and the Regions
DOLE	Department of Labour and Employment
EDS A1	Epifanio de los Santos Avenue 1 Revolution
FAME	Filipino Association for Mariners Employment
FEDUS A	Federation of Unions of South Africa
FOC	Flag of Convenience
FOC	Flag of Convenience
FOFATUSA	Federation of Free African Trade Unions of South Africa
FOS ATU	Federation of South African Trade Unions
GATT	General Agreement on Tariffs and Trade
GDP	Gross Domestic Product
GLM	Global Labour Market
ICFTU	International Confederation of Free Trade Unions

IFTU	International Federation of Trade Unions
ILO	International Labour Organisation
IMF	International Monetary Fund
IMO	International Maritime Organisation
ISF	International Shipping Federation
ISL	Institute of Shipping Economics and Logistics
ITF	International Transport Federation
ITF	International Transport Workers Federation
ITGLWF	International Textile and Garments and Leather Workers Federation
ITS	International Trade Secretariat
JMC	Joint Maritime Commission
LEARN	Labour, Education and Resource Network
LMI	Labour Market Institutions
MARINA	Maritime National Authority
MATIBCO	Maritime Bargaining Council
MCA	Maritime and Coastguard Agency
MCS	Marine Crew Services
MTC	Maritime Training Council
NACTU	National Council of Trade Unions
NDLS	National Dock Labour Scheme
NEDLAC	National Economic Development and Labour Council
NIDL	New International Division of Labour
NRF	National Research Foundation
NUMAST	National Union of Marine, Aviation and Shipping Transport Officers
OECD	Organisation for Economic Co-operation and Development
OPEC	Organisation of Petroleum Exporting Countries
PAC	Pan African Congress
POEA	Philippine Overseas Employment Agency
RMT	Rail and Maritime Union
SACTU	South African Congress of Trade Unions

SAIC	South African Indian Congress
SAMSA	South African maritime Authority
SAMSA	South African Maritime Safety Authority
SARHWU	South African Railway and Harbour Workers Union
SASN	South African Shipping News
SATAWU	South African Transport and Allied Workers Union
SATAWU	South African Transport and Allied Workers Union
SATS	South African Transport Services
SATUC	South African Trade Union Council
SETA	Sector Education and Training Authority
SIRC	Seafarer International Research Centre
SMART	Support for Maritime Training Schemes
SMU	Seaman's Maritime Union
SOLAIR	School of Labour and Industrial Relations
STCW	Standard of Training Certification and Watchkeeping
SWGS	Shipping Working Group Sector
TATU	Transnet Allied Trade Union
TAWU	Transport and Allied Workers Union
TCC	Trade Compliance Certificate
TETA	Transport Education and Training Authority
TETA	Transport, Education and Training Authority
TGWU	Transport and General Workers Union
TGWU	Transport and General Workers Union
TMN	Traditional Maritime Nations
TMN	Traditional Maritime Nations
TNC	Transnational Company
TUCSA	Trade Union Council of South Africa

Chapter One

Introduction: The Puzzle of the Transformation of Seafaring Labour Markets in the Merchant Navy from 1970

"We are all going on an Expotition with Christopher Robin!"

"What is it and when are we on it? "

"A sort of boat, I think, " said Pooh.

"Oh! That sort. "

"Yes and we 're going to discover a Pole or something. Or was it a Mole? Anyhow we are going to discover it. "

From: A.A. Milne, *Winnie-the-Pooh* (1926 *et seq*:S6-S7) in which Christopher Robin leads an 'Expotition' to the North Pole.

1.1 Introduction

From the early 1970s, the global labour market for seafarers in the merchant navy began to restructure in some unprecedented ways (Brownrigg et al, 2001). Two issues marked this restructuring process. Firstly, it seemed as if the changes in the seafaring labour markets were a direct consequence of changes in the new fiscal regime of the shipping industry, and in turn the new fiscal regime seemed to be a result of the new economic geography of shipping also known as flag of convenience shipping (Barton, 1999). The rapidity of the way shipping finance capital reorganised was staggering and took place in just eight years (Barton, 1999).

More compelling was the way these changes seemed responsible for eviscerating traditional European labour markets for seafarers in the merchant navy. The most notable example of this is the British labour market. In total, the number of United Kingdom seafaring jobs lost during this period are 94 713. In other words, there

has been a 73 percent decline in jobs for United Kingdom seafarers in a 24 year period, the sharpest decline taking place in less than 8 years (1974 - 1982), when a massive 58 949 jobs were displaced. At the same time it appeared that new labour markets were being sourced by shipping capital. These new labour markets are predominantly in the developing world, particularly south east Asia and also eastern Europe to a certain extent. Of these new labour markets, the case of the Philippines was, to put it mildly, extraordinary. Filipino seafarers comprise 20 percent of the new labour market for seafarers.

By 1986 the number of Filipino seafarers employed on board European merchant-ships was 2 900 (Brownrigg et al, 2001:214). By the end of 1987 that figure had grown exponentially to 17 057. Translated into crewing practices this meant that the number of European owned ships with a substantial Filipino crew component went from 200 to 1 130 in just 12 months. By 1995, the number of employed Filipinos on non-Filipino owned ships was 244 782. By 2000, Filipinos comprised 20 percent of the world's merchant navy crew (Leggate & McConville, 2002:7).

Again this dominance of the labour market happened in the space of a decade. This was an unprecedented move in merchant shipping history. Whilst it is true that shipping has historically been multinational, it was the rapidity and sheer range of new labour sourcing countries combined with the scale at which new labour markets were being created and marginalised that made this trend historically unprecedented. South Africa also experienced a huge displacement of its seafarers by Filipino and other south east Asian seafarers. By 1980 all South African owned merchant navy ships had a majority non-South African crewing component and Kujawa (1996) estimates that at least 4 000 South African seafaring jobs of all skill levels were displaced by foreign, mainly Filipino, crew. Proportionally, South Africa experienced losses similar to those of Britain and other western European countries.

The puzzle of these transformations revolves around whether it is shipping capital alone that is responsible for these massive changes or whether there are other

players and events that may be responsible for these changes. I therefore turned my attention to labour market institutions of these three countries to understand what their contributions are (if any) to these changes to merchant navy seafaring labour markets. The labour market institutions that this thesis focuses on are trade unions, labour organisations, state agencies and shipping companies themselves as labour market institutions. It became increasingly apparent to me that all of these institutions contribute to the current nature of their seafaring labour markets.

A perusal of the literature indicated two kinds of writing on the global labour market for seafarers. The first variety of inquiry is primarily empirical and consists of econometric analyses of the cost-benefit challenges and opportunities of employing different nationalities of seafaring labour by shipping companies, and to a lesser extent the impact of unionisation levels on profit levels of these companies (Barston, 1997; Couper, 1997; Gardener, 1997; Marlow & Goss, 1997; Marlow & Bergantino, 1997; Alderton & Winchester, 2002a; Alderton & Winchester, 2002b; Bloor et al, 2006). Some of the research of this type examined seafarers as exploited labour (Roberts, 1998; Lane, 1999; Alderton & Winchester, 2001; Amante, 2003; Kahveci, 2006, 2007), or empirically traced the transformation of the global labour market and the reasons for this (Alderton et al, 2004; Wu & Sampson, 2005; Wu & Winchester, 2005). However, the weakness of these writings lies in their largely atheoretical nature. Given that most of the authors are variously economists, maritime scholars or marine engineers, their work reflects their training. Apart from some notable historical and anthropological attempts (Zurcher, 1965; Aubert, 1966; Fricke, 1973; Seltzer, 1971; Bruijn, 1979; Forsyth, 1989; Creighton & Norling, 1996; and Sampson & Schroeder, 2006) at theorising the nature of seafaring work, identity and, in a few cases, labour market flexibility issues, no serious sociological attempt has been made to theorise or understand the nature and significance of this transformation. The variety of work concerned with historical and anthropological accounts of seafarers focuses on the occupational identity and family life of seafarers (Bolster, 1990; Sampson, 2003; Thomas et al, 2003). Work in this area is more solidly theorised. However, in both of these types of writing there is a dearth of

sociological analysis of issues of identity, labour process, globalisation, labour markets and capitalism. The work tends to be more anthropological or econometric in style, analysis and presentation.

This is surprising given the fascinating sociological conundrum posed by the nature and speed of changes in the global labour market for seafarers. The International Labour Organisation (ILO) contends that this is the largest labour restructuring event to have occurred since the industrial revolution. Changes in the seafaring labour markets of the world took place between 1975 and 1982, a period of less than 8 years. This event was a complete overhaul of the global labour market for seafarers. The scale and pace at which this change occurred remains unrivalled and is unparalleled in the history of the modern industrial world (ILO Report, 2001:31).

The changes described above involved changes in the operation of shipping capital and could potentially provide some insights into transnational neo-liberal capitalism as a particular type of capitalism that resulted in particular outcomes for both seafaring labour markets and the shipping industry. Following from this, it became clear that key claims about the industry and its attendant labour markets would revolve around the following issues.

These issues were that, prior to 1970, the shipping industry was national, and mainly, (though not exclusively) employed from national labour markets. Then, from the early 1970s, in a relatively short space of time the shipping industry became global and sourced labour from a global labour market. As a result of this we see a rapid decline in the number of seafarers that were previously employed from the traditional maritime nations of Europe and North America. Merchant shipping companies turned to previously unsourced labour markets of the 'developing' world to employ seafarers. This shift in employment strategy saw a significant increase in employment of seafarers who had not been previously employed on such a massive scale.

My study is centrally concerned with several questions relating to this significant labour market restructuring event. These questions relate to why and how this has taken place, and to what purpose. I therefore ask:

1. How has the labour market for seafarers been reshaped?
2. How has the restructuring of shipping capital facilitated this process?
3. What has the role of labour been in this restructuring process?
4. What other labour market institutions contribute to this restructuring?

To answer the questions listed above, this thesis engages in case studies of the seafaring labour markets of South Africa, the Philippines and the United Kingdom.¹ Answering these four questions allows me to achieve the central aim of my thesis which is to investigate how and why labour markets are formed in specific ways under contemporary global capitalism.

1.2 Arguments of the Thesis

This thesis makes and engages in three arguments. The first argument addresses questions one and two. The second argument speaks to question three and the third argument tackles question four.

My first argument is that the shift to post Fordist accumulation strategies of shipping capital since the 1970s represent a rupture with earlier Fordist accumulation strategies of shipping capital. I suggest that this rupture is captured by a range of changes and shifts in the ways that contemporary shipping companies make and accumulate profits in a post Fordist mode of regulation. I suggest that shift from Fordism to post Fordism is a consequence of 'crises' in capitalism. These crises are the outcome of a confluence of overaccumulation and the tendency of the rate of profit to fall. A chief consequence of crises is the restructuring of labour markets. The restructuring of labour markets are intrinsically linked to crises in capitalist reproduction. Hence any change in the

¹ For more on the rationale of these three cases refer to Chapter Three of the thesis.

mode of capitalist accumulation will necessarily impact on the ways in which labour markets are formed. It is in this way that the shift in accumulation strategies has also altered employment and unemployment patterns in national and global seafaring labour markets. Changes in the seafaring labour market are captured by a decline in the employment of seafarers of some nationalities and increase of employment of seafarers of other nationalities. I demonstrate this rupture in accumulation strategies and its consequences for seafaring labour markets in chapters four and five.

I suggest that the rupture in shipping capital's accumulation strategies is signified by three waves of change in the industry. The first of these waves is a form of post Fordist capitalist restructuring in the industry through flag of convenience (FOC) shipping. I assert that the practice of FOC shipping evolved as a means for shipping companies to escape the national fiscal regulations of their governments. FOC shipping refers to the practice of shipowners registering their vessels in countries other than those in which they are owned. This practice exists primarily because the fiscal benefits in these registries (outside countries of ownership) are usually more advantageous financially for ship owners, in that they pay less tax. FOC registration also allows for shipowners to circumvent prohibitive labour legislation and unionisation of seafaring labour in countries in which their ships are owned, thus employing more flexible labour from a global labour market. The practice of FOC shipping facilitates shipping companies' strategies to reduce overall operating costs by sourcing and hiring cheap unregulated and un-unionised labour from mainly 'developing' countries. A consequence of FOC shipping is the production of a truly global seafaring labour market that is marked by distinct employment patterns along lines of nationality.

The second tendency that signalled a shift in the accumulation strategy of this industry was the move to restructure the traditional Fordist bureaucracies of shipping companies by engaging in post Fordist practices of subcontracting,

² Maritime economists may suggest more than three changes. This thesis however identifies three key changes in the industry that are significant.

decentralising operations and shifting to more flexible systems of management and operation. This development is also marked by the development of ship management companies that exist independently from ship owning companies and whose responsibility is to employ seafarers from a global labour market. The rise of ship management companies marks the need for highly centralised shipping companies to escape the financial rigidities of larger economic crises of the 1970s. The growth and eventual dominance of ship management companies in the selection and hiring of crews has contributed significantly to the changing patterns in seafaring labour markets. These companies serve as labour market intermediaries between ship owners and seafarers. They are seeking qualified, certified seafarers for the lowest cost to ship owners. In doing so they have given new shape to the contours of the global labour market for seafarers by sourcing new labour supply countries. In addition there is the constant pressure of these labour market intermediaries to force wages to lower and lower levels.

The third shift towards new accumulation strategies in the industry is the development and influence of new and global technologies in the industry. This is part of a more general shift of capitalists to use new technologies to facilitate their shift to post Fordist business practices. Technology has increased the business competitiveness in the industry, forcing ship owners to compete ever more fiercely with each other. Often cutting of labour costs and reducing the size of crew employed on ships is a consequence. Key here is the globalisation of the technologies. These are available to all shipping companies that have the capital to purchase the new technologies. The acquisitions of the latest technologies are considered to give shipping companies a competitive edge over shipping companies that cannot afford the latest technologies. The new technologies have contributed to significant losses of seafaring jobs. As ships became more technologically advanced and previously complicated processes done by skilled seafaring staff become technologically Taylorised, there was no need for vessels to be staffed with as many crew members. These developments compounded with the advent of containerisation technology as a new means of loading, storing and offloading cargo have combined to make the industry ruthlessly competitive, with

fewer numbers of crew expected to perform at more efficient levels than ever before. The implication for the labour market is that ship owners require crews that are affordable yet skilled, often leading ship management companies to seek crews from more 'affordable' countries of the 'developing' world. In so doing technological developments have also contributed to the reshaping of this labour market.

In sum, I argue that a confluence of the three waves of change in this industry shifted it from a mostly national one to a global one. In so doing, shipping capital precipitated the process of changes in the labour market for seafarers. The changes for seafaring labour markets were mostly signified by the increased and rapid globalisation of these. Since the 1970s, they have been marked by an increase on a massive global scale in the employment of seafarers from countries that they were not previously employed from and a sharp decline in the employment of seafarers from countries from which they were previously drawn.

My second argument answers question three and is presented in chapter six. My argument is that organised labour (in the form of trade unions and trade federations) are instrumental in facilitating the nature of the labour market restructuring for seafarers by engaging in a range of strategies that take into account the peculiarities and specificities of the global and local conditions of seafaring labour and the commercial shipping industry. I am suggesting that, inasmuch as capital facilitates this restructuring, so too does organised labour. These strategies are place-sensitive (global and local) and consist of the main Filipino seafaring union, the Associated Maritime Officers and Seafarers Union of the Philippines (AMOSUP) acting as a labour broker, often in partnership with ship management companies to secure employment for its membership. This strategy has allowed AMOSUP to become the world's most powerful seafaring union in terms of membership and financial viability. It uses its power on a global stage to secure the employment and competitive advantage of Filipino crews in the global labour market. The strategies it engages in to achieve these emanate very much from the unique historical, social and economic conditions of the

Philippines such as its labour export policy inherited from the repressive Marcos regime of 1970s. In the case of the South African example, the South African Transport and Allied Workers Union (SATAWU) - the main trade union with a seafaring membership - is less interested in maintaining the competitive advantage of its seafaring membership on a global stage. Rather the union is focused on addressing the racialised skills imbalance of apartheid South Africa. The union therefore engages in social partnerships with a range of national stakeholders to develop and implement training and development programmes to counter these imbalances as a precursor to any attempt to 'export' South African mariners into a global labour market. In my third case, British unions saw their membership's dominance of the labour market decline rapidly as they lost their competitive edge from the 1970s as their wages became too expensive given the shift to cheaper labour from the new labour sourcing countries of the 'developing' world. Over the last three decades British seafarers have been unable to regain their competitive edge in the industry. This is despite several efforts by their unions to engage both the British government and shipping industry to reverse the decline in jobs for British seafarers.

The argument that organised labour is instrumental in facilitating the restructuring of the labour market for seafarers is further developed in chapter six through a discussion of the more global strategies of the International Transport Federation (ITF) in servicing seafarers of their national affiliates in the Philippines, South Africa and the United Kingdom. The strategies of the ITF in confluence with the strategies of the three national seafaring unions mentioned above demonstrate that successful organising (despite various problems such as nationalisms and class related issues) can prevent a 'race to the bottom' for a global, mostly blue collar, workforce. This case study suggests firstly quite powerfully that organised labour can still be instrumental in facilitating the ways in which labour markets restructure. Secondly, it suggests that, as shipping capital decimates seafaring working classes, it also inadvertently creates new powerful seafaring working classes in new regions of the world. Organised labour is able to identify and

organise these new working classes at national and global levels thus further being able to facilitate and influence restructuring processes in this industry.

My third argument is that, as much as the changes in the shipping industry have occurred on a global scale and seem to have developed in an abstracted global space, the agency of national states still matters a great deal in their ability to influence outcomes of changes on a global scale. This is so because processes of the national state can be as powerful as global processes in shaping processes of capitalism and labour market formations. Therefore state institutions of the Philippines, South Africa and the United Kingdom have developed under unique social processes and interact in unique ways with the global changes in the shipping industry and its attendant labour markets. These interactions are unique because these three countries are very different economically, socially, and politically and have undergone unique historical processes. I argue that when processes of the national state interact with global trajectories of the shipping industry and seafaring labour markets the outcomes are diverse. This accounts for the particular strategies and outcomes engaged in by the various state sponsored seafaring institutions of these countries. My third argument allows me to answer question four. I present this argument in chapter seven.

It is in presenting and synthesising these three arguments that this thesis makes a convincing case to explain the ways in which seafaring labour markets have shifted from their pre-1970s nature to their contemporary form. In investigating the reasons for this restructuring, this study provides insights into the nature of capitalism and the formation of labour markets. With regard to capitalism, the first of these insights is an understanding of the ways in which capitalist crises are generated and resolved as it shifts from a Fordist to a post Fordist mode of regulation. Secondly, these moments of crises in capital's accumulation strategies have profound consequences for the ways in which labour markets are formed and structured. This is demonstrated in the ways Fordist and post Fordist labour markets have formed. Thirdly, the thesis suggests that contemporary capitalism is a very specific mode of capitalist regulation, that is a post Fordist mode of

regulation. A key feature of this mode of regulation is the way in which it structures labour markets, labour processes and technology to facilitate its methods of accumulation. It is further defined by its transnational and neo-liberal qualities. It is this capitalist mode of regulation that contributes significantly to changes in the contemporary shipping industry and its attendant labour markets.

The thesis also contends that whilst shipping capital may have precipitated changes in seafaring labour markets, organised labour and state agencies contribute to the nature and characteristics of this labour market. Global labour markets are formed through contested struggles amongst shipping capital, state agencies and organised labour. It is with the twin themes of capitalism and labour markets that the thesis explores the ways in which labour markets are formed under contemporary capitalism.

1.3 The Scope of the Chapters

Each of my chapters addresses one or more of the key questions and the arrangement of the chapters is therefore closely related to this set of questions.

Chapter Two lays down key conceptual issues that form the backbone of this study. It provides a theoretical and conceptual context for understanding the empirical way in which shipping capital has restructured from the early 1970s. The chapter engages in two arguments. Firstly, it contends that the reproduction and restructuring of labour markets are intrinsically linked to crises in capitalist reproduction. Hence any change in the mode of capitalist accumulation and regulation will necessarily impact on the ways in which labour markets are formed. Secondly, it argues that the shift from Fordist to post Fordist accumulation strategies has also altered employment and unemployment characteristics and patterns in national and global labour markets. By drawing on a range of literature to support its claims the chapter contributes theoretically to an

understanding of labour market formation as an outcome of changes in capitalist modes of regulation.

Chapter Three provides insight into the choice of research design, methods and methodology employed in this investigation. It makes an argument for the use of Realist ontology in exploring the themes of this thesis. It also contends that the case study method is the most appropriate research design strategy to do this. It concludes by discussing the criteria for interpreting the findings and comments on the limitations and constraints of the investigation.

In Chapter Four, I argue that the shift from a Fordist to a post Fordist mode of regulation has produced new kinds of labour markets and labour market institutions for seafarers. It traces the development of new labour sourcing hubs for shipping capital outside the traditional maritime nations of Europe. The ways in which these labour markets are produced and transformed create global dissimilarities and inequalities amongst seafaring labour. The chapter, using the examples of the Philippine, South African and British labour markets, illustrates the nature of these dissimilarities and inequalities and factors that facilitate them.

Chapter Five demonstrates empirically my preceding theoretical arguments about the nature and transformation of capital. It demonstrates the complex ways in which shipping capital has restructured since the 1970s. I argue that in keeping with the shift from Fordist to post Fordist modes of regulation, shipping capital has restructured. The chapter further demonstrates the reasons for shipping capital's restructuring project. It also shows how this restructuring has played out in the industry. I argue that the 1973 and 1979 oil crises impacted profoundly on the profitability of shipping companies. In their efforts to remain commercially viable, shippers engaged in three strategies to prevent falling profit rates. These include firstly the tendency of shipping companies to engage in post Fordist accumulation strategies such as flag of convenience (FOC) shipping to absorb high labour costs, secondly to engage in organisational restructuring of their companies to make them more profitable and thirdly to take full advantage of the

post Fordist technological revolution to ameliorate declining profit levels. The chapter demonstrates how shipping companies engaged in post Fordist practices to ameliorate falling profit rates.

The discussion of the position of Filipino, British and South African seafarers in the global labour market for seafarers continues in Chapter Six. It discusses how organised labour, specifically seafaring trade unions are responsible for facilitating and shaping their national and global labour markets for their seafarers. I also examine the intersection of national trade union strategies with the more global strategies of the International Transport Workers Federation, the international trade federation that services seafarers. I argue and demonstrate that the different ways in which these particular labour organisations have developed and operated since the early 1970s are responsible not only for the character and nature of their national seafaring labour markets but have contributed to the nature and character of the global labour market.

The main thrust of Chapter Seven is to examine the role and influence of national states in facilitating and shaping the current nature of seafaring labour markets in the Philippines, South Africa and the United Kingdom. It argues that the unique strategies of the national states of the Philippines, South Africa and the United Kingdom in addition to the unique historical and socially contingent conditions of these countries have resulted in distinctive strategies by their national seafaring agencies in servicing their respective national seafarers. I examine the role of the Philippine state as a labour export state, the South African state as one engaging in social partnership as a means to deal with its legacy of racial and economic inequalities, and the British government's reluctant and increasingly futile attempts to intervene and resurrect the employment and supply of seafarers to the global labour market as a sign of its acquiescence to shipping capital's demands. Chapter Eight provides the conclusion of the thesis. It restates the central arguments. It also outlines the main empirical, methodological and theoretical contributions of this thesis to scholarship in the social sciences and sociology in particular.

Chapter Two

Contemporary Capitalism and Labour Markets

2.1 Introduction

As indicated in the previous chapter, the purpose of this thesis is to explore how and why merchant navy seafaring labour markets have restructured under contemporary capitalism. This chapter has two purposes. Firstly, its broader purpose is to provide a theoretical context for the empirical questions posed in chapter one as well as the empirical data presented in chapters four, five, six and seven. Secondly and more specifically, it represents an attempt to understand at a more abstract level the ways in which capitalism experiences crises and restructuring and the impacts of such restructuring on labour market formation. By providing this understanding, the chapter fulfils its purpose of showing that the production and restructuring of labour markets are intrinsically linked to crises in capitalist reproduction. Hence any change in the mode of capitalist accumulation will necessarily impact on the ways in which labour markets are formed. The chapter demonstrates that the shift in accumulation strategies has also altered employment and unemployment characteristics and patterns in national and global labour markets. The chapter draws on key literature in making a theoretical argument to support the above assertions. In so doing it contributes theoretically to an understanding of labour market formation as an outcome of capitalist change.

The first part of this chapter examines the nature of capitalism at a more abstract level and makes an argument for the way the thesis views capitalism, the reasons for capitalist crises and the way labour markets are theorised. It does this through a discussion of the following three topics; firstly, it discusses meanings of

capitalism and its modes of regulation, secondly the nature of capitalist crises and thirdly the implications of these types of capitalist accumulation strategies for labour market formation. The second half of the chapter shows how the abstract concepts examined in part one have played out at a more empirical level. It provides empirical evidence for my view of the causes of capitalist crises and the outcomes of such crises for labour market formation. It does this through an evaluation of four topics. Firstly it looks at Fordism as a mode of regulation; secondly it examines the impact of the Fordist mode of regulation on labour market formation; thirdly it examines the nature of the crisis in the Fordist mode of regulation and its transition to a post Fordist mode of regulation; and fourthly the chapter examines the post Fordist mode of regulation and its impact on labour markets. In examining these four themes the chapter demonstrates that particular types of crises generated in capital's reproduction have unique outcomes for labour market formation. Hence, the outcomes of different capitalist modes of regulation for labour market formation is different. A discussion of these themes allows for a more theoretically grounded understanding of the empirical ways in which Fordist and post Fordist labour markets have changed. This is particularly important in subsequent chapters that empirically demonstrate the ways in which seafaring labour markets in the global merchant navy have transformed.

2.2 Capitalism and its Modes of Regulation

This section argues that to appreciate the ways in which capitalism alters its accumulation strategies and how it may rupture with its earlier accumulation strategies, one has to understand how capitalism shifts from one mode of regulation to another. Such shifts are captured by a series of changes as capitalism transits from one mode of regulation to another. The outcomes of these shifts to new modes of regulation are profound changes to the nature of labour markets, as the chapter will subsequently demonstrate. To demonstrate the above argument this section discusses meanings of capitalism, explains what is meant by a mode of regulation, a mode of production, a regime of accumulation and provides an

overview of the Regulation School's conception of capitalism. An overly simplistic but highly accurate way of explaining capitalism would be to explain it as a way in which society is organised economically and socially. It is recognised by most sociologists and economists (Jessop, 2002) as one of five forms of economic organisation or modes of production. A mode of production refers to the way in which a society is organised economically, "in which we can identify distinctive relationships between the main factors of production, land, labour and capital" (Knox, 2003:6).'

As Albritton et al (2001 :xii) postulate:

"The theoretical point...is the view that capitalism since its inception has been far from uniform. Key to improving our understanding of capitalism is the attainment of greater clarity regarding the specific forms capitalism has assumed in the successive phases of its existence. That which is of paramount concern, and the point around which the most intense debate swirls, is the characterisation of the period following the Second World War. The stakes here are certainly the highest. For as we enter the new millennium, the interpretation of the political economy of this most recent past will impact profoundly upon our political and economic strategizing for the future."

The changes in modes of production that signal the different types of capitalism are chiefly the idea of the French school of Economic Regulation as epitomised by Aglietta's (1979) work on American capital. These theorists argue that capitalism is not an ahistorical process, but rather that capitalism in its different phases is distinguished by institutional and social factors unique to the particular historical phase of its development. Thus capitalism develops through a series of modes of development, with each mode consisting of a specific regime of accumulation and a mode of regulation.

¹ This does not imply that capitalism is a uniform affair as attested to by Braudel (1984).

The Regulation School's work as informed by Harvey, Lipietz, Jessop, Boyer and Aglietta's work on capitalist remains one of the most influential way of understanding capitalist change in industrial sociology (Jessop, 2001). This is mainly due to the continued influence of classical Marxism on the discipline. Regulation theorists are influenced by classical Marxism though they extend and even break with classical Marxism in some important ways. Their contemporary analyses of capitalism attempts to reformulate classical Marxist critique of political economy in order to understand capitalism and the causes of capitalist crises over time (Jessop, 2001). They are also keenly interested in changes in labour markets and labour process issues as a consequence of capitalist crises. The Regulation school is different from classical Marxist understanding of capitalist change in that it challenges the a-historical and determinist interpretations that dominated classical Marxism. However it also opposes key tenets of neo-classical views of capitalism and capitalist change. Chiefly it opposes the neo-classical view that capitalism succeeds because of rational acting individuals, transparency of markets and the self regulation of "pure markets" towards a general equilibrium. Regulation theorists reject the idea of automatic equilibrium generated through self regulated markets, and stress the importance of "economic and extraeconomic institutions for the stabilisation of capitalist accumulation" (Jessop, 2001:19).

Whilst there are at least seven types or subsets of regulation theories, there are some key principles that guide the school's work as a whole (Jessop, 2001). Firstly, regimes of accumulation (social norms, relations and forms of exchange which regulate the economy) and modes of regulation (institutions and cultural habits which reproduce the whole capitalist society) are their main conceptual tools of analysis (Jessop, 2001:14). Secondly, all see "the key regulating mechanisms of economic life as in decline" (Jessop, 2001:63), for regulating mechanisms are not just economic laws, but are 'embedded social practices'. There are also 'dominant industrial paradigms/labour processes', which combine with regimes of accumulation and modes of regulation to produce a specific 'mode of development' (Jessop, 2001).

A regime of accumulation can also be explained according to Knox et al (2003:16) as "an interrelated complex of production, consumption, and income distribution based on the organisation of the capitalist firm." Regimes of accumulation are formed in response to the opportunities and limits created by new technologies of production, transportation and communications. Modes of regulation on the other hand are guided by four principles (Dunford, 1990:103):

1. Regulation of the monetary and financial mechanisms
2. Regulation of wages and collective bargaining
3. Facilitating and setting limits to competition in addition to establishing relations between the private sector and public economy
4. Establishing the roles of governments at various spatial scales

Most of the Regulation School's work has focused on the development of Fordism and post Fordism as unique modes of production. Inherent in these modes of production and hence the regimes of accumulation are the seeds of crises. These consist of inbuilt contradictions, instabilities that for the most part regulate themselves until a structural crisis develops as unregulated conflict develops between social classes, business, labour, governments and other interest groups. According to Aglietta (1979), the outcomes of these struggles are new modes of production, accumulation and regulation but it is difficult to know in advance the form that these new modes will assume. The combination of two regimes of accumulation (the extensive and intensive) and two modes of regulation (competitive and monopoly) have produced three modes of development of industrial capitalism in the West. Extensive accumulation refers to accumulation based on changes to conditions facing labour (Aglietta, 1979). For example, craft production, lengthening the work day, labour process development to increase productivity. However, the potential for mass production and consumption markets remains limited. Intensive regimes however consist of investment in new production technologies, which in turn increase productivity and make possible the creation of mass production and consumption markets. This section has made an argument for why this chapter uses the conceptual tools of the Regulation

account of overaccumulation as the driving force of crises. It is premised on the idea that crises of capitalism are necessarily crises of overaccumulation. For Arrighi and his supporters this means that crises are caused by both the underutilization of capital and labour and a lack of further profitable opportunities for investment. However Arrighi is considered particularly weak in his treatment of falling rates of profit as a catalyst of crises. As Postone (2006:14) contends, Arrighi attributes falling profit levels solely to increased competition amongst capitalists. There is no further consideration of what other factors may lead to declining profit levels or indeed what factors may restore declining profits. This makes his analysis of capitalist crises of the 1970s particularly ineffectual. It is especially difficult to use Arrighi's framework to explain crises in the empirical study presented in this thesis, i.e. the commercial shipping industry.

The second way of understanding crises is Marx's idea of the tendency of the rate of profit to fall. However, as is widely suggested in the literature (Roncaglia, 2001) Marx's idea is overly deterministic by necessarily implying the end of capitalism. Despite Marx acknowledging that there may be countervailing forces against the tendency of the rate of profit to fall, he could not have predicted many of the social, economical and technological aspects of our contemporary world. I therefore postulate a third way of understanding crises. This is a synthesis of Marx's idea of the tendency of the rate of profit to fall with a range of other initiators of crises not included in his original formulation. Therefore, based on the evidence presented in sections 2.5, 2.6, 2.7 and 2.8 of this chapter, I suggest that crises are also caused by the decline in productivity levels, the limits in the ways in which capitalist production is organised (labour process), the globalisation of modes of regulation, high wages and militant organised labour. In addition, crises are initiated by increased control and competition for natural resources such as oil and increased global financial (dis)integration. Many of these initiators of crises especially ones related to new technologies, globalisation and the competition for declining natural resources such as oil could not have fully been anticipated by Marx.

2.3.1 Arrighi's Perspective of Overaccumulation

Crises of capitalism are by no means a new phenomenon. Capitalism's nature as an economic and social system is to be crises bound and crises seem to be more the rule than the exception. A significant contribution in the theorisation and explanation of systemic accumulation cycles and crises is offered by Arrighi (1994, 2000). His periodisation of capitalism also accounts for the ruptures between each successive phase of capitalist development. Arrighi's (1994, 2000) work is on the systemic accumulation cycles (and their attendant crises) of capitalism over the last six centuries.

To understand crises, Arrighi argues, one has to be able to periodise capitalist expansion and crises, and consider whether such a periodisation is even possible. Much of his work is devoted to periodising capitalism over the last six hundred years. For Arrighi (1994), a periodisation is possible only by identifying systemic conditions under which reconstitutions of capital have occurred.² A systemic cycle of accumulation is comprised of two movements or expansions. One movement of material expansion occurs whereby money capital is invested in a series of commodities including labour power and raw materials. The second movement sees increased financial expansion whereby "money capital sets itself free from its commodity form and accumulation proceeds through financial deals" (Arrighi, 1994:6). When these two movements or expansions combine they produce a full systemic cycle of accumulation.³ A cycle of accumulation on a world scale, in this

² A more generic periodisation of capitalist development can be found in the typologies of capitalism found in Wallerstein (1979, 1980), Corbridge (1986) and Callinicos (2001) to categorise capitalism according to its different relationships between factors of production. These categories are:

- a) Merchant Capitalism
- b) Industrial Capitalism (part one of which is Competitive Capitalism and part two is Organised Capitalism)
- c) Organised Capitalism
- d) Advanced Capitalism (or Disorganised Capitalism)

³ For Arrighi (1994, 2000) there are four systemic cycles that can be identified, each as characterised by different systems of accumulation. These are:

- 1. A Genoese cycle-15* to early 17* century.
- 2. A Dutch cycle - late 16th to through most of the 18th century.

respect, is understood as "the strategies and structures through which these agencies governments and businesses have promoted, organised and regulated the expansion or restructuring of the capitalist world economy" (Arrighi & Moore, 2001:60).

As evident from these cycles, the periodisation of capitalist phases of accumulation does not suggest a dramatic disjuncture from one era to another. Instead there is a steady erosion of one type of accumulation until it is replaced by another. Whilst this does not imply violent rupture from one period to another, it nonetheless indicates different stages of capitalist development. This results in cycles overlapping, and over time, the cycles become shorter, but each cycle lasts more than a century. It is with this in mind that Arrighi (1994) borrows from Braudel (1984) and Schumpeter (1954) when he employs the concept of 'a long century'. A long century therefore represents a period of time or 'basic temporal unit' in analysing the processes of capitalist expansion through accumulation.

Inherent to capital as a function of modes of production, and regimes of accumulation is the need to accumulate and circulate capital. The type of crisis that is usually experienced when shifting from one phase of capitalism to another is one of a crisis of overaccumulation. Therein lies the fundamental contradiction of capital. Capital by its very nature is determined to accumulate and circulate capital in ever wider scales in order to survive; however when it overaccumulates it runs into a crisis of overaccumulation. Overaccumulation as a cause of crises can be observed from the mercantile development for capitalism and usually consist of the unused or underused capital and labour. This underutilization of capital and labour is itself an outcome of failing to match supply to changing conditions of demand. Knox et al (2003:16) describe crises of overaccumulation as evidence of "idle productive capacity, excess inventories, gluts and shortages of

3. A British cycle - 1850 to early 20th century.

4. A US cycle - late 19th century to present.

These cycles are named after and defined by the sets of governments and businesses that "led the world capitalist system, first towards the material and then towards the financial expansions" (Arrighi & Moore, 2001:60) that jointly constitute a systemic cycle of accumulation.

commodities, surplus money capital and high levels of unemployment." In sum three types of surpluses exist simultaneously that contribute to crises of overaccumulation:

1. Surplus labour (the unemployed and the underemployed)
2. Surplus productive capacity (idle factories and machinery)
3. Surplus capital (because owners of profits, interest and dividends cannot find profitable investment opportunities to invest their money since productive capital is idle)

A more complete picture of why and how this overaccumulation takes place is provided by Arrighi & Moore (2001). They argue that material expansions of capitalism that takes place by government and business, create more intense divisions of labour that in turn create increasing rates of profit to capitalists. These increasing rates are usually invested by capitalists in trade and production. This relationship develops into a self-regulating cycle and may play out for lengthy periods of time before running into crisis. Eventually the investments of mass profits in trade and production lead to the accumulation of capital 'on a scale beyond the normal channels for investment'. Thus there is 'too much capital' and not enough profitable investment opportunities for it to home in on. A surplus of capital then results in diminished returns, competition increases amongst businesses, to find the best investment opportunities is a difficult environment. This crisis of surplus capital, labour and productive capacity provides the impetus for the shift from material expansion to financial expansion of capital.

A key critique of the above assessment is that it does not explain sufficiently the nature of the restructuring of the empirical case presented in this thesis, which is the case of the restructuring of the global merchant navy. Firstly, as chapter five demonstrates, the restructuring of the shipping industry and its attendant labour markets was not spearheaded by the underutilization of seafaring labour and shipping capital nor by the lack of profitable opportunities for ship owners to invest in. Instead there were very specific factors that catalyzed the reorganization of the sector; chiefly, the unforeseen rise in oil prices which impacted

significantly on the profit rates of ship owners. Secondly, where Arrighi (2000), does discuss the tendency of the rates of profits to fall he attributes such decline to increased competition amongst capitalists. Certainly this may cause profit levels to fall, but it is not the sole contributor to falling profit levels in the empirical case presented in this thesis. The falling rate of profit for ship owners was part of larger tendency for the rate of profit to fall globally across most sectors during the 1970s. The oil crises of the 1970s are discussed more completely in chapter five. The tendency of the rate to profit to fall as an initiator of crisis is the theme of the next section.

2.3.2 Marx and the Falling Rate of Profit

The purpose of this section is to offer an account of catalysts that generate crises in capitalism at large and how this may impact at industry level. Certainly, overaccumulation as posited in the previous section may generate crises in general for capitalists and even account for crises in specific industries. However overaccumulation does not offer a complete explanation of the crises that effected the changes in the shipping industry and its labour markets from the 1970s. A more convincing explanation of the causes of crises that can be applied to the commercial shipping industry is to be found in Marx's work. The tendency of the rate of profit to fall (TRPF) over time is not an idea unique to Marx, though it is most commonly associated with his work. Prior to Marx's writing on the topic, the tendency of the rate of profit to fall was an idea at the heart of classical⁴ political economy and classical economics. Perhaps the most well known economist writing on this tendency prior to Marx was Adam Smith in his book *The Wealth of Nations* published in 1776. In this, Adam Smith observed that over long periods of time there was an empirical trend for the return on capital invested in industries to decline. At the risk of oversimplifying, for Adam Smith falling rates of profit are inevitable and can be blamed on increasing competition. His

⁴ Nineteenth century social thought was dominated by classical political economy. "Classical political economy refers to theories developed between the 17th and 19th centuries that sought to conceptualize the structure of society on the basis of an understanding of society's economic foundation" (Clarke, 1982:19).

comments on the falling rates of profits are best captured in Chapter Nine where he contends that:

"The rise and fall in the profits of stock depend upon the same causes with the rise and fall in the wages of labour, the increasing or declining state of the wealth of the society; but those causes affect the one and the other very differently.

The increase of stock, which raises wages, tends to lower profit. When the stocks of many rich merchants are turned into the same trade, their mutual competition naturally tends to lower its profit; and when there is a like increase of stock in all the different trades carried on in the same society, the same competition must produce the same effect in them all."

For Adam Smith then, the accumulation of capital is governed by the extent of the market and the growing division of labour. However it was Marx who declared that the tendency of the rate of profit to fall is one of his (Adam Smith's) key contributions to understanding political economy (Clarke, 1982). For Marx this tendency for profit to fall was one of the main sources for crises in capitalism. His argument in this regard is set out in Chapter 13, Volume 3 of *Capital*. In this chapter Marx introduces the ideas of constant capital (c) and variable capital (v). Constant capital refers to the part of capital that does not change. It refers specifically to the transfer of the value of physical capital such as buildings as well as tools and equipment and raw materials to the final product during the process of production (Jalee, 1977:28). It therefore refers to the value of goods consumed in production. Variable capital (v) refers to "that portion of capital going to wages and salaries" (Jalee, 1977:28). Marx referred to the ratio of constant to variable capital (c/v), as the organic composition of capital (Fine, 1982).

He demonstrated that each individual capitalist can increase his or her own competitiveness through increasing the productivity of their workers. To achieve this, capitalists would have to obtain a greater quantity of the means of production (tools and machinery for example) for each worker. There is then a growth in the

ratio of the physical extent of the means of production to the amount of labour power employed, a ratio Marx referred to as the 'technical composition of capital' (Fine, 1982:117). Subsequently Marx argues that a growth in the technical composition of capital means that there will also be a growth in the investment needed to buy the additional means of production (Harman, 2007). Constant capital then grows faster than variable capital and, as averred to earlier, the ratio of constant capital to variable capital is referred to as the organic composition of capital, which becomes an inherent process of capital accumulation (Fine, 1982). However as Harman (2007) reminds us, the only source of value in the whole system is labour. If investment grows more rapidly than the labour force, it must also grow more rapidly than the value created by workers, which is ultimately where profit is realized. Put differently, capital investment grows more rapidly than the source of profit which implies that over time there will be what Harman calls "a downward pressure on the ratio of profit to investment - the rate of profit" (2007:2).

In other words each capitalist has to push for greater productivity in order to stay ahead of his or her competitors. Whilst a greater push for productivity may benefit individual capitalists, it is disastrous for the capitalist class as a whole (Wolf & Resnick, 1987). Each time productivity rises there is fall in the average amount of labour in the economy as a whole, needed to produce a commodity (Marx terms this socially necessary labour) and it is the socially necessary labour that determines what other people will agree to pay for a certain commodity. Contemporary examples of this would be the rapid decline in the price of electronic consumer goods such as computers and televisions as new technologies are increasing the rate of productivity in these commodity sectors.

The tendency of the rate of profit to fall as posited by Marx is significant because it suggests that capitalism has an inherent unreformable flaw. According to Harman (2007:1) "the contradiction inherent in capitalism is that the more accumulation takes place, the more difficult it is to sustain it". Given that profit and preferably increasing rates of profit are at the heart of the capitalist enterprise,

any tendency for profits to fall must be taken seriously. However as referred to earlier, falling rates of profit are an important but not the sole cause of capitalist crises. These other catalysts of crises are discussed fully in section 2.6 of this chapter.

Further, Marx refers to this as a tendency and not a law because there may be a series of ameliorating factors that prevent a particular capitalist mode of regulation from imploding due to a downward spiral of profits. There is also a tendency for there to be capitalist and non-capitalist strategies that may ameliorate such a tendency from playing out completely. This way of understanding crises shows that even when profits fall, capitalists are creative in ameliorating a downward spiral of profits by engaging in new strategies to make profit. In my discussion in section 2.7.1 of this chapter I make reference to what these ameliorating factors are and how they stall the tendency of the rate to fall by rebirthing one mode of capitalist regulation (Fordism) into another mode of capitalist regulation (post Fordism).

This section has argued that crises are an integral part of capitalist restructuring. Crises impact profoundly on both capitalists and labour. For capitalists crises may represent the inevitable decline of an industry and for workers crises may represent the decimation of particular labour markets. For Arrighi, these crises are generated by overaccumulation, and for classical Marxists they are generated by declining profit levels. The evidence presented in this thesis favours the latter argument as the cause of crises with an important addendum. Declining profit levels put capitalists under enormous pressure to rethink the ways in which they run their businesses. It is in responding to these pressures through a range of strategies that both industries and their attendant labour markets change. It is through these strategies and innovations that capitalism transitioned from its Fordist to post Fordist mode of regulation, with profound consequences for both capitalists and labour markets. The empirical case of the shipping industry shows exactly how capitalists, by ameliorating profit levels, restructured the industry.

2.4 Capitalism and Labour Markets

In this section, I will be showing that that classical and neo-classical economists have made important contributions to the ways in which we understand labour markets. However, whilst these accounts of labour markets have been theoretically and empirically sufficient to explain labour market models and change historically, their analytical usefulness is increasingly questioned by contemporary developments in the labour market, particularly from the end of the twentieth century. I argue that classical and neo-classical theorists have made important contributions to our understanding of labour markets. However both these schools of thought have had limitations in describing and explaining changes in the labour market post 1970s. Instead I posit that Guy Standing's (1999, 2006) empirical and theoretical work on global labour market flexibility has extended (though is not entirely dismissive of) Marxist and neo-classical conceptions of labour market formations. Standing is widely acknowledged as one of the foremost theorists of labour market change since the 1970s (Ackroyd, Batt, Thompson & Tolbert, 2005). I contend that in order to appreciate fully the impact of capitalist change on labour markets (as in the shift from Fordism to Post Fordism), we need to extend our conventional classical and neo-classical understanding of labour markets, and Standings work (1999, 2006) allows us the platform to do this. He provides both a conceptual language and empirical evidence to show that we are indeed experiencing types of labour markets that labour market theorists could not have predicted 200 years ago.

Firstly I discuss the contribution of Marxian ideas of labour markets. The second focus of this section is on the contributions of the neo-classical approach to understanding labour markets as a counterpoint to Marx's more deterministic views. Both these ways of looking at labour markets are rarely used without some form of synthesis between them in contemporary economic practice, though I present them separately for convenience.

This section argues that both classical and neo-classical ways of theorizing labour market formation contribute useful analyses of labour markets, with the former attempting to analyze social and political tendencies in labour market formation (such as power and control) and the latter offering a less deterministic and more optimistic analysis of workers as subjective agents that allows workers more agency than overly deterministic Marxist conceptions of labour market formation.

However, I find both classical and neo-classical definitions of labour markets unable to adequately provide a satisfactory explanation of what a labour market is at the turn of the century. In this respect, I find Standing's explanation of what a labour market is most convincing in the light of the empirical evidence and argument presented in this thesis. The study of labour market formation and operation is all too often devoid of institutional, social and power arrangements.⁵ It is therefore Standing's (1999:30) definition of a labour market as "an institutional framework by which jobs are allocated, exploitation is achieved or combated, and controls and resistance take shape," that this thesis finds most appropriate to use. Such a definition allows both for the agency of capital and labour in addition to allowing for a more sociological analysis of labour market institutions and labour markets.

2.4.1 The Classical School

Amongst the first comprehensive analyses of the labour market under capitalism were those of Ricardo (writing around 1800) and Marx (writing his major opus, *Capital*, Volumes 1, 2 and 3 from 1867-1896). Both these theorists approached the concept of labour markets from a political economy perspective. They are part of the classical school of economists that emerged in the eighteenth and nineteenth

⁵ Standing (1999:26) objects to the use of the term labour market since the term market forces us to think of labour as a commodity like any other, to be traded in a market. He is critical of both Marxists and the neo-classical school for conceptualizing labour as such. For him Marx's concepts of labour power and the capacity of labour are too vague and Standing declares "...nobody in their proper mind would voluntarily surrender their capacity to learn or decide on how much effort to expend, and nobody except in familial or personal relationships voluntarily would devote unlimited time to the service of somebody else."

century, with its most famous proponents being Ricardo and Marx.⁶

Drawing from Ricardo's later work on labour value, Marx⁷ concentrated his analysis on the labour market as opposed to Ricardo's exclusive focus on commodity markets (Mandel, 1976).⁸ This focus on the labour market allowed Marx to develop his ideas on exploitation and the labour theory of value. Both these concepts became the cornerstone for classical economic theorising of labour markets. Workers in a capitalist society only have their capacity to work to exchange for other commodities. Their capacity to work is termed their *labour power*. There is a demand for their labour power by capitalists who combine labour power with their means of production in order to manufacture exchangeable commodities. Marxists argue that the market for labour must be viewed as

The key tenets of their theorisation were:

- a) The issue of *value*, i.e. the fundamental determinants of relative prices
- b) Production and Reproduction
- c) The distribution of income amongst different social classes. (Sheppard et al, 1990:3)

⁷ Central to Marx's theorisation of value is the concept of the notion of commodities. A commodity can be described as "objects that are produced for the purpose of exchanging them" (Sheppard, 1990:33). Whilst commodity exchange is the *raison d'être* of commodity production, production is NOT reducible to commodity exchange as neo-classical theorists argue. Production refers specifically to the organised labour process on the factory floor (Sheppard, 1990), locational decisions as to where to locate production to maximize output, in short the most efficient design of the labour and production processes to maximize output and profits. Exchange or circulation of goods on the other hand refers to consumer demand for specific goods and services, market fluctuations of supply and demand, and price fluctuations for goods and services. In short whilst production of commodities can be controlled, exchange of commodities is more subject to the whims of the market (Mandel, 1976; Sheppard, 1990). Marx's analysis of production and exchange focused on the observation that commodity production can only be lucrative if the "effort put into production is more than recouped in the marketplace" (Sheppard, 1990:33). Marx then attempted to analyze how the value created in production can be reconciled with the market value obtained from the sale of the commodity.

⁸ Whilst both Ricardo's and Marx's models are very similar they differ in two important ways which could be related to the periods in which they were writing. Firstly Ricardo did not have a developed or consistent theory of value, though in his later works an attempt is made to fully develop a theory of value (Mandel, 1984). Secondly his work focused on landlords as owners of non-produced goods. His analysis of conflict and resistance between landlords and capitalists in the 1800s is seen as his most important contribution. His analysis demonstrated that landlords are a consuming class only and therefore do not aid in the reproduction of capitalism but are rather an impediment to its reproduction and as such do not serve a 'useful' function, as opposed to capitalists that reinvest some of their profits so capitalism can reproduce. The conflict therefore is between landlords and capitalists and was appropriate to the time of his writing at the onset of capitalism in Britain (Sheppard, 1990). Marx, almost sixty years later shifts the analysis and conflict to one between labour and capital. Marx also developed a theory of value which abandoned Ricardo's notion of a naturally defined measure of value (such as corn for example), and shifted his theory of value firmly to workers and their labour (Mandel, 1976).

operating with the same logic as the markets for other commodities under capitalism. Working from the premise that labour is a commodity, its value must be calculated in the same way as for other commodities (Jessop, 1997).

Therefore "the value of labour power is the value of the labour that is socially necessary in order to produce that labour power" (Sheppard et al, 1990:39). Labour power is always available if workers remain physically and mentally capable of doing their jobs and if there is a reproduction of labour for future use. In order to make a profit, the value of a worker's labour power must be less than the amount of labour contributed by that worker to produce a commodity for exchange on the market. Capitalism, he contends, by its nature implies that the means of production and commodities produced are owned by a capitalist class. Therefore capitalists as a class receive more labour value than they exchange for with wages. This in short was Marx's idea of *exploitation* (Mandel 1976, 1984). Marxist ideas of labour value continue to be controversial and have been open to a number of reinterpretations and continue to be a source of contention amongst labour economists and labour market theorists (Dunford, 1990). From a sociological view both Ricardo and specifically Marx provided an interpretation of labour markets that takes into account social and political processes, and sees these processes as fundamental to understanding the way capitalism works.

2.4.2 The Neo-classical School

The neo-classical school of economic theorists emerged from 1870⁹ and entertained few if any of the premises of their classical cohorts (Roncaglia, 2001, Yang, 2001). These theorists presented ideas that differed in important ways from the theoretical thrusts of the classical school. The shift to neo-classical thinking is often attributed to the Marginalist Revolution spearheaded by Jevons in England, Walras in Switzerland and Menger in Austria (Schabas, 2000). The Marginalist Revolution signified the decline of the influence of classical political economy as

⁹ The roots of the Marginalist Revolution go as far back as the 1860s though this new method of economic analyses only achieves mainstream recognition until the 1890s (Clarke, 1982).

well as the beginning of exciting new developments in understanding economics and society. However, of these three scholars it was only Jevons that positioned himself in direct opposition to classical political economy (Roncaglia, 2001). Further these three scholars initially worked independently of each other as they attempted to understand the rapidly changing world around them at the time. Jevons was reacting to the shortfalls he saw in classical political economy, Walras developed his ideas with the French tradition of utility theory and Menger was concerned with bringing some scientific rigour to the German tradition of 'Vulgar Economy' (Hickson, 2001).

At its heart, the Marginalist or neo-classicist view asked very different questions about economy and society than did the classical theorists. Firstly, classicists posed their questions around issues of distribution within the framework of capitalist macroeconomic growth. Secondly the analysis of class as an obstacle and facilitator of capitalist growth was key in their enterprise. Marginalists on the other hand worked from distinct premises about human nature. Whilst classical theorists approached the economy through an analysis of the division of labour and were focused on the analysis of production, circulation, distribution and accumulation of products, Marginalists on the other hand were interested in approaching economic problems through an analysis of the optimal utilization of scarce available resources to satisfy the needs and desires of economic agents (Roncaglia, 2001:279). Further, classical economists approach the economy through an objective view of value whilst Marginalists approached with a subjective view.

Their premise is that people are rational actors that make rational decisions. A rational decision is one in which an individual will choose to engage in an activity that minimises cost to them but guarantees them a maximum material benefit. These individuals know what their preferences are for goods (they have 'well defined utility preferences' in the language of neo-classical theory). The economic puzzle then is one of rational choice. Rational actors will exchange the commodities they own for different commodities owned by others until individual

utilities are maximized (Mandel et al, 1984). Income distribution therefore is set exclusively through these exchange relationships, and an individual's income is determined by how much his or her goods fetch on the market. However as Wolf and Resnick (1987) point out, Marginalists are also interested in technology, commodities, markets and prices and not just the individual's decision making abilities. As far back as 1776 (before the Marginalist revolution) when Adam Smith published his *Wealth of Nations*, European societies were struggling against powerful non capitalist social institutions such as the church and feudalism (Winch, 2001). Smith's ideas that maximum wealth for society correlated to maximum freedom given to each individual to pursue his or her own self interest was shocking (Wolf and Resnick, 1987:39) and profound at the time.

Identified from the literature, are five main contributions that neo-classical theorists have made to our understanding of labour markets. Firstly, free markets are viewed as the most efficient ways to ensure that capitalism benefits everyone. At the heart of their argument is the idea that free markets are intrinsically linked with ideas of social justice. It is often the social justice element of the neo-classicists that supporters of classical economics ignore or play down. For example neo-classical theorists contend that in order for human beings to realise their full wealth potential, there need to exist societal institutions that that will permit people to realise their maximum wealth (Roncaglia, 2001). Capitalism it is argued is the best form of economic organisation which provides these institutions, since capitalism best reflects our human nature to be rational and productive. For these institutions and markets to function effectively, all forms of discrimination must be removed, and this includes racial and gender discrimination in labour markets. Secondly, neo-classicists set up the individual as an agent in charge of his or her own destiny which was not only a celebration of the individual but of the liberation of the individual from been subsumed by 'divine' laws of god or feudal systems of the time. Agency of the individual was paramount (and liberating) and in sharp contrast to the pessimism and deterministic nature of Marxist theory that made no room for agency or the individual (Clarke, 1982: Wolf & Resnick, 1987). Neo-classical theory can

therefore be said to be humanistic with its placement of the person at the centre of its analysis. Thirdly, the neo-classicists turned economics into a science and introduced an empirical rigour that was missing. They drew their scientific language from physics mainly and the idea of the 'economic system', with the concept system being derived from physics (Yang, 2001). The mathematics of economics has been extremely influential in analyzing and interpreting labour markets and is used today by all types of economists trying to understand various issues such as unemployment, discrimination and underemployment in economic systems. Fourthly, neo-classical economics is far more hospitable to differing views within their cannon than Marxists (Roncaglia, 2001: Yang, 2001). For example, the contemporary cannon includes three main schools of economic thought, the neo-classical synthesis which imbibes Keynes's calls for state intervention to counter unemployment with its ideas of value and distribution. The most famous proponents of this school include Hicks, Modigliani, Philips and Stiglitz (Roncaglia, 2001). This stream of neoclassical thought is also referred to as the Massachusetts Institute of Technology (MIT) School. The second school of neo-classical thought is referred to as Monetarist. Led by the Chicago school of economists, particularly Milton Friedman and George Stigler, these economists focus on monetary and fiscal issues in economic systems. The third stream of neo-classical economists are called the post Keynesians who unlike the neo-classical synthesis argue for a return to Keynes' theories on the state and employment in its original form. At the turn of the twenty-first century, chaos theory and game theory were becoming mainstreamed into the neo-classical tradition which again underlies the point that the tradition of neo-classical economics is akin to a tree with many branches (Yang, 2001). In reality though, the practice of most of economics is very much a synthesis of these various ideas (Halal & Taylor, 1999; Yang, 2001).

Classical Marxist views of labour markets are, as Standing (1999) argues, entrenched in a labourist perspective of society. This perspective was entrenched in the twentieth century by the two dominant and competing political and economic systems of the time, welfare state capitalism and state socialism. Both

these systems whilst ideologically different made labour the core of their development strategies. They reinforced the ideas that to labour is a necessary and 'good' activity that must be protected at all costs. This was expressed by state (welfare and socialist) and trade union policies directed at the right to labour, the protection of the rights of labour and a belief in the duty to labour. For both the welfare capitalist and socialist states of the time, this meant a promotion of labour market security. As Standing (2006:08) argues:

"The essence of the two models that competed during the middle decades of the last century was that they promoted labour security at the cost of constraining liberty, albeit in different ways. Both were initially based on the needs and aspirations of labouring man. Under both communism and welfare state capitalism, Full Employment was seen as the major instrumental goal. Adherents of both models tried to export their model to developing countries. The most extreme version of labourism was the Soviet Constitution, which declared that 'he who does not labour shall not eat.'"

For organised labour it was indeed a golden age where organised labour or the working class posed a real threat to capitalists (Standing, 1999). However the seismic shifts in capitalist accumulation strategies in the 1970s saw the hegemony of the labourist perspective threatened. The mid- to late-1970s saw the steady erosion of labour securities and labour market securities. As Standing argues, the certainties of one age became the problems of the next age (Standing, 1999). The explanatory power of classical Marxist and neo-classical views of labour markets were limited in certain respects and not sufficiently able to explain new developments in the 'brave new world' of work of the post Fordist period.

As Standing (1999) contends, the Marxist and neo-classical economists' assumptions of labour market models of the twentieth century had reached their explanatory limits. Dominant thinking of labour market models of the time predicted that the majority of workers in the developed world would be in stable full time and secure jobs well into the twenty first century (Standing, 2006, 1999).

This model of full secure employment was expected to transfer to the developing world, where a surplus of labour would be absorbed into the formal sector. However the evidence of the past few decades demonstrates that this is far from what has happened in the world of work. Capitalism has not reached its death knell as predicted by some classical Marxists. Instead capitalism has transformed and in transforming has altered the nature of labour markets globally.

It is in this respect that Standing's contribution to understanding labour markets from the end of the twentieth century is significant. His empirical work on global labour market flexibility extends the ways way we have historically or traditionally viewed labour markets. He introduces a new conceptual language that allows us two central features of contemporary labour markets: insecurity and flexibility. Labour markets are imbued with power and institutional arrangements. He questions the Marxist idea that it is 'labour power' that is being sold. He contends (1999:27):

"A labour market surely has none of the attributes of a lemon market. First it is not clear what is being sold. Except in a slave market, it is not the person being sold (or what Marxists call the 'labour power')".

Neither is it the Marxist idea of the 'capacity to labour' that is being sold. As Standing contends, "nobody in their proper mind would voluntarily surrender their capacity to learn or decide on how much effort to expend, and nobody except in familial or personal relationships voluntarily devotes unlimited time to the service of somebody else".

He is equally critical of the ways in which some streams of neo-classical theorists have ignored the social embeddedness of labour markets. For Standing, labour markets are social public spheres and primary means of socialization. It is in the social embeddedness of labour markets that we encounter power, agency and institutional arrangements. He is equally critical of the dominance of the supply and demand model of neo-classical economics (1999:31). His final caveat on neo-classical economics is best captured by his argument that (1999:31):

"The more work resembles labour, the less the labour market will conform to the image of neo-classical economic theory, for the less the 'employer' is likely to rely on 'incentives' and more likely to rely on forms of control, if only because the incentives would have to be greater to secure the same effort."

Standing (2006) further contends that since the 1980s, the Chicago school of neo-classical economics - or as it is now known, the Washington consensus - has been the only serious model of labour markets on offer. He predicts that the dominance of these economists will weaken as labour market flexibility and insecurity become ever more widespread. The fulcrum of his argument against the ideology of this school is that neo-classicists of this ilk have disembedded the economic system to such an extent from social systems that national and global economies will be threatened by a concept of labour markets devoid of issues of power, social justice and social institutions.

Despite his critique of both orthodox Marxism and certain streams of neo-classical theory, he does acknowledge that conventional understandings of labour markets have some analytical power, though increasingly new labour market developments demand new theoretical and empirical innovations. Standing makes use of many of the mathematical and econometric contributions of the neo-classicalists for example to make his arguments about global labour flexibility. He also gives some credence to Marxist concepts of alienation and exploitation. Most significantly though, his work on global labour flexibility has opened up the idea of labour markets to be more inclusive of power, institutions and agency. This then allows me to discuss these developments in my empirical case of the restructuring of seafaring labour markets from the 1970s. It is only through an understanding of the rise of flexible labour markets that the restructuring of seafaring labour markets can be understood. Further, any discussion of Fordism and its transition to post Fordism must engage with the labour market as a sphere of control, power and institutions.

The first half of this chapter provided an abstract discussion of capitalism, crises and labour markets. It made an argument for adopting the Regulation Schools understanding of crises, provided reasons for the causes of crises and suggested that whilst classical and neo-classical perspectives of labour markets make important contributions to our understanding of labour markets, contemporary developments in labour markets have tested severely the analytical usefulness of these theories. I proposed that Standing's view of labour markets as social spheres operating with institutions, power and agency offers a convincing framework for the empirical case presented in this thesis.

The second half of this chapter shows how capitalism shifted from one mode of regulation to another. It further demonstrates what the consequences of this shift were for labour markets. As such it employs much of Standing's conceptual framework of global labour flexibility to understand labour market change. I do this through a discussion of Fordism as a mode of regulation, the impact of Fordism on labour markets, the nature of the Fordist crises and its transition to post Fordism as a mode of regulation and the nature of post Fordist labour markets. If the first half of this chapter situated my empirical cases studies in a theoretical framework then the second half of the chapter situates my own investigation of the shipping industry and its labour markets in a broader empirical context of capitalist and labour market change.

2.5 Fordism as a Mode of Regulation

As averred to earlier, the purpose of this part of the chapter is to show how the abstract concepts examined in part one have played out at a more empirical level. It is with this purpose that I present my arguments. This section firstly argues that Fordism was a particular mode of regulation and a regime of accumulation. For scholars of capitalism and economic historians like Lipietz (1986, 2001), Hounshell, (1984), Harvey (1990), Allen (1992) Glyn (2006) and Botlanski and Chiapello (2007) the golden age of American capitalism was epitomised by the

Fordist mode of regulation, production and accumulation from 1945. This golden age ensured the rising quality of life, increased employment, secured high wages and institutionalized trade unions as key players in the employer- employee relationship. Even organized labour reflects fondly on the period, certainly not as a period of paradise for workers¹⁰ but a period whose achievements were important for workers (Glyn, 2006).

The main features and tendencies of Fordism are summarised below (Armstrong, 1991:98):

1. Fordism was characterised by a particular kind of Taylorist labour process.
2. There were rigid forms of wage contracts and trade unions were relatively strong.
3. There were greater levels of security amongst workers, in terms of wage security, job, security, skill security, representation security.
4. The welfare state operated along social democratic principles.

Firstly, Fordism consists of a specific *labour process model* or what Lipietz (1992:2) refers to as a technological paradigm. Production and work has to be organized in very specific ways in factories but also the division of labour is organized between factories. There may be instances of work being organized outside this paradigm, but a Fordist labour process remains the dominant one and influences labour processes in newer organizations (Grint, 1998; Thompson & McHugh, 2002). The Fordist labour process borrowed extensively from Taylorist methods of organising the labour process and followed the same principles in most cases. Both Taylorism and Fordism were about rationalising production. In order to rationalize production there had to be a separation of manual and mental workers or the conceptual work from the manual work (Salaman, 1992). The conceptual workers were often skilled workers (engineers for example) whilst the manual workers were mere operatives and either semi skilled or unskilled workers. Taylorism culminated in the micromanagement of workers and the

The discussion on Fordism is often limited to developed capitalist countries of the period. In less developed countries the ethos was to catch up with the Fordist model as it was seen an ideal developmental model for economic growth.

labour process with each job or task that a worker did being 'scientifically' managed. The advent of new technologies post Taylor saw the introduction of the automated assembly line which would speed up the rationalization of the labour process, with increasing divisions of labour and separation of workers by skill levels (Salaman, 1992).

Ford and the economist Keynes (Lipietz, 1992) were quick to realize that the increasing rationalization of the labour process would lead to a crisis of overproduction (supply) unless measures were taken to address the demand side of the production process. Ford and Fordism were therefore amenable to initially providing high wages (epitomized by Fords' five dollar wage) to workers so that mass production could be balanced by mass consumption (Hounshell, 1992). For trade unions the promise of high wages as means of sharing productivity gains was a means of compromising against increasingly rationalized work processes.

Secondly, Fordism as a *regime of accumulation* consisted of mass production, mass consumption and the goal of full employment. Full employment was to be achieved by ensuring consistency and stability of firms' profits and factories were to be run at full capacity. To facilitate mass production, the Fordist era extended Taylorist labour process principles, the most important of which were the separation of conceptual and manual workers, increased mechanization and the introduction of the automated assembly line. Facilitated by this labour process, mass production of goods soared with the amount of goods produced per worker increasing rapidly during this period (Grint, 1998).

Organized labour in Fordist factories was paid high wages as a means of sharing in productivity gains, ensuring that workers had enough wages to become consumers. The high wage was also a means of control as workers accepted high wages as a compromise for working under an extremely rationalized labour process system (Sayer & Walker, 1992). For the productivity model of Fordism to succeed, a consumer class had to be created. In this sense Fordism's high wage rate ensured that both wage earners and the general population would benefit from

the 'increased productivity gains' of the Fordist ethos of production (Lipietz, 1992:11). For both wage and non wage owners Fordism consisted of more than labour process. It also represented a series of legislative and contractual forms of regulation in which the purchasing power of individuals was increased and full employment virtually ensured (Lipietz, 1992:11). Indeed the Fordist era gave rise to the idea of a family wage where it was sufficient for one person per family to work to support his (invariably it was a male) family." For Fordism to reproduce and survive, mass production had to be in balance with mass consumption.

Thirdly, the *modes of regulation* that had to exist for Fordism to succeed consisted of at least three key processes.¹² The first of these processes was the implementation of social legislation that covered minimum wages, generalized collective agreements which ensured that employers gave their workers regular wage increases that were tied to increased productivity gains (Lipietz, 1992:7). It is important to note that gains made to benefit workers were made by workers themselves (in the form of trade unions) and were not merely given to workers by the state or employers. An unintentional consequence of Fordist production was that it requires large numbers of workers to physically work in once space which facilitated the organization of workers in trade unions and it was the collective strength of workers that sealed many of the collective agreements regarding workers wages and conditions of service (Allen, 1992).

Fourthly there was the ascendancy of the welfare state and its support of full employment and secure labour markets (Harvey, 1990). The actions of the welfare state meant that the capitalist state was an active agent in controlling the economy. It was an embodiment of an advanced system of social security which ensured that both wage earners and non wage earners became consumers even when prevented from earning a wage through sickness, retirement, disability or unemployment

¹¹ This is in sharp contrast to the post Fordist notion of the individual wage, where wages decline to such an extent that they are not sufficient to support a family and more than one individual per family needs to work to ensure its survival.

¹² Modes of Fordist regulation differed from country to country but despite these differences there were some commonalities. It is these commonalities to which I refer.

(Lipietz, 1992:7). The welfare state meant that the state was an active agent in the economy. It had to stimulate growth, often by heavily subsidizing Fordist enterprises to preserve the balance between mass production and mass consumption. The state was also responsible for controlling the economy through regulating the banking system by facilitating or hindering the availability of credit to firms and thus impacting on investment in the economy (Botlanski & Chiapello, 2007). The state could further direct the economy through state spending and budget deficits. However the increased role of the state or the idea of a welfare state does not imply that there was more public ownership of production.¹³ In any event even if there was public ownership it would not negate the Taylorist and Fordist principles of organising the labour process. Then there was the issuing of credit money (paper money) as states sought to circulate money as demanded by the economy and not as a function or link to available gold reserves (Lipietz, 1992:7). The state's use of various mechanisms to spur or constrain investment became known as Keynesian policy (Lipietz, 1992).

2.5.1 The Fordist Labour Market

The idea of a welfare state and its various interventions in the economy had profound implications for Fordist labour market formation. The state advocated the right to labour and the rights of labour. The labouring man was a positive development. The century of the labouring man as Guy Standing (1999:7) refers to the 20th century was epitomised by the developments of five very specific types of labour market security. These types of security defined the Fordist labour market (Standing, 1999:167). These types of security have all become insecurities in the 'brave new world of work' (Beck) as will be shown in the section on post Fordist labour market formation.

The first of these securities is *employment security*. Employment security refers to protection from arbitrary dismissal and the applying of penalties by the state on

¹³ Though this did happen in Italy and France (Lipietz, 1992:7)

employers that did arbitrarily fire workers. The second type of security that evolved in the era of market regulation was *job security*. This refers to the idea that a worker's job is protected from excessive deskilling: that is, some form of occupational mobility in the organisation. Thirdly is *work security* which refers to workers rights to occupational health and safety on the job. Fourthly is *skill reproduction security*. In the Fordist era, employers and the state had to cover the costs of reproducing labour and hence labour's skill. This reproduction takes place through schooling for example. Wages and state subsidies had to cover these costs. Unfortunately the shift to post Ford ways of organising has eroded labour or skill reproduction security as there is a shift from the family wage and the welfare state to the individual wage and more 'privatised' state. Fifthly is *representation security*. This refers to the relative health of trade unions and workers organizations to represent and advocate the concerns of workers. The rise of the industrial union was a major outcome of the Fordist era and a number of important gains were achieved through collective bargaining. Representation security is on the decline as trade union numbers drop severely, particularly in the West, whilst in countries like Brazil and South Africa the trade union movement remains relatively strong (Standing, 1996; Glyn, 2006)

These types of security became the defining features of the Fordist labour market and the subsequent erosion of these securities have produced certain outcomes for labour markets in a post Fordist mode of regulation as demonstrated later in this chapter.

2.6 The Crises of the Fordist Mode of Production

The thirty glorious years of capitalism or the golden age of capitalism began to show strains at the end of the 1960s (Allen, 1992; Botlanski and Chiapello, 2007). The strains were felt at both national and international levels and particularly in the world of work. There were five key reasons for the crises and subsequent decline in the Fordist mode of regulation. These were firstly the globalisation of

Fordism and the subsequent decline of the high Fordist wage, secondly the tendency for the rate of profit to fall, thirdly the decline in productivity levels, fourthly the 1970s oil crises and fifthly the end of the Bretton Woods System.

2.6.1 The Globalisation of Fordism and the Decline of the Fordist High Wage

As Fordism became increasingly globalised from the mid- to late-1960s and was exported to the developing world there was intensification in the creation of global markets and production networks. As a result cheaper labour was sourced outside the core capitalist countries, and an imbalance quickly developed in wage levels between workers in the advanced capitalist countries and workers in the developing world. Rigid wage contracts and the high wages of Fordism became a barrier to both competitiveness and profitability of the traditional Fordist organisation (Murray, 1989; Glyn, 2006).¹⁴

From the early 1970s we can observe a steady erosion of wage levels in the Advanced Capitalist Countries (ACCs), and from 1978, low wages becomes a mantra in these countries (to a lesser extent in Japan where the trend has occurred more visibly from the 1990s). Although from 1982 we can observe a levelling of wage cuts, they never returned to previous levels in terms of real wage levels (Armstrong, 1991). The highest drops in wage levels occurred in France, Britain and the United States. This is in keeping with Harvey's (1989:192-193) assertion that "the devaluation of labour power has been a traditional response to falling profits and periodic crises of commodity production." Comaroff et al (2001:10) extend this argument by asserting that whilst global labour markets in commodities and services have grown, this has not been met with a simultaneous unrestricted flow of workers, whose movements are still regulated by nation states.

¹⁴ For Lipietz (2001) the globalisation of Fordism is sufficient to explain its crisis. He advances another reason, that of the logical end of the Fordist and Taylorist rationalization of the labour process will lead to the end of work. He refers to this as the Crisis of Taylorism. See also Sayer (1989), Doray (1990) and Grint (2000).

2.6.2 Fall in Productivity Rates

With the benefit of hindsight we can now explore the productivity output statistics for the period. As Glyn (2006:15) asserts "The slowdown in productivity growth which occurred in the early 1970s was not widely recognised at the time." The late 1960s saw productivity decline in almost all industrial sectors in the advanced capitalist countries. The decline in productivity can be attributed to two key factors. Firstly the limits of the Fordist labour process. As Glyn (2006:14) contends, the Fordist labour process and its use of the assembly line implied that additional investment yielded smaller productivity gains which in turn discouraged investment. Secondly organised labour was quite militant and proved to be a challenge to employers. The late 1960s and the 1970s were marked by high levels of industrial conflict (Glyn, 2006:5) which translated into staggering amounts of days of lost productivity.

The Taylorist and Fordist labour process was a key instigator (though not the only one) of the general crisis in capitalism during the 1970s. The rationalized labour process has severely compromised quality of production as quality was often sacrificed for quantity (Allen, 1992; Castells, 2000). Consumers were becoming more sophisticated and Japanese production systems and methods were ensuring both quality of product as well as profits. The just in time system (JIT)¹⁵ of production or Kan Ban system initially used by Toyota proved that consumers could recognize and prefer better quality products over mass produced low quality products. The oil crises also ensured that consumer preferred the smaller Japanese

¹⁵ The JIT system was a contrast to the Fordist Just in Case system (JIC). The two systems refer to the ways in which firms controlled and distributed their inventory. Under the JIT system firms would form close relationships spatially with their suppliers so that parts could be delivered quickly - 'just in time' - and efficiently with minimal delays since suppliers were physically located very near the manufacturer. Under the JIC system, parts were often stored on site and as the manufacturing process changes much of the inventory would become redundant and the manufacture would be sitting with large stores of expensive but useless inventory. They would keep inventory on site 'just in case they needed a part'. JIC manufacturers also did not have suppliers located in close physical proximity and when new inventory was required it would often take an extended period of time to be delivered. JIC was essentially about 'getting metal out the door' whilst JIT was more focused on quality control and using the most efficient way of inventory control and distribution. There are many other differences between the two systems, but the ones I have outlined I believe to be the main distinguishing features between JIT and JIC (Thompson & McHugh, 2002).

cars (in terms of fuel capacity) to larger American models for vehicles (Bonazzi, 1994; Castells, 2000, Thompson & McHugh, 2002). Given the massive deskilling that was at the heart of the Fordist labour process, the best option of increasing worker productivity was to further mechanize the labour process instead of re-selling workers. However the cost of mechanization was prohibitive and involved complex design which meant time delays from design of machine to actual implementation on the factory floor.

Compounding the decline of productivity was a series of workplace conflicts that occurred during the 1960s in the West. In France particularly, workers, especially low level white collar workers, rebelled against the extreme Taylorist engineering of their jobs. By the early 1970s, workers' protests had increased as employers attempted to increase or maintain profits by compromising on workers' employment security and wage security. Strikes in Europe and North America were becoming increasingly common, though strike activity declined substantially by the end of the 1970s (Botlanski & Chiapello, 2007). The end of the 1970s decade saw the fallout as states and capital battled to balance mass consumption with mass production as well as deal with worker rebellion. Mass redundancies of workers saw trade union membership decline sharply and for business productivity gains and profits declined profoundly in almost every industrial sector. Soon the term sunset industry would encompass the ill fated fortunes of these industries (Castree et al, 2004).

2.6.3 Fall in Profit Rates

However, despite the decline in manufacturing and productivity, real wages continued to climb higher. In addition the cost of fixed capital (buildings and machines) in relation to the total workforce also rose in costs (Harvey, 1990; Lipietz, 1992:14). Given this situation and allowing for inflation, business profits began to be severely compromised.

As employers in the West scrambled to ensure profits, they marked up the price of their goods which subsequently increased cost inflation. To reiterate, one of the premises of Fordist regulation was to balance mass production with mass consumption and when the cost of goods increased significantly, wages had to follow suit. However, at the end of the 1960s this was not to be, and prices of goods were soon much higher than the wages that workers were paid. With the drop in purchasing power, demand for consumer goods fell. With the drop in demand especially in the car and construction sectors profits fell and recession loomed threateningly on the horizon. The Fordism mode of regulation was indeed in crisis (Harvey, 1990; Botlanski & Chiapello, 2007).

A retrospective analysis of the statistics of the time by scholars of Fordism such as Harvey (1990), Lipietz (1992), Allen, (1992), Castree et al, (2004), Glyn (2006:7-8) and Botlanski and Chiapello, (2007) demonstrates that as real profit margins declined, so too did the rate of investments. Further where investments were made, each investment made was more capital intensive, with labour being replaced by fixed capital (technology). A result of this was that fewer jobs were being created per new investment. The combination of real wages in the West was declining and the rise in unemployment (as capitalists invested in new labour saving technologies) contributed to the period of economic recession (Grint, 1998). The decline of Fordism would have created a much more profound crisis were it not for the continued existence of key features of the welfare state. Unemployment benefits and other forms of social welfare served as a strong social net during the crisis, by ameliorating many of the effects of unemployment and low wages for workers (Sayer & Walker, 1992). The social net remained in place for the first half of the 1970s. However for the social net to stay in place taxation levels had to be high and this displaced the burden onto those in waged employment. Employee (wage) and employer (from profits) contributions towards the fiscal state coffers of states further dented the profitability of businesses. As pressure mounted on the social net, through declining profit rates, the legitimacy of the welfare state and its benefits was debated. By questioning the need and efficiency of a welfare state, economists, academics and politicians were also

questioning Fordism as a regime of accumulation and a mode of regulation (Sayer & Walker, 1992).

The Fordist compromise which was essentially the deskilling of workers, the increased mechanization of work, the detailed division of labour, the separation of the conception and execution of the process in return for lifelong employment and high wages as a means of increasing workers' purchasing power, was coming to an end.¹⁶

2.6.4 The 1973 Oil Crisis¹⁷

Fordism's boom years were also severely affected by two global economic crises of the period. These are the 1973 oil crisis (Bell et al, 2001; Glyn, 2006:2) and the collapse of the Bretton Woods System (BWS) and the subsequent emergence of the Eurodollar currency market.

If the globalisation of Fordism and the subsequent devaluation of labour power was the first impetus to a crisis, then the 1973 oil crisis was the second. The reasons for and nature of the crises are extensively discussed in chapter five of the thesis. I limit this section to a few key points. The 1973 oil crisis severely impacted on the supply and price of oil to consumer countries. Oil prices soared to more than four times their previous levels. The price rises occurred within a context of increasing economic difficulties in the advanced capitalist countries. Production output was declining, inflation was high and wage demands and levels continued to be high (Bell et al, 2001). Fordist production by its nature demanded heavy energy and petroleum use which was no longer sustainable under the new oil price regime. For the firms that succeeded in the transition to lean and mean technology production, Fordist labour processes and accumulation became

¹⁶ One strategy of resolving the crisis of Fordism was to export Fordism to the developing world, where labour is cheaper. This led to the new international division of labour with developing countries engaged in a mainly Fordist type of manufacturing and developed countries shifting towards more service sector type work or 'sunrise' sectors.

¹⁷ See Chapter Five for a detailed discussion of the oil crises of 1973 and 1979 and the impact on commercial shipping.

irrelevant as demand dropped and profits reduced.'

Whilst the oil crisis certainly contributed to the demise of the golden age, it by itself was not enough to cause the stagflation post 1973.¹⁹ The Fordist regime of accumulation was in trouble prior to that due to the reasons discussed earlier in this section. Surpluses of labour and reduced profits would have occurred in any event, and signals at the time were pointing to a crisis even before the oil debacle. A hiking of oil prices would only be an effective OPEC strategy if demand for oil was high by consumers in ACCs, particularly the US and Britain, due to their energy intensive production methods. The demand for oil was so high during the golden accumulation years that it created some concern amongst economists and environmentalists that a 'depletion horizon' was being reached. The impact of the oil crisis was not uniform for the ACCs. For example, Japan and Britain suffered much more than the USA. What was produced however was a surplus of financial capital, which contributed to the overaccumulation crises of Fordism. The OPEC fourfold increase in the price of oil resulted in consumer countries paying in excess of almost \$50 billion (Held et al, 2000:202) in revenues. The OPEC countries were unable to spend this additional income on physical capital

Production began shifting from what Bell et al (2001) terms *jukochodai* (long-and-thick) Fordist production that was energy intensive in favour of *keihakutansho* (light-short-thin) energy saving production. Fixed physical capital like massive Fordist factories could no longer be effectively utilized to produce profits. This form of production increased the impetus and provided the catalyst in some instances for firms to switch to research and development of high technologies that through commercial applications could find a market. Soon the manufacturing landscape was characterised by 'lean and mean' production of micro-electronics, new carbon materials and biotechnology firms'.

At the same time however, advanced capitalist countries' Gross Domestic Product (GDP) growth levels dropped from an annual rate of eight percent in the first half of 1973 to three percent in the second half of 1973. In addition, unemployment levels began a steady increase in the latter part of 1973 (Armstrong et al, 1991:222). The period became characterised by high inflation and stagnant growth, often described as stagflation by economists. Industrial production amongst the ACCs fell by 10 percent between July 1974 and April 1975. This trend of falling production continued until 1976. Investment in inventories declined rapidly. Investments by their nature are undertaken to produce profit, so if investments fall, profits fall subsequently. In order to seek new sources and increase profits capitalists began financial speculation as opposed to more traditional investments in fixed capital and production. A rise in foreign currency trading, along with gold, land, real estate and commodity trading began to fuel the new financial speculation. Trading and accumulation of shares and stocks became the new trademark of the period which lasted well into the 1980s.

investments and instead they played the money on the international money markets, further aiding the financial speculation caused by the collapse of the Bretton Woods System (BWS).

2.6.5 The Collapse of the Bretton Woods System and the Emergence of the Eurodollar Currency Market

The 1944 Bretton Woods agreement was based on the premise that "national monetary autonomy was essential to the successful management of a macroeconomic policy geared to full employment" (Held et al, 2000:199). This view was held by both British and American negotiators. The driving principle of the BWS as reflected by the International Monetary Fund (IMF), was "a commitment to the promotion and maintenance of high levels of employment and real income, and the development of the productive resources of all members as primary objectives of economic policy" (Held et al, 2000:200). The implication for this principle was that domestic concerns of economies were to take precedence over global financial activities. The BWS required a fixed exchange rate of every currency to the US dollar, with the dollar fixed at \$35 to an ounce of gold. The BWS became institutionalised with the IMF and World Bank acting as its enforcers.

It allowed countries to maintain autonomy of their national economies whilst also allowing for expansion of their economies beyond their national borders. However the BWS came under threat from various quarters. Firstly, an emerging and rapidly expanding private financial industry undermined these regulated markets and let loose financial speculation (Glyn, 2006: Chapter three). Secondly, there was a shift in investments from US Banks to Western European banks by Soviet banks from 1950. Many more investors were to follow the Soviet example. The European banks realised that they could loan these dollars out to borrowers (corporates) and make a profit from the interest instead of converting the money into their national currencies. These investments became known as Eurodollars. Eurocurrency lending as a business grew rapidly since it absolved investors of the national regulations that governed domestic banks and were not subject to national

capital controls (Held et al, 2000:202). The death knell for the BWS was finally sounded in 1971 when the US announced it was no longer participating in a fixed exchanged currency system. This, combined with the oil crisis of 1973, compounded the world's financial crises and in the words of Bell et al (2001:46) "let loose the international money games that have wreaked so much havoc in our time." These money games extended well in to the 1980s as the surplus of capital generated from the oil crises continued to circulate through the global financial arteries of capital.

It was a confluence of these two events, the 1973 oil crises, the collapse of the BWS and the subsequent emergence of a Eurodollar currency market that further contributed to crises in Fordism. Financial trends would further be marked by a shift towards austerity, deregulation and privatization as *consequences* of the Fordist crises (Glyn, 2006). It was the effects of these events that sent Shockwaves to many global industries. This included the world's shipping industry, forcing ship owners to invent new strategies to cope with the consequences of these developments. As will be shown in chapters four and five, these new strategies of shipping companies to survive and accumulate profit in a new capitalist era were instrumental in reshaping the global labour market for seafarers.

The above discussion of the causes of the crises in Fordism demonstrates that crises cannot be assumed to be always initiated by surplus labour and surplus capital combined with lack of new investments (as Arrighi and Knox assume). Certainly one of the consequences of the Fordist crises was greater unemployment for labour in the advanced capitalist countries, and it is also true that there was surplus capital or 'oil dollars' that circulated the global economy, but again this was a consequence of the oil crisis and the collapse of the Bretton Woods System. Further Fordism relocated factories and its labour process to the developing world thus seeking and finding new places to invest in.

2.7 The Emergence of a Post Fordist Mode of Regulation

To reiterate, the Fordist crises cannot be solely attributed to the tendency of the rate of profit to fall. Whilst it is a truism to note that profit levels did fall as high wages put pressure on profit rates in the 1970s, this was only one of the factors that contributed to the crises. Contributing to the crises was the falling rate of profit, the decline in productivity levels, mainly as a result of the limitations of the Fordist labour process (Glyn, 2006:14), the globalisation of Fordism, the 1973 oil crisis and the end of capital controls and beginning of free trade due to the end of the Bretton Woods System. In many respects the attempts to ameliorate the falling rate of profit sowed the seeds for the emergence of a post Fordist mode of regulation.

2.7.1 Ameliorating Factors in the Tendency of the Rate of Profit to Fall

Contemporary Marxists are quick to point out that Marx refers to this as a *tendency* rather than a law because his work demonstrates that the rate of profit falls only if the rate of exploitation of labour (measured as the rate of surplus value)²⁰, increases by a lesser amount than the organic composition of capital. Therefore it remains a tendency since there may be countervailing (Fine, 1982) or what Jalee (1977) refers to as contradictory factors that ameliorate the falling rate of profit. These ameliorating factors could be fivefold (Wolf & Resnick, 1987; Harman, 2007:3).

Firstly there could be an increased intensity in the exploitation of workers. For example a transnational corporation using the same types of equipment will make more profit in the Philippines or Vietnam than in London or New York because it will pay much lower wages. The Filipino or Vietnamese worker in this case will work fewer hours for herself and more hours for her employer than the worker in the USA or the United Kingdom. Similarly, as we shall see in chapters four and

A surplus value represents unpaid labour (Jalee, 1977:28)

five of this thesis, merchant shipping companies have shifted to new locations or labour markets to hire seafarers as a means of ameliorating the falling rates of profit for the shipping industry during the 1970s. These falling rates of profit were due to a myriad of factors that constituted crises in the accumulation and operational strategies of commercial shipping as will be demonstrated in Chapter Five.

A second strategy for industrialists could be to reduce wages below the value of labour power. However wages cannot fall below zero nor can the turnover period of capital fall below zero. As is demonstrated in chapters four, five and six, with regard to seafarers, wages were driven down as the commercial shipping industry attempted to increase profits by sourcing labour from new seafaring labour markets. However as demonstrated in chapter six the 'race to the bottom' in terms of wages for seafarers has not occurred for unionised seafarers, though seafarers that are not unionised at a global level are often exploited in terms of wages and working conditions.

A third strategy would be for capitalists to reduce the costs of constant capital through various means. One of the most significant modern examples of this was the technology revolution of the 1970s with the advent of the computer chip. The cost of one unit of computer memory fell a thousand fold between 1970 and 1979. Therefore when technology and machinery costs less, the amount of total invested capital increases more slowly even as technology replaces labour. The technological revolution in the 1970s combined with the oil crises of 1973 and 1979 spurred commercial shippers to design technologically advanced ships that would run more efficiently on cheaper grades of fuel as well as less fuel. In addition new technologies as demonstrated in chapter five drastically reduced the number of crew required to man all types of commercial vessels. So rather than become more labour intensive, shippers became more capital intensive in their strategy by purchasing more expensive but technologically advanced ships. Even

The focus of the thesis is on unionised labour only, that is labour that is organised at both a national and global level.

shipbuilding progressed from a more labour intensive to more capitalist intensive enterprise (Stopford, 1997).

Fourthly, Jalee contends that capitalists could call upon a reserve army of labour to slow down or prevent the tendency. It may be argued that in many ways this is what commercial shippers did when locating new sources of cheaper seafaring labour. The fifth strategy could be to facilitate and shape foreign trade or trade across borders as a means of reducing the costs of industrial inputs and consumer goods. In other words foreign trade benefits capitalists especially "when trade is acceptable means of cheapening food and raw materials which enter the working class diet since lower prices of necessities diminish the level of subsistence wages" (Lekachman & van Loon, 1981:76). Thus as a class, capitalists need to ensure that the rate of profit does not fall by getting workers to work longer hours and more intensely, as well as to produce the basic needs of the working class (such as food, clothes, shelter) as cheaply as possible. They also need to get consumers to buy the goods that workers produce as cheaply as possible so that the consumers pay substantially more for these goods than it actually costs to manufacture them. Since the 1970s we have witnessed the workers being split into core and peripheral categories to differentiate between skill levels with those in the periphery being the most expendable. Changes in the labour process to facilitate the exploitation of workers, the introduction of globally spread free enterprise zones and the sourcing of new cheaper labour from global labour markets have all been strategies used to prevent the fall in profit rates.

Contemporary Marxist economists have tended to restrict their analysis to whether the gradual cheapening of the constituents of constant capital can indefinitely counteract the tendency of the rate of profit to fall. The cheapening of constant capital through technological innovation is at the heart of this analysis. Marxists like Harman (2007) contend that the ultimate cause of economic crises in capitalism can be attributed to the long term effect of labour saving technological innovations. The consequence of the falling rate of profit (when it reaches a point where it stops the total mass of profit in the economy from growing or growing at

a sufficient rate) is a crisis of overaccumulation. These crises can be described (but not explained) by rises in unemployment, lack of investments, and high inflation. However many of Marx's critics contend that by raising productivity, labour saving technologies increase the rate of profit and that it is impossible to predict how the average rate of profit will develop over time. Marx's interpretation of the tendency of the rate of profit to fall is therefore overly deterministic. This thesis argues that it was during such a period of crisis in the 1970s that commercial shipping restructured as a means of restoring profitable operation and production.²²

2.7.2 Post Fordism as a Mode of Regulation

It is not analytically useful to see the end of the Fordist compromise as a discrete ending of that regime of accumulation. There have been very definite trends towards a post Fordist world of work, though in practice both Fordist and Post Fordist workplaces and labour processes often exist side by side in both developed and developing countries. Some Fordist industries have declined whilst others continue to grow (Harvey, 1990; Allen, 1992; Standing, 1999). The decline of western Fordist industrialization does not imply that this type of industrialization has declined globally either (Harvey, 1990). The examples of the growth of Fordist manufacturing plants in China and India today are prime examples of this. This often depends on the sector of work that is involved or the type of product being produced. Keeping in mind the dangers inherent in binary and dualistic thinking, there are some key differences between Fordism and Post Fordism as it regards the workplace. These are represented in the typology provided by Allen (1992):

For more detailed and sophisticated contemporary discussion and evaluation of Marx's *Capital* and the falling rate of profit the reader is referred to Kliman's 2007 *Reclaiming Marx's Capital: A Refutation of the myth of Inconsistency*".

Old Times	New Times
Fordism	Post-Fordism
Rigidity	Flexibility/responsiveness
Mass production	Small batch production
Dedicated machinery	Flexible machinery
Standardised products	Differentiated products
JIC/Large stocks	JIT/Minimal stocks
Taylorism/ deskilling	Post-Taylorism/enskillling
Vertical integration	Vertical disintegration
Global firms	Industrial districts

(Source: Allen, 1992)

Old Times refers to work organisation under Fordism whilst *New Times* refers to post Fordist work organisation. The above typology draws conceptual distinctions between the way work and production take place under these two systems of work organisation. The reality though is that whilst the above distinctions are conceptually useful, the world of work can be a mixture of old times and new times.

For Harvey (1990) the shift to 'new times' or post Fordism is very much a shift to a new mode of regulation for capitalism. He terms this new strategy 'flexible accumulation' (Harvey, 1990:141). Flexible accumulation strategies were very much a response to what capitalists and some economists saw as the all too rigid accumulation strategies of Fordism. The mass production systems, labour markets and commitments of the state were seen as too rigid and because of their rigidities unable to cope with the several economic shocks that characterized the 1970s (Harvey, 1990:144). Flexible accumulation therefore marked 'a direct confrontation with the rigidities of Fordism' (Harvey, 1990:147). The key features of this new type of accumulation are firstly a shift to flexible labour processes,

secondly the creation of flexible labour markets and thirdly the creation of flexible products and patterns of consumption (Harvey, 1990:147).

Outcomes of these various features and processes of flexible accumulation are fourfold. Firstly is the increased pace and scale of uneven global development. This is characterized by new spatial terrains of capitalist investment, the creation of new labour markets and decimation of old (Fordist) labour markets and the creation of new consumer markets. Secondly there are new sectors of production that are thriving in a post Fordist economy. Thirdly there are new ways of providing financial services and fourthly there are much intensified rates of technological, commercial and organizational innovation (Harvey, 1990:147).

2.8 Post Fordism and the Labour Market

In this section I argue that there were certain features that defined the post Fordist labour market. This demonstrates in some important ways the different ways in which different modes of regulation (Fordism versus post Fordism) impact differently on the nature of labour markets. In so doing it helps me fulfil a key purpose of this chapter which is to show how capitalism shifted from one mode of regulation to another and what these modes of regulation entail. It also serves to empirically support my assertion in chapter four of the thesis that the modern day labour market for seafarers can be considered to have the features of both Fordist and post Fordist labour markets. I consider the nature of the post Fordist labour market through a review of the following topics. Firstly I look at the post Fordist labour process, secondly the section examines the rise of the flexible organisation, thirdly it looks at the casualisation of work and its implications for the labour market, fourthly it examines labour cost flexibility, fifthly it looks at employment flexibility and finally it investigates the growth of temporary employment agencies as a global post Fordist phenomenon.

2.8.1 The Labour Process and Functional Flexibility

The aim of this section is to discern some of the key features of the post Fordist labour process and relate it to the idea of functional flexibility. The first feature of the post Fordist labour process is the shift towards multi-skilling of workers (Ackroyd et al, 2005). The Fordist and Taylorist labour process was premised on the deskilling and the separation of manual and mental work which often meant that workers were engaged in long repetitive tasks with very little opportunity to learn new skills. Post Fordist labour processes advocate multi-skilling of workers. This is based on the belief that multi-skilled workers are more productive as boredom is negated and employers gain employees who can perform a myriad of tasks in the event of employee absenteeism or organizational restructuring (Thompson & McHugh, 2002; Rubery, 2005; Botlanski & Chiapello, 2007). This in effect leads to the first way in which a post Fordist labour process operates, that is the intensification of work for the same wage rate. As Botlanski and Chiapello (2007:249) contend:

"Semi and unskilled workers are recruited on the guaranteed minimum wage even when they perform tasks of quality control, adjustment, maintenance, production management, which were all considered skilled when they fell to staff not directly involved in production, but are no longer deemed so when performed by an agent of production."

The second feature of the post Fordist workplace is the new ways in which control is exercised against workers on the shop or office floor. This applies equally to blue and white collar workers. The advent of new technologies means that information technology can be used as a form of monitoring of productivity and

I limit myself to four features which I think are essential our understanding some of the changes in the labour process. These are by no means definitive as the vast literature will attest to but do serve the purpose of the chapter and thesis. Labour process issues can also be very industry and sector specific. For example see Maree and Godfrey's (2005) chapter on organising work in the fish processing industry. Also see Phakathi's (2005) work on self directed work teams in the gold mining sector in South Africa. The purpose of my fieldwork and this thesis was also not to observe the labour process on commercial vessels, though that would certainly be an interesting research exercise.

hence is an important form of control of the labour process. Control is also exercised through team working and teleworking (Standing, 1999; Batt & Doellgast, 2005). For workers in teams, control is now internalized as workers have to manage themselves and meet sales targets for example by disciplining and controlling each others performance. Teleworking is an increasingly popular way of working that is facilitated by new developments in technology that allow workers to work from home and out of the office. However whilst workers may be spatially distant from company headquarters, their productivity is still measured by management through the use of monitoring software and other technologies. Technology can however also bring about more equality in the new workplace (depending on one's skill level). As Zuboff (1988) argues, "The post Fordist workplace requires the more equitable distribution of knowledge, authority and responsibility which means dismantling the very same managerial hierarchy that once brought greatness" (Zuboff, 1988).

Thirdly is the tendency of employers to use new layers of skill for less wages as new form of post Fordist exploitation (Castree et al, 2004; Botlanski & Chiapello, 2007). Given the state of insecurity in labour markets globally, employers often employ overqualified employees as a means of extracting more value from them. Taylorism tended to treat workers as robots and the Taylorist labour process was content with the specific task that each worker had to perform. The Taylorised labour process demanded no more and no less than the performance of that specific task. However in a post Taylor/Fordist workplace employers insist on workers contributing more of themselves than the ability to perform a specific task (Sayer & Walker, 1992; Grint, 1998). Workers often have to commit a range of behaviours or additional skills in the performance of their tasks. This includes the ability to relate to other people, emotional labour, flexibility, adaptability, commitment beyond working hours. These were behaviours of workers that Taylorism did not tap into precisely because it conceptualized workers as automatons (Botlanski & Chiapello, 2007:249). This expectation is more than

For more specific case studies of new forms of control in post Fordist workplaces, see Hirst and Thompson, Badham (2005) and Graham (2005).

emotional labour, but rather what the authors cited above refer to as "...a deeper exploitation of the layers of skills possessed by workers as people."

The fourth feature of the new labour process is the shift to individualization of workplaces and remuneration. The mantra of 'new times' seems to be for workers (certainly for highly skilled white collar workers) to view themselves as private businesses that have to market themselves to the highest bidder (Castells, 2000). For the highly and appropriately skilled, the flexible world of work is indeed their oyster and they have some of the highest earning potentials of the labour market. However as Standing (1999) demonstrates these workers also have some of the highest stress levels due to the demands of competing for jobs and the stresses of chasing ever higher salaries. Organizational loyalty for these workers is on the decline and in some cases non-existent. For unskilled or semi-skilled workers as well as some categories of white collar workers wages are increasingly related to performance and the ways in which that performance is appraised by management. As Standing (1999) argues wages are increasingly being composed of incentives, bonuses and performance bonuses as opposed to a basic wage or salary. This is one method that employers have used to increase productivity and profit rates. It is in marked contrast to the high and stable Fordist wage.

2.8.2 The Flexible Organization

The aim of this section is to discuss the emergence of the post-Fordist organisation²⁵ and its consequences for workers and the labour market. I limit my discussion of consequences for workers to developments in employment flexibility and employment insecurity and how developments in employment flexibility have impacted on employment security and labour markets.

Scholars (Salaman, 1992; Benner, 2002; Thompson & McHugh, 2002; Ackroyd et al, 2005) agree that post-Fordism has shifted away from the stable employment

A discussion of the post-Fordist transformation of shipping organisations is provided in Chapter Five of the thesis.

model to a model which divides the labour market into core and peripheral groups of workers. As Standing (1999:83) contends, the welfare capitalist state and the socialist state both operated from the premise that "production consisted predominantly of large stable organizations and enterprises". In state socialism these firms became lumbering giants spreading all over towns (Standing, 1999:83). For the twentieth century capitalist state the belief in the large organization was exemplified by its support of the massive factory with its many levels of bureaucracy, physical immensity, Taylorised forms of control and mass production. One must be careful however about prematurely announcing the death of the Fordist enterprise. As tempting as the post Fordist trend is to speak of the death of the large company, much of the structure of the Fordist organization has been exported to the developing world, and whilst many multinational companies have become leaner in their organizational structure and functioning, I would agree with Standing's (1999:11) contention that "The death of Fordism is exaggerated." So we can only speak of trends in this regard.

The first trend is for organizations to shift to flexible production methods in response to the rigidities of Fordist production methods. Companies became 'leaner and meaner' in their organizational design as well as their labour practices. Flexible production methods are driven by technological innovation. Consumers now demand sophisticated and customized products that require more than standard assembly line manufacture and design. Organisations have to be able to respond rapidly to gluts and shortages in the manufacturing process as well as trends in supply and demand of consumers. This often means that firms have to have a highly specialized and skilled workforce (Thompson & McHugh, 2002).

Secondly, new information technologies mean that firms have become leaner in their bureaucratic structures as they endeavour to be more profitable with fewer levels of hierarchy and bureaucracy (translated as unnecessary costs). The nature of what is produced and consumed in a post Fordist world has also changed (Thompson & Warhurst, 1998). A contemporary firm may just need a few computers, specialized software, and highly skilled experts to compete globally.

This drastically reduces overhead costs (Thompson & Warhurst, 1998). These types of technologies are no longer the preserve of large companies. Certainly innovations in computer aided design and software have allowed firms to produce specialized products at mass production prices. Globally once-behemoth companies are becoming leaner as they strive to focus on their core business. This involves the downsizing of their head offices, removing layers of bureaucracy and refocusing their business strategies on their core clientele (Thompson & Warhurst, 1998). Firms that manufacture single products are often organized as virtual networks. IBM is perhaps the most often quoted example of this. Multi product firms are organized as alliances of networks. Examples of this would be Toyota and Johnson and Johnson (Badham, 2005).

The post Fordist firm has not integrated its suppliers into its bureaucracy as Ford and General Motors did during the 1960s and 1970s. Nike for example does not actually produce any of its products at its headquarters. Instead production is outsourced globally. This speaks to Standing's (1999) observation that it is increasingly becoming a trend for medium and large firms to "contract out their employment function" (Standing, 1999:84). For Nike the function of its core workers is to market its product as well as to design and develop new products. Nike's suppliers do not sell products but rather sell production services (Thompson, 1992). Nike has in effect outsourced its unskilled production globally. Given the trend for firms to shift to reduced economies of scale and scope, the average size of firms has reduced over the last three decades.

Thirdly, by becoming leaner and downsizing, firms have shed massive amounts of mainly unskilled labour. Flexible production and its attendant skills have reduce the demand for unskilled labour. As Piore and Sabel (1985) contend, numerate and literate workers that are able to manage themselves are often at the core of flexible production. The last thirty years has witnessed a steady decline in the employment of unskilled workers, particularly in the developed world (Thompson, 1992). This decline in unskilled labour is closely related to the decline in union membership in the West and hence in the power of trade unions

in the West as we shall discuss later in this chapter. The shedding of unskilled labour and the need of firms to attract core skilled individuals has led many scholars of labour to analyze the impact of these developments on the labour market globally.

For Thompson and Warhurst (1998) a post Fordist world of work consist of an 80/20 society, where 80 percent of the world's workers are in insecure, low paid, temporary and often dangerous jobs. The remaining 20 percent can be considered part of the core group of workers that will enjoy permanent, secure employment often with benefits in addition to their high wages. For Standing (1999) the idea of core and peripheral labour markets permeates his book. He mentions seven types of workers that comprise the contemporary global labour market²⁶. Harvey (1990) and Beck (2000) also offer their interpretations of contemporary labour markets and favour the idea of core and peripheral labour markets (Harvey, 1990:150-152) whilst Botlanski and Chiapello label core workers as *cadres* of the new world of work.

These trends discussed above have in many different ways been spurred by various processes and pressure of globalization which, as Standing (1999) and Harvey (1990) observe, has increased the concentration of capital whilst decreasing the centralization of labour. In concentrating capital, processes of global capitalism have facilitated the organizational flexibility of firms. This has made workers more vulnerable and insecure. 'Old fashioned' large firms have traditionally provided workers with a measure of employment, job and wage security. As these type of organizations shift form and purpose in their organizational attempts to make profit, they are no longer as labour intensive. This has profound implications for the global labour market.

See Standing (1999) Chapter Eight where he distinguished which workers comprise the core and the periphery. Pages 280 to 289 do so specifically.

2.8.3 The Casualisation of Work and its Implications for the Labour Market

There are several implications of flexible specialization of organisations for the global labour market. This section restricts itself to the three most pertinent for the purpose of this chapter and thesis. Firstly I examine developments in labour cost flexibility, secondly I look at employment flexibility and thirdly I examine the outcome of these processes which is an increase in employment insecurity. These developments point to a more encompassing trend in the post Fordist labour market that is the general shift to casualisation of work (Castells, 2000, Castree et al, 2004, Theron, 2005).

The casualisation of work is a defining consequence of the shift from a Fordist mode of regulation and regime of accumulation. (Standing, 1999; Castree et al, 2004; Botlanski & Chiapello, 2007) The rupture with the Fordist idea of standardized employment and the full time job and image of the 'company man' who joined the company at 18 and retired at 65 is increasingly becoming the exception rather than the norm. The link between organizational innovations (flexible specialization) and casualisation of employment has been made by a range of scholars. Companies actively chose to retain a core group of skilled workers on whom they devote much energy into inculcating loyalty whilst they simultaneously outsource work to contract workers or hire peripheral workers via labour broking agencies (Castells, 2000). This strategy is at the heart of flexible specialization since it allows organisations to focus on their core activities and not carry the financial burden of peripheral workers. As Botlanski and Chiapello (2007) argue:

"The current practice of employing the meticulously calculated minimum number of people to occupy permanent jobs, and using 'outside labour' to fill the rest, has made possible, at the same time as a development of subcontracting, the development of temporary work."

The practices discussed above lay the foundation of the casualisation of labour. Casualisation of work includes the development of temporary work which may take on different varieties. The organizational drive to new ways of producing necessarily meant a shift towards the reduction of various 'extraneous' costs.

2.8.4 Labour Cost Flexibility

Processes of globalisation have increased competition amongst firms in the pursuit of profits. Therefore one of the most sensitive and significant concerns to capitalists is to rationalize labour costs to obtain a competitive edge. This is particularly important when it comes to discussions on the international division of labour and the sourcing of new labour markets (Standing, 1999; Castree et al 2004). Labour costs include both wage and non wage costs. The ways in which these costs are decided upon and calculated are complex. Standing (1999:98) identifies ten such labour costs. This section refers to three labour costs that it feels are most relevant to the aims of the present empirical investigation.

1. Fiscal costs: These refer to the costs that organizations have to pay to the state usually in the form of taxes. Sometimes the firm has to pay taxes to the state on behalf of the employee. Standing (1999: 98) contends that fiscal costs can often account for the largest proportion of non wage labour costs. Ironically fiscal costs could rise as a share of labour costs even if wage rates were to decline or grow more flexible (Standing, 1999: 98). Certainly, as Castree et al (2004) contend, there has been an effort by firms to circumvent paying organizational and employees fiscal obligations to the state as a means of reducing labour costs. The trend towards deregulation of labour markets has not yet managed to deregulate organizations' fiscal obligations to the state (Castree et al, 2004)²⁷.
2. Training costs: Training involves more than merely imparting skills. Types of training are very much sector specific and, depending on individual companies,

Chapter Five discusses how shipping companies have attempted to circumvent their national fiscal obligations through flag of convenience shipping and how this has in turn facilitated the development of global flexible labour markets for seafarers.

the cost to benefit ratio of training varies. An increasing trend is to outsource training functions and costs as is done in the shipping industry.

3. Labour turnover costs: This includes recruitment costs and dismissal costs and may, as Standing (1999:99) contends, include "loss of profits due to having unfulfilled vacancies, inexperienced workers in jobs or diversion of workers to other jobs." In commercial shipping the trend is to outsource the hiring of its seafaring staff.

2.8.5 Employment Flexibility

The shift to flexible labour markets means that employers want to operate in environments with as few constraints to their employment decisions as possible. To use a well worn phrase, 'the ability to hire and fire workers' with minimal constraints or impunity is one of the chief ways in which labour markets are made ever more flexible. Standing (1999) and Castree et al (2004) corroborate this view when they argue that the last three decades have witnessed a significant growth in employment or numerical flexibility. In sum, employment flexibility refers to the ability of employers to hire and fire workers with few constraints and low costs. The growth of employment flexibility is one of the defining features of global flexible labour markets.

By employment or numerical flexibility I refer to the ways in which capital has restructured employment in their quest to become more competitive and increase rates of profits. Organisations have made employment more flexible so that it facilitates the easier hiring and firing of workers at low cost and minimal constraints (Standing, 1999:101; Castree et al, 2004). The main motivation for organisations to be able to recruit and dismiss with relative ease is that the economic and political world post Fordism is more risky due to various processes of globalisation like the rapid spread of new technologies that expose firms to greater risks. Firms therefore have to be able to respond to crises as quickly as possible and cannot absorb the risks that come from offering fulltime stable employment. Secondly by not offering stable, secure and full employment

prospects firms create higher unemployment rates making it easier for them to employ from this 'cheaper' more flexible reservoir of labour.

The larger political climate has also changed to accommodate capital's need for more numerical flexibility. There are several ways in which this has happened. This section will focus on four of the six that Standing (1999) mentions. Firstly the legislative climate globally is shifting to a deregulation of labour laws that are seen as too rigid. There has been what Standing (1999:101) refers to as the 'explicit derogation' of employment protection through the weakening of legislative protections of workers. Secondly there has been an implicit deviation from the Fordist compromise of stable and protected employment in that employment has moved to types of jobs that now enjoy less employment protection than previously. Thirdly more workers have moved to new sectors of work that are not sufficiently protected by legislation. Fourthly there is a decisive move of firms to hire significant proportions of flexiworkers and finally collective bargaining or concession bargaining has in many countries and industrial sectors of the world facilitated and added to the explicit and implicit derogation of work.

2.8.6 The Growth of Temporary Employment Agencies

The aim of this section is to discuss the growth and implications of temporary employment agencies for the labour market. It also shows that the growth of both temporary employment and associated agencies are worldwide phenomena and global features of the post Fordist labour market. Labour brokers or labour agencies have transformed the landscape of work the world over (Benner, 2002). These agencies are part of a global trend of companies to contract out their employment function. Labour broking agencies quietly but steadily took root in Europe and North America throughout the 1980s. By the end of the 1990s, the labour agency Manpower was the largest private employer in the United States with 2400 offices globally (Standing, 1999:108). The reason for the popularity of these agencies is that workers in an increasingly flexible labour market have struggled to find stable full time jobs. Certainly these agencies have not restricted

themselves to the industrialized world, and have flourished globally, servicing potential workers at all skill levels.

In terms of skills, agencies service the full range of workers from highly skilled information technology workers, engineers and chartered accountants to au pairs, call centre workers, low skilled workers and also seafarers (ratings). Work by Theron et al (2005) on the rise of labour broking and its policy implications shows that there has been a significant increase in labour broking agencies or what they refer to as temporary employment services in South Africa. Theron et al (2005:1) argue that "the two tier labour market which business was advocating in 1996 has since been achieved." Significantly this two tier labour market (core and periphery) has been achieved in sectors that prior to 1996 had enjoyed standard employment. Facilitating the development of a two tier labour market in South Africa has been the introduction and practices of temporary employment services. For example the metal and engineering industry in South Africa has experienced a massive loss of permanent jobs. Permanent jobs in this industry declined from 425 000 in 1986 to 315 000 in 1996 and declined further to 235 544 in November 2003 (Theron et al, 2005: 2). This the authors say represents a 44 percent decline in permanent jobs in this sector for the entire period. The number of workers in this sector that were employed by temporary employment services in 2005 was 16 116 which is 6.8 percent of the total workforce for this industry, though Theron et al believe the figure to be much higher. Theron et al (2005) also cite similar examples from the poultry industry in the Western Cape. The empirical point made by their 2005 monograph is that permanent employment is on the decline in South Africa as it is in most other regions of the world.

Furthermore, this decline in permanent employment is marked by a growth of temporary employment services in South Africa (as is the case globally). Certainly the growth of labour broking agencies from 1980 to 2004 as demonstrated by Theron et al (2005:18) shows clearly the shift towards a new ethos in the labour market as worker's labour statuses shift from permanent to temporary workers. The findings of the monograph further attest to the fact that

temporary workers that find employment via agencies are located in various sectors of employment. They range from white collar workers to manufacturing, engineering and construction sectors. Agency workers were also supplied to the services sectors in South Africa which include the information technology, finance, health care, medical and call centres sectors in South Africa (Theron et al, 2005). The findings presented by the investigation reflect a more global trend in the growth of temporary employment services which are a key marker of the post Fordist labour market.

Benner's (2002) work on flexible labour markets in Silicon Valley and more specifically his analysis of labour market intermediaries covers a wide range of organisations that mediate employment for information technology workers (Benner, 2002:28). Benner's work on labour market flexibility makes the point that temporary and agency work is sweeping the landscape of American labour.

Botlanski and Chiapello's (2007) analysis of the dismantling of the world of work in France demonstrates that in 1997 the number of temporary workers employed in France (via agencies) grew by 23 percent. In France the number of temporary employment services increased from 600 in 1968 to 1500 in 1980 and 4883 in 1996. In total, close to one and a half million people would have performed at least one temping assignment; this represents the equivalent of at least 359 000 full time jobs (Botlanski and Chiapello, 2007:224). In 1998 Adecco, the French equivalent of the American temporary employment conglomerate, Manpower, became the main employer in France (Botlanski & Chiapello, 2007:224). The point made by these South African, American and French examples is that the growth of agency or labour broking agents is a global phenomenon affecting workers at all skill levels.

There have been three outcomes of labour broking agencies for both national and global labour markets. Firstly as Botlanski and Chiapello (2007) contend, temporary employment services have facilitated the movement of more women into the global labour market which has led to a feminization of the global labour

market. Whilst it is true that there are more women in the formal global labour market than ever before, it is equally true that women are situated in the most lowly status jobs at the bottom of the skills hierarchy. Both Standing and Bourdieu (1999) concur with this assessment. Secondly there has been a feminization or change in status of jobs. Jobs which have been excessively Taylorised are considered feminized to denote their low status even though they may be performed by men (Benner, 2002; Standing, 1999) and thirdly there is the creation of peripheral group of temporary workers that Theron et al (2005) refer to as an underclass in the workplace. This underclass of course would apply to those workers at the lower end of the labour market as opposed to highly skilled knowledge workers for example.

Often this underclass of workers is not subject to the same legislative protection as permanent full time workers. This often means that agency workers do not have the same rights as permanent full time workers as their rights are curtailed legislatively. Theron et al (2005) expose on labour broking in South Africa, Bourdieu's (1999) ethnographic study of flexible workers, Shieler's (2005) engagement with America's working poor and Ehrenreich's (2002) experience of casual, temporary and agency work in the United States all demonstrate how temporary employment consists of various types of insecurity, particularly job, wage and representation insecurity, that Standing (1999) discusses and that I have mentioned in the earlier part of this discussion.

2.9 Conclusion

The purpose of this chapter has been to engage in four sets of arguments. Firstly the chapter argued that the regulation school of understanding capitalism and its crises offered a convincing explanatory account of how capitalism operates as a mode of regulation. This involved a discussion of what is meant by modes of regulation and regimes of accumulation. These two concepts are key to a regulationist account of capitalism. Secondly I argued that capitalism's shift from

one mode of regulation to another is a function of crises it experiences. The literature indicates that crises can either be the result of overaccumulation as posited by neo-Marxists like Arrighi (2000) or they can be the result of the tendency of the rate of profit to fall as contended by Marx. However I argue that neither explanation of crises by itself is sufficient to explain crises as experienced by the empirical study of the shipping industry presented in this thesis. Instead I posit that whilst the tendency of the rate of profit to fall is the most convincing explanation of the crises experienced in the shipping industry it is not unproblematic. There are two caveats to this. Firstly I argue that unlike Arrighi's perspective that falling profit rates are exclusively the product of increased competition amongst firms, declining profit levels are the outcome of a myriad of factors. The sources of declining profit levels may include: global financial crises, crises in the control of natural resources such as oil, fall in the rates of profit, fall in productivity levels and even the militancy of labour. As capitalism encounters these crises, capitalists attempt to ameliorate or prevent profit levels from falling further. Secondly I assert that even though Marx recognised falling rates of profits as a tendency and not a law, he could not have anticipated many of the modern ways in which capitalists can ameliorate falling profit levels. This chapter has therefore argued that the catalysts of crises are more complicated than either overaccumulation or the classical Marxist perspective of the tendency of the rate of profit to fall suggest. I further argue that as profit rates are ameliorated, crises are resolved, but their resolution results in new modes of regulation as the emergence of post Fordism is testament to. New modes of regulation are therefore an attempt to avert the crises from spiralling downwards. Further, new modes of regulation result in new features in labour market formation as the chapter's discussion of Fordist and post Fordist labour markets has demonstrated.

The third broad argument of the chapter is that classical Marxist and neo-classical accounts of labour markets have made important contributions to the ways in which we understand labour market formation. However I assert that these accounts may also be limited in explaining new developments in labour market formation. Instead I offer Guy Standing's (1999) seminal work on global labour

flexibility as a way of conceptualizing changes in the contemporary labour market. I contend that Standing has provided both a conceptual and empirical impetus to understanding the ways in which labour markets are formed under contemporary capitalism.

The second half of the chapter following the Regulationist perspective argued that Fordism and post Fordism emerged as particular modes of regulation. These modes of regulation had very specific consequences for their respective labour markets. The chapter shows that for capitalism to shift from one mode of regulation to another it must do so as an outcome of crises. The reasons for the crises were multiple and resulted in global declines in profit levels. It was capitalists' attempt to ameliorate declining profit levels that led to the emergence of a new mode of regulation and new types of labour markets.

The chapter has demonstrated the above arguments in two ways. The first way was to examine the nature of capitalism at a more abstract level. It did this through a discussion of the nature of capitalism and its modes of regulation, secondly the nature of capitalist crises and thirdly the implications of these types of capitalist accumulation strategies for labour market formation. The second way was to ground in an empirical context the more abstract concepts examined in the first part of the chapter. It did this through an evaluation of four themes. These were firstly an examination of Fordism as a mode of regulation; secondly it examined the impact of the Fordist mode of regulation on labour market formation; thirdly it examined the nature of the crisis in the Fordist mode of regulation and its transition to a post Fordist mode of regulation and fourthly the chapter looked at the post Fordist mode of regulation and its impact on labour markets. In investigating these four themes the chapter demonstrates that particular types of crises generated in capital's reproduction have unique outcomes for labour market formation. Hence, the outcomes of different capitalist modes of regulation for labour market formation are different.

By engaging in all the above arguments, this chapter has provided an explanatory framework for the empirical evidence presented in this thesis.. This in turn allows me to address the central purpose of the thesis which is to explore how and why merchant navy seafaring labour markets have restructured under contemporary capitalism. It also allows for the subsequent empirical discussion (in chapters four and five) of the ways in which Fordist and post Fordist modes of regulation have differentially impacted on seafaring labour markets.

Chapter Three

Research Methodology: A Realist Approach

3.1 Introduction

This chapter has five aims. Firstly, it provides a summary of the empirical context and background that informs the research questions of this study. Secondly, I provide a case for why I consider a Realist ontology and epistemology as the most appropriate for my investigation into the changing nature of seafaring labour markets under capitalism. Thirdly, I make an argument for using the case study method as the most appropriate form of research design for this thesis. Fourthly, whilst a Realist philosophy of social research is not premised on the Positivist idea of a testable research hypothesis, I do provide a discussion of research questions that guided my research. The final part of this chapter discusses some of the difficulties I encountered in completing this research project, and the limitations of the project itself.

My interest and subsequent research into seafaring labour in the global merchant navy began very much by accident in 2000. An advertisement for research assistance on a maritime project was circulated in the programme for Industrial, Organisational and Labour studies where I was pursuing an honours degree. The work paid generously and the possibility existed of pursuing a funded master's degree in the area if I worked on the project as a research assistant. What began as a somewhat instrumental approach to achieving my academic goals soon developed into a deep-seated interest in the various empirical and theoretical puzzles posed by the transformation of the global labour market for seafarers in the merchant navy.

The first point of interest for me was the extreme globality of the shipping industry. It may be a cliché but still very much a truism that this industry was the epitome of a global industry. Whilst historically merchant shipping has been global by its very nature, the ways in which it has responded to the challenges and opportunities of contemporary global capitalism is both empirically and theoretically fascinating to me. Opportunity presented itself again in 2001, when I registered for a Masters degree that saw me working within a larger National Research Foundation (NRF) funded project on globalisation. My fellow scholars were all involved in a range of projects that focused on the restructuring of various local sectors or industries in a globalising world. These cases ranged from examinations of the information technology sector to casinos and the effects of globalisation on local economic development. The intellectual debate and conversation sparked by working with scholars within this project spurred me on to ask deeper questions about globalisation, the merchant navy and its labour markets. Attempting to answer these questions made me realise that the answers are complicated, multifaceted and nuanced. However, given that I was writing a short master's dissertation, I was limited very much in the scope and detail of my investigation. My 2002 masters thesis entitled, "Articulating Agency: SATAWU's strategies in servicing its seafaring membership" achieved my aims in answering the somewhat less ambitious questions I had set myself than I have for this doctoral thesis. More importantly though, my master's thesis raised new questions and flagged a number of fascinating developments in the merchant navy and seafaring labour market that I felt would most appropriately be tackled in a larger scholarly work like a doctoral thesis. I subsequently found a challenging and friendly home in trying to pin down my key questions for this thesis in an Eastern Seaboard Association of Tertiary Institutions (ESATI) funded research cluster organised around the theme of 'Reworking livelihoods in a globalising world'.

This cluster consisted of a number of doctoral students, each of whom was examining some aspect of the theme of reworking livelihoods in a globalising (and I would add capitalist) world. The research cluster, or as we sometimes jokingly referred to it, the 'flustered cluster' was central in shaping much of my

thinking that informs the key arguments of this thesis. The cluster impressed upon me the value of comparative studies between or amongst different countries and the sociological insights that such comparisons may provide in policy formation and the generation of new knowledge about globalising processes. The work of the cluster inspired me to use the example of transformation of the merchant marine and its attendant labour markets to offer some important insights in globalising processes.

Observations made of seafaring labour markets during my work with the research cluster, were that massive displacement and job losses had occurred for British seafarers since 1970. The United Kingdom experienced the largest number of displaced jobs (ILO Report, 2001:33-35) in Europe (94 713 jobs displaced), followed by France (21 845 jobs displaced). In other words there had been a 73 percent decline in the jobs for UK seafarers in a 24 year period. The sharpest decline occurred over less than eight years (between 1974 and 1982) when a massive 58 949 jobs were displaced (ILO Report, 2001:33-35). Concomitant with this development was a shift to employ seafarers that were not previously employed in significant numbers by the global merchant navy. Filipino seafarers were the chief beneficiaries of this tendency. By 1986 the number of Filipino seafarers employed on board European merchant-ships was 2 900 (ILO Report, 2001:33-35). By the end of 1987 that figure had grown exponentially to 17 057. Translated into crewing practices this meant that the number of European-owned ships with a substantial Filipino crew component went from 200 to 1130 in just 12 months. By 1995, the number of employed Filipinos on non-Filipino owned ships was 244 782 (ILO Report, 2001:33-35). By 2000, Filipinos comprised 20 percent of the world's merchant navy crew (Leggate & McConville, 2002:7).

As I had discovered in my work on the South African merchant navy in 2001 and 2002, these shifts in the seafaring labour market were occurring locally as well. Until the early 1970s, the South African shipping industry employed up to 6 000 seafarers of varying skill levels on a casual and permanent basis (Kujawa, 1996:35b). Expensive South African seafarers were steadily replaced by south-

east Asian crew, particularly Filipinos (Kujawa, 1996). By 1980, all South African-owned merchant navy ships had a majority non-South African crewing component. Kujawa (1996) estimates that at least 4 000 South African seafaring jobs of all skill levels were displaced by foreign, mainly Filipino, crew.

3.1.1 A Note on the Philippines

Given the tight deadlines and the enormity of the project, I had some anxiety about the Philippines leg of my fieldwork. Fieldwork in the United Kingdom for various reasons was familiar territory and did not pose too many concerns to me. South Africa was my home country, but never having travelled to the south east Asian region, the Philippines might as well have been on Mars.

In 2003 I visited the Philippines for the first time. At the airport in Hong Kong and again at the airport in Manila, I was confronted by the sight of hundreds of Filipino migrant workers including seafarers that were returning home. What for me had heretofore remained a largely theoretical project exploded into real life technicolour. I had many conversations with seafarers on that first trip, ironically on an airplane and not a ship. I had interviewed South African seafarers before, but nothing prepared me for the sheer scale of the number of Filipino land and sea based workers that crisscross the globe all the time. Statistics cannot fully express the weight of lives in constant motion that has become a central globalising process of contemporary capitalism. My fieldwork in the United Kingdom and South Africa never captured the same rush of a people and a country that constantly seemed to be mobile. Subsequent visits to the Philippines via Dubai and Singapore became part of my research process, always talking with Filipino workers returning home to Manila. It was during my first 2003 trip that my fate was sealed as a researcher wanting to explore changes in the seafaring labour market. As the hefty airbus approached Ninoy Aquino Airport in Manila to land, the passengers, the bulk made up of migrant workers began singing a song, of

which I understood the chorus, "... / *keep coming back to Manila*"¹ I subsequently asked a Filipino friend for the lyrics to that song and include them here to give an indication of the mood the lyrics convey:

(Maraming beses na kitang nilayasan
 Iniwanan at iba ang pinuntahan
 Parang babaeng mahirap talagang malimutan
 Ikaw lamang ang aking laging binabalikan)

Manila, Manila

I keep coming back to Manila

Simply no place like Manila

Manila, I'm coming home

I walked the streets of San Francisco

I've tried the rides in Disneyland

Dated a million girls in Sydney

Somehow I feel like I don't belong

(Hinahanap-hanap kita Manila

Ang ingay mong kay sarap sa tenga

Mga Jeepney mong nagliliparan

Mga babae mong naggagandahan)

Take me back in your arms Manila

And promise me you'll never let go

Promise me you'll never let go

Manila, Manila

Miss you like hell, Manila

No place in the world like Manila

I'm coming here to stay

¹ Music and lyrics by Eraserheads. English translation in Italics.

The singing of that song on the airplane captured both the nature of my 'outsiderness' to a shared homecoming process but also simultaneously eased my anxiety about working in a foreign country, since any country that has such amazing singers and songs can only be wonderful. Needless to say my anxiety never returned.

3.1.2 Map of Research Locations

The map on the next page shows the locations of the three research sites that inform this project.

3.2. Realist Ontology and Epistemology

The aim of this section is to discuss the research approach I have adopted in the conducting of the fieldwork and the interpretation of the data gleaned from the fieldwork. As I conducted fieldwork and began writing up my research, it seemed that I was working from a number of assumptions about the social and economic phenomena I was investigating. These were my taken for granted assumptions about the socio-economic world, and it seemed impossible that they were not real or correct. Firstly, I assumed that capitalism as an economic and social system was very much in existence. For me there were institutions of capitalism to be found everywhere, ranging from shipping companies, crewing companies, trade unions, to regulatory bodies. The nature of capitalism was neo-liberal and inherently exploitative of labour. Secondly, the nature of contemporary capitalism which is more global in scope seemed not to be a generic globalisation that is diluted of its ideological intent, but of a very specific type, transitional, neo-liberal globalisation. Thirdly, the more research and reading I did it appeared that shipping capital was not the only player in shaping the contours of new labour markets for seafarers in the merchant navy. Epistemologically therefore, I had already acknowledged that capitalism and its institutions were real. They existed in an objective² space outside my mind and my imagination and that of others. I was trying to understand how and why capitalism changes over time, not questioning whether it existed in the first place. I was also trying to ascertain how these changes take place over time. Immediately a Positivist³ reductionist interpretation seemed inappropriate, and a Postmodern⁴ perspective was not appropriate for many reasons. Chief amongst them revolved around the postmodern ideas of all truth being valid and equal, the idea of relativity in

² I clarify what I mean my objective later on in this chapter. I provide a summary of how 'objective' and 'objectivity' are conceptualised by Positivists, Postmodernists and Realists.

³ I consider in some detail the main tenets of Positivism and some Postmodern thought later in the chapter.

⁴ I acknowledge that Postmodern theory cannot be consolidated together as one category. It is far too heterogeneous for that. At the same time for pragmatic purposes of brevity, I use the category of Postmodern to denote all the different strands of theory that comprise it.

addition to the notion that nothing is real and is all a product of how we internalise, project and hence create our social worlds. Realism therefore seemed a logical and necessary research approach given my own ontological and epistemological beliefs of the world.

A Realist paradigm or approach is also known as a Critical or Transformative paradigm of research (Wainwright, 1997; Lincoln & Guba, 2000; Creswell, 2003; Henning et al, 2004; Mackenzie & Knipe, 2006). It is informed by Marxist and later, critical social theory which in itself is an outcome of the Frankfurt School of theorists (Arato & Gebhardt, 1978; Held, 1980; Wiggershaus, 1994). This form of theorising has its roots with Karl Marx in the 19th century. Social theorists such as Adorno (1973; 1976), Horkheimer (1972), Habermas (1976), Keat & Urry (1983), and Agger (1989; 1991; 2002) develop this form of theorising and interpreting the social world.⁵

This approach⁶ to research is based on the ontological belief that just like in the natural world there are certain basic features of human societies that can be considered to be real and permanent. This does not mean that Realists view the natural and social worlds as the same (Positivists make the claim that the social and natural worlds are the same), in fact they are at pains to declare that natural and social phenomena are quite different. They do however argue that that the basic principles involved in the study of the natural world can be similar to the principles involved in studying the social world (Sayer, 1992; Wainwright, 1997; Outhwaite, 1998; Silverman, 2000; Mackenzie & Knipe, 2006).⁷ Examples of

It is beyond the scope of this chapter to detail the development of Critical Theory or the influence of Marxist theory on its development. The reader is referred to the older but still excellent book by Wellmer (1969) *Critical Theory of Society* and the more contemporary exegesis by Craig Calhoun (1998).

⁶ The categorisation of Realism as a unique research approach or paradigm in sociology is not without its controversies. For example Boje (2001) is highly critical of Guba and Lincoln's (1989) attempt to collapse critical theory, Post-structuralism and Postmodernism into one broad category of critical social research.

⁷ Of these methodologists, Sayer (1992) and Outhwaite (1998) make the most impassioned and rigorous argument for realism ontology and epistemology in the social sciences. They do this in a full-length book and book chapter respectively that have become seminal reading for those interested in method in the social sciences.

these would be work, family and culture. Causal relationships can be established in relation to human behaviour, but causality tends to be limited in time and space. In other words we have to recognise that what is true in one context may not necessarily be true in another context. A second ontological tenet of Realism is that the social world is seen to have an objective existence in addition to our individual consciousness (Wainwright, 1997). In other words we experience the social world as something real. Social change in the world can only happen when people decide to act collectively. The reason for change by collective behaviour is based on the notion that individual behaviour is conditioned by the nature of structural relationships in society, and only collective social action can alter the structure of these relationships.

The premise of Realist epistemology requires that empirical evidence (for example directly observing social phenomena) is essential but not in itself sufficient when making claims about the social world (Sayer, 1992; Wainwright, 1997; Thomas, 2003; Onwuegbuzie & Leech, 2005). Proponents of a Realist epistemology, argue that scientific knowledge can be produced by understanding the non-empirical relationships that underpin the observable social world. The task of science therefore is to uncover the non observable mechanisms that govern the ways in which people behave. For example, in this thesis, I attempt to go beyond a simple description of causal relationships between capitalism, labour markets and labour market institutions. I am more interested in how such relationships were created in the first place. I therefore find favour with the Realist argument that the social world as we see and experience it is governed by the operation of social processes which we need to understand if we are to explain the observable world (Outhwaite, 1998; Honneth, 2006). The function of Realism as my chosen epistemology and methodology is to uncover the non-observable mechanisms or hidden social processes that govern society's behaviour at an individual and collective level.

For Realists, the social world has to be understood in its entirety. Investigating a social issue such as unemployment or as in the case of this thesis, changing labour

markets, cannot be done in isolation from larger social structures and phenomena like the state, capitalism and technology. To study such issues or events in isolation is in total antithesis to the Realist premise that all aspects of the social world are interconnected and affected by all parts. My thesis, for example, engages with Marx's idea of the mode of production or to oversimplify his concept, the way in which work is organised in society. For Marx a mode of production is an underlying mechanism in relation to social class creation. In Marxist terms therefore, an individual's class is defined by their relationship to the means of production. Again to oversimplify, the people who own and control the means of production are a different class to those who do not own or control the means of production (Swedberg, 2005). The concept of a 'means of production' cannot be directly observed, neither can a 'social class' be directly observed but their existence can be theorised in terms of the effects they create. An oft cited analogy in the natural world is the concept of gravity. Gravity cannot be directly observed, but its effects on things can be observed (Silverman, 2000; 2005).

3.2.1 Realism and Dialectical Logic

At its most generic, dialectic is understood as an exchange or dialogue of propositions or *theses* and counter propositions or *antitheses* that result in a *synthesis* of the opposing assertions, or at least a qualitative transformation in the direction of the dialogue (Woods, 2004). According to Woods (2004) and Bhaskar (1978) the history of dialectic would be a history of philosophy itself. Dialect together with rhetoric and grammar complete the triumvirate of the three original Western liberal arts. In ancient and medieval Europe dialect was viewed as the art of persuasion through rational argument. In philosophy the Socratic Method consisted of demonstrating that a given claim or hypothesis leads to contradiction and therefore can no longer be considered as a truthful claim (Woods, 2004). One of the most erudite accounts of the debate between Hegelian and Marxian concepts of Dialectic is presented by Rosen (1982) in his book, *Hegel's Dialectic and its Criticism*. For Hegel, human thought became materialized through practical activity. He was concerned with the process by which the subjective

representation of objects and events in the material world occurred and were represented in the human mind. Marx rejected⁸ this form of dialectic as invalid.

Engaging in critical social research as demanded in a Realist approach requires an application of dialectical logic. Dialectic reasoning is complex and, as argued by Bhaskar (2006:160), is "...one of the oldest, most complex and contested concepts in philosophical and social thought". Social theory's focus on dialectic reasoning has since the twentieth century focused on the work of Marx and Hegel's (Bhaskar, 1993; 2006).⁹ A generic definition of dialectic is provided by Bhaskar (2006:158). For him, dialectic

"...has come to signify any more or less intricate process of conceptual or social conflict, interconnection and change, in which the generation, interpenetration and clash of oppositions, leading to their transcendence in a fuller or more adequate mode of thought or form of life, play a key role."

For Marx, dialectic reasoning necessarily consisted of the following tenets (Bhaskar, 2006:159):

1. It had to be *scientific* in the sense that it attempted to explain the contradictions in thought, and the crises of socioeconomic life in terms of the particularly contradictory essential relationships generating them.
2. It had to be historical. It was important to study how a social and/or economic problem developed over time. An investigation over time would reveal any transformations or trends that the social or economic phenomena experienced. Wainwright (1997:5) cautions that Marx's advocating of a historiography was not only to document its changes in its appearance over time but to also disclose the "relationship between the phenomenon's appearance and its

Despite the deep disagreement between Marx and Hegel, Marx claimed to be an open devotee and pupil of Hegel (Woods, 2004).

⁹ For an excellent treatment of dialectic reasoning and logic and a history of dialectic in philosophy and sociology, see Bhaskar's 1993 book *Dialectic*. For a more detailed reading and analysis of Realism and its role in scientific inquiry, see Bhaskar's *A Realist theory of Science* (1978).

underlying essence". In other words social and economic problems or issues are both entrenched in and an agent of, the changes in the very relations and circumstances described (Bhaskar, 1993; 2006).

3. As critical theorists or Realists, we are interested most in the 'underlying essence' of things, and not their appearance. Adopting a Marxist dialectical scientific and historical approach allows us to make clear the social and economic (which may sometimes be contradictory) relationships that are at the heart of socioeconomic issues. So, simply put, we have to be *critical*. Being critical means the deconstruction of social phenomena or issues by engaging in social critique. This does not imply a reductionist deconstruction. For example, a Marxist approach to deconstructing class would not generate a list of different occupations, an income band or educational attainment. The dialectic of Marxists would situate the category of class in the dominant social and economic relations that exist in the world (Wainwright, 1997:5).
4. Finally, Marx promotes a *systematic* approach. The approach has to be systematic in the sense that it traces the various historical tendencies and contradictions of capitalism back to certain contradictions in the varieties of the modes of production it employed over time (Bhaskar, 2006). Development depends on the clash of contradictions, and the creation of new systems or synthesis from these clashes. Therefore, a systematic approach identifies the contradictions in capitalism (past and present) and the exposing of such contradictions can act as a catalyst for social change. As Marx, in Crow (2005:17) states, "Scientific truth is always paradox, if judged by everyday experience, which catches only the delusive experience of things."

Contemporary Marxists like David Harvey (1989) continue to endorse Marx's radical questioning of taken for granted everyday social processes and emphasis on revealing and exploring contradiction in capitalism. As Harvey emphasises (1989:345) "The exploration of contradictions always lies at the heart of original thought". To summarise, the systemic approach advocated by Marx can be best summed up as the questioning of existing explanations from inconsistencies and

contradictions in past and present incarnations of economy, polity and society. This questioning occurs best through a process of dialectical reasoning, through which more rigorous accounts of our social world can be achieved.¹⁰

3.3 Realist 'Designs' and Methods

There is no prescribed Realist research design, although case studies are often used, as are more historical designs (Sayer, 1992). This thesis has adopted the case study design as the best way to conduct the research systematically and to organise my findings in a coherent way. Epistemological Realism as a form of investigation into the social world employs a range of methods. There is however a bias towards methods that can be shown to produce reliable¹¹ data (Wainwright, 1997). Some common methods used are primary interviews, questionnaires and secondary sources such as official statistics. The collection and use of such data is not an end in itself as Wainwright cautions but is rather used as evidence of the effect of an underlying, non-observable causality.

3.4 Critiques of Realist Ontology, Epistemology, and Dialectic Reasoning

The critiques of Realism as a research epistemology can broadly be divided into two camps, that of the Positivists, and that of the Postmodernists, specifically Relativists.

¹⁰ The dialectical method of argument and investigation has also been applied to the natural world as Engels argued it should. Most recently this has extended to the field of Biology. Biologists Lewin and Lewontin (1985) use a form of Marxist dialectic in their book *The Dialectical Biologist*. In education and pedagogy, dialectics has proved invaluable as demonstrated most notably by Paulo Freire in his seminal *Pedagogy of the Oppressed*. Theology has employed Marxist dialectical method in its practice of liberation theology. The point is that despite its many critics, Marx's concept of dialectic is important and continues to be of relevance and debate.

¹¹ Wainwright's 1997 article "Can Sociological Research be Qualitative, Critical and Valid" is a classic amongst qualitative researchers, particularly Realists. He makes an impassioned argument on how to achieve reliability and validity in sociological research without adopting a positivist approach.

3.4.1 The Positivist Critique

Positivism as an epistemology has its roots in the writings of Auguste Comte (Giddens, 1974; Alexander, 1982). Comte and his philosophy of science was championed by the Vienna Circle¹² of philosophers that claimed positivism would be the philosophy to end all philosophies. The roots of this epistemology can be traced to the theories of Francis Bacon, John Locke and Isaac Newton. Positivism advocates the pursuit of causal explanation by way of inductive generalization and reasoning (Alexander, 1982). Positivism is built on a triad of concepts. Ontologically it clings to *phenomenalism*. Phenomenalism is the belief that knowledge can be founded on experience only. Experience is reduced to 'facts' (Giddens, 1974). As Alexander (1982) argues, there is a fetishisation of the 'fact' as immediately available to perception, or in other words, what you see is what it is. The second part of the triad is the methodological tenet of the *scientific method* which contends that the techniques and methods used in the natural sciences can be easily transferable to our analysis of the social world. This allows Positivist scientists to make generalizations about the social world in much the same way as they would extrapolate about the natural world in disciplines like physics, biology and chemistry. Generalising in this way also allows proponents of this approach to generate fixed laws about social processes¹³ and the social world. The natural and social worlds are therefore one and the same, and can easily be interpreted and analysed by generalisable law-like rules. In short, Comte and his supporters wanted to found a naturalistic view of society¹⁴ capable of "explaining the past of human kind and predict its future by applying the same methods of enquiry as had proved so successful in the study of nature, namely observation, experimentation

¹ The Vienna Circle consisted of a group of analytical philosophers, mathematicians and scientists. These included Moritz Schlick, Ernst Mach, Rudolf Carnap and Otto Neurath (Wacquant, 2006). For more detail on the individual epistemologies of these academics see Hempel(1965).

¹³ Durkheim was quite taken by Comte's epistemology. Though he abandoned the essence of Positivism he embraced its methods. I mention this to demonstrate that sociologists' relationship with Positivism has not and is not always a direct rejection of it (Alexander, 1982).

¹⁴ It is ironic that Comte coined the term 'sociology' to describe a "science that which would synthesize all positive knowledge, unlock the mysteries of the statics and dynamics of society, and guide the formation of the positive polity" (Wacquant, 2006:508).

and observation" (Wacquant, 2006:509-510). Completing the triad is the idea of *neutrality*. The researcher here is an objective, removed observer. There is a firm separation between facts, the research and values. For example, Marx's moral critique of capitalism which he held in the same stead as his scientific critique would be antithetical to Positivists. Since Comte, Positivism has developed into a number of different guises. The best known of these is Instrumental Positivism. It has its roots in the United States of America (Bryant, 1985) and holds as its central premise the belief that all sociological issues can be reduced and quantified into little pieces of (mathematical) information. Its chief proponent William Ogburn claimed that all sociologists would one day be statisticians (Bryant, 1985:52).

Given the above tenets, the Positivist critique of Marx's dialectic is made in three parts. Positivists argue that the most obvious and common critique of Realism is that the phenomena that are being studied, for example class structure, capitalism crises and class struggle, cannot be directly observed. Therefore it is difficult for sociologists (usually Marxist) to say with any validity what the effects of these phenomena are on behaviour. Positivists would argue that validity of finding is therefore difficult at best or impossible at worst. A second criticism is related to the Realist reliance on 'hidden mechanisms'. Again critics of Realism would argue that almost any theory that is proposed can be justified on the basis of such ideas. In other words, a theory that is proposed to explain some social phenomenon or issue can never really be disproved. A popularly cited argument by antirealists is that the Marxist theory that Communism will eventually replace Capitalism can only be proved when and if it ever happens. A third criticism of Realist epistemology is the idea that realist theories can never really be tested, since they are not testable in the way that Positivists would argue a theory should be testable.

¹⁵ Marx's early works conveyed a strong sense of moral outrage against capitalism which did not detract from his analysis of capitalism. See Crow (2005) for more on why Marx's moral critique of capitalism contributed to the overall art of his sociological argument.

3.4.2 The Anti-Positivist Response

Today Positivism continues to dominate much research in the social sciences. This is despite it being discredited by Realists (Bhaskar, 1978) and Critical Social theory. Critics of positivism include proponents of the Post Positivist School such as Popper, Quine, Kuhn, Lakatos and Feyerabend and practitioners of hermeneutics, deconstruction and feminist theory (Alexander, 1982). Practitioners of hermeneutics, deconstruction and feminism contend that causal accounts of human behaviour cannot be constructed because, "...human practices, institutions and beliefs are inherently meaningful and constituted by the understanding (or lack of) that people have of them" (Wacquant, 2006:508).

Feminists specifically contend that science is a gendered institution that reflects a patriarchal system and that science as an institution needs to be completely turned on its head to reveal its male-centered bias.¹⁶ Anti-Positivist arguments whilst not homogenous can be broadly said to demonstrate that scientific theories advocated by Positivism are neither built inductively nor can they be tested on the exclusive basis of phenomenal evidence since there is no such thing as "theory neutral observation" (Wacquant, 2006:509). Giddens' (1978) critique of positivism goes further when he contends that there can be no objective value free ruling of or judgment of data or theory since researcher and theorists' opinions always inform the way they work with theory and data, hence there will always be rival theories and no singular claim to the truth, fact or objectivity. To paraphrase Bourdieu (1973), facts as Positivists see them are neither objective nor value free. They are instead conquered, constructed and contested versions of the social world.

¹⁶ See Harding (1984) for a more complete feminist critique of Positivism.

In my opinion, Realist¹⁷ ontology and epistemology provides the sharpest critique of and response to a positivist epistemology. Spearheaded by Marx and finding its contemporary home most famously with Bhaskar (1978; 1993; 2006), Keat & Urry (1978), and Sayer (1992), Realism contends that reality can be broken down into three levels, the Real, the Actual and the Empirical. As noted earlier, the foundation of Realism is the belief that hidden structures and mechanisms exist (and are therefore not always directly observable as Positivism claims) and that they may operate independently of our knowledge of them but their effects can still be investigated empirically (Bhaskar, 1978).

3.4.3 The Relativist Critique and a Response

Further philosophical critiques of Critical Realism by Relativists (Kuhn, 1972) and Postmodernists have revolved not on its ontological basis but rather on the question of the validity of its findings or the truth of our knowledge. This is an important criticism and one that must be addressed. I offer Bhaskar (1978) and Sayer's (1992) response to this critique. They argue that Critical Realism accepts *epistemic relativism* that is the view that the world (for example economy and society) can only be known in terms of available descriptions or discourses (e.g., Marxian economics, Keynesian economics, neo-classical economics and classical political economy). But Critical Realism rejects *judgemental relativism*, the view that one cannot judge between discourses, and decide that some accounts are better than others (Bhaskar, 1978; 1993). A common defence of judgemental relativism invokes the theory-laden character of observation - as if this meant that theories could not be falsified by observations, or that observation is necessarily *purely* theory-determined. To paraphrase Bhaskar (1978), it is hard to see why

¹⁷ Of course there are as many strands of Realism as there are of Feminism, Positivism and other epistemologies. I do not mean to provide a homogenous categorisation of Realism. I specifically invoke Bhaskar's concept of Critical Realism. For a detailed reading of the different types of Realism, the reader is referred to Harre's 1986 book, *Varieties of Realism*. Likewise Bhaskar's arguments are nuanced and for the sake of brevity and clarity, I can only offer sometimes simplified versions of his writings. The reader is referred to his growing body of work on the subject.

observations would be necessary if our concepts already specified everything about what could be observed.

For Relativists, all truth is weighted equally. A response to the absolutism offered by Modernists and Positivists, the appeal of Relativism lies in its promises of valuing all knowledge equally. As such there is no one true or legitimate body or cannon of knowledge. Institutions such as the state or male centred academia cannot profess ownership of the only legitimate knowledge or production of knowledge. At its most extreme, Relativism argues that because everyone is equal or should be equal, their beliefs and the knowledge these beliefs generate must be equal too (Bhaskar, 1978, 1993). Initially this was seen as liberating for previously silenced voices, especially those from the developing world and oppressed groups such as women, gays and lesbians and others on the periphery of the Anglo-American male-dominated approach to knowledge production. Whilst the impetus and power that Relativism has given to these voices is well documented, so is its use to endorse epistemic beliefs such as racism, homophobia and fascism, since these too must be valid and acceptable beliefs.

The second objection raised to Relativism is one of its logic. Bhaskar (1978; 1993) draws on the concept of false consciousness to make his argument. He contends that every time we argue with someone, we presuppose the possibility of either party being wrong - i.e., falsely conscious. Critical Realists would point out that the principle of equality applies to the moral worth of persons, not to the epistemological status of their empirical beliefs. An often cited example by Sayer (1992) and Bhaskar (1993) is that sociologists and geologists are equal, though the former's knowledge of the latter is poor. In other words, moral equality does not entail epistemological equality.

Another argument made by Relativists is the role of power in knowledge production. Perhaps Foucault's work (1976; 1977; 1981) best exemplifies this epistemic belief. The Realist response is sharp. In short, Realists respond by arguing that to dismiss knowledge as something imposed by dominant authorities

(as in Foucault's account of *regimes of truth*) is self-undermining: why is this claim true, if all claims are power-laden? Here, relativists reduce *epistemology authority* to a matter of *social authority*. While social science is not power-free, it is absurd to suppose that knowledge is nothing more than whatever powerful groups choose to dictate. To be sure, what people *think* is the case (e.g., the shape of the world, or the number of immigrants in a community) can be a matter of assertion or negotiation, but what *is* the case is generally not (Alexander, 1982; Collier, 1994). We cannot create things because we will it to be so. I agree that some people or groups or people are more powerful than others and because of more access to resources, may be able to influence knowledge production more than others. My dispute is not with this contention, but rather with the fact that it is labelled as a form of knowledge production or epistemology. Instead it must be recognised for what it is: an issue of social authority.

3.5 Positivism, Realism, Postmodernism and Objectivity

Whenever the work of this thesis came up for discussion in academic circles both formally and informally, the twin issues of objectivity and validity of my method raised its head (and in my head as well). I often found that these questions conflated objectivity, with issues of veracity of my claims (their truthfulness) and their validity. So I feel compelled to analyse further this issue of objectivity in the social sciences and how it relates to the chosen ontology, epistemology and methods of my thesis. It will also demonstrate why the Realist concept of objectivity is best suited to a study of this nature. Here I am assisted by the work of Realists like Bhaskar (1978) and Sayer (1992). For me, however the most useful typology of objectivity however is provided by Sanghera (2003). I draw extensively from his discussion of the sometimes ambiguous ways in which objectivity is used in the social sciences.

Three distinctions must be made in the way objectivity is used in social science epistemology. I employ Sanghera's (2003:213) device of denoting the different

types of objectivity through the use of superscript numbers, " ² and ³, with each superscript denoting a distinctive use of the concept of objectivity.

1. Objective¹ is very much a Positivist conception. In keeping with the ontology of this epistemological tradition it means value-neutral, indifferent or value free. There is no room for a subjective judgement or interpretation, since that would imply the deployment of a value. Subjective¹ there is value laden.
2. Objective² is very much a Postmodern idea of objectivity. In this tradition, the search for objective knowledge is really the search for 'true' knowledge. Truth is defined as 'practically adequate'. Subjectivity in this paradigm implies an idea that is not true or one that is only a matter of opinion. In this sense Objective² methodologists are more interested in making claims about truthfulness or falseness of claims, to the point of questioning what 'truth' and what 'real' is.
3. Objective³ is a Realist concept of objectivity. Thus when, for example, discussing the objective properties of capital, there is a distinction between objects and subjects. This distinction implies that there is a real nature of things, regardless of what we or others may think of them. Subjective in this regard, refers specifically to subjects and what individual subjects think, feel, experience about something, for example the subjective experience of class.

3.5.1 The Distinction and Conflation Between Objectivity¹ and Objectivity² Research

Collectively we can classify Objectivity¹ and Objectivity² as belonging to the transitive dimension of science and Objectivity³ as belonging to the intransitive dimension of science. Objectivity¹ and Objectivity² are often conflated and it is assumed that in order to arrive at Objective² (true/correct) claims about the world, these claims have to be Objective¹ (value free/neutral). Here lies the rub for Realists like Bhaskar, Sayer and Sanghera and I would argue quite possibly Marx would have an issue with it as well: Why should true or 'practically adequate'

statements about the world be value free? Whilst our values may influence¹⁸ our interpretations of the social world, our values can be powerful purveyors of change. Positive (not necessarily correct or true) values have, for example, informed the feminist movement, anti-racism movement and racial equality and the struggle for gay and lesbian equality. Just the same negative values that lead to racism, xenophobia, homophobia and fascism could easily inform and be an outcome of social research. The point is that having more positive values does not guarantee objective² social research any more access to what is a correct/true value and what is an incorrect/false value and having negative values like being racist or sexist does not make achieving those negative values unattainable. Why would being racist be an incorrect or false value to have? Objective² research, claims to seek 'true' or correct interpretations of the world, but may actually be employing subjective¹ (value laden) criteria. In this sense then there is a conflation of Objectivity¹ and Objectivity² types of research.

3.5.2 The Distinction and Conflation Between Objectivity² and Objectivity³ Research

Sanghera (2003:221) cautions us that the distinction between Objectivity² and Objectivity³ research is far more difficult. He argues that it relates to the relationship between *ontological realism* and *epistemological fallibilism*. He argues that to claim "that objects can have qualities which exist independently of our consciousness of them (Objectivity³) is not to claim privileged access to them (i.e. Objectivity²) in the sense of truth." Therefore when Realists and Marxists make claims about the objective properties of capital, Realists may be fallible, in contrast to Positivists or Post-Modernists (especially Relativists). Marx for example often uses the phrase 'objective' conditions in his work on Capitalism. For Marx there was a definite division between the objective conditions of capital, and what people may have imagined to be the case. There is a firm contrast between what objectively³ exists and what people imagine exists, and implied that he knew the truth (objective²) about what was real, though his own claims are

¹⁸ Though having strong values about an issue do not necessarily imply that those values will impact on one's social research.

fallible (Sanghera, 2003). In other words there is a distinction for Marx between *thought objects* and *real objects* or subjective³ beliefs and what these beliefs are about objects³. If we dispute that such a dualism should exist between Thought and Real objects, then epistemologically we can never be wrong about anything. The social world in this regard depends solely on Hegelian (identity thinking) interpretations of it.

Anti Realists are quick to point out however that Realists do draw on the Objective² idea of what is true or real. They further argue that surely subjects can have multiple ideas and interpretations of economy, for example liberal versus Marxist concepts of economy, and this would inform their ideas of what is real or true for them about the economy. Realists scoff at this argument and say that whilst there may be some credence to the premise of the argument, its conclusion that things can only exist if they are thought about is erroneous. Realists reiterate that as researchers we must distinguish between what really exists and what we imagine to exist. They acknowledge that making this claim implies an engagement with objectivity² in that we are claiming certain things to be true or real or at least more real than other claims.

3.6 Research Design

3.6.1 Case Study Research

By research design I refer to the "logic that links the data to be collected (and the conclusions to be drawn) to the initial questions of the study" (Yin, 2003:19). In order to address the central research questions and propositions of this thesis, the case study research design and methods were used. By research questions and propositions I do not imply a testable question in the Positivist sense, but rather that I am making certain claims about shipping capital and seafaring labour markets the veracity of which I want to explore and explain. This design was deemed most appropriate for a range of reasons. As Yin (2003:1) contends,

"...case studies are the preferred strategy when 'how' or 'why' questions are being posed, when the investigator has little control over the events and when the focus is on a contemporary phenomenon within some real-life context." More specifically, I engage in multiple explanatory (as opposed to descriptive) case studies of seafaring labour markets.

3.6.2 Comparing the Case Study to Other Research Strategies and Designs

Most research methodologists organise case study research and design into three categories:

1. Descriptive.
2. Explanatory.
3. Exploratory.

The type of case study that one uses will depend on the existence of three conditions (Yin: 2003). These are:

1. The type of research questions posed and the claims or propositions made.
2. The extent of control the investigator has over actual behavioral events.
3. The degree of focus on contemporary as opposed to historical events.

My study focused mainly on how and why questions as opposed to what, who or where questions.

Table 3.1 Types of Case Study Designs

Case study type	Form of research questions asked	Requires control of behavioral events?	Research strategies
Exploratory	What	No	Surveys, archival
Descriptive	What, Who, Where	No	Surveys, polls, epidemiological
Explanatory	How, Why	No	Histories

This thesis engages in the use of mainly "how and why" questions and thus considers the use of the explanatory case study design to be the most appropriate research strategy. These questions as argued by Yin (2003:6) "deal with operational links needing to be traced over time, rather than mere frequencies or incidence". Whilst the research strategies used in each type of case study may and do overlap, some strategies are more appropriate than others in addressing the research questions. The case study design is especially useful when investigating contemporary issues, but with the proviso that there can be no control of the behavioural events. In this regard the case study relies on many of the same techniques as a historical study, but adds to sources of evidence not usually utilized by historians in their work. These according to Yin (2003) are:

1. Direct observation of the events being studied.
2. Interviews with the persons involved in the events.

Thus, whilst there may be some overlap in the techniques of the historical study and that of the case study, the case study has the strength of dealing with a full repertoire of evidence, documents, artifacts, interviews and observations. The definition and purpose of the case study has evolved from the 1970s to what Yin (2003:13) defines as: "...an empirical inquiry that investigates a contemporary phenomenon within its real life context, especially when the boundaries between phenomenon and context are not clearly evident."

The emphasis of the case study design then is on the contextual conditions, and an explicit belief that contextual conditions are central to understanding or interpreting the foci of the study. An experimental design strategy would intentionally separate the 'phenomenon' from its context, typically focusing on a few variables. A historical study does deal with context and non context but is typically non contemporary. However, in real life it is difficult to distinguish between phenomenon and context, hence the case study design calls on a range of data analysis and data collection strategies.

With respect to data collection and analysis strategies, the case study design is more interested in variables of interest than data points. Thus it draws on multiple sources of evidence, with reliability and validity of data ensured by triangulation of data.

3.6.3 The Extended Multiple Case Study Design

According to Yin (2003) some disciplines have considered multiple case studies to be a different methodology from single case studies. For example political science and anthropology have developed separate sets of rationales for single case studies and multiple case studies respectively. Both disciplines equate multiple case studies with comparative case studies. For sociology, and for the purposes of my case study, I concur with Yin (2003) that multiple case studies are variations on the same theme. In other words, there is no broad methodological distinction between them. However the evidence from multiple case studies can be considered more compelling (Yin, 2003:46) and the overall study is considered to be more robust. The criteria used to choose multiple case studies must be based on replication logic as opposed to sampling logic. Therefore the cases that comprise the multiple case study design must be selected as to:

1. Predict similar results (literal replication)
2. Predict contrasting results but for predictable reasons (theoretical replication).

The multiple case studies approach engaged in for the purposes of this thesis is of the latter type. Figure 3.1 provides a detailed illustration of the multiple case study method. The figure is divided into three parts that are essential to doing case study research. These include defining and designing the research, secondly is preparing, collecting and analysing the data collected and thirdly is the analysis and concluding portions of the research undertaken. Whilst the diagram implies a very neat and tidy way of conducting this type of research, my own experience suggests that whilst these activities do take place there are no neat rules as to how they take place.

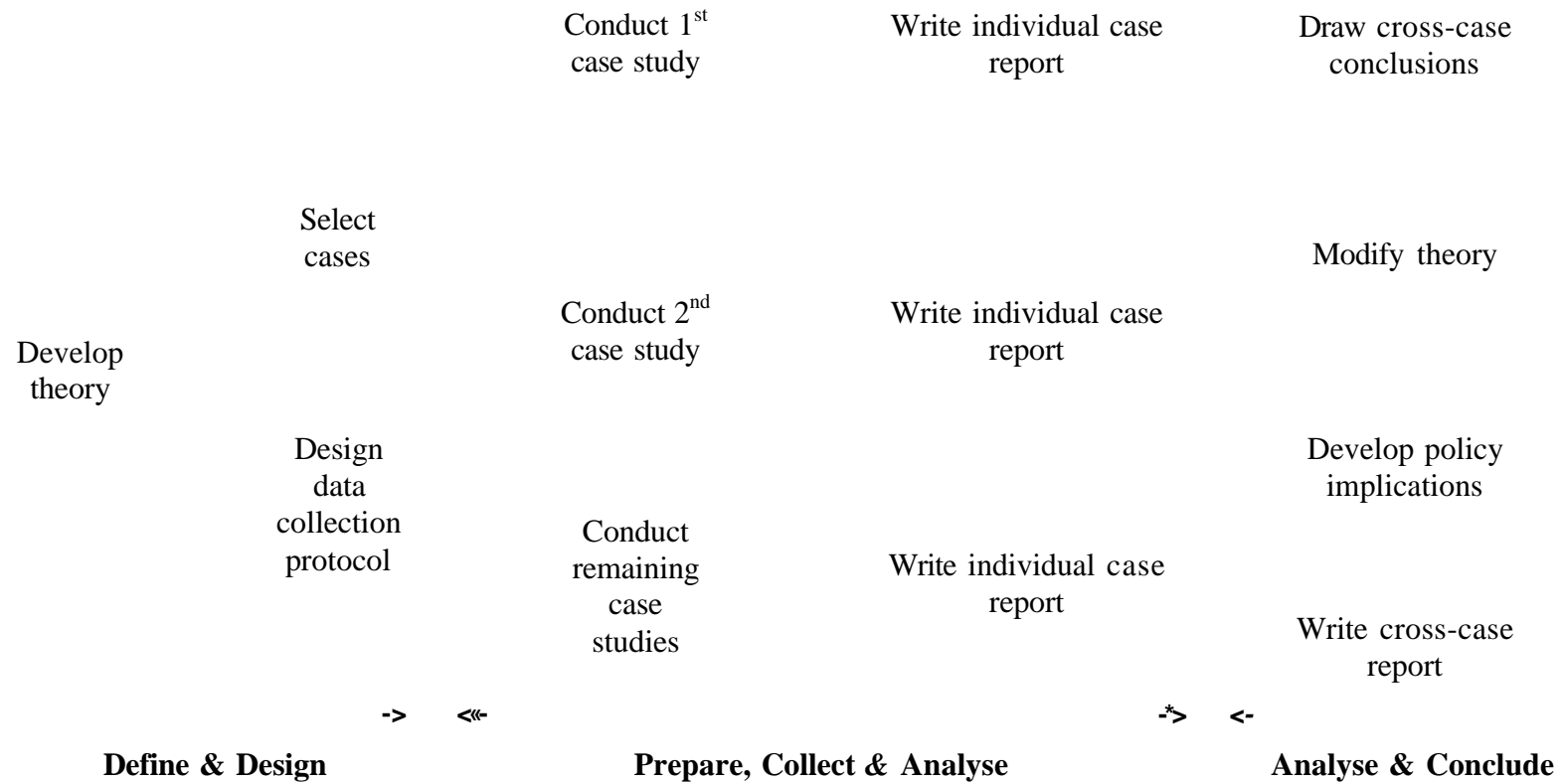
3.6.4 Extended Multiple Case Studies

An extended case study research design deals with a sequence of events over a long period of time, where the same actors are involved in a series of situations in which their structural positions must continually be re-specified and the flow of actors through different social positions specified (Gomm et al, 2000). Thus the particular significance of the extended case study is that, since it traces the events in which the same set of actors in the case study are involved in over a relatively long period of time, the researcher gives emphasis to the process aspects of the study. The extended case study therefore gives me the opportunity to trace how certain events are related and connected to one another and thus how events are necessarily linked to one another through time and space. Using multiple extended case studies, in this case three, creates more powerful and rigorous ways of testing the theoretical postulates of this thesis.

I adapt the research design of the extended case study by engaging in three extended case studies and then interpreting the processes and evidence discovered in these case studies according to the theoretical propositions of this study. Thus I attempt to discern patterns of configurations in each of these three extended case studies. This is known as *disciplined-configurative case studies* (Gomm et al, 2000). The central theoretical proposition informing my three extended case studies will provide an analytical prism through which the transformation of the global labour market for seafarers can be viewed.

One of the strengths of the extended case study research design is that it allows the context and needs of the case to determine the methods used. Whilst the studies will inevitably demand an investigation of the institutions and social processes that exist outside the shipping companies and trade unions selected, the nature of the research strategy demands that these investigations be sufficiently focused to ensure that they remain central to me answering my research question.

Figure 3.1 The Multiple Case Study Method in Summary



3.7 Quantitative versus Qualitative Methods in the Realist Epistemology

There is no hard or fast rule requiring the use of quantitative or qualitative methods in the Realist approach. Instead a combination of approaches is viewed as a pragmatic approach. The key is for the methods to support the Realist aim of social critique. The debate between supporters of qualitative and quantitative methods is well worn and is over fifty years old (Mackenzie and Knipe, 2006). In my opinion it has nothing new to offer. It does continue to surprise me that social researchers can be so passionate about advocating the exclusive use of one method over the other.¹⁹ For example Howe's (1988) treatise against what he calls the dogma of treating quantitative and qualitative research approaches and methods as mutually exclusive. For me the nature of knowledge cannot be quantitative or qualitative, neither do quantitative and qualitative refer to paradigms of research. Howe (1988; 1992) for example, conflates methods with epistemology. Instead I concur with McMillan and Schumacher (2006) and O'Leary (2004:99) in Mackenzie and Knipe (2006) that "quantitative and qualitative are best used as adjectives for the type of data and their corresponding mode of analysis". I therefore make a distinction between the use of these terms as epistemological concepts and research methods. In this regard, I employ a pragmatic approach, using both methods where appropriate.

This thesis draws on the research strategy of the extended case study as the most appropriate strategy to the goals of this study for several reasons. The case study strategy allows me to gain insights from a particular example that can have wider implications. Firstly, the case study allows certain issues to come to the fore that may not come through when using research strategies that attempt to cover a large number of instances, such as surveys (de Vaus, 2001). Secondly, the case study strategy, by focusing on one trade union, allows me a more in-depth study, hence providing me with valuable and unique insights into my research problem than

¹⁹ See Onwuegbuzie and Leech (2005) for a fascinating account of the still festering debate between proponents of the exclusive use of either qualitative or quantitative methods in social research.

other end-product focused research strategies (such as surveys, questionnaires, experimental) allow for.

The case study approach appeals to me due to its focus on processes and relationships as opposed to neatly defined outcomes or findings. Whilst quantitative findings of these extended case studies are of critical importance, the focus is on the complex interplay of processes and relationships that occur amongst the different actors and institutions that are investigated. The strength of this is that complexities of social processes are not reduced to dichotomous and discrete good/bad or valid/invalid findings (Bishop, 1994; Robson, 1993). The case study allows an investigation to take place in the 'natural setting' of the case. In other words, the case already exists and is not artificially constructed or manipulated for the purposes of the investigations. Hence there are no controls of variables as found in qualitative research designs. In sum, the case study strategy is for the purposes of this study the most appropriate research strategy.

3.8 Choice of Case Studies

The key to deciding on which countries to use as case studies is the level of influence that the restructuring of shipping capital²⁰ had on the transformation and globalization of national seafaring labour markets. The United Kingdom is chosen as an example of a labour market in decline, the Philippines represents a labour market that has boomed and South Africa epitomises a labour market that has become marginalised. I provide further reasons below for selecting these labour markets as case studies for my examination.

The United Kingdom is of particular importance because it is the labour market most displaced by the restructuring events post 1975. It is of further importance

²⁰

Throughout this thesis uses the terms capital and labour. I have provided a more theoretically orientated definition of both in Chapter Two. In this section I clarify how I will identify and select shipping capital and organised seafaring labour for each of my case studies.

because it is considered a strong maritime nation with an historical tradition of seafaring. The United Kingdom also experienced the largest loss of seafaring jobs in its maritime history in a period of 24 years, most of which occurred in less than eight years (1975-1982). These job losses were proportionately more than those experienced by other traditional maritime nations of Europe. Also of importance is that, whilst the labour market for seafarers in the United Kingdom has fundamentally altered, shipping finance capital continues to be entrenched in that country. In this sense, there is no discontinuity in the ownership structures of shipping, but rather a discontinuity in the sourcing of labour.

The Philippines is significant since the majority of jobs displaced in the United Kingdom were filled by Filipino seafarers. Philippines crews are currently 20 percent of the world's merchant navy fleet. That the Philippines was considered a minor role player in the maritime world, had no history or tradition of deep ocean sailing, and had insufficient numbers of seafarers to be absorbed into the international labour market makes it an interesting comparison.

South Africa is important since, like the Philippines, it was considered insignificant in the maritime world by the United Kingdom both in terms of ship ownership and as a supplier of labour. But despite not been a major maritime role player, South Africa's seafarers enjoyed a sound reputation as seafarers and had more deep ocean going experience than their Filipino counterparts. Nevertheless, South Africa's pool of employed seafarers dropped from 6 000 to 550 employed seafarers in less than 24 years. Their Filipino counterparts have leapt from 2 900 to over 200 000 employed seafarers in the same period of time. This occurred during the same period that United Kingdom jobs were displaced. It is the aim of this thesis to evaluate the claim that by the United Kingdom shipping companies turning to the Filipino crew, South African seafarers were marginalised from entering the global labour market for seafarers.

I believe that these three case studies provide me with a unique opportunity to investigate how, for what purpose, and why the global labour market for seafarers

transformed so dramatically and rapidly. These case studies, whilst situated in national contexts, provide me with a lens into the global arena of shipping capital and seafaring labour. As such, they provide the most appropriate strategy to address my thesis topic.

3.8.1 Research Propositions and Questions

In turn, I hope to answer the above two questions by addressing the following questions in the chapters that follow:

1. How has the labour market for seafarers been reshaped?
2. How has the restructuring of shipping capital facilitated this process?
3. What has the role of labour been in this restructuring process?
4. What other institutions contribute to this restructuring?

In order to answer these questions, I selected one example of a shipping company from one of the three countries of my case studies. This shipping company was analysed to show how the shipping industry has restructured since 1970. I chose Unicorn Shipping based in South Africa to demonstrate this. Unicorn is a fairly small global player in the shipping industry and this helps me to provide a more detailed investigation of it. Furthermore, it was a shipping company that I had the most access to with it being based in my city of residence, namely Durban, South Africa. I had established a relationship with a key informant at Unicorn over a number of years.

In order to select the appropriate seafaring trade unions in my choice of countries, I employed the following criteria. I selected the largest seafaring trade union in each of these three countries in terms of membership. Once these were identified, I engaged in an investigation of the strategy and responses of each trade union to the global transformation of the shipping industry. In addition I focused on their relationships and alliance with the International Transport Workers Federation. I also examined their alliances with other seafaring labour market institutions of the state.

3.8.2 Archival, Documentary and Statistical Data Gathering

In order to determine what changes have occurred in the ownership, organization and financing of European and United Kingdom merchant shipping companies since the 1970s I reviewed data in the *Shipping Statistics Year Book*, published annually by the Institute of Shipping Economics and Logistics. I have also secured access to the archival resources of the Seafarer International Research Centre (SIRC) on my visit to the centre in 2005. I made use of their various databases that are currently being developed for commercial use by the SIRC.²¹

The SIRC is the most prominent seafaring research organisation that collects statistical data on the labour market for seafarers. The SIRC is commissioned by the ILO, the International Transport Workers Federation (ITF), the International Maritime Organisation (IMO), shipping companies, crewing agencies, the Philippines Overseas Employment Agency (POEA) and *Lloyds List* to gather statistical data on the global labour market for seafarers. I was hosted at the SIRC in 2005 as a visiting PhD scholar and allowed access to this database by Dr. Bin Wu. This is the most up to date and accurate record of global labour market statistics and is widely used by maritime policy makers, shipping companies and researchers.

Their data measure:

1. The number of active seafarers in the global labour market.
2. The nationality of these seafarers.
3. The shift in labour market hiring practices of shipping companies since 1970.
4. A breakdown of seafarers employed by specific shipping companies, according to nationality of seafarer, over the last 30 years.

A survey of the database in 2005 in Cardiff, Wales provided me with an empirical idea of how the labour market for seafarers has restructured globally and specifically for British and Filipino seafarers and to a lesser extent for South

²¹ See Wu and Winchester (2004) for the history and methodological issues of compiling and using such a database.

African seafarers. These measures of the global labour market are regarded by the shipping industry, unions and academics to be the most accurate measure currently available (Wu, 2005).

The POEA in Manila has an excellent archive of employment statistics of Filipino seafarers since 1974. This data includes the number of seafarers deployed from the Philippines every year, according to shipping company and nationality of shipping company. This data is not on CD-ROM but is available in hard copy form in Manila. Access to the POEA archives has already been secured through the Centre for Third World Studies (CTWS).

My documentary research included a review of all maritime related newspaper and magazine articles pertaining to South African seafarers, shipping companies and seafaring unions. This was done by South African Press Clippings on a weekly basis for the duration of two years. This enabled me to keep track of the most current developments of the merchant navy industry and issues pertaining to seafaring labour issues. In addition, a monthly review of relevant articles was done of the *South African Shipping Journal*, an industry trade journal. The annual South African ships register and fishing and maritime handbook were also useful sources of information that enabled triangulation of data

3.8.3 Interviews

I conducted interviews with a range of key informants in the shipping industry, including trade union officials and state representatives. Initially these interviews were structured and formal but as I became more confident of the questions that needed to be asked and of my relationship with my informants, I adopted a less formal and unstructured approach to my interviews. The length of interviews ranged from one to two hours. Some informants were interviewed more than once if clarification was needed on any topic. All interviews were recorded on audio tape with the informants' permission. In order to address the aims of the research, it was necessary to define the research field. The universe was defined as those

organisations that impact on the occupational lives of Filipino, South African and British seafarers.

I conducted a series of four in-depth interviews with the chief of crewing at Unicorn Shipping. These interviews were conducted on an annual basis from 2002 onwards. In Manila, Philippines I conducted an in-depth interview with the Secretary of the Maritime National Authority (MARINA) of the Philippines. I conducted three individual in depth interviews with various senior maritime officials at the POEA in 2004 in the Philippines. The interviews focused on the nature of the institution's work for seafarers, the shipping companies it markets its seafarers to, and to obtain a sense of its historical development since 1974. The POEA provided me with a range of documentary data after the interview. In South Africa I have conducted four interviews with senior management and members of the South African Maritime Safety Authority (SAMSA) since 2002.²² I conducted interviews with two key British seafaring trade unions, and the International Transport Workers Union in addition to two of the foremost seafaring labour experts at the Seafarer International Research Centre at the University of Cardiff, Wales.

In 2001, I made contact with and interviewed the ITF representative for South Africa. He is an excellent resource for information on how the labour market for South African seafarers has shifted since 1970. He is actively involved in ITF work in all the major South African ports and as such has an excellent overview of the state of the South African market for seafarers. I conducted an in depth interview with him 2003. There has been no official ITF presence in the Philippines since 2001. I traced the last known Filipino ITF representative to London, where I conducted an in-depth interview with her in 2005. In 2005 I also conducted two in-depth interviews with British ITF representatives in London.

The South African Maritime Safety Authority is the maritime wing of the Department of Transport in South Africa. The South African Maritime Safety Authority is useful in that it is involved in regulating the South African shipping industry. It is an excellent resource for obtaining historical information on crewing and ownership practices of South African shipping companies

The main union for seafarers in the United Kingdom is the Transport and General Workers Union (TGWU). It is an excellent resource for information on the way the nature of the labour markets for United Kingdom seafarers has changed. In addition the union can provide labour's perspective on the nature of United Kingdom shipping capital and its hiring practices. The union can also provide a sense of the maritime history of the United Kingdom. The TGWU is an ITF affiliate and I conducted a two-hour in-depth interview with their merchant seafarer representative in 2005.

I conducted in-depth work with the maritime (seafaring) section of SATAWU for my Masters dissertation. Building on this relationship, I conducted a series of interviews with three key informants from the maritime section of SATAWU from 2001 to 2006.

The chief Filipino trade union for seafarers is the Associated Marine Officers and Seafarers Union of the Philippines (AMOSUP). Its membership is comprised of approximately 60 000 seafarers. I visited its offices in January 2003 and 2004 and established contact with its research office in Manila. I conducted preliminary interviews with its research officer in 2003 to obtain a sense of the labour market institutions that exist for Filipino seafarers and their functions. In 2004, I conducted an in-depth interview with its research officer. I followed this up with another in-depth interview in January 2007. The research office is an excellent resource for the maritime history and tradition of the Philippines. The interviews provided me with a brief history of the union and historical and contemporary developments in the global shipping and seafaring labour market.

In addition to the interviews mentioned above, during the period January 2004 to March 2004 semi-structured and in-depth interviews were conducted with key stakeholders and experts in the Philippine maritime labour industry. These included representatives from capital, labour (seafarers, labour NGOs, trade unions) and the state. The interviews were designed to elicit information on:

1. Changes in the seafaring labour market since 1970.
2. Trade unions responses to these changes.
3. The state's responses to these changes.
4. Wage levels and employment of seafarers on Flag of Convenience (FOC) ships.
5. Shipping and crewing companies' responses to these changes.

A total of 40 semi-structured interviews were conducted with 40 employed Filipino seafarers in the port of Manila, Philippines. A standard interview schedule was used to ensure consistency of responses. Twenty of the seafarers are between 23 - 40 years old whilst 20 are between 45 and 60 years old. In terms of seafaring rank, they range from able bodied seaman to engineering officers. The seafarers were divided into two age differential groups since those aged between 45 - 60 yrs would most likely have worked on ships before FOC shipping became the norm, and could make observations on the transition from seafaring from national flags to FOC shipping and the turn towards crewing agencies serving as labour market intermediaries. The younger cohort would only have experienced employment through labour market intermediaries and would have exclusively worked on FOC ships. I administered the same interview schedule to 10 South African seafarers in December 2005. Due to the absence of huge numbers of South African seafarers, this was the best sample I could obtain. My sample consisted of only South African ratings, aged between 26 and 35.

The tables below indicate the interviews I conducted with representatives from key labour market institutions and individual experts that inform the occupational lives of Filipino, South African and British seafarers.

Table 3.2: Interviews: Trade Unions and Trade Union Federations

Trade Union	Dates	Location	Number of Interviews
Associated Maritime Officers and Seafarers Union of the Philippines	January 2004 February 2004	Manila, Philippines	2
United Filipino Seafarers	January 2003 February 2004	Manila, Philippines	2
South African Transport and Allied Workers Union	March 2003 February 2005 February 2006	Durban and Johannesburg, South Africa	3
Transport and General Workers Union	February 2005	London, United Kingdom	1
National Union of Marine, Aviation and Shipping Transport Officers	February 2005	London, United Kingdom	1
International Transport Workers Federation. British Official	March 2005	London, United Kingdom	1
International Transport Workers Federation. South African Official	March 2003 February 2006	Durban, South Africa	2
International Transport Workers Federation, Former Filipino ITF Official.	March 2005	London, United Kingdom	1
Total number of interviews			13

Table 3.3: Interviews: Government Agencies

Agency	Date	Location	Number of Interviews
Department of Labour and Employment	January 2004	Manila, Philippines	1
Philippine Overseas and Employment Agency	January 2004	Manila, Philippines	1
Maritime National Authority	February 2004	Manila, Philippines	1
South African Maritime Safety Authority	June 2005	Pretoria, South Africa	1
Transport and Education Training Authority	July 2003 June 2004 June 2005	Cape Town, South Africa	3
Total number of interviews			7

Table 3.4: Interviews: Labour NGOs

Labour NGOs	Date	Location	Number of Interviews
Maritime National Organisation	January 2003 February 2004	Manila, Philippines	2
Josua Mata from Labour Education and Research Network	January 2003 February 2004	Manila, Philippines	2
Total number of interviews			4

Table 3.5: Interviews: Crewing Agencies

Crewing Agencies	Date	Location	Number of Interviews
Magsaysay Crewing	March 2004	Manila, Philippines	1
Filipino Association for Mariners Employment	March 2004	Manila, Philippines	1
Cape Maritime Crewing	June 2005	Cape Town, South Africa	1
Total number of interviews			3

Table 3.6: Interviews: Maritime Education Providers

Maritime Education Providers	Date	Location	Number of Interviews
Maritime Asian Pacific School	March 2004	Batangas, Philippines	1
Durban University of Technology	June 2003	Durban, South Africa	1
Cape Technikon	June 2003	Cape Town, South Africa	1
Total number of interviews			3

Table 3.7: Interviews: Maritime Labour Historians and Experts

Name	Date	Location	Number of interviews
Roli Talampas	January 2003, January 2004	Department of History, University of the Philippines	2
Maragatas Amante	February 2004	School of Labour and Industrial Relations, University of the Philippines	1
Prof. John Hare	February 2005	University of Cape Town	1
Dr. Bin Wu	February 2005	Seafarer International Research Centre	1
Total number of interviews			5

3.8.4 Data Analysis

Qualitative research experts such as Silverman (2005), Babbie & Mouton (2004), Yin (2003), and Vos (2005) agree that when assessing to ensure that data analysis is of good quality, the following principles need apply:

1. Analysis should focus on all the evidence and not just selected pieces that were gathered.
2. The analysis should, as far as possible address rival and other plausible propositions.
3. The analysis should address the most significant aspect of the case study or studies.
4. The author and investigator of the study should use her/his prior and expert knowledge in gathering and analysing the data.

As far as possible, I have used these four guidelines to inform my analysis. Earlier in this chapter it was stated that a key goal of the multiple case study method is to build a general explanation that fits each of the individual case studies even though the individual cases will vary in their details (Trochim, 1989; Yin, 2003). The aim of the multiple case studies used in this thesis is to provide an explanation of how and why seafaring labour markets are formed in specific ways under contemporary capitalism. In order to do this the data gathered and analysed should allow me to make a set of multiple and causal links to explain this transformation. The links may be complex and difficult to measure in a precise manner as independent and dependent variables can be measured in experimental designs.

3.8.5 Thematic analysis

Qualitative data obtained from semi-structured interviews requires a thematic analysis. Due to the vast amount of data collected, a method was required that simplified and organised the data. This was imperative if I was to form a clear overview of the data that had been collected. I chose to organise the material thematically, taking into account the aims of this study. With this in mind I wrote a summary of each interview conducted, attempting to identify the themes needed to help me address the central concerns of this dissertation. These summaries gave me a sense of the whole project as well as providing a context for the emergence of themes. Further, it helped me identify any contradictions amongst interviewee responses. Where contradictions occurred, second interviews were conducted to explicate confusing and contradictory statements.

3.9 Limitations of the Research Design

3.9.1 Being Employed Full Time: An Issue of Time

This thesis took five years to complete. Given the fact that I am employed in a full time job and that this employment coincided with my 2003 registration for my doctoral degree, finding the time to do my fieldwork and writing was difficult. Further, the research sites span the globe across three continents which required me to spend months away from my job as a lecturer, whilst still keeping in touch with my teaching department and duties. I spent three months in the Philippines at the Centre for Third World Studies (CTWS) at the University of the Philippines in order to conduct the appropriate fieldwork. In addition I have been hosted by the Seafarer International Research Centre (SIRC) at the University of Cardiff in Cardiff, Wales for two months. The South African leg of my research builds on my fieldwork for my Masters thesis. Follow up fieldwork in the Philippines is especially difficult given the cost in terms of money and time visiting the country.

Many of the conclusions reached and analysis of explanation building multiple case studies depend on the analytical insight of the researcher, and thus biases seep in easier. I have tried to address this by constant triangulation of the data where possible and by drawing on other empirical experts in the field, such as my colleagues in the Philippines and Wales.

3.9.2 The Problem of Britain

Gathering information for the British case study proved to be the most difficult. Financial constraints made only one fieldwork trip possible. I did manage to secure interviews with the British seafaring trade union, the Rail and Maritime Union (RMT), and also British ITF officials. In both cases the interviewees were quite guarded in their responses, certainly more so than their Filipino and South African counterparts were. Interviews with British state-sponsored seafaring labour market institutions were not feasible. After initial guarantees by electronic

mail, these interviews were cancelled when I arrived in London. A common theme running through the interviews that I did conduct in Britain was that of security and the need to be careful as to who they spoke to (this was also articulated by the trade union). The extent that this had to do with my 'race' as Indian or a foreigner, I am not clear. This paranoia was certainly not evident in the Philippines. A result of the British experience is that the sections on Britain in this report appear to be more uneven than those of South Africa and the Philippines. I have compensated for this by using the excellent statistical data from the SIRC to provide to me with information on the British situation. I had considered leaving Britain out of the case study completely but decided it is integral to my overall argument, choosing instead to retain the case of Britain with due forewarning to the reader of the problems encountered with the British case study.

3.9.3 Translation

Interviews were conducted in English in South Africa and the United Kingdom. Interviews in the Philippines were conducted in both English and Tagalog. Most Filipinos interview would speak a form of 'Tagalish'; that is, starting a sentence in English and ending it in Tagalog or the other way around. I employed the help of a research assistant and native Tagalog speaker to translate on my behalf, both during the interview and during transcription of the interviews. The structured interviews I conducted with Filipino seamen were translated into Tagalog by my assistant. This was often a time consuming process. Although for the most part, given the American colonial project in the Philippines, English is widely spoken, Filipinos would try their best to switch to English when being interviewed. Translation proved to be a limit in that it took up two to three times as long to have the interviews transcribed. I was always accompanied by a translator during interviews which would lengthen the process of the interviews considerably.

3.9.4 Access to Shipping Companies

Initially I had aimed to provide an analysis of the restructuring of three shipping companies, one from each country. During the actual fieldwork, however, this became increasingly unfeasible. The Philippines, for example, does not have a global merchant navy company that is a global player. In addition, record keeping in Filipino merchant navy companies is poor at best and non-existent at worst. The case of the United Kingdom was different. My visits there were in 2004 and there was still much paranoia about national security post September 11th attacks in New York. I found shipping companies unwilling to speak to me or provide me access to brochures or pamphlets.

The reasons most often cited were security and company policy reasons. In any event, the data I collected from the SIRC in Cardiff, Wales, provides a clearer picture of global shipping restructuring patterns than a micro study of a shipping company would have. In retrospect, I feel that the information from an analysis of three shipping companies would not be any more revealing of restructuring patterns than an analysis from one shipping company. Since shipping is a global affair, the choice of one shipping company does not limit me to the analysis of the national or affairs of that shipping company only. I extrapolate from this example and demonstrate through a range of secondary data how restructuring has impacted in similar ways on merchant shipping globally.

3.9.5 Ethical Considerations

The bulk of my interviewees asked not to be named in this project. I would ask at the inception of contact what conditions were to be attached to the interviews. All interviews are recorded with participants' permission. Names are only mentioned where permission has been sought by me. Often interviewees asked to speak off the record, indicating I switch the recorder off. I have not used any of the material spoken about during these 'off the record' sessions.

Chapter Four

The Global Labour Market for Merchant Navy Seafarers

4.1 Introduction

The aim of this chapter is to answer the question "how has the labour market for seafarers been reshaped?" Answering this question allows me to engage with the broader claims of the thesis which investigates how and why labour markets are formed in specific ways under contemporary global capitalism. The chapter does this through examining trends in the global labour market for seafarers before shifting to a more specific discussion of Filipino, South African and British seafaring labour markets. The first part of the chapter examines the supply and demand of seafarers with reference to their rank, nationality and age profiles. The second part profiles in greater detail the labour market trends for Filipino, South African and British seafarers. In this regard, the latter half of the chapter focuses on employment and unemployment trends, the impact of national ship ownership on employment trends in these three countries, and the role of trade unions in influencing the employment of seafarers. I then engage in a brief discussion of the impact that the policies and practices of state institutions have on employment trends of seafarers from South Africa, the Philippines and the United Kingdom. Finally the chapter argues that changes in the global labour market for seafarers can be contextualized within broader Fordist and post Fordist developments in contemporary global labour markets. I contend that contemporary seafaring labour markets bear the characteristics of both Fordist and post Fordist labour markets. In addition contemporary developments in seafaring labour markets mark a shift to the various types of flexibility discussed by Standing (1999) as indicated in chapter two. The chapter as a whole is more empirical than theoretical.

4.2 Profiling the Global Labour Market for Seafarers

We cannot conflate the global labour market for seafarers to mean the total world population of seafarers. Instead the global labour market refers very specifically to those seafarers working on FOC ships. This category accounts for two-thirds of the total world population of seafarers. The remaining one third work on ships that are nationally flagged, meaning that the country of economic benefit (in terms of flagging) is the same as the nationality of the seafarers working on board. Therefore any discussion of a global labour market for seafarers works from an understanding of the market being comprised of seafarers working on FOC ships (no link between nationality of seafarer and flag or ownership structures of ships).¹

The movement of the shipping industry towards FOC shipping has in many ways produced a unique type of labour market for seafarers. Firstly, the issue of how one conceptualizes the global labour market for seafarers arises. Wu (2004) succinctly captures the way this conceptualization should operate. He argues that whilst one may speak of a global labour market for seafarers in the merchant navy, the global labour market for seafarers takes on a very specific meaning in this context. According to Wu and Sampson et al (2005) the definition of the global labour market is related to structures (institutional or otherwise) that govern their employment and recruitment. This would be the key marker between traditional and contemporary seafarers. Therefore whilst both categories of workers may work on international vessels in international waters, it is the latter category that dominates the contemporary labour market. Further, the emergence of the global labour market for seafarers is intertwined with the emergence of FOC shipping as discussed in the previous section.

¹ Interview, Dr Bin Wu, Cardiff, Wales, United Kingdom: February 2005.

For centuries, labour from the traditional maritime nations of Europe enjoyed secure and fixed labour markets for their seafarers. However, the increasing pace and scale of transnational neo-liberal capitalism post 1970 altered both the security and fixity of these labour markets. As these traditional labour markets declined in importance due to the necessarily growth orientated aspect of capitalism and its post Fordist crises, new labour sourcing markets were created in the developing world.² Whilst new labour sourcing markets were being created for the shipping industry, shipping capital remained firmly entrenched in the hands of the traditional maritime nations of Europe and to a lesser extent that of Asian financiers. Whereas labour and capital historically occupied the same 'geographical space' in the traditional maritime countries of Europe, that space radically reconfigures from the 1970s. Labour in the traditional maritime nations of Europe was made vulnerable by this reconfiguration, but shipping capital was able to exploit it and consolidate its economic power by employing cheap labour from the developing world or countries of the South.

The global nature of the shipping industry is best demonstrated by the figure below (Figure 4.1). I show how an average sized merchant navy ship can be owned, managed and crewed by nationals from eight countries (in most cases more, depending on the size and type of ship). Figure 4.1 also summarises very succinctly the description I have given of FOC shipping and the subsequent global nature of the merchant shipping industry. Note how the operation, management and crewing functions are outsourced from the owning function. These functions are separated, often along national lines, with as few as six countries involved in the operation of the ship and as many as 30 countries involved when counting crew.

²I am aware of the intense debates over the use of terms such as 'developing world', 'third world' and countries of the 'global South'. I use the term developing world which is in general use, while acknowledging the problems associated with the use of this term which some may find offensive.

The unique and hyper-global nature of the shipping industry and the global labour market for seafarers requires unique forms of global regulation. There are four global labour market institutions identified by this study that currently play a central role in the shipping industry and the occupational lives of active seafarers. Together these four global labour market institutions govern, regulate, advise and campaign on behalf of ship owners and seafarers. A global industry and global labour market such as this demands a huge amount of regulation and work from

The global regulation of this labour market as well as the machinations of the four main seafaring global regulatory bodies, are a fascinating blend of politics and power. Unfortunately, the functioning of these organisations is beyond the purpose of this study. Where necessary, mention will be made of these organisations and it is understood that they contribute to the nature of the global labour market, although they are not the labour market institutions that are the focus of this thesis.

⁴ The four organisations are:

- 1) **The International Maritime Organisation:** This is a specialized agency of the United Nations. It deals primarily with technical maritime issues affecting the safety of crews and ships. In addition it is aimed at ensuring and regulating the seaworthiness of ships as a means of preventing pollution of the world's oceans. Its involvement in labour related issues revolves solely around the occupational health of seafarers. As such it is considered a global watch dog for safety in the shipping industry.
- 2) **The International Labour Organisation:** This is responsible for the setting and regulation of global labour standards for seafarers and their employers. The most important International Labour Organisation maritime instrument is the Merchant Shipping (Minimum Standards) convention of 1976 (No. 147). The Convention calls for setting up of procedures "for the engagement of seafarers on ships registered in the territory of the ratifying country and for the investigation of complaints arising in that connection." (International Labour Organisation, 2003: 26). Secondly, it calls for regulations in safety, working hours, conditions of employment and shipboard living. Thirdly, the International Labour Organisation facilitates countries' investigation of complaints of dangerous working conditions on foreign ships visiting their ports (International Labour Organisation, 2003).
- 3) **The International Shipping Federation:** This is a global employer's organisation comprised of national shipowners from over 30 countries. It represents the industry at the inter-governmental level and is involved with labour and employment issues that affect the industry. The International Shipping Federation works closely with and has consultative status with the International Labour Organisation. It is also involved in the International Labour Organisation's Joint Maritime Commission. It is within the structure of the JMC that the International Shipping Federation can make shipowners representation.
- 4) **The International Maritime Employers Committee:** This organisation is another global shipping employer's organisation but is dedicated exclusively to maritime industrial relations issues. It is run along the lines of a private consultancy business, but its importance as a global player is not to be underestimated. The International Maritime Employers Committee members include ship owners and managers. The organisation's membership currently employs 60 000 seafarers of 50 different nationalities that operate ships in 43 different registries. It negotiates wage rates for these seafarers with the International Transport Workers Federation and national unions on behalf of shipping companies. The International Maritime Employers Committee further consults directly with a range of global crewing agencies to secure the best labour contracts for their clients. It also serves as a one stop information shop on maritime industrial relations for shipping owners and managers. It is a run for profit organisation which sets it apart from the International Shipping Federation.

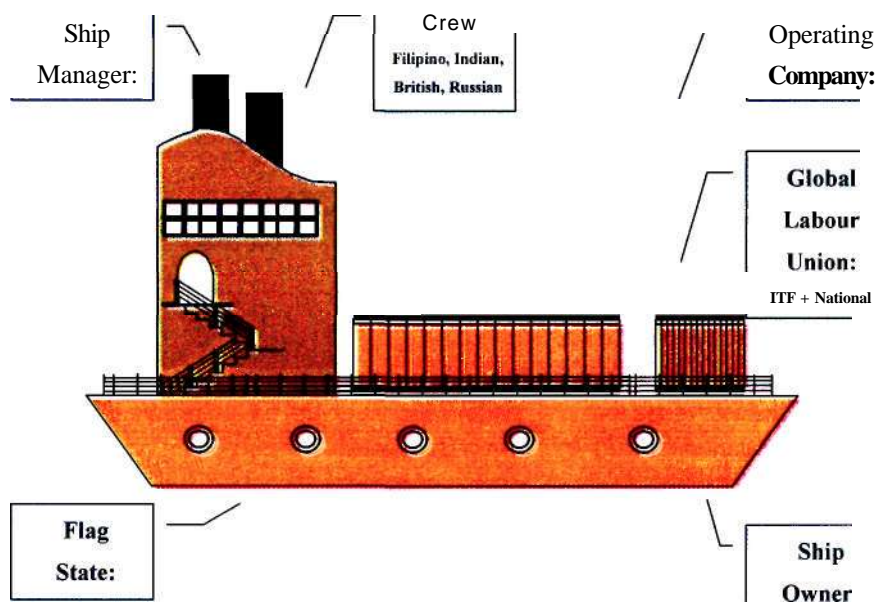
these global labour market institutions. In the most part they have been successful in curtailing the excesses of both labour and employers and have arguably prevented a 'race to the bottom' in wage levels of seafarers.

4.2.1 Rank and Seafaring Labour Markets

The labour market for seafarers, like most occupations, is not an occupationally homogenous one. It is two-tiered. The first tier consists of officers and the second tier of ratings. Officers are the senior, tertiary educated crew members, with the most senior being the captain or the master of the ship. Ratings on the other hand are the 'working class of the seas', firmly situated at the lower end of the crewing hierarchy and labour market. This occupational differentiation of seafarers contributes to new patterns of inequality in the global and local labour markets for seafarers with regard to their recruitment, wages and working conditions. The patterns assume a nationalist or 'ethnic' dimension with most officers being 'white' from Europe, North America and to a lesser extent Australia and New Zealand (BIMCO/ISF Report 2005). My interviews with crewing agencies, seafaring unions and maritime research specialists indicate that where a choice is available to crewing companies or ship owners, preference is given to European officers or officers from the developed world as opposed to employing officers from the developing world. Perceptions of skill become intertwined with nationality and 'race', with 'white' thought of as more skilled and experienced mariners. Contributing to this stereotype is the fact that most officers from the developing world are much younger than their developed world counterparts, which could feed the idea that older 'white' officers are more experienced. This occurs despite the global regulation of officer qualifications that have to meet both national and global standards. In theory all officer qualifications should be of equal value. As officers from the developed world, particularly the United Kingdom begin to age, and natural attrition occurs, the shipping industry will have to make some strategic choices about which countries to hire from. Further the operation of merchant navy vessels necessitates ships being crewed with more ratings than officers. Therefore ratings are the highest labour cost for ship owners.

These occupational categories have implications for the way the labour markets for seafarers operate (See Figure 4.4). Ratings, as the highest cost factor as well as being low skilled, are recruited from outside the traditional maritime nations of Europe.

Figure 4.1: The Global Nature of the Commercial Shipping Industry.



(Source: Fieldwork)

An analysis of the supply of seafarers from regions around the world demonstrates that where national fleets are significant, the number of seafarers from those countries available to crew vessels beyond the national fleet is insignificant. The importance of distinguishing between global and national seafarers is revealed if we look at the regional supply of national and global seafarers. In terms of total number of seafarers (both national and global) Asia provides half the world total, transition economies 27 percent and advanced economies 16 percent. However,

when we consider the supply of global seafarers only, this pattern changes significantly. Asia now supplies two-thirds, transition economies 26 percent, and most importantly perhaps, advanced or traditional maritime countries provide a paltry 5 percent (Wu & Sampson, 2005:6).

According to the BIMCO/ISF 2000 Manpower Update, there were 404 000 officers and 823 000 ratings in the global labour supply market. The update estimates that during the 1998-99 period the total number of seafarers at sea aboard ships was 934 000. The 2005 Manpower Update released in December 2005 indicates some changes, none dramatic, but the most significant being a decrease in the number of ratings in the global supply chain. It reflects that there are 466 000 officers and 721 000 ratings in the global labour supply chain. Figure 4.2 shows how the current demand for officers outstrips the current supply of officers in the merchant navy. For ratings, a demand exists although this was clearly not the case in 2000. The 2000 BIMCO/ISF Manpower Update indicated that there was an oversupply of ratings.

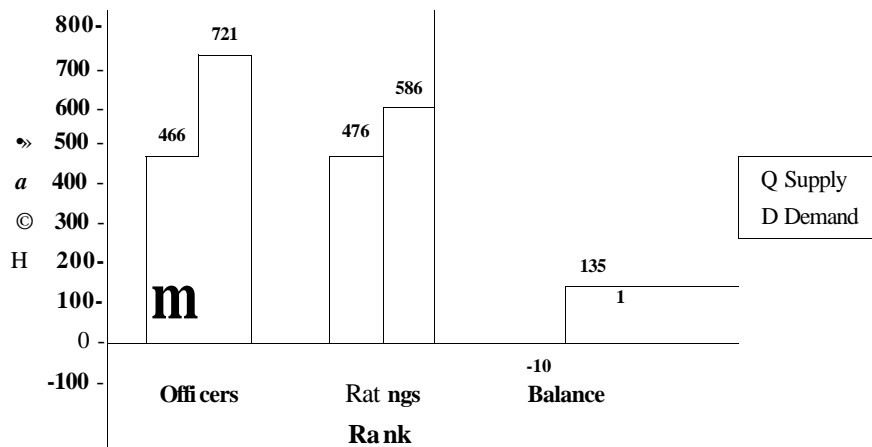
Table 4.1: Supply and Demand in 2000 (Thousands)

	Supply	Demand	Balance
Officers	404	420	-16
Ratings	823	599	+224

The five intervening years since then have corrected this situation, with demand now outstripping supply for ratings. The results displayed in Figure 4.4. emphasise the need for the increased training of officers to supply the merchant navy. The lack of supply of officers reflects an aging officer pool from Europe and North America. This is in keeping with the aging profile of the populations of these continents. Clearly, the training, marketing and employment of officers from the developing world have not addressed this shortage which was identified as

early as 2000. Added to this is the preference of crewing managers to employ European and North American officers over officers from the developing world.

Figure 4.2: Demand Supply Summary, 2005

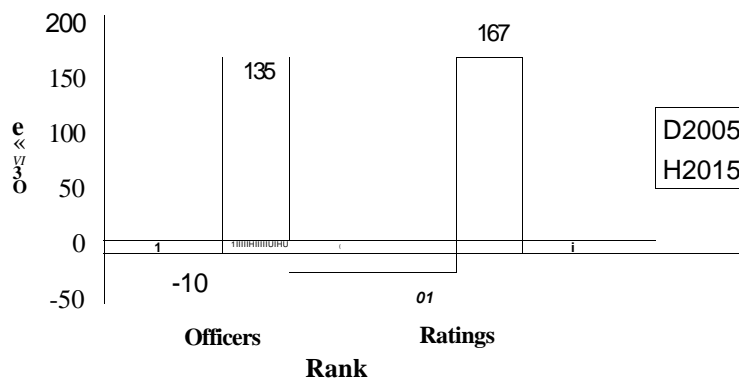


Source: BIMCO/ISF Manpower Update, 2005:17

The future supply and demand of the actual numbers in thousands of ratings and officers in ten years time is projected by Figure 4.3. As can be seen from this, the current shortfalls in the supply of seafarers are expected to correct over the next decade. The 2005 BIMCO Manpower Update is unclear as to how this will occur, although my research⁵ indicates that stepped up recruitment and training drives by many supply countries is one strategy. The other option is for many supply countries in the developing world to start focusing on officer training which they have traditionally ignored in favour of the rating training. Rating training is preferred since it is of a shorter duration and requires less capital investment for trainers and the state.

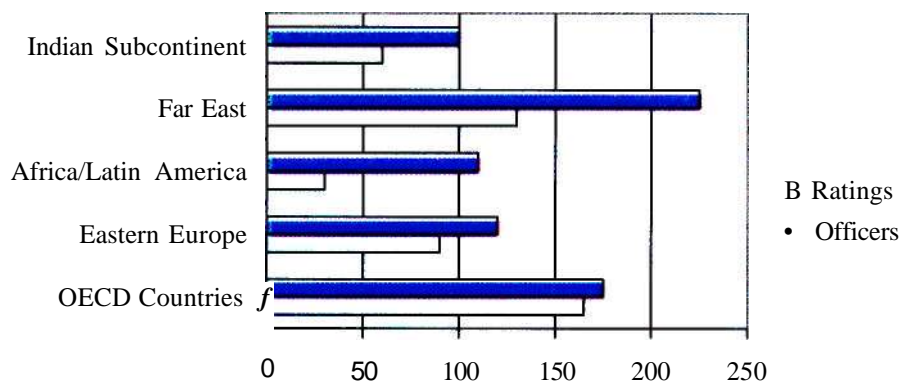
⁵ By this I mean my interviews with key informants in the shipping industry and state sponsored maritime institutions.

Figure 4.3: Supply and Demand Balances of Officers and Ratings



Source: BIMCO/ISF Manpower Update, 2005:18

Figure 4.4: Supply Area of Domicile of Officers and Ratings (Hotel and Catering Staff Excluded)



Source: BIMCO/ISF Manpower (2005:16)

4.2.2 Age and Seafaring Labour Markets

The phenomenon of aging of crews from the traditional maritime and Organisation for Economic Co-operation and Development (OECD) countries is applying pressure on shipping companies to find new sources of labour. Crews of OECD countries are aging rapidly whilst the number of new cadets and ratings entering the labour market are falling rapidly. This further explains the shift to hiring younger and (as argued by industry) more productive crews.⁶

Figure 4.5 (Source: BIMCO/ISF Manpower Update, 2005) shows the rapidly aging pool of officers from the Organisation for Economic Co-operation and Development (OECD) countries (which include the United Kingdom). Over the next decade the Baltic and International Maritime Council and the International Shipping Federation predict that more than half of the OECD officers will be well into their fifties and approaching retirement. There are not sufficient numbers of replacement officers in the OECD countries, especially the United Kingdom⁷ to replace this declining pool of officers.

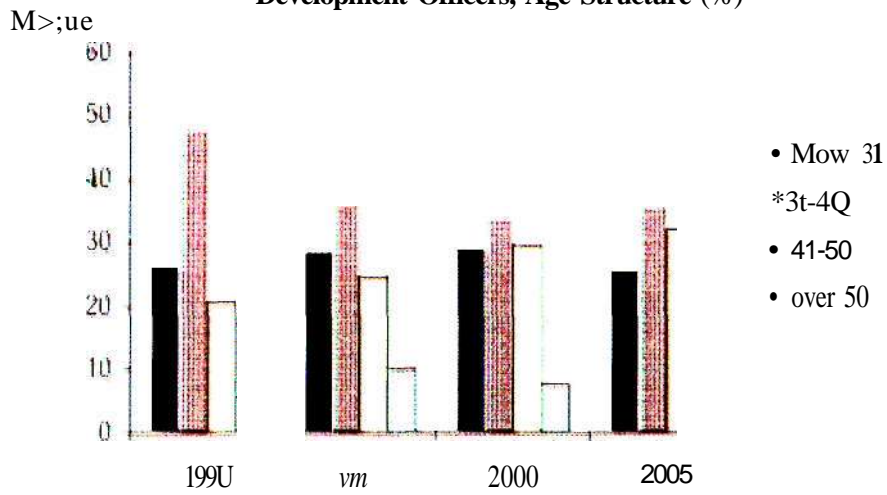
⁶ Interview, Crewing Manager of Unicorn Shipping, Durban, South Africa: September, 2003.

Interview, Chairman of the Filipino Association of Maritime Crewing Agencies, Manila, Philippines: March, 2004.

Interview, ITF Information Officer, London, United Kingdom: January, 2005.

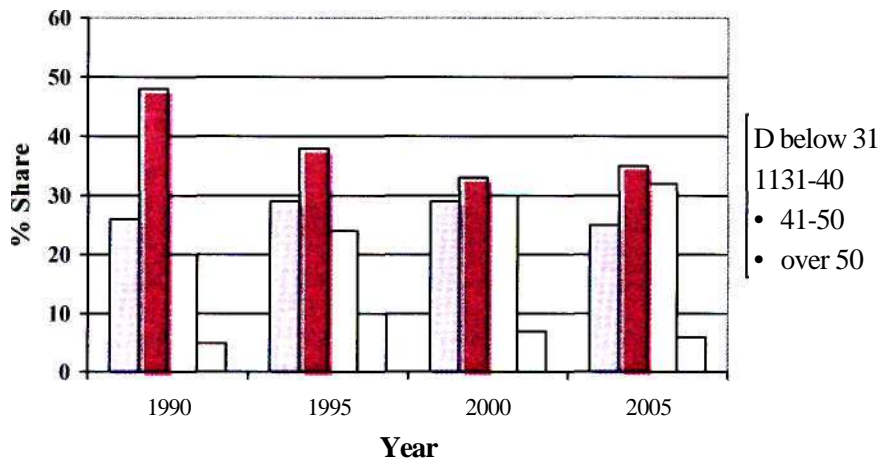
⁷ The implications for the United Kingdom specifically are the subject of extensive discussion in subsequent chapters.

Figure 4.5: Organisation for Economic Co-operation and Development Officers, Age Structure (%)



Source: BIMCO/ISF Manpower (2005:22)

Figure 4.6: Age Structure of Officers from the Far East



Source: BIMCO/ISF Manpower (2005:22)

On the other hand, the age structure of officers from the Far East is almost a mirror image of Figure 4.5

Figure 4.6 shows that officers from the Far East are younger, with the bulk between 31 and 40 years old, and less than ten percent over fifty. One supposition is that many officers from the Far East choose to retire at fifty rather than continue to work at sea. If there is a self selection to retire at fifty, then the premise that officers from the Far East will automatically replace those from Organisation for Economic Co-Operation and Development countries is problematic. In terms of my own research with Filipino officers and ratings, most chose to retire early (by fifty) since they have already accumulated enough money to operate businesses back on shore. These include taxi businesses, small to medium enterprises or the purchase of properties to let out to students and other tenants.⁸ My structured interviews with ten South African seafarers also indicate similar ambitions.⁹

4.2.3 Nationality and Seafaring Labour Markets

In the ILO Asian Maritime Report of 1965, Korean seafarers are not featured at all. Filipinos and Indonesians are reported as working on "small inter-island" ships. By 1970 these patterns change. The first source of cheap labour was Asia in the 1970s and then eastern Europe in the 1990s. By 1988 though, there was an estimated 50 000 Korean seamen, half of them working aboard Japanese owned ships, flagged mainly in Panama. Six years later, in 1994, ship owners in the Republic of Korea were pressing their government to be allowed to employ Chinese seafarers that could be paid half the Korean wage (ILO Report, 2001). By hiring crew from these regions, capital evaded the sophisticated labour regulatory regimes that developed in the traditional maritime nations.

Increasingly the number of seafarers from the traditional maritime countries of Europe are declining whilst the percentage of seafarers from eastern Europe, south east Asia and the Indian subcontinent are increasing. Seafarers from member

⁸ Structured interviews with 40 seafarers (ratings and officers), Manila, Philippines: 2003.

⁹ Structured interviews with 10 seafarers (ratings and officers), Durban, South Africa: December 2005, January 2006.

states of the OECD constitute some 27.5 percent of the global maritime workforce compared to 31.5 percent in 1995 (Wu and Sampson, 2005). Seafarers that work on FOC ships are estimated to be composed of 20 percent Filipino. The other nationalities on FOC ships are Russian, Chinese, Indian and Polish.

The drive to cut labour costs due to increased competition and the development of ship management companies contributed to the restructuring of the labour market for seafarers, leading to the increased multinational crewing of ships. Whilst the multinational crewing in itself is not unique, what is distinctive is that the crews are overwhelmingly recruited from the South and eastern Europe. This is noticeably apparent when looking at places of origin.

Figure 4.4 shows the regions from which seafarers (both officers and ratings) are recruited. It is interesting to note that officers are still recruited quite strongly from OECD countries and increasingly the Far East is becoming a region of choice in the recruitment of officers. The projections made by the Baltic International Maritime BIMCO/ISF Manpower Update indicate that, with the aging population of Officers in OECD countries and especially the United Kingdom, the Far East will become the preferred hub for officer recruitment.

The trend of re-crewing with cheaper and hence more flexible crew from the developing world and eastern Europe continued throughout the 1980s. By flexible crew, I refer to the wage flexibility dimension of the labour market. Capital is attracted to ratings that price themselves well below union negotiated wages. In order to secure work, ratings engage 'in a race to the bottom' by reducing the wage level they require to secure work. In order to take advantage of cheaper crews, ships had to register offshore on second registers. By 1986, for example 45 percent of German-owned ships were registered under Flags of Convenience. This trend was mainly spearheaded by the need to drive down operating costs. In 1987 Dutch tanker owners were saying that it cost US\$ 1 million a year more to crew a

Member states of the Organisation for Economic Co-operation and Development include Austria, Australia, Belgium, Canada, Czech Republic, Denmark, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Italy, Japan, Korea, Luxembourg, Netherlands, Mexico, New Zealand, Norway, Poland, Portugal, Slovak Republic, Spain, Switzerland, Sweden, Turkey, United Kingdom and the United States.

ship with nationals as opposed to cheaper labour. The Danish also acknowledge that they could reduce crewing costs by half by employing cheaper labour. Japan also joined the bandwagon in 1988 when the Japanese Ship Owners Association announced that the cost of crewing Japanese ships with 11 Japanese nationals a year was US\$ 1.5 million a year as opposed to US\$ 0.4 million a year for a south east Asian crew of 22, for the same period of time.

Table 4.2 and Table 4.3 on the crewing of FOC ships reveal that the predominant crew nationalities to be found on ships show increases in the number of nationals of the Philippines and China. However, when one looks at the percentages of officers on board these ships another picture emerges. The figures show a decrease in the percentages of non-nationals employed as officers on the flags listed with the exception of the United States. Table 4.3 also indicates an increase in the number of seafarers employed on FOC ships.

**Table 4.2: Crew Nationalities (Officers) Aboard
Selected National Flag Fleets: 1992-3**

Flag	Percentage Nationals	Percentage Others
Japan	71	29 (Ph)
Netherlands	57	18 (In) 10 (Pt)
France	91	8(Pt)
United Kingdom	74	6 (In) 6(Pt)
Italy	94	0
Greece	57	34 (Ph)
Denmark	87	6 (Pol)
United States	100	0

*Nationality key: Ph: Filipino; In; Indian; Pol: Polish; Pt: Portuguese
Source: SIRC Database

**Table 4.3: Crew Nationalities (Officers) Aboard
Selected National Flag Fleets: 1998-9**

Flag	Percentage Nationals	Percentage Others
Japan	31	47(Ph) 12(My) 9 (In)
Netherlands	49	23 (Ph) 8 (Indo)
France	43	18 (Ph) 18(Cro) 14(Rom)
United Kingdom	56	13 (Ru) 10 (Ph) 6 (Pol)
Italy	77	12 (In)
Greece	52	34(Ph)
Denmark	43	22 (Ph) 17 (Pol)
United States	100	0

*Nationality Key: Ph: Filipino; Pol: Polish; Mya: Myanmar; In: Indian;
Indo: Indonesian; Cro: Croatian; Rom: Romanian; Ru: Russian.
Source: SIRC Database.

Clearly, capital had a significant role to play in the creation of new labour markets for seafarers. The uneven nature of this development, however, was as much labour's doing as it was capital's. Ratings from the South and eastern Europe actively chose either collectively through their unions or individually to market themselves at a lower rate than their Northern counterparts. Furthermore, these ratings chose not to become unionised by either national unions or the ITF, the international trade secretariat for seafarers and main lobbyist against FOC shipping and crewing practices. The lack of unionisation of ratings in these countries, combined with little or no labour protection legislation, has contributed to the spatial patterning of the labour market for ratings.

Given that there currently exists a surplus in the labour market for ratings (BIMCO/ISF Report: 2005), competition amongst ratings from the South and eastern Europe for work is high. Ratings are willing to work for cheaper wage rates in order to obtain work knowingly pitting themselves against other ratings in the global labour market.¹¹ Seafaring labour from the South and eastern Europe takes an active role in shaping space even to the point of creating and supporting uneven development. This is in keeping with the arguments of Herod (1998), Wills (1998) and Johns (1998) who suggest that labour is proactive in producing uneven development by ensuring that capital is attracted to some regions instead of others. Wills (1998:115) contends that the "internationalism of capital has brought the threat of chauvinism, competition and self interest to the labour movement."

The unprecedented shift to hiring labour from the developing world and eastern Europe instead of the traditional maritime nations of Europe has resulted in a drop in the ratings labour pool in the North. The last few years have seen attempts by a number of unions and states to ameliorate the effects of a decreasing labour pool of European ratings. For example, in the United Kingdom labour has lobbied for the British government to offer British ship owners fiscal concessions if they hire British ratings (Brownrigg et al, 2001). Similar labour lobbies have occurred in Australia (Chinnery, 1997; Brennan, 2000), Greece (Sambracos, 2001), Germany (Van Der Linden, 2001), France (Cahill, 1999; Spurrier, 1999) and the European Union (Paixao, 2001). Labour in these Traditional Maritime Nations (and Australia) are growing increasingly frustrated at the monopoly that ratings from the South have in the global labour market for seafarers. All are lobbying for the end of FOC shipping as a means of attracting ships and jobs. Thus, whilst a strong regional labour solidarity exists amongst labour in the global North, global labour solidarity amongst ratings remains fractured.

¹¹ Interview, Chairman of the Filipino Association of Maritime Crewing Agencies, Manila, Philippines March, 2004.

Interview, Crewing Manager of Magsaysay Crewing Agency, Manila Philippines: March, 2004.

Interview, ITF Information Officer, London, United Kingdom: January, 2005.

Workers struggle to keep capital in their communities because doing so increases or protects their standards of living. Ratings of the developing world and eastern Europe are not unwilling pawns, dependent on forces outside their control that disrupt their lives, destroy their traditional livelihoods and create new cleavages in local economies and societies. For example, by law, Filipino ratings have to remit 80 percent of their wages to their families. Jones' (1998) investigation into migration demonstrates how remittances received from migrant labour improve the socio-economic conditions of the families of migrant workers. Ratings from the developing world seeking employment at lower wages than their counterparts in the North are doing so to prevent themselves from becoming marginalised.

The production of a global labour market for seafarers has sharpened the distinction between traditional, pre-FOC seafarers and global seafarers. The key distinction between the traditional and global seafarer has been developed by Wu (2006) in his assessment of Chinese seafarers in the global labour market. Whilst Wu's typology was designed specifically around the transformation of Chinese seafarers¹² from traditional to global seafarers, I find the distinctions between traditional and global Chinese seafarers can be applied to changes in the seafaring labour market in general.¹³

¹² Interview with Professor Bin Wu, February, 2005.

I owe a huge debt of gratitude to Dr Bin Wu of the SIRC who spent hours with me in icy cold Cardiff discussing this typology of seafarers and changes in the shipping industry in general. Dr Wu also developed the SIRC database which he allowed me free rein of whilst still in its pilot phase of development.

Table 4.4: Distinction between Traditional and Global Seafarers

Characteristics	Traditional (National)	Global (Flag of Convenience)
• Employment status	State-owned enterprises employees	Freelance seafarers
• Preferred working place	National owned fleet	Foreign owned ship
• Working conditions	National standards	International standards
• Welfare and pay	Low pay, high welfare	High pay, no welfare
• Crew pattern preference	Homogenous	Multi-national crews
• Relation with foreign company	Direct employment	Indirect employment
• Relation with crew members	Equality	Hierarchy
• Loyalty to whom	State-owned enterprise or crew agency	Foreign ship owner
• Career development reference	National counterparts	Foreign counterparts

Source: Adapted from Wu (2006:07).

The typology (Table 4.4) uses nine characteristics of Merchant Navy seafarers and assesses how these characteristics have altered post Flag of Convenience shipping. It provides a neat summary of the key changes in labour market practices for seafarers pre and post FOC shipping. These characteristics are measures or indicators of change between what Wu (2006) terms Traditional or National seafarers and Global or FOC seafarers. In a sense, the characteristics attributed to Global seafarers are characteristics found in most global flexible jobs in other industries. An exception is the high wages of seafarers as opposed to the low wages of call centre operators or export processing zone operators that work in multinationals. The suggestion is that Global seafarers are part of a transnational neo-liberal dynamic of a shift to more flexible work and working conditions.¹⁴

The flexible wage dimension of work flexibility of seafarers will be discussed in more detail in subsequent chapters that focus on specific examples of South African, Filipino and British seafarers.

The most important point for me is that the evidence indicates a decisive and observable shift in the hiring, work, and working conditions for seafarers in the Merchant Navy from pre-1970s practices. I attribute this shift (as represented in Table 4.7.) to the characteristics of transnational neo-liberal capitalism.

4.3 Profiling the Labour Market for Filipino, South African and British Seafarers

The aim of this section is to empirically profile the nature of the national labour markets of the Philippines, South Africa and the United Kingdom.¹⁵ This profiling gives a broader perspective of the nature of these three labour markets and how they transformed post 1970s. This is important since this empirical description shows how the restructuring of shipping capital influenced the nature of change in these three labour markets. Previous sections of this chapter provided a more global picture of these trends. This section is more specific and lends weight to my proposition that the neo-liberal transnational restructuring of the shipping industry has profoundly altered the nature of Filipino, South African and British seafaring labour markets. The profiling of these three labour markets also lays the groundwork for the next two analytical chapters. I believe that by providing a profile of these trends, I am able to then provide a more analytical discussion in the next chapter that explains how and why these patterns in employment and unemployment occur.

My empirical snapshot takes the following approach. I use the following criteria to provide a profile of the changing nature of these three seafaring labour markets. Firstly, I provide the employment and unemployment trends of seafarers in these countries; secondly, I discuss briefly the impact (if any) of national ship ownership on employment trends in these countries; thirdly, I mention the role of trade unions in influencing the employment of seafarers; and fourthly, I provide a

¹⁵ I will deal with the more theoretical aspects of the formation of these labour markets in the next chapter.

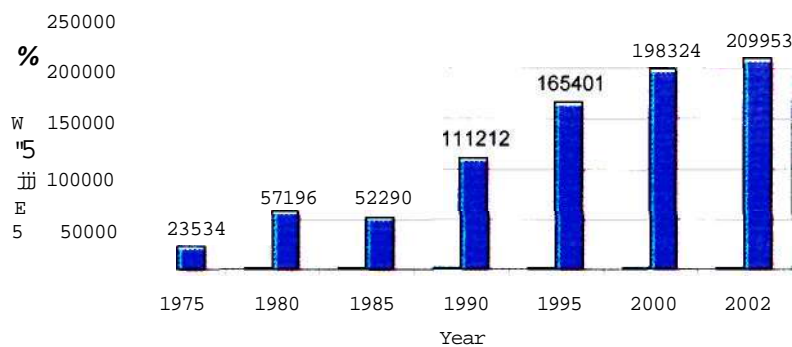
limited discussion¹⁶ of state policies and practices and their influence on employment trends. Given the different natures of these three labour markets, the emphasis on these four factors will be uneven in this discussion.

4.4 Filipino Seafarers in the Global Labour Market

The growth of Filipino seafarers since 1975 has been phenomenal as demonstrated by Figure 4.7. The 2005 statistics supplied by the Philippine Overseas Employment (POEA) indicates that up to 250 000 Filipino seafarers are employed at any one time in the global labour market. This represents approximately 20 percent of the total global labour market for seafarers (BIMCO/ISF Manpower Update, 2001; 2005). Filipinos clearly dominate this global labour market.

Figure 4.7: Growth Of Filipino Seafarers from 1975 - 2002

Formatted: Centered



Source: POEA statistics (2003).

¹⁶ The discussion is limited since the intent is to provide a snapshot of these labour markets. A more detailed analysis of state institutions and their role in the seafaring labour market is considered in Chapter Seven.

This immense growth is not only a consequence of shipping companies seeking new and cheaper labour markets for seafaring labour but also a result of the labour export policies of the Philippine state.¹⁷ Far from the state being a bit role player in a globalising world, in the case of the Philippines the agency of the state to contribute to this process is significant.¹⁸ The massive growth and dominance of Filipino seafarers has to be understood within the larger context of the Philippines labour export policy.¹⁹

For Filipino seafarers there are two main sources of entry into the global seafaring labour market both of which involve a relationship with the Philippine state. The first way in which qualified seafarers enter the market is through crewing agencies. As of 2004 there were 417 registered crewing agencies²⁰ in the Philippines. Most large shipping companies have their own subsidiary crewing agencies. For example one of the seafarers interviewed rattled off a list of crewing agencies he had worked for:

"Some of my crewing agencies were - Manila Street which was my first, then Arpa Phil, Advance Global, PTC, Enter World, TSM, East Splash..."²¹

¹⁷ I deal more empirically and theoretically with the issue of the Philippine state and its labour export policy in Chapter 7.

¹⁸ See Rodriguez's insightful analysis of the Philippine state and its role as an agent of globalisation in her 2005 doctoral thesis, *The Labor Brokering State: The Philippine State and the Globalization of Philippine Citizen-Workers*. (See also Rodriguez 1999 and 2002; David, 2001; Abinales and Amoroso, 2005; and Simbulan, 2005 for more on the Philippine state).

Between 1984 and 1995 more than 6.3 million Filipinos were officially deployed by the state for overseas employment. From 2003-2004 more than 6.5 million Filipinos were officially deployed to work overseas. This is almost 10% of the total population of Filipinos. The actual numbers of Filipino migrant workers are much higher than the official figures suggest. It is further estimated that at any one point more than 15 percent of the Philippines' 26 million strong workforce are migrant workers. The economic significance of this workforce is immense. For example in 1975 the total recorded remittances received was \$103 000, in 1995 it was 4.88 billion US dollars and in 2002 it had soared to 6.9 billion. The ILO suggests that remittances are more than 20 percent of Filipino export earnings and forms 4 percent of the Philippine GDP.

²⁰ Interview with POEA official, Manila, Philippines: January 2004. Information corroborated by official POEA brochure.

²¹ Interview with Filipino seafarer number 2, Manila, Philippines: February 2004.

The second means of entry is by securing membership of a seafaring trade union. Of the various seafaring trade unions in the Philippines, AMOSUP is the most significant in terms of total membership and financial and political influence in the maritime industry.²² Both the trade union and the crewing agency have to post a bond with the POEA for each member that joins.²³ This bond averages at about US\$40 000 as a form of surety that the crewing agency and union will honour any claims that are made by seafarers.²⁴ The POEA then processes the requisite documentation provided by the unions and AMOSUP. The POEA's stance regarding its relationship with shipping companies and AMOSUP is 'cordial' as reflected in this excerpt from an interview with a POEA representative in Manila:

"International Shipping Companies? ... I would like to think that our relationship with our foreign employers are very, very shall we say cordial and the both of us are mutually respected in the sense that we are the labour supplying country while they are the users. Trade unions...We encourage trade unionism we do not discriminate against any union member if you are familiar with the Associated Maritime Officers and Seafarers union of the Philippines, which is a union of a very strong union. The Associated Maritime Officers and Seafarers Union of the Philippines headed by Capt. Gregorio Oca, is the one we have the best working relationship with." ⁵

My thematic analysis of the 40 Filipino seafarers with whom I conducted structured interviews indicated that once they had successfully entered the labour market and were employed, they all worked on short contracts of six to nine months but all had continuous periods of contract employment of up to 28 years in one case.

Chapter six deals extensively with AMOSUP.

²³ Interview with the Crewing Manager of Magsaysay Crewing Company, Manila, Philippines: March 2004.

Interview with POEA official, Manila, Philippines: January 2004.

²⁴ Interview with POEA official, Manila, Philippines: January 2004.

²⁵ Interview with POEA official, Manila, Philippines: January 2004.

The Philippines has 403 merchant navy vessels of which 66 are owned by foreigners but fly the Philippines flag, with the balance being owned by Filipino nationals and registered in the Philippines thus flying the Philippines flag.²⁷ A significant number of these vessels ply the inter-island routes and south east Asian routes and employ up to 2000 Filipino seafarers. However, the bulk of Filipinos are employed on FOC vessels owned by European countries. Data from the SIRC data base (Table 4.5) reflects clearly who the main employers (and countries of economic benefit) are of Filipino seafarers. Greece, Japan, Germany and Norway dominate the employment of Filipino seafarers.

**Table 4.5: Percentage Distribution of Seafarers by Employer
(Country of Economic Benefit)**

PERCENTAGES						
	Greece	Japan	German	Norway	Other	Total
Phil.	22.15	21.88	14.49	9.68	31.80	100
India	10.71	10.50	0.20	9.40	69.18	100
Ukraine	33.28	0.99	7.70	1.04	56.98	100

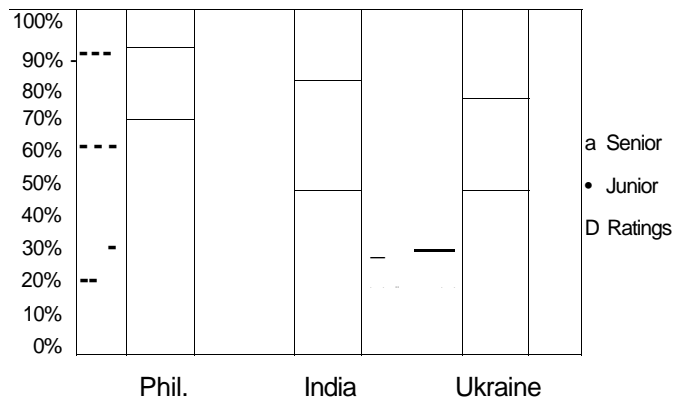
Figure 4.8 below shows the rank at which most Filipinos are employed. It indicates that most (70 percent) are employed at a rating level, whilst 20 percent are employed as junior officers with the remaining ten percent are employed as senior officers. This data implies that Filipino seafarers occupy the lowest ranks of the seafaring profession although, as officers from the traditional maritime nations become less available due to aging populations and lack of new cadets, there may be an increase in the employment of the number of junior and senior Filipino

²⁶ These include the following vessels of the following type: bulk carrier 82, cargo 115, chemical tanker 13, container 6, liquefied gas 5, livestock carrier 17, passenger 9, passenger/cargo 73, petroleum tanker 42, refrigerated cargo 15, roll on/roll off 13, vehicle carrier 13. Of these 66 are foreign-owned (Greece 5, Hong Kong 3, Japan 26, Malaysia 1, Netherlands 19, Norway 3, UAE 1, US 8) whilst 41 are registered in other countries: 41 (Australia 1, Bahamas 1, Cambodia 1, Cayman Islands 1, Comoros 1, Cyprus 1, Hong Kong 16, Indonesia 1, Panama 13, Singapore 5) Source: MARINA Brochure, 2005.

²⁷ Interview with MARINA official, Manila, Philippines: February 2004.

officers in the global merchant navy. This labour market for seafarers as referred to earlier is clearly a segmented labour market.

Figure 4.8: Rank Composition of Selected Seafarers (all flags)



Source: SIRC Database

Historically, the commercial shipping industry has hired junior and senior officers from the traditional maritime nations of Europe but, given global changes to this market, the national profiling of these labour markets (with officers selected from mainly developed countries and ratings from developing countries) may soon alter. Table 4.6 from the SIRC database demonstrates the preference to hire officers from developed countries over officers from developing countries like the Philippines. Japanese ship owners are the most inclined to hire Filipino seafarers at junior and senior officer levels.

**Table 4.6: Top Five Nationalities and Rank by Employer
(Country of Economic Benefit)**

CEB	Senior Officer		Junior Officer		Rating	
	Nationality	%	Nationality	%	Nationality	%
Greece	Greece	44.8	Philip.	37.6	Philip.	51.1
	Ukraine	16.2	Greece	18.1	Ukraine	12.2
	Philip.	14.2	Ukraine	17.2	Greece	7.5
	Russian	5.0	Russian	4.9	India	3.9
	Poland	3.8	Romania	3.8	Russian	2.6
Japan	Philip.	41.2	Philip.	65.5	Philip.	77.0
	S. Korea	19.2	India	7.0	China	4.5
	Japan	13.7	S. Korea	5.1	Myanmar	4.0
	India	7.6	Myanmar	4.4	Indonesia	3.5
	Indonesia	2.9	Indonesia	4.1	India	3.4
Germany	Germany	37.2	Philip.	42.3	Philip.	58.1
	Poland	11.9	Russian	9.8	Myanmar	9.4
	Philip.	10.7	Poland	9.1	Poland	4.7
	Russian	9.6	Germany	7.9	Kiribati	4.3
	Croatia	8.0	Ukraine	6.6	Russian	3.7
Norway	Norway	25.2	Philip.	46.4	Philip.	61.0
	Philip.	19.8	India	10.9	Poland	10.5
	Poland	14.2	Norway	8.7	Latvia	6.3
	India	7.7	Poland	8.7	India	5.5
	Russian	5.4	Latvia	6.3	Norway	<i>JJ</i>

Source: SIRC Database

4.5 South African Seafarers in the Global Labour Market

South Africa also shifted its hiring practices of seafaring crew. Until the early 1970s, the South African shipping industry employed up to 6 000 seafarers of varying skill levels on both a casual and a permanent basis (Kujawa, 1996:36b). The largest employer of seafarers during this period was Safmarine.²⁹ As trading conditions became increasingly tumultuous for the international shipping industry for a host of fiscal, financial and technological reasons, from the early to mid 1970s Safmarine, as well as other major South African shipping companies, were forced to increase their competitiveness with international shipping companies. They did so by reducing one of their chief costs, namely labour. According to field research interviews conducted between 2002 and 2005 with the crewing and training managers of key South African shipping companies and the South African Maritime Authority (SAMSA), a common trend was for expensive South African ratings to be steadily replaced by south-east Asian crew, particularly Filipinos.

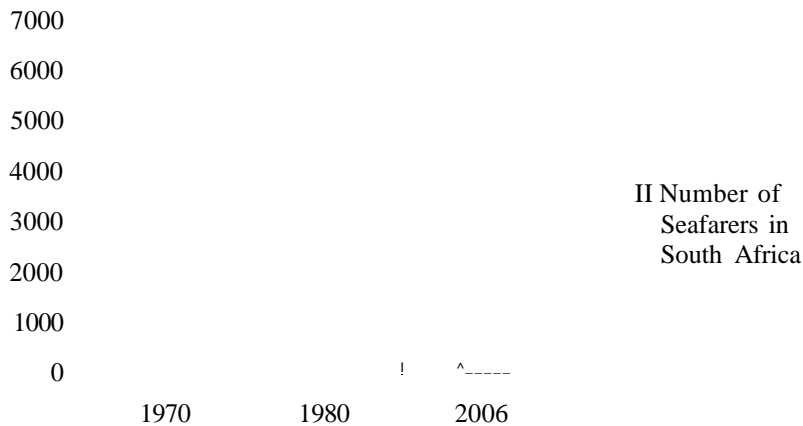
By 1980, all South African owned merchant navy ships had a majority non-South African crewing component and Kujawa (1996) estimates that at least 4 000 South African ratings were displaced by foreign, mainly south east Asian, crew. This re-crewing is strongly related to the strategy of Safmarine (now part of the Maersk shipping group) to hire cheaper crews and was compounded by apartheid era sanctions imposed on South African ships calling into foreign ports. These ships were often met by protests by anti-apartheid protesters as well as dockworkers that refused to offload cargo. The pressure of sanctions and protests further propelled South African shipping companies to flag out and recrew their ships in order to circumvent sanctions and to operate profitably under these conditions.

Statistical information on South African seafarers is non-existent on the SIRC database. The database combines both Africa and Latin American figures for seafarers and treats them as one combined figure. The reasoning behind this is that the number of seafarers in these regions is negligible when compared to other regions of the world (Interview, Dr Bin Wu, Cardiff, Wales: January 2005).

Interview, Safmarine training officer, Cape Town, South Africa: April, 2003

Today there are only 700 employed South African ratings, (SATAWU, 2005). See Figure 4.9 for a visual representation of this.

Figure 4.9: South African Seafarer Employment Trends



Source: Fieldwork

Approximately 1 000 seafarers remain unemployed according to Marine Crew Services (MCS) in Cape Town. At the time of the sale, Safmarine operated fifty liner vessels and covered ten trade networks. Whilst there are a number of globally influenced reasons for the restructuring the South African labour market for seafarers, I have identified a range of more localized problems in the training and employment of South African seafarers that will be explored in subsequent chapters.

The entry of South African seafarers into the global labour market is far more problematic than that of their Filipino counterparts. These difficulties can be attributed to the shift to cheaper non-South African crews, but also to the reluctance of shipping companies operating in South Africa to train and employ South African seafarers.

The wage rate for South African seafarers continues to be relatively high when compared to other seafaring nationalities. This contributes to their low and falling levels of employment. The table below shows the monthly rates for South African seafarers at both officer and ratings levels. Wage rates have proved notoriously difficult to obtain from South African shipping companies. Both Unicorn Shipping and Safmarine declined to reveal their current wage rates citing confidentiality agreements (Personal Communications, 17/04/07, 8/05/07 and 29/05/08). However both company representatives in telephonic interviews in 2008 intimated that the wage rates were relatively high and close to the ITF rates. Marine Crewing Services revealed that they have been involved in a benchmarking exercise to evaluate wage rates and have entered into discussions with SATAWU and the ITF to negotiate a 'favourable' wage rate for South African seafarers. However in correspondence in May 2008, Marine Crewing Services declined to reveal what these rates are. The rates I have presented come from the ITF/SATAWU representative and are the best indicator of what South African seafarers were paid in 2005. The union official confirmed that shipping companies often enter into confidentiality agreements that preclude both the union and the companies from making public their wage rates. I have used 2005 figures since it allows for a comparison to wage rates paid to other nationalities in 2005 (See Table 4.7).

For example ratings from the Ukraine, Romania, Poland, Philippines, Montenegro, India and China all earn less than South African seafarers. Even though the wage rate difference between South African and other nationalities can be only \$10 more at the bottom of the scale (for example Montenegro with a starting rate of \$1420 as opposed to the South African rate of \$1430) it still is sufficient enough of a difference for ship owners to choose one nationality over another. The upper ends of the pay scales are also higher for South African seafarers. For example, whilst the pay scale for Croatian seafarers on dry bulk carriers is between \$1430 and \$1485 the upper end of the scale for South African seafarers is \$1650 for dry bulk vessels and \$1950 for work on tankers. In fact South African seafarers who work on tankers are extremely expensive (apart from

British seafarers who are the highest paid) between a pay scale of \$1650 and \$1950. From the nationalities compared in table 4.7, this would make South African ratings that work on tankers the second most expensive nationality to employ on tankers.

Table 4.7: 2005 South African Monthly Wage Rates for Officers and Ratings inUS\$

2005 Wage Rates (Dry Cargo)		
Rank	Dry Cargo Rate	Tanker Rate
Master	\$8470.00	Not Available
Chief Officer	\$5500.00	Not Available
Chief Engineer	\$7700.00	Not Available
Second Engineer	\$4290.00	Not Available
Able Seaman (rating)	\$1650.00	\$1950.00
Cook (rating)	\$1430.00	\$1650.00

Source: SATAWU /ITF (Personal Correspondence, 2008)

High wages out pricing South African seafarers from the global labour market is compounded by the lack of ship ownership in South Africa. My association with and research into the training and development of South African seafarers since 2001 reveals that there exists an implicit and often explicit belief amongst owners and management of shipping companies that training and development 'for the nation' 'is not their problem.'³⁰ Victor Restis, Chief Executive Officer of South African Marine Corporation contends that:

"... one of the reasons could have been that you expected the ship owners to take the initiative and bear the cost [of training]. Well they will not because they already have access to trained professionals. If

See Bonnin et al 2001, 2002, 2006. See also Ruggunan 2001, 2005.

the country is serious to utilise this opportunity [to train for the nation], somebody will have to take the initiative and see it through... since many countries make professionally qualified seafarers available at internationally competitive rates, international ship owners and operators do not see the development and training of such staff as their responsibility. Why take on responsibility for and associated cost for something in country A when it is supplied for free by country B?³¹

A recurring theme throughout the maritime industry is that of shipping companies training South Africans for their internal requirements only and reluctantly at that,³² according to the findings of investigations into the training needs of the maritime industry. Simply put, the shipping industry³³ in South Africa cannot be the driving force for job creation. Any job creation initiative will require resources from shipping companies such as training berths and training expertise to ensure the success of any national programme. Aligned to training imperatives are the attempts of SATAWU and the TETA to ensure greater racial equity in the current

¹ Comments made to 7th National Maritime Conference, Cape Town, South Africa: July 2001.

² Interview, Safmarine training officer, Cape Town, South Africa: April 2005.

Interview, SATAWU Maritime Official, Johannesburg, South Africa: February 2004 and May 2005.

Interview, Transport, Education and Training Authority Chief Executive Officer, Cape Town, South Africa: April 2005.

See Kujawa (1996) and Ruggunan (2001 and 2002) for discussion and confirmation of these findings.

³ Until the mid-1970s international and South African merchant shipping had been expanding. In 1971 for example there were 52 merchant marine ships on the South African ships register with a total dwt of approximately 3 million. Thirty-five years later there is only one deep sea ship (i.e. more than 500grt) on the South African register, the SA Oranje. To put this in perspective, the register with the most ships in 2005 is the Kerguelen Islands, France's second register. It has 44 ships on its register, equalling 3.2 million dwt. The oil crisis of 1974/5 impeded the boom in South African merchant shipping. As a result there was a 40% reduction in seafaring jobs. Most of jobs lost were in the officer category (Kujawa, 1996). This was compounded by the implementation of international sanctions against apartheid South Africa which further marginalised South African merchant shipping from global markets. There are only four major shipping companies that operate from South Africa. Of these four, Unicorn Shipping, owned and operated by the Grinrod group remains the most authentically South African. Prior to 1996 and the acquisition of Safmarine by AP/Moller/Maersk, Safmarine was the other authentic South African company. Since 1996 AP Moller/Maersk have retained the trading name of Safmarine but for all commercial intents and purposes it is no longer a South African owned and operated shipping company.

profile of South African seafarers (see chapter seven for more on the strategies of the TETA).

South African ratings in the merchant navy continue to be overwhelming Black (African, Indian and Coloured) whilst officers are predominantly White (Personal Correspondence, Warren King: Unicorn Shipping: 29/05/08).³⁴ In 1994, there were 350 registered officers in the merchant navy and fishing industry. Of these, 320 were white officers whilst the remaining 10 officers were Coloured working on large fishing vessels. (Lane et al, 2002). Of 1400 ratings employed in 1994 in the fishing and merchant navy, Black, Indians and Coloureds comprised 1120 with whites comprising the balance of 280 ratings. (Lane et al, 2002). Today of the 735 employed ratings, 720 are black African with five Indian and ten Coloured (SATAWU: Personal Correspondence, 6/05/08). This continues to reflect pre 1995 racial patterns in employment of seafarers identified by Lane et al (2002) in their paper on human resource development in the South African maritime sector. However there is no racial pay gap amongst South African ratings of different races or South African officers of different races in the industry. This was confirmed in correspondence with SATAWU in May 2008. It seems that nationality is more important than race in the current global labour market for seafarers. Given that all South African ratings are Black (African, Indian and Coloured) it stands to reason that black seafarers are paid much less than white seafarers who are officers. This represents an intersection of race and occupational status. Attempts to tackle racial redress will be discussed more fully in chapter six.

Prior to 2005, the South African seafarers in the merchant navy obtained employment directly with shipping companies. This often meant that shipping

Statistics South Africa conflates all maritime labour occupational statistic, so fishing, merchant, salvage, tug workers are not disaggregated which makes it difficult to obtain an accurate picture of the national racial breakdown of the labour market for South African seafarers. The last occupational survey done by statistics South Africa was in 1996. Shipping companies' statistics are fluid and change every year, though there is some caginess from them when asked to reveal this information. Employment equity reports for these shipping companies reveal their shore based workers and not their sea based workers. However the TETA, SATAWU and even shipping companies themselves reveal concerns about the lack of racial redress in the industry.

companies, for example Unicorn, trained and employed South African seafarers for their own crewing needs. The idea of a labour broker that provided South African crews to global shipping companies outside Unicorn and Safmarine was an anathema. However, as shown earlier in this chapter, crewing or labour brokering agencies are the norm in new seafaring labour market countries like the Philippines that provide crews to shipping companies. Companies like Unicorn Shipping that run their own training school remain the exception to the rule.

Given SATAWU's lack of engagement and strategy to grow its seafaring membership and the union's subsequent focus on its membership in other sectors³⁵ the private sector has intervened in recognition of an employment opportunity for South African seafarers in the global labour market. Marine Crew Services (MCS) indicates a strong belief in the potential for South African seafarers, especially at the ratings level to be employed by global shipping companies. The crewing service is of the belief that the union and government processes in securing seafaring jobs are tedious and bureaucratic. SATAWU has abdicated responsibility to grow its membership and explore initiatives like the MCS project to the private sector. Its involvement with this private crewing initiative focuses on setting of wage rates only. In recognition of this opportunity to crew ships with South African trained crew, MCS was established in 2003 as a crewing agent that supplies trained seafarers to the global shipping industry. In 2004 MCS placed its first batch of South African crew to the Holy House Shipping Line of Sweden.³⁶ One of the key elements and an obstacle to training seafarers at both officer and rating levels is the berthing issue. MCS has addressed this problem by forming relationships with shipping companies outside the Unicorn and Safmarine duo. They formed a productive relationship with Sanko Steamship Company of Japan in 2005. Sanko is one of Japan's oldest shipping companies. As part of a black economic empowerment deal, Sanko has invested financially in black owned MCS and Marine Bulk Carriers.³⁷ According to MCS

See chapters six and seven for more on SATAWU's strategies.

Interview, MCS Official, Cape Town, South Africa: April 2005.

Interview, MCS Official, Cape Town, South Africa: April 2005.

managing director, Lance Manala, the partnership with Sanko will facilitate skills transfer, create jobs and increase South Africa's involvement in the raw material and crude oil trade (Stanford, 2005).

Sanko operates a fleet of 100 bulk carriers, tankers and liquefied petroleum gas carriers. It is expected to increase its fleet to 150 by 2008. The large number of ships operated by Sanko provides the ideal opportunity for high quantities of training berths for South African crew. According to the agreement reached between Sanko and MCS (*South African Shipping News*, July, 2005), 50 to 60 cadet training berths will be provided at a ratio of two to five cadets per ship. These South African cadets will work primarily with the Filipino crews that man Sanko's ships (*South African Shipping News*, July 2005). MCS has already negotiated wage rates with the ITF and SATAWU in November 2004. MCS asserts that once the mandatory seetime is complete, seafarers will be placed primarily on Sanko's ships, although the aging demographics of South African seafarers means that new and younger seafarers have to be recruited and trained if MCS is to provide 'fresh' and sustainable crews. Marine Crew Services' key goal therefore remains to position South Africa to become a sustainable source for international crewing.³⁸ By early 2007 this ambition has still to be sufficiently realised³⁹ although it still represents the only serious initiative in South Africa to link South African seafarers in a significant way to the global labour market

When asked what the advantages of South African crews are over other crew nationalities, MCS provides the following list:

1. High standards of training monitored by SAMSA means that crews are Standards of Training Certification and Watchkeeping compliant;
2. South African seafarers speak English relatively well when compared to their peers of other nationalities;
3. A large reservoir of labour is available ensuring a long term supply from quality training institutions;
4. MCS has negotiated a South African Trade Compliance Certificate rate that has the approval of the ITF and SATAWU. Therefore owners using South African crews will be issued with blue cards which are a form of ITF accreditation that means that all South African crews supplied by MCS will be unionised by default. See chapter six for more on the meaning of blue certificates.

See the *South African Shipping News*, February 2007 issue for the difficulties encountered by MCS with the Transport, Education and Training Authority in trying to achieve their goals.

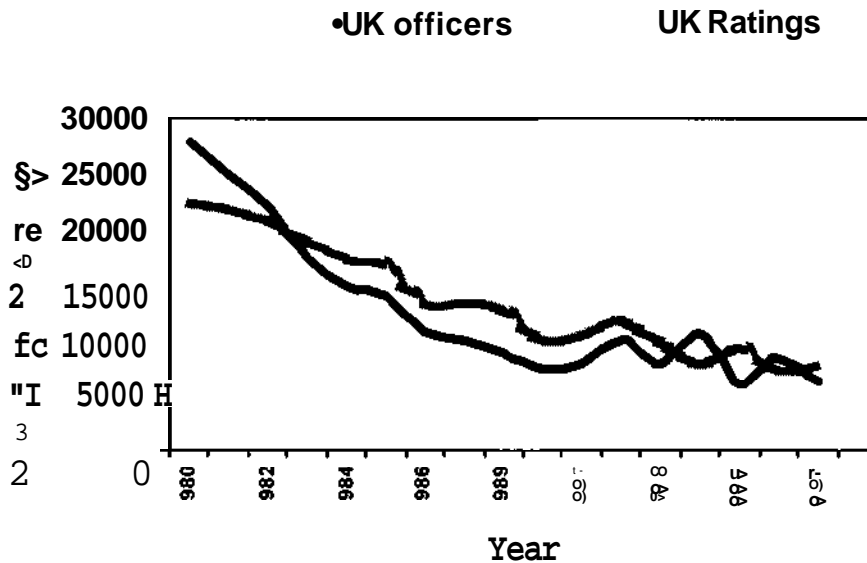
4.6 British Seafarers in the Global Labour Market

The changing nature and characteristics of the global labour market for British seafarers must be understood in the context of broader changes in the British merchant navy. This section examines the broad changes in the British shipping industry such as the decline in registered and owned British merchant navy vessels and its subsequent impact on the employment of British seafarers at both the officer and ratings ranks. Historically, Britain's merchant navy and seafarers dominated key global trade routes. However, as noted earlier in this chapter, this dominance began changing most notably in the 1970s and rapidly in the 1980s (Lane, 1986). The trends in the British maritime industry since the 1970s are marked by:

1. A steady decline of a British owned and registered fleet⁴⁰ (more so than other European Union countries.)
2. A sharp decline in the number of employed British officers and ratings.
3. A significant decline in the annual throughput of ratings and cadets through Maritime education and training institutions.
4. An aging British seafaring pool and hence a dwindling skills pool.

Whilst the British fleet that is registered and owned in Britain has declined, it nonetheless comprises 6 percent of the world's merchant shipping or 449 vessels. In addition, 368 British-owned ships are registered in Flag of Convenience registries and 215 British-registered ships are foreign owned. The ownership of these 215 is as follows: Australia 3, Denmark 46, Finland 1, France 4, Germany 76, Greece 7, Ireland 1, Italy 4, Netherlands 3, Norway 36, NZ 1, South Africa 5, Spain 1, Sweden 15, Switzerland 3, Taiwan 1, Turkey 2, US 6. The 368 that are flagged out belong to the following registries: Algeria 13, Antigua and Barbuda 7, Argentina 4, Australia 2, Bahamas 69, Barbados 5, Belgium 2, Bermuda 9, Brazil 1, Brunei 8, Cape Verde 1, Cayman Islands 10, Cyprus 6, Denmark 1, Finland 1, French Southern and Antarctic Lands 1, Georgia 4, Gibraltar 4, Greece 9, Hong Kong 43, India 1, Indonesia 2, Italy 3, South Korea 2, Liberia 41, Malta 8, Marshall Islands 12, Morocco 1, Netherlands 19, Netherlands Antilles 3, Norway 6, Panama 37, Papua New Guinea 6, Saint Vincent and the Grenadines 13, Singapore 9, Slovakia 1, Spain 1, Thailand 2 and Tonga 1. The United Kingdom therefore continues to be a major player in the commercial maritime industry. The Merchant Marine has, since 1993, vacillated between the fourth and fifth biggest service-sector exporter for the United Kingdom (Prescott, 1999). This underlies its significance to the British economy and the need to urgently address the labour problems facing the shipping industry.

Figure 4.10: British Officers and Ratings Serving in the Merchant Marine from 1980 to 1997



Source: Department of Transport Merchant Fleet Statistics: 1980-1997 (11)

Figure 4.10 shows a contraction in the number of ratings from approximately 22 000 in 1980 to just over 5 000 in 1995. UK officer numbers fell from 28 000 in 1980 to 10 000 in 1995. These statistics were provided by the British Chamber of Shipping in 1995 and are based on the number of British seafarers employed by their 125 members that operate 730 merchant ships (Chamber of Shipping Annual Reports 1996). Further, 80 percent of British ratings employed by Chamber of Shipping companies during this period worked on United Kingdom registered fleets (Prescott, 1999: 11). Only 55 percent of British Officers however worked on United Kingdom registered fleets. This highlights the two tier nature of the labour market for seafarers in general and British seafarers specifically. It implies that British ratings employment is closely linked to United Kingdom registered and owned fleets but that officers have greater mobility in negotiating employment in the labour market between foreign owned and United Kingdom owned fleets. This is due to the shortage of officers in the global labour market as well as the

preference for British officers (over other nationalities) by foreign shipping companies in general.

In 1997, the London Guildhall University Study was commissioned by the United Kingdom government to conduct an analysis of the labour market for British seafarers in the merchant navy (McConville, 1998). Their findings, whilst still worrying, indicated that the projected decline was not as sharp as projected by the Chamber of Shipping from 1996 to 1997. The study found that in 1997 there was a total number of 28 000 active (i.e. employed) British seafarers. Of these, 17 140 were officers and 10 860 were ratings. A further 1 130 officer cadets were undergoing training. However when a retirement age of 57 was applied to this sample, the total number of active seafarers fell to 25 460. The decrease only occurred at the officer level, where numbers fell from 17 140 to 14 600 (London Guildhall University Study, 1997:Annex B). The study also reflected an aging workforce with 71 percent of officers being between the age of 40 and 65, whilst 53 percent of ratings were in this age bracket. The study further projected that, in order for the number of British officers to recover, training of officer cadets would have to be sustained at throughput levels of 1 000 new officer cadets a year. However the 1998 intake of cadets at United Kingdom maritime institutions was only 450. The 1997 study concludes that unless interventions are made in the fiscal policies governing ship registration and maritime training policies, the available seafarer labour pool would decline at 6 percent a year.

The United Kingdom government, in response to the possible decimation of British seafarers as projected by the various studies, implemented a tonnage tax scheme in 2000. Since 2000 the United Kingdom registry has increased by 250 percent. The national British fleet is now the second largest in the European Union, topped by Greece (Chamber of Shipping Annual Report, 2005/6). Linked to the tonnage tax scheme is a unique training and skills development plan. In order for a shipping company to benefit from the new fiscal scheme, it must train one officer for every fifteen it employs. According to the Minister of Transport, at the implementation of the tonnage tax in 2000-2001, there were 896 United

Kingdom officers employed on tonnage tax ships, in 2006 this rose to 2 888. The number of ratings for the same period rose from 449 to 1 460.

British trade unions, the National Union of Marine, Aviation and Shipping Transport Officers (NUMAST) and the Rail and Maritime Union (RMT) are, however, not as convinced.⁴¹ They argue that of the 29 000 seafarers that were considered active in 2005 by the government only 26 000 were employed at sea. They have further commented that whilst the new tax scheme has done wonders for shipping companies, it has in no significant way reversed the decline of British seafarer employment. Dr Stephen Ladyman, Minister of State for Transport, has pointed out that the number of active seafarers has increased from 25 000 in 2001 to 29 000 in 2006 (Ladyman, 2006:21). Of these, 10 000 were ratings with officers numbering 19 000. This reflects an increase in the number of British officers but no significant difference in the change to the number of active ratings. Further, the age profile of officers means that rather than rapidly expanding its pool of officers, the number of United Kingdom officers will actually plateau and then decline by almost 10 000 over the next fifteen years.⁴²

The RMT information officer argued that the numbers of active ratings are far less than the 10 000 indicated by government and the Chamber of Shipping. He estimates it to be 8 000. He further points out that only 40 to 50 British ratings were trained and employed into the merchant navy in 2004-2005.

What emerges from the developments in the United Kingdom shipping industry and labour market for seafarers is that, whilst changes in shipping taxation schemes have benefited shipping capital enormously, seafaring labour remains precarious, particularly for ratings. My further investigation into how this was being dealt with at governmental level was particularly revealing as is exemplified by this quote:

⁴¹ Interview, RMT Information Officer, London, United Kingdom: February 2005.

Interview, NUMAST Information Officer, London, United Kingdom: February 2005.

⁴² Interview, NUMAST Information Officer, London, United Kingdom: February 2005.

"Despite all the good intentions, the tonnage tax exemption is not a success for United Kingdom ratings. So although shipping companies must train officer cadets there is no legal requirement to employ officers or ratings; indeed, there is no obligation even to train United Kingdom ratings - companies must simply consider United Kingdom ratings training and employment options. Unfortunately the majority of vessels that enter the United Kingdom register employ no United Kingdom seafaring ratings."

(Clark, April 2006: House of Commons Debate, Column 257WH).

In responding to this challenge the Rail and Maritime Union has embarked on a project to find alternate employment opportunities for UK ratings.⁴³ The Rail and Maritime Union argues that the fight to preserve and increase the number of jobs for ratings is perhaps not the best strategy to service their ratings membership. The high cost of British ratings as reflected in Table 4.7 below reflects the deterrent cost factor in hiring British ratings in comparison to other nationalities.

⁴³ Interview, Rail and Maritime Union Information Officer, London, United Kingdom: February 2005.

Table 4.8: Monthly On-board Earnings for Ratings in 2005 (US\$)

Country of Domicile	Dry Cargo	Tanker
United Kingdom	3300-3960	4620-4950
Russia	1330-1485	1485-1595
South Africa	1430-1650	1650-1950
China	900-1100	1060-1320
Croatia	1430-1485	1430-1485
India	1280-1485	1335-1485
Montenegro	1420-1485	1485-1595
Philippines	1155-1485	1210-1485
Poland	1210-1485	1540-1650
Romania	1210-1485	1430-1650
Ukraine	935-1045	1045-1155

Source: International Shipping Federation, 2005

Further, the RMT argues that most British ratings are not even working on deep sea vessels. Of the estimated 10 000 British ratings currently employed, 4 500 work in deck and engine departments of non deep sea vessels. The balance are employed on cruise ships, short ferry services and the offshore oil sector, research vessels, coastal tankers and chartered services (Chamber of Shipping Report, 2006: 1). The number of British ratings employed in foreign flagged vessels is negligible.⁴⁴

The RMT is exploring alternative employment opportunities for ratings that range from increased work on ferries to shore based work as well as possibilities to

Interview, RMT Information Officer, London, United Kingdom: February 2005.

upgrade to officer levels. In conjunction with this locally based strategy is a campaign by the Rail and Maritime Union within the International Transport Workers Federation to secure and protect United Kingdom ratings' jobs. These trade union strategies will be discussed in detail in chapter six.

4.7 The Implication of Flexible Labour Markets for Seafarers

To reiterate the purpose of this chapter is to answer the question "how has the labour market for seafarers been reshaped?" I have shown how this reshaping is taking place in very specific ways in Filipino, South African and British labour markets for seafarers. This section argues that in addition to the specific changes occurring in these three labour markets, there are more generic trends that can be observed across global seafaring labour markets. These trends, following the discussion in chapter two, can broadly be discussed as ways in which merchant seafarers are similar and dissimilar from other types of workers in a post Fordist labour market. This is important because it situates seafarers and seafarer labour markets into the broader context and discussion of changes in the nature of global labour markets as referred to in chapter two. This section argues that there are five similarities and four differences between seafarers and other flexible workers in the global labour market.

The first way in which seafarers are similar to other flexible workers is their reliance on agencies or labour brokers for employment. Of the three case studies presented in this thesis, Filipino seafarers rely on agencies for their employment (See Chapters six and seven) of the thesis, though this is certainly the case for all seafarers in the new global seafaring supply countries around the world. This was not the case for South African seafarers though there are some attempts to move in this direction (see chapter six) or British ratings, who are almost non-existent in their employment in global labour market (see chapters four and six and seven).

Interview, RMT Information Officer, London, United Kingdom: February 2005.

However given that seafarers from the dominant seafaring supply countries such as the Philippines, rely on labour broking for their employment (see chapter six), labour broking is an important process in the formation of seafaring labour markets. Labour broking in the commercial shipping sector is mainly a result of the shift to flexible accumulation strategies of shipping companies, which involve radical changes to the nature of the bureaucracy of shipping companies. The details of the organisational restructuring of shipping companies are more fully explored in chapter five.

Secondly, seafarers at both the officer and ratings levels rely on prescribed periods of labour contracts. In this sense they are labour contract workers with a degree of overlap with the characteristics of agency and temporary or casual workers. For ratings this often consists of annual contracts though as chapter six shows these contracts for ratings can be as little as nine months. For officers this is usually rolled over on an annual basis and generally officers enjoy more stable employment in terms of duration of employment contracts. Ratings are often hired through agencies and, given the surplus of ratings in the labour market, they are considered more expendable. Officers on the other hand tend to be head hunted by crewing managers of shipping companies either through their own networks or via dedicated temporary employment agencies. Given the shortage of officers in the global labour market the conditions of employment and recruitment strategies targeted at officers is different from that targeted at ratings. This speaks to different conditions of security in employment depending on skill level and is a form of *employment insecurity* since both shipping companies and crewing agencies can terminate contracts with minimal difficulties particularly of non unionized seafarers. This then points to a third issue which is the development of a core, semi-periphery and periphery categorisation of workers depending on skill and need. Officers would occupy the core, ratings the semi-periphery and non unionised ratings would occupy the periphery. This is in keeping with Webster and Von Holdt's (2005) more general discussion of this phenomenon. Chapters six and seven speak to these issues in more detail. Fourthly whilst this thesis does not specifically examine labour process issues, new technologies have resulted in

a significant reduction in the number of seafarers needed to man a ship as is discussed in chapter two of the thesis. This is in keeping with the trend for new technologies as a feature of flexible accumulation to reduce the number of workers across most sectors. Fifthly, shipping companies and crewing agencies do not subsidise or pay for the training of ratings and officers. Seafarers are expected to lay out the costs of their own training which has to be globally compliant. This means a massive financial saving for shipping companies who historically have trained seafarers at their own cost. This is part of a global trend to either outsource training or make it an individual responsibility.

However there are some important ways in which unionised merchant navy seafarers differ from other types of flexible workers. Firstly, whilst there is an overwhelming degree of contract employment, seafarers when employed on unionized vessels or when they are unionized themselves enjoy high wages at both rating and officer levels relative to other types of flexible workers. Given that ratings are often thought of as the working class of the sea, it is remarkable that they enjoy such a high wage rate relative to similar kinds of shore based labour contract and agency workers. There has not been a 'race to the bottom' in terms of wages. This is related to my second point that the globally most commercial seafarers enjoy high levels of representation security, if not at the national level then certainly at the global level as the thesis discusses in chapter six. The high levels of representation security have prevented a race to the bottom in terms of working conditions and wage levels. Thirdly, in industries such as the information technology sector in the Silicon Valley, labour brokers can significantly influence compensation levels of workers, seafarers working conditions and compensation levels are regulated globally through global labour bodies such as the International Labour Organisation, the International Maritime Organisation and the International Transport Workers Federation. The mechanics of how seafaring labour agencies operate are discussed more fully in chapter six. Thirdly, the rise in temporary work and agency work has been described as the feminization of the global labour market by Boyd (1997) and Standing (1999b). However the labour in the merchant navy remains almost exclusively male. The global cruise ship

industry however has shifted significantly towards the employment of female seafarers, though at the ratings level and not the officer level. Fourthly, perceptions of nationality and ethnicity continue to remain important factors that influence how ship owners, crewing managers and ship managers decide to crew their ships. Some nationalities are seen as innate seafarers whilst other are not. The linking of perceived behavioural characteristics to employment is not unique to a post Fordist workplace but has certainly become more pronounced and in some cases institutionalized in crewing agencies. My final point would be to remind the reader that seafarers have historically never enjoyed full time stable employment in the Fordist sense. However there was a direct link between the employer as ship owner and employee with no intermediaries. The key difference for me in the employment of seafarers in the post Fordist era is the introduction of labour market intermediaries in this sector which has effectively institutionalized seafarers' temporary and contract worker status.

For both unionized and non unionized seafaring labour, particularly ratings, a post Fordist workplace has come to mean that their labour statuses have become more flexible. Seafaring labour can be grouped as temporary workers and agency workers. And there is some overlap between these categories. Seafarers are temporary workers who are agency workers. I have refrained from labeling them as labour contract workers since labour contract workers often have a debt bondage relation between "subcontractors and workers, which leads to exploitative labour and subordinated flexibility, with workers deployed when and where needed and for wages that fluctuate daily or even hourly" (Standing: 1999:103). The fieldwork conducted for this thesis demonstrates that this is not the case for unionized seafarers.

Seafarers are temporary workers that are sourced and processed by labour broking agencies. They are not casual workers in that casual workers are workers that are hired without employment security and typically paid on a piece rate basis or for the specific hours for which they are hired. Temporary workers on the other hand tend to be employed for a fixed term or on a rolling basis (Standing, 1999:105).

However despite these definitions, there is a considerable degree of overlap amongst these categories when applied to seafarers.

4.8 Conclusion

This chapter answered the question 'how is the labour market for seafarers being reshaped?' The chapter argued that changes in the accumulation strategies of shipping capital especially from though not limited to 1970, has resulted in profound changes for seafaring labour markets. Significant processes of transnational neo-liberal capitalism such as technology, the move to FOC shipping and the tendency for shipping companies to restructure organizationally occurred against capital's larger restructuring project of the 1970s. These multiple and simultaneous trajectories or forces have influenced in multiple ways the employment policies and practices of merchant shipping companies.

The chapter demonstrated the ways in which certain employment and unemployment patterns emerge as the labour market for seafarers becomes increasingly global. The first tendency is that the new labour sourcing countries for seafarers are primarily situated in south east Asia and eastern Europe. These new labour markets have replaced the previously dominant and secure labour markets of Europe and North America.⁴⁶ Secondly the age profile of the global labour market indicates that officers from Europe and especially the United Kingdom are aging rapidly and do not have a sufficient cohort of younger qualified officers to ensure a continued significant British presence as officers in the world's merchant navy. In contrast the age profile of officers from the Far East indicates a younger pool of officers that will ensure a continuation of Asian dominance of not only ratings level positions but also officer level positions. The

Whilst it is true that merchant shipping has relied on multinational crewing historically, the scale and number of seafarers of different nationalities working on modern day ships is unsurpassed. See Dianne Frost's 1995 book *Ethnic Labour and British Imperial Trade. A history of ethnic seafarers in the United Kingdom* for a specialist commentary on this.

age profiles provided give an indication of what a future seafaring labour market may look like in terms of demographics of age and nationality and rank.

The discussion on Filipino, South African and British seafarers shows three trends. First of these is the phenomenal growth in employment of Filipino seafarers and their dominance of the global labour market. South African seafarers have in contrast suffered immense job losses and increasing lack of engagement with the global shipping industry and its labour markets. This lack of engagement and initiative by the South African union representing seafarers has marginalised South African seafarers, and the only initiative to connect with a global market is being pursued by a private sector company. The case of British seafarers demonstrates a colossal loss of jobs at both officer and ratings levels, and as later chapters will demonstrate, it is unlikely despite many labour and government initiative that British seafarers will regain their edge in the global labour market for seafarers. In sum the chapter has demonstrated how the labour market for seafarers has altered. My specific focus is the form that these changes took for Filipino, South African and British seafarers. Finally, the chapter provided a brief discussion of the ways in which seafaring labour markets are similar to and different from other types of contemporary global labour markets. The next chapter answers the question 'How has the restructuring of shipping capital facilitated this process? and will it provide more detail into shipping capital's role in precipitating these changes.

Chapter Five

Accumulation Strategies in the Merchant Navy

5.1 Introduction

In putting together the pieces to address the puzzle posed by transformation of seafaring labour markets, this chapter answers the question 'How has the restructuring of shipping capital facilitated this process?' In answering this question the chapter engages in two arguments. The first argument is that the restructuring of the contemporary global shipping industry took place in a very specific economic and political context during the 1970s. I argue that by understanding this context, we can make sense of the rupture that marked commercial shipping's new accumulation strategies.

The chapter further contends that two key markers informed the context within which commercial shipping restructured. Firstly were the two unanticipated oil crises of 1973 and 1979. These crises would have a profound impact on the shipping industry in three ways. Firstly, operating costs surged, secondly the amount of bulk oil to be transported as cargo declined substantively and thirdly an imbalance would occur between supply and demand in the shipbuilding industry from the 1970s. This would eventually lead to an oversupply of tankers and bulk carriers by the time the effect of the recession in the shipping industry was at its peak. The second marker of the period was that the world of banking and finance was in turmoil given various global structural adjustments occurring in the global economy from the late 1970s and early

¹ As we shall see later in the chapter, different sectors of merchant shipping were affected differently by the shipbuilding surge and subsequent oversupply.

1980s. The impact of this on the shipping industry was that it changed the nature of the ways in which ship owners financed their ships and operations. Given the capital intensive nature of the shipping industry, banks and consortiums of banks were lenient in the ways they financed ship owners which, as the chapter will demonstrate, had often detrimental impacts on ship owners and companies.

The second argument of the chapter is that when commercial shipping was faced with declining profit levels as oil, labour and capital costs soared, the industry engaged in three tendencies to ameliorate falling profit levels. I contend that these tendencies marked the sector's rupture from previous accumulation strategies. Firstly it engaged in FOC shipping as a new flexible accumulation strategy. The second tendency was the post Fordist shift towards organisational flexibility of shipping companies. This entailed organisational strategies such as mergers and acquisitions, decentralisation, outsourcing and subcontracting of a number of previously centralised functions, the most important of which is the outsourcing of the crewing function. The third tendency was a shift towards the use of new technologies to reduce labour costs, make ships more fuel efficient and increase the productivity of vessels. Collectively these technological efforts were designed to increase the profitability of shipping companies or at the very least to prevent profit levels from falling further.

5.2 The 1973 and 1979 Oil Crises and its Impact on Merchant Shipping

This section engages in two arguments. Firstly it argues that the 1973 and 1979 oil crises were the outcomes of very specific geo-political events; secondly it contends that there were some very specific impacts of these crises on the shipping industry. Specifically, there were two areas that were profoundly impacted upon by the

²¹ restrict this discussion to the oil crises impacts on the liner trade, bulk carrier trade and bulk liquid trades.

colossal increase in oil prices. Firstly high oil prices translated into high fuel costs which severely ate into profits and secondly the 1973 oil crisis initiated the collapse of the tanker trade. The tanker trade was therefore the most severely affected sector of the industry as a result of the 1973 oil crisis. I argue that it is only through comprehending the nature and impact of the oil crises of the 1970s on the industry that we can understand the industry's subsequent attempts to restructure organizationally, technologically and through FOC shipping.

The oil crises of 1973 and 1979 were the outcome of a multitude of political and economic occurrences of the period. The late 1960s and the early 1970s were characterised by a slowing down of growth in western capitalist economies (Botlanski & Chiapello, 2005). As argued in chapter two, this period in the chronology of modern capitalism represented the ending of the golden age of capitalism. The decline of Fordism both as a production process and an accumulation strategy and the decline of the Keynesian welfare state all contributed in various ways to the slowing down of growth in the world economy particularly in the early 1970s (Botlanski and Chiapello, 2005). Symptoms of this decline included an increase in inflation, a decline in employment, the reduction of workers' buying power and saturation of markets. Contributing to this were rapidly declining profit levels of companies in the United Kingdom, the United States, Germany, France and Japan (Beaud, 2001).

Compounding these events was the collapse of the Bretton Woods System (see Chapter Two) by 1973 (Held et al, 1999). The key consequence of the collapse of the Bretton Woods System was that the US dollar became delinked from the gold standard. This delinking made a number of oil producing countries extremely worried since the oil they produced, which was their chief asset, was sold in US dollars. According to Beaud (2001:223) they became anxious as they saw their assets growing in a currency that was not 'as good as gold' anymore. In addition to their concerns about the worth of their oil as a monetary asset the main oil producing

countries were also beginning to realise their collective and individual power to influence global politics and economics as western capitalist states became ever more reliant on oil (Buckman, 2005). For example in 1965 oil consumption surpassed coal consumption for the first time (Buckman, 2005:186) making states that controlled the flow of oil potentially powerful.

However the control of oil in these countries had to be a national or state control of the resource as individual or private company control was too unpredictable. In their belief that state control of oil wells was an imperative strategy to consolidate their power and influence on the global economy, most oil producing countries began to nationalize their wells. The oil producing countries were since the 1950s slowly beginning to nationalize their oil producing companies as a means of consolidating and controlling their main economic asset. For example in 1951, Iran nationalized its oil companies, Mexico followed in 1958 as did a range of other oil producing countries. By 1960 the world's key oil producing countries organised themselves to form OPEC³ and the trend of nationalizing oil companies continued throughout the 1960s with Venezuela, Kuwait, Saudi Arabia, Algeria, Iraq and Libya all operating nationalized oil companies by the end of the 1960s (Beaud, 2001:225).

The latter part of the 1960s saw political tensions⁴ simmering in the middle east. Tensions came to a head with the 1973 Yom Kippur War which acted as the catalyst that propelled the first oil crisis.⁵ Arab-Israeli conflict persisted in the region for

³ In the 1960s and 1970s OPEC consisted of 12 countries mainly from the middle east but also including Indonesia, Nigeria, Angola and Venezuela (Beaud, 2001).

⁴ The history of tensions and conflict in the middle east is complicated and beyond the scope of this thesis or section. However I refer to the Yom Kippur war as the widely recognised political tipping point in 1973 that sparked OPEC's decision to raise oil prices.

⁵ Some commentators argue that the oil crisis has its roots as far back as the 1956 Suez oil crisis. I tend to agree. However The Suez crisis falls outside my delineated time frame of my study. It is important however to note that the Suez crisis referred to the 1956 military attack on Egypt by Britain, France and Israel on 29th October of that year. The attack was in response to Egypt's decision to nationalize the canal after the withdrawal of an offer by the United States and Britain to fund the building of the Aswan dam. The canal was an important (and still is) route for tankers to

decades and came to a head in 1973 when Egypt and Syria launched attacks on Israel. The attacks were a response to continued Western support of Israel in the region. Arab states placed an embargo on oil on October 17, 1973, as punishment for American support for Israel in the Yom Kippur War. The embargo was also imposed against Western Europe and Japan for their support of Israel. By the early 1970s the great Western oil conglomerates⁷ suddenly faced a unified bloc of producers (Yergin, 1991).

The Arab-Israeli conflict was thus the catalyst for a crisis very much in the making. The West could not continue to increase its energy use 5 percent annually, pay low oil prices, yet sell inflation-priced goods to the petroleum producers in the Third World (Yergin, 1991:54). The confluence of slow growth in the western capitalist economies, the end of the Bretton Woods System, the OPEC oil embargo and the Yom Kippur War all contributed in varying ways to the 1973 oil crisis. The immediate impact of the 1973 crisis was a rise in oil prices. The price of oil rose from \$2 a barrel in 1973 to \$10 a barrel in 1974 to \$13 a barrel at the end of 1978 and following the 1979 oil crisis, oil reached \$30 in 1980.

Middle eastern politics and tensions would also contribute to the second oil crisis in 1979. An important reason for the crisis was the Iranian revolution led by Ayatollah Khomeini against the Shah of Iran, Mohammad Reza Pahlavi. The revolution and its wider political fallout in the region and in the United States shattered the Iranian oil sector. Oil exports were suspended during the revolution. While the new regime resumed oil exports, it was inconsistent and at a lower volume, forcing prices to go up (Yergin, 1991, Beaud, 2001, Buckman, 2005). Saudi Arabia and other OPEC

transport oil from the middle east to the west, especially Europe. Britain and France were fearful that a nationalized canal would impede the flow of oil to their economies (Yergin, 1991).

⁶ Egypt and Syria, though not major oil-exporting countries, joined OPEC and launched the attack as a form of solidarity with Arab nations (Beaud, 2001)

⁷ Ironically the oil crises suited American oil companies that were producing oil during the late 1960s and 1970s from expensive oil wells in Alaska and offshore wells, but still forced to sell oil at cheap prices (Yergin, 1991)

nations increased production to offset the decline, and the overall loss in production was about 4 percent. However, a widespread panic resulted and speculation that there would be oil embargoes made for rife speculation. A speculative market drove the price far higher than would be expected under normal circumstances. The situation reached such serious proportions in the United States that the Carter administration instituted price controls as a means of managing the crisis (Buckman, 2005).

The crisis was compounded in 1980 when as part of a broader cold war strategy Iraq, backed by the Americans, invaded Iran . The invasion saw oil production in Iran and Iraq severely affected. Oil production in Iran almost came to a complete halt whilst oil production in Iraq was significantly constrained. Oil prices would begin a six-year decline from 1980 that culminated with a 46 percent price drop in 1986. This was in large part due to reduced demand and over-production. The drop in oil prices caused OPEC to lose its unity that had been forged around politics and conflict in the middle east, as many non middle eastern oil exporters such as Mexico, Nigeria, and Venezuela expanded their productions (Yergin, 1991, Buckman, 2005). The United States and western Europe as primary consumer of oil actively politicked to reduce the influence of non middle eastern oil exporting countries, to avoid been held hostage by previous developments in a tumultuous middle east.

The oil crises of 1973 and 1979 impacted differently on the different segments of the commercial shipping sectors, that is the liner trade, bulk trade and liquid bulk trades.⁹ However despite the varied nature of the shipping trades, consequences of the oil crises were common across all three trades. To understand how the rise in oil prices impacted on these trades we need to examine what the cost structures are of shipping companies that ply all three of these trades. According to Branch (1996:55) the main costs to shipping companies in 1974 are listed in the table below. These costs reflect the percentage of actual US dollar costs and the breakdown of cost structure has

⁸ The 1979 oil crisis was in many ways precipitated by cold war politics (Buckman, 2005).

⁹ The nature of these trades will be discussed in the second half of the chapter.

altered most significantly in terms of fuel costs as we shall see later in this section. Whilst the example in the table below is for a bulk carrier, the cost structure across all three trades in 1974 is similar (Branch, 1996:54).

Table 5.1: Operating costs of a 60dwt modern bulk carrier with 16 Knot speed (1974)

Items	Percentage of Total Costs: 1974	Percentage of Total Costs: 1995
Fuel Oil	29.6	41.0
Lubricating Oil	0.9	1.2
Engine Maintenance	1.2	1.2
Hull maintenance	3.9	4.0
Crew Costs	24.2	25.0
General Administration	0.4	0.6
Insurance	7.6	7.2
Capital costs (depreciation, interest charges, etc)	28.2	29.0

Source: Branch (1996:54)

The table above demonstrates that oil and labour are key operational costs with capital costs being a further significant cost to the ship owner. Costs can also be divided into four main categories. These are firstly operating costs. Operating costs would include the expenses incurred in the day to day running of the ship. They include, crew salaries, fuel, maintenance and administration of the ship from shore. Secondly there are voyage costs. Voyage costs are variable and include port charges and canal dues. Thirdly are capital costs. These costs would include interest due on capital repayment, venture capital costs and is usually determined by the ways in which the ship has been financed. Fourthly are cargo handling costs. These costs are especially important in the liner trade and consist of expenses incurred in the loading, stowing and discharging of the cargo.

5.2.1 Fuel Costs and its Impact on the Industry

Key to the restructuring efforts of the shipping industry in the 1970s, across all three trades, was an effort to reduce operating costs particularly that of oil and crew costs. The oil shocks sent the price of oil roaring up the scale at such speed that between 1973 to 1985 fuel costs rose by 950 percent (Stopford, 1988:108). Prior to the first oil crisis in 1970, fuel accounted for an average of 13 percent of total fuel costs (averaged across all three trades). In 1978 fuel costs were 26 percent, 29 percent and 36 percent of the operating costs of tanker, liner and bulk trades respectively (Gentle & Perkins, 1978:21) and after the second oil crisis it accounted for an average of 34 percent of operating costs, more than any other operational cost item. By 1996 fuel costs stabilized at an average of 47 percent (Stopford, 1997:166).

Table 5.2: Average Fuel Costs: 1970-1996

Year	Average Fuel Cost percentage of total operating costs.
1970	13%
1978	30%
1979	34%
1996	47%

The two oil crises and the subsequent staggering increase in oil prices spurred ship owners to demand more efficiently designed ships that were more fuel efficient and as well as ships that could run on cheaper fuel like diesel or cruder forms of oil. The oil crises, particularly the first one gave much impetus to new technologies being introduced in ship design. The impact of new technologies on the industry will be discussed extensively in the second half of the chapter. Suffice to say that new technologies not only allowed for greater fuel efficiency but also allowed ships to be operated with fewer crew members. Despite the technological efforts at greater fuel

efficiency, fuel costs since the end of 1973 continue to be one of the most significant operating costs to ship owners well into the twenty first century. In March 2008 for example (Thomas, 2008:24) fuel continues to dominate ship operating costs. In 2007 bunker¹⁰ fuel was selling for \$295 a ton and by 2008 had reached \$518 a ton. The oil crises also meant that ship designers designed ships to operate on diesel which was seen as a cheaper option than bunker fuel but is still very expensive and does not significantly reduce the operating costs of ships.

5.2.2 The Collapse of the Tanker Trade and the Oil Crises

Contributing to the stagnation and decline of the maritime industry during the 1970s was the lack of prescience on behalf of ship owners who could not have anticipated the first and second oil crises. Ship owners anticipated that global maritime trade would continue to flourish in the 1970s as it did in the previous decade, particularly in the liquid bulk sector (tanker trade) as the global demand for oil increased. During the 1960s crude oil demand grew two or three times as fast as the general rate of economic growth as the economies of western Europe and Japan switched from coal to oil as their primary source of energy (Stopford, 1997). Between 1962 and 1974 the demand for seaborne oil transport (measured in ton miles) almost quadrupled and despite the expansion of shipyard capacity, by the late 1960s supply could not keep up with demand. This resulted in a shortage in tanker capacity. However with rapid increases in oil prices from the 1970s, this trend towards the demand for oil was reversed and demand for oil first reached a plateau and then declined (Branch, 1996). New oil reserves were discovered especially in Alaska and came online in 1974 and 1975. The location of these new reserves however meant that oil could be transported to the continental USA by pipeline from Alaska and this reduced the need for more deep sea oil imports by ship. As can be expected, these developments had a profound

¹⁰ Bunker fuel is a term used to denote oil used to fuel ships.

impact on deep sea trade, with the volume of deep sea trade declining substantially in 1973 and again in 1980 (Branch, 1996).

Anticipating demand for the transport of crude oil by sea, a number of orders for new tankers were placed from 1972 to 1973 (just before the first crisis). In 1973 ship owners ordered more tankers for the oil trade than they would possibly need or the market demand following the first oil crisis. Between 1972 and 1973 105 dwt of tankers were ordered which represented 55 percent of the tanker fleet. This resulted in a shortage in tanker capacity (Stopford, 1997). In October 1973, the whole process reversed with the rise in oil prices. Tanker demand fell by 60 percent. The average physical life of a tanker (35 years ago) is 15 years and since most of the new fleet had been built in the 1970s there was no way that supply could adjust to such a drastic change in demand. However after 1973 despite the lack in demand the fleet continued to grow as orders placed in 1973 were delivered reaching a peak of 332 dwt in 1977. Scrapping became the only viable option for these tankers and after much hand wringing in the shipping industry, scrapping started taking place in the 1980s (Stopford, 1997).

A similar fate would befall ship owners in the bulk carrier trade after the second oil crisis. Ship owners and operators in this trade again wrongly forecasted a growth in the bulk carrier trade after the second oil crisis. However by 1982 and 1983 it became clear to operators in this trade that such a recovery was unlikely and that oil prices would continue to remain high. The period 1973 to 1983 remains one of the worst recessions in merchant shipping history (McCaskey, 2007). The recession in the industry lasted almost a decade due to a confluence of economic and political factors. This depression influenced significantly the decision of ship owners to drive down operating costs. Whilst very little could be done about reducing the price of bunker fuel, it was possible to reduce other operating costs such as labour costs.. Whilst newly built ships were more economical on fuel, there was little ship owners could do about the fuel costs of their existing fleets. Therefore in order to maintain profit levels

many shipping companies turned to FOC shipping as a cost cutting strategy to minimize labour costs.

Between 1977-1985 we observe that despite the recession in the shipping trade there was an overall 3 percent growth in the tonnage of ships. The reasons for this are the number of 'new builds' that came onto the market despite the sudden lack of demand. These new builds further solidified the recession.

Table 5.3: Growth of Gross Tonnage: 1977-1985

Type of vessel	Gross Tonnage (m.) 1977	Gross Tonnage (m.) 1985	% Growth 1977-1985
General Cargo (single deck)	16.8	19.5	2
General Cargo (multideck)	58.4	55.6	-1
Passenger Cargo	1.8	0.7	-11
Container ships	7.5	18.4	12
Vehicle Carriers	0.6	3.9	26
Gas Carriers	4.4	10.0	11
Chemical Tankers	1.7	3.4	9
Total	88.2	111.5	3

Source: Lloyd's Register of Shipping, *Statistical Tables 1977,1985*.

Despite the first oil crisis and its impact on operating costs for shipping companies as well as the down turn in the volume of oil being transported, ship owners were still receiving ships, especially tankers that were ordered in 1973 and 1974. By 1977 ship building reached a peak of 60m dwt of merchant ships delivered (Stopford, 2004:1) Ship owners had initially thought that the rapidly growing European economies would justify the need for more ships, especially tankers.

Unfortunately the boom in shipbuilding coincided with two oil crises (1973 and 1979) which caused the demand for new ships to slow and then in the early 1980s to decline. The consequences of this were that the ship building market collapsed and the ship building industry went through a deep recession. From the peak of 60m dwt in 1977, shipbuilding slumped to 16m dwt in 1988. According to Stopford (2004:1) during this recession over 100 shipyards worldwide were closed, and in Europe and Japan (the two major shipbuilding areas at the time) employment was halved. Shipbuilding became known as a sunset industry. It was only in 2003 that ship building actually reached and exceeded the 1977 target of 66m dwt, the first time in 27 years". It is safe to say that the recession is over since ship building is now one of the world's fastest growing heavy industrial sectors particularly in Korea, Japan and other far eastern countries.

This section has made three contributions to this chapter and thesis. Firstly it has demonstrated the causes of the 1973 and 1979 oil crises, thus revealing the economic and political context for the massive increases in bunker fuel costs for commercial shipping. Secondly it has shown that the exponential increase in bunker fuel prices profoundly impacted on the running costs of shipping companies. Fuel costs escalated from 13 percent to more than 29 percent of operational costs as a result of the crises. Thirdly the oil crises impacted differently on the different sub sectors of the industry. The first oil crises nearly obliterated the tanker trade as a result of an oversupply of tankers and the second oil crisis similarly affected the bulk carrier trade. Given the profound impact of these crises on the ability of shipping companies to generate profits, it seemed inevitable that the industry would collectively explore new ways of ameliorating the falling rate of profit. The industry would do this in two ways. Firstly it would look to ways to cut back on variable costs, the most variable being labour costs. Secondly the industry would apply new technologies to its operation as a cost

¹¹ The reasons for current the boom are many. Chief amongst them however is that running new ships is now cheaper than ever before. For example, the cost of running a VLCC in 1992 was \$45 467 a day as opposed to \$ 21, 984 a day in 2004 (Stopford, 2004:3-4).

cutting strategy and a way to circumvent the deleterious effect of rising fuel costs. It is towards the use of new technologies that the next section turns.

5.3 The Impact of Banking on the Industry

In this section I argue that in as much as the oil crises of the 1970s were a key contributor to the recession in the industry and its subsequent restructuring, so too was the slew of irresponsible financing of ships by banks during this period. Firstly the section demonstrates what the method of financing commercial ships was prior to the 1970s, secondly it shows how and why this form of financing changed and thirdly the section assesses the impact of these changes in financing for the industry during the 1970s. Through a discussion of these three points I argue that reckless banking was (in addition to the oil crises) a contributing factor in commercial shippers' decisions to flag out and explore new ways of accumulating profits.

In the 1950s and 1960s shipping companies financed their ships through a system called *chartered back finance* (Branch, 1996). This means that oil companies and steel companies (amongst other industries) that required their products to be transported globally had a vested interest in having ships carry their goods. The big industries such as steel and oil would then offer ship owners time charters on condition that their ships provided a dedicated service to them. A time charter is a blocked period of time during which ship owners were guaranteed the business of major corporations. Ship owners could then use the time charter as cash flow collateral for a loan to buy a ship. However at the end of the 1960s time charter finance had almost disappeared as a viable form of ship finance (Stopford, 1997). There were three main reasons for this. Firstly the charterers (major industrial corporations) whilst providing a time charter, demanded bigger ships to transport larger cargoes. The financing of bigger ships required more risk on the part of ship owners and banks who eventually decided that time charters did not sufficiently

absorb the financial risk involved in buying ever larger vessels. Secondly, there was a decline in growth in the bulk trade specifically in the iron ore and oil trades from 1973. This meant that oil and steel companies did not need as many ships to transport their goods globally and the number of time charters declined substantially. Thirdly the profits made in servicing one industry or company were relatively small and high inflation rates of the 1970s and 1980s eroded profits of shippers even more (Lawrence, 1974; Stopford, 1997)

Given the capital intensive nature of the industry, ship owners out of necessity turned to banks or financiers to fund their new ships. On average a modern carrier vessel costs \$250 million, a double hulled VLCC¹² costs around \$90 million, and a chemical tanker is around \$70 million. In such cases shipping companies find that vessels constitute 90 percent of the fixed assets (the net block or actual ship plus capital work in progress). Finance to build these new ships was relatively easy to obtain from banks or consortiums of banks at the time who also had some confidence in the outlook for the global economy. In many cases as McCaskey (2007) argues, bankers were too quick to lend money and feels that in large part irresponsible financing in the 1970s did contribute significantly to the recession in the industry.

The 1970s and 1980s saw ship bankers rethink their financing strategies. Bankers began to see ships as 'floating real estate' (Stopford, 1997:198). This was a profound new way of viewing ship financing since it removed the need for the link between supply and demand. During the period of time charters the number of new ships to be built was determined by the number of time charters in operation. In "removing this link there was no limit to the number of ships that could be ordered". (Stopford,

VLCC is an abbreviation for very large crude carrier. Tankers come in an enormous range of sizes, from a few hundred tons deadweight to over 500,000 tons deadweight. The workhorse big tanker is the named VLCC. A VLCC is a ship with deadweight from 200,000 to 315,000 tons. The standard VLCC is about 300,000 tons which will allow it to carry about 2 million barrels of oil. The lightweight of such a ship will be around 42,000 tons.

1997:198). Stopford (1997:199) recounts how easy it was to finance ships in the 1970s and 1980s when he comments:

"In the stampede for business, financial standards became so casual that loan syndications could be arranged by telephone with little documentation and few questions asked."

The 29th Session of the Joint Maritime Commission (JMC) of the ILO held in Geneva, 2001, corroborates Stopford's assessment of the banking situation. The JMC contends that one of the reasons for the crisis in the shipping industry in the 1970s was irresponsible commercial bank lending. In the 1970s and the 1980s, banks were solely responsible for the funding of speculative ship purchases which led to an over supply of ships, depressed freight rates and increased pressure on labour costs. During this period, ships were not financed by equity funds and as such banks had to bear sole responsibility for creating the structural problem of having too many ships on the market to allow for an acceptable profit. Banks could not sell ships off as scrap, since scrap prices were at an all time low. They were forced to keep their assets afloat and trade or sell them whenever the opportunity arose. This had the effect of compounding the situation since ships sold or auctioned at a fraction of their recent original costs were now re-entering the market at rates reflecting their new low value and thus exacerbated freight rates even further (Lorange, 2001; Pires, 2001). Since the turn of the century banks and consortiums of banks still continue to be key funders of shipping companies. However the manner in which the funding is now raised is different and less risky. This new method of raising money and financing ships is demonstrated in Figure 5.1 below.

Figure 5.1: Contemporary Financing of Commercial Ships.

if	Equity				Mezzanine Finance	Senior Debt				Lease	
	Owner Equity	Limited Partnership	Ship Fund	Public offering	Private placement	Bond Issue	Commercial Bank Loan	Shipyard Credit	Private Placement	Finance Lease	Operating Lease
Typical Features	Finance provided by owner from own funds and retained earnings	Funds provided by partners e.g. Norwegian K/S	Shares in company bought privately by individuals or listed on stock exchange	Shares sold by subscription on public stock exchange	Debt with high interest rate and possible equity rights	Security issued in the capital market	Loan provided by bank. Large loans may be syndicated between several banks	Loan provided by government or agency to assist domestic shipyards	Debt finance arranged privately with pension fund, insurance company etc	Long term tax effective finance based on sale of ship to company which uses depreciation benefits. May be leveraged	

As the above figure indicates, the myriad ways in which finance is now raised dilute risks to the bank and ship owners by spreading the risk across different types of finance. These include different types of financial arrangements such as equity, mezzanine, senior debt and lease arrangements. As Stopford avers to in his 1997 account of the financing of ships, the wave of speculative and reckless banking is past us as are the more global money games of the late 1970s and 1980s.¹³

This section has revealed how ships were financed before the 1970s through a system of charter back finance. However the global economy was rocked by a series of structural changes which included the oil crises and falling profit and productivity rates in sectors such as oil, steel and ore (see chapter two for more on the nature of these falling productivity and profit levels). The consequence of this was that charter back finance was no longer viable and shippers had to turn to banks as their sole

¹³ Though the recent mortgage and credit crises in the United States would seem to indicate otherwise.

financiers. Banks were somewhat speculative and reckless in their financing of ships, thus flooding an already tight market with an oversupply of ships, and thus further compounding the crises in the industry at the time. This put further pressure on shippers to explore methods of cutting costs that would allow them to make profits and stay in business. In short shippers had to explore new accumulation strategies to prevent the continued decline in profits. It is these new strategies that the next half of the chapter explores.

The next part of the chapter argues that commercial shippers turned to three key tendencies to reshape the industry as it attempted to circumvent its various crises (discussed above) and prevent further declines in profit levels. The first strategy was an attempt to save on variable costs, the most significant variable costs being the cost of labour. This attempt was reflected in the industry tendency towards flag of convenience (FOC) shipping. FOC shipping as will later be demonstrated allowed shippers to employ cheaper labour as well as escape punitive national fiscal regimes in their home countries. Therefore the advantage to shippers was a twofold saving. Secondly was the tendency for shipping companies to restructure organizationally. This was part of a larger post Fordist trend (see chapter two) to rationalize business operations as a means of reducing costs and increasing productivity. The third tendency was to take advantage of the global wave in new technologies by adapting such technologies to the industry's needs. These new technologies would make shipping vessels use oil more efficiently, reduce the amount and type of labour required to crew ships and make ships more productive in their work. The outcome of these three tendencies would be to restore profits by profoundly changing the nature of the industry and its labour markets.

5.4 The Tendency Towards FOC Shipping

The aim of this section is to firstly demonstrate how FOC shipping works in practice. Secondly it shows how FOC shipping has changed the nature of the industry in terms of ownership and flagging structures. Thirdly it shows how FOC shipping has dealt with the issue of high labour costs. Fourthly the section provides an empirical example of FOC shipping in practice through a discussion of Unicorn shipping.

There is a strong tradition of shipping being a global industry. Historically, shipping companies provide examples of the world's first globalising companies. The globalising of the shipping industry can be traced back to the age of mercantilism and the logistical networks they created for the construction and maintenance of European empires (Barton, 1999; Grey, 2001). Grey (2001) contends that the globalised shipping companies of mercantile Europe, such as the Dutch and British East India companies, were even more economically consolidated and powerful than contemporary shipping and electronic multinational companies. The European dominance of shipping capital continues today, although American and Asian shipping capital enjoy a sizeable share of the market (Brennan, 1999).

The practice of FOC shipping can be traced to the 1920s, when United States ship owners shifted the registration of their vessels to Panama and Honduras to reduce operating costs (Northrup & Rowan, 1983; Barton, 1999; ILO Report, 2001). Both Panama and Honduras maintained the monopoly on FOC registers until 1949. From 1949 onwards, after a series of negotiations with ship owners and oil companies from the United States, Liberia emerged as a new FOC registry. For the next 30 years the triumvirate of Panama, Liberia and Honduras (known in the shipping industry as the *PanLibHon* registries) would be the dominant FOC registers. The labour historian Rowan Cahill (1999) argues that shipping capital has always been driven to reduce labour and taxation costs. For example, as far back as 1939 shipping capital sought to circumvent maritime trade unionism by registering under FOCs. The extent of FOC

shipping during this period was negligible when compared to present-day use of offshore registries. For example, in 1948 the Liberian ship registry had only two ships registered.

According to Koch-Baumgarten (2000), shipping was an intensely national affair until the 1970s. Merchant ships and their seafarers were viewed as extensions of their nation states. There was thus a firm link between the Flag State and the ships of its merchant fleet. From the 1970s onwards, he argues, this link began to rapidly diminish.¹⁵ From 1980, spearheaded by the oil and banking crises of the mid-1970s, shipping companies, in an attempt to further reduce their labour and operating costs, were spoilt for choice on where to register their ships offshore. This was because more countries of the South began to compete with each other by opening FOC registries in an attempt to attract European and American ships, and hence attract foreign income to their revenue. Soon Costa Rica, San Marino, Sierra Leone, Lebanon, Cyprus, Haiti, Oman, Somalia and Singapore were competing as new FOC registries (Cahill, 1999; Barton, 1999; Brennan, 2000). FOC shipping and multinational crewing from the South grew exponentially from the 1970s and 1980s with PanLibHon registries to encompassing more than 20 other registries. For example, according to the ITF, in 1950 5.5 percent of the global shipping fleet registered offshore under FOCs. By 1960, 21.6 percent had done so. By the late 1990s more than 50 percent of the global merchant navy fleet (equal to 80 000 vessels) had flagged out.¹⁶

¹⁴ Not all maritime economists would agree with this statement and it remains controversial though in my own perusal of the maritime literature Koch-Baumgarten's analysis seems to be the dominant one though the shift to FOC shipping is clearly a more nuanced and subtle affair than stating 1970 as a conclusive year for non FOC shipping.

¹⁵ This, however, implies that prior to the 1970s all ships and their crews were extensions of their nation states. Such an attempt to neatly periodise the advent of FOC shipping inadvertently implies that the economic events of the 1970s provided a rapid disjuncture almost overnight in the way shipping capital operated. Whilst it is true that the pace and scale of FOC shipping accelerated post-1970, FOC shipping as a labour cost reducing mechanism existed prior to 1970 (Northrup & Rowan, 1983; Barton, 1999).

¹⁶ Interview, ITF Information Officer, London, United Kingdom: January, 2005.

Table 5.3 gives an indication of the increasing dominance of FOC shipping of the world fleet, especially since 1989. From 1989 to 1999, a period of ten years, FOC shipping increased by 19.5 percent.

Table 5.4: Evolution of Flag of Convenience Fleet as a Percentage of World Fleet (tonnage: gross weight tonnage¹⁸)

YEAR	TOTAL WORLD FLEET	FOC FLEET	FOC PERCENTAGE OF WORLD FLEET
1989	410 480 693	182 533 014	44.5
1990	423 627 198	196 356 460	46.4
1991	436 026 858	210 261430	48.2
1992	445 168 553	231 876 903	52.1
1993	457 914 808	243 668 349	53.2
1994	475 859 036	261 686 684	55.0
1995	490 662 091	280 026 076	57.1
1996	507 873 011	300 181 686	59.1
1997	522 197 193	321279 935	61.5
1998	531 893 296	334 744 863	62.9
1999	543 609 561	347 822 402	64.0

Source: SIRC Database.

Article 5 of the 1958 Geneva Convention on the High Seas, makes it necessary for vessels to be registered on either national or FOC shipping registers. By flagging a ship out to another country's flag, shipping companies circumvent the labour and

¹⁷ These percentages refer to an increase in the global tonnage registered under flags of convenience.

¹⁸ Gross weight tonnage or GRT refers to the measurement of the amount of vessel space: a ton is 100 cubic feet. A ship's gross tonnage is all the cubic feet in its enclosed spaces: cargo holds, engine room, and deck house divided by 100.

maritime laws of the country where the ship is owned. The owners of most ships are based in the traditional maritime nations of Europe, North America and to a lesser extent in Asia (ILO Report, 2001). Due to high ship registration costs, regulatory labour laws and the high cost of seafaring labour in the traditional maritime nations, ship owners register their ships offshore, mostly in smaller countries of the South. Ships registered in these countries then fly the flags of these offshore registry nations. These states are paid a registration fee. As such, FOC registration provides a means for these countries to earn foreign income (Northrup and Rowan, 1983; Barton, 1999; Barret, 2001; Brennan, 2001).

In most cases, the ship owners can register their vessels to another country, without physically leaving the country of ownership. For example, Liberia has FOC ship registration offices in the United States. Panama has an Internet site that ship owners can use to register their vessels (Barton, 1999; Barret, 2001). Hence, there is no link between the state where the ship is owned and the state where the ship is registered. The flag of the state under FOC shipping no longer serves as a symbol of nation state authority, but instead assumes what Barton (1999:144) refers to as geo-economic and geo-political significance. By taking advantage of the less regulated economies of the South, shipping companies have shifted the economic landscape of ship registration in order to reduce operating costs.

FOC registration allows for the following:

The criteria for open registry are easily obtainable. This may mean that the standards of operating vessels are lower or non-existent.¹⁹ Although as both Branch (1996) and Stopford (2007) indicate this is not always the case, analyses of merchant navy accidents indicate this as a distinct possibility. Further, the country of registration allows ownership/control of its merchant vessels by non-citizens.

¹⁹ This assertion was made several times in my interviews with union officials as well as ITF officials in South Africa and the United Kingdom. The empirical evidence is mixed with the ITF providing evidence to demonstrate that FOC vessels are substandard whilst more academic works on maritime economics indicate the opposite.

1. The country of registry is a small power that allows the manning of ships by non-nationals.
2. The country of registry has neither the power nor the administrative machinery to impose any government or international regulation, nor has the country any wish or the power to control the shipping companies themselves.
3. Taxation on shipping companies' profits is low or non-existent. The country of registry obtains a registry fee and an annual fee based on tonnage of vessels registered. However FOC registries increasingly demand higher registration fees in order for these registries to generate increased levels of revenue. One method of increasing revenues in traditional FOC registries is a shift to increase the type and amount of taxes that may be collected. This is a more recent development in FOC shipping as indicated in the UNCTAD 2007 Review of Maritime Transport.

(ILO Report 2001:11)

Table 5.5 provides a list of the five major FOC registries. A comprehensive update of these registries is underway in 2007, although initial indications are that there is not much of a shift in the nationality of effective ownership of the five major FOC registries.

Table 5.5: Nationality of Effective Ownership of the Five Major FOC Registries by Percentage (as of 31 December, 1997)

Country of Effective Ownership	Flag States (Percentages)				
	Liberia	Panama	Cyprus	Bahamas	Malta
Greece	12.4	11.1	72.6	19.0	56.3
Japan	7.1	40.0	0.6	1.7	0
United States	13.5	2.1	1.0	15.2	0.8
Hong Kong, China	7.8	13.1	0.1	1.4	0.4
Norway	8.2	1.3	0.4	21.5	11.7
United Kingdom	3.4	0.5	0.5	6.5	0.5
China	6.5	5.4	1.0	0	1.2
Republic of Korea	1.7	10.8	0	0	0.1
Sweden	7.9	0.2	2.3	4.4	0
Germany	6.0	1.0	7.8	0.1	1.2
Saudi Arabia	8.2	0.1	0	5.5	0
Taiwan, China	0.6	5.0	0.6	0	0
Singapore	1.2	1.0	0	1.6	0.3
Denmark	0.5	0.2	0	1.6	0
Russian Federation	2.0	0.1	4.0	0.6	1.5
Switzerland	0.9	1.7	0.2	0.5	4.6
Italy	0.6	0.2	0.6	2.9	5.2
Belgium	1.6	0.2	0.5	0.5	0
France	0.4	0.5	0	1.8	0
Spain	0.1	0.2	0.3	2.3	0
Croatia	0.7	0	0	0.1	2.5
Finland	0	0	0	5.0	0.3
Others	8.7	5.3	7.5	7.8	13.4
Total	100.0	100.0	100.0	100.0	100.0

Source: SIRC Database.

Table 5.5 reflects clear ownership patterns in the world's FOC shipping industry. It reflects countries in which ships are owned compared to countries where those ships are flagged. The world's countries with the most developed economies enjoy a high proportion of the ownership of deep ocean going vessels. European countries along with the United States and Asian countries further dominate ownership of shipping companies. China is the most significant of the Asian ship owning countries in this table.

A more recent report in January 2007 of the beneficial ownership structures of shipping companies shows a steady move away from ship ownership in first world countries. The trends in 2007 indicate that Asian shipping companies are now almost evenly weighted in their ownership of merchant fleets. Whilst it may be true that European and North American companies own significant numbers of shipping companies and ships, it is equally becoming apparent that a number of Asian countries are establishing themselves as ship owning nations. Asian shipping capital is indeed on the rise according to the United Nations Conference on Trade and Development (UNCTAD)'s 2007 Review of Maritime Transport.

In the main this is due to accelerated growth of developing countries in the regions. The overall growth of developing economies in the region was 7.6 percent in 2006 (UNCTAD, 2007:xii) whilst developed Asian economies grew by 2.2 percent. A key outcome of this economic growth is a significant increase in the regions exports by sea. The continents exports grew by 18 percent in 2006 (UNCTAD:xii) due to global demand for Asian natural resources especially oil from central Asian countries like Azerbaijan.

Asian shipping in the liner trade now represents close to 50 percent or 220 million TEUs of the world's liner trade with the world's largest liner companies headquartered in the region. These companies include COSCO Pacific (Hong Kong), DP World, Evergreen (Taiwan), Hanjing (Korea), Hutchinson Port Holdings (HPH)

(Singapore), Ceres (Korea) and PSA International (Singapore). Asian shipping companies dominate a quarter of the bulk trade and UNCTAD, 2007 reports that one in four bulk carriers are owned by an Asian company. As much as 21 percent of the world's fleet of vessels above 100 gwt is registered in Asia. The largest registries according to the 2007 Review of Maritime Transport (2007:31-47) are those of Hong Kong (China) with 32 million gwt, Singapore (32 million gwt), mainland China (23 million gwt), Republic of Korea (910 million gwt), India (8 million gwt), Malaysia (6 million gwt), Indonesia (5million gwt), Iran (5 million gwt), and Jordan (5 million gwt).

The most recent indications of beneficial ownership of the world's fleet demonstrate that 35 countries own the bulk of the world's fleet (UNCTAD, 2007:32). Of these 35 countries Greece owns the most number of ships, followed by Japan, Germany, China, Norway, the United States, Hong Kong, Korea, the United Kingdom and Singapore rounding of the top ten ship owning countries. Of the top 35 countries that own the bulk of the worlds ships by dwt , 47 percent are European, 46 percent are Asian and Pacific countries, 6 percent are owned by countries in North and South America. African countries control less than 1 percent of the worlds fleet (UNCTAD, 2007:34). Globally more than half of ships dwt is foreign flagged with 70 percent foreign flagged dwt in Europe, 65 percent of Asian owned ships are foreign flagged and 53 percent of North and South American ships are foreign flagged. (UNCTAD, 2007:34). The flag states that enjoy the lion's share of FOC registrations are Liberia, Panama, Cyprus and Malta. Figures released by the ISF in 2005 in their BIMCO/ISF report project that these four flag states will continue to enjoy their status in 2007.

5.4.1 FOC Shipping and Labour Costs²⁰

For FOC shipping to be declared a success for ship owners there has to be a substantive impact on labour costs. Labour costs are an outcome of the size of crew needed on a particular vessel as well as the employment policies an owner adopts regarding the employment of his crew as well as the employment policy of the ship's flag state. Crew costs include basic salaries and wages, social insurance, pensions, victuals and crew travel and repatriation expenses. The number of crew required to man a vessel depends on a series of factors. These include the prescribed number of crew legally required to operate a particular vessel as laid down by the flag state of the ship.²¹

Labour costs pre 1973 were 40 to 50 percent of total costs across the liner and bulk carrier trades. The shift to FOC shipping saw this decline to between 24 percent and thirty percent of total operating costs. By 1975 crewing costs comprised 25 percent of total expenses of ships in the liner trade, 17 percent in the bulk trade and 12 percent in the liquid bulk trade (McCaskey, 2007:201). Since 1975 it has become a rarity for crew costs to be beyond 30 percent of total costs, and even 30 percent is now often considered too high (Branch, 1982; Branch, 1996).

Table 5.6 below shows the operating costs of a typical Capesize Bulk carrier. The table demonstrates also that crew costs are more than just total wage cost but also include a manning and support cost which includes the cost of crew selection, crew and crewing agency and union fees.²²

This thesis only focuses on crews that work aboard unionised vessels and as such their costs reflect this.

²¹ Often under some FOCs crewing scales determine how many crew are required on a particular vessel. If the ship owners or managers want to operate the vessel with less than the minimum crew legally required by the flag state then this can sometimes happen by negotiating with the seafarers unions or the ITF.

²² Not included in the table is the number of crew required to man the ship. At five to nine years old the ship may require a crew of 20, from ten years old it requires a crew of 24 and a twenty year old

Table 5.6: Operating Costs of a 2005 Capesize Bulk Carrier

<i>Age of Ship</i>	\$000's			
	<i>5 years</i>	<i>10 years</i>	<i>20 years</i>	<i>Average</i>
Crew Cost				
Crew cost	445	524	575	515
Travel	48	58	62	56
Manning and support	20	20	20	20
Medical Insurance	6	6	6	6
Victualling	40	47	56	48
Total	559	655	719	645
Per cent	32	31	26	29
Stores and consumables				
General Stores	80	100	80	87
Cabin Stores and water	11	11	11	11
Lubricants	125	115	261	235
Total	216	226	261	235
Per cent	12	11	9	11
Maintenance and Repairs				
Maintenance	80	150	180	137
Spares	60	140	170	123
Navigation and comms service	10	20	10	13
Total	150	310	360	273
Per cent	9	15	13	12
Insurance				
Hull and machinery and war risks	440	490	1000	643
P&I	120	180	230	177
Total	560	670	1230	820
Per cent	9	15	13	12
General Costs				
Overheads	90	90	90	90
Communications	80	70	80	77
Miscellaneous	30	30	30	30
Total	250	240	250	247
Per	14	11	9	11
Total per annum	1735	2101	2820	2220
Daily Costs (365 days)	4754	5756	7727	6079

ship will require a crew of twenty eight. As the ship gets older it will require additional engineers, electricians, four able bodied seamen and one more messman. The additional crew is needed to maintain and repair the aging vessel around the clock and ship maintenance and repair is, where possible, carried out more cheaply whilst the vessel is at sea (McCaskey, 2007).

Source: McCaskey: 2007: 189

5.4.2 The Case of Unicorn Shipping

An analysis of the flagging practices of Unicorn Shipping, a South African merchant shipping company in terms of ownership, explicitly demonstrates the multinational strategies employed by shipping companies to remain competitive in this industry. Table 5.5 shows clearly the global reach and scope of Unicorn's merchant ships in terms of flagging, management, crewing, and ownership. None of these vessels operated by this South African shipping giant are flagged on the South Africa ships register. There is further division between the company and country that operates the ships and the company and country that effectively owns the ships. In this case there is a preference for the traditional flag states such as Liberia, Panama and Cyprus, but even the ship registers of Australia and the United Kingdom are seen as fiscally preferable to the South African one. In my attempt to compile this list from data provided to me by Unicorn, it became exceedingly difficult to deconstruct and tease out ownership and management structures, as they could often be so multilayered and complex. For example, if one looks at the first vessel listed in Table 5.5, it can be seen that the vessel M.T. Stolt Ntombi flies a Panamanian flag, is technically managed by a Dutch company and its ownership is split between South African and Norwegian Shipping companies. This information is extremely

Most of Unicorn's operations involve coastal trade along the African, particularly southern African, coast. For their deep ocean going services they have chartered ships out to their subsidiaries, which are under no obligation to hire South African crews. Unicorn is also used as an example since I was able to secure access to a key informant in the organisation. I was also allowed access to Unicorn's archives. The fact that Unicorn is based in Durban, South Africa, where I am resident further eased my access to information and interviews. I had also since 2000 developed a rapport with the organisation whilst working on a number of maritime related projects including my Master's thesis. AP Moller/Maersk group (my original choice for examples of this nature) proved difficult to gain access to. The sheer size of the organisation (the largest shipping company in the world) meant that my requests were often met with bureaucratic obstacles and the oft cited security reasons for not granting interviews or access to archives.

Unicorn is one of four shipping companies that operate out of South Africa, although it remains the only one whose ownership structures can still be traced back to South Africa.

susceptible to change since ships often shift between different ownership structures and ship management companies over time. This particular vessel, for example, was built in 1991 in Japan. It was registered as the May Fair 1 from 1991-1997 and owned by a Panamanian company called Gateway Shipping. During this time it flew the Panamanian flag. From 1997, Unicorn Shipping in South Africa leased the tanker from Gateway Shipping and it sailed under the new name, Ntombi. During this time the vessel was managed and serviced by Unicorn Shipping. The ship management function then shifted in 2003 to Southern Tankers in South Africa and in 2006, it shifted back to Stolt Nielsen. One must also take note that Unicorn Shipping, Stolt Nielsen and Gateway Shipping all have numerous subsidiaries which have numerous locations and sources of ownership that further expand the tendrils of shipping capital.

Table 5.7: Unicorn's Ships and Flagging as of 2005

NO	NAME OF VESSEL	TYPE OF SHIP	FLAG STATE	TECHNICAL MANAGER	OWNED BY
1	M.T Stolt Ntombi	Chemical Tanker	Panama	Stolt Nielsen Transportation Group, Netherlands	Stolt Neilson, Britain
2	M.T. Rainbow	Chemical Tanker	Not Available	Not Available	Not Available
3	Southern Unity	Oil/Chemical Tanker	United Kingdom	Unicorn Shipping	Southern Chemical Tankers, South Africa
4	IVS Victory	Bulk carrier	Nassau	Dockendale Shipping Company Limited, Nassau, Bahamas	Southern Cross Shipping, South Africa
5	IVS Valiant	Bulk Carrier	Nassau	Dockendale Shipping Company Limited	North Star Navigation Limited, Norway
6	M.T Helix	Oil/Chemical Tanker	Australia	Not Available	Phinda (Pty) Limited, Australia
7	M.T Stolt Ntaba	Chemical Tanker	Panama	Stolt Nielsen Transportation Group, Netherlands	Southern Chemical Tankers, South Africa
8	M.T Hambisa	Oil/Chemical tanker	Majuro	Columbia Ship Management, Cyprus	MS Cape George Tankschiffahrts GmBh & Co, Norway
9	M.T Oranjemund	Oil Tanker	Panama	Unicorn Shipping, South Africa	New Boundary Shipping Company, Panama
10	Nyathi	Oil/Chemical Tanker	United Kingdom	Unicorn Shipping	Unicorn Tankerships Limited, South Africa
11	Oliphant	Oil / Chemical Tanker	United Kingdom	Unicorn Shipping	Unicorn Tankerships Limited, South Africa
12	New Buildings	Oil/Chemical Tanker	United Kingdom	Unicorn Shipping	Unicorn Tankerships Limited, South Africa
13	Team Anja	Oil/ Chemical Tanker	Majuro	Catalina Navigation Ltd., Monrovia	Blystad Ship Management Limited, Netherlands

Source: Research done in Unicorn archives (2005).

This section has argued that the tendency to FOC shipping was an attempt to reduce both labour and fiscal costs by circumventing the link between national ownership of a ship and the flag state governing the ship. I have shown how over time FOC shipping becomes the preferred way for ship owners to conduct their business due to the savings on reduced labour costs. Given that labour costs were often 50 percent of operational costs prior to FOC shipping, ship owners have managed to reduce labour costs by up to 20 percent through FOC shipping practices. This is mainly due to the savings in labour costs that FOC shipping allows for. I also showed through the example of Unicorn shipping how even a relatively small South African shipping company like Unicorn engages in flagging out practices to remain competitive in the global shipping industry.

5.5 Changes in Organisational Structures of Shipping Companies

The second tendency shipping companies engaged in to ensure their commercial success was to change their organisational structures. This was very much in keeping with global post Fordist trends of the time (1980s) to make organisations more flexible (see chapter two for a discussion of this). This section argues that organisational restructuring took place in the global shipping industry as a tendency to restructure for increased commercial viability. I contend that three developments were key to the organisational restructuring of the shipping firm. Firstly was the separation of ownership structures from management structures as shippers moved towards third party management or ship management companies, secondly there was a global consolidation of individual shipping firms into massive multinationals through mergers and acquisitions and thirdly there was an organisational shift in business strategy which saw shipping firms expand their commercial interests into other forms of transport or transport logistics businesses. All three of these strategies were geared towards organisational rationality to make their core businesses more profitable.

The flexibility of organisations, Castells (1996:16) argues, is an outcome of the "new technological paradigm on social organisation". The ability of shipping capital to be flexible in terms of its management of ships was key to the survival of the shipping industry in the 1980s. Flexibility of organisational structure occurs as a distinguishing characteristic of a new system of large-scale capital-labour relations. This new system was the development of the ship management company. It operates within a larger system of capital accumulation.

The crisis in the shipping industry in the 1970s and 1980s due to the combined crises of oil and speculative finance of commercial banks oversupplying the industry, left many ship owners in the traditional maritime nations looking for cost-cutting strategies. Generally, three strategies were pursued. The first of these was to simply abandon the shipping industry. Some companies left the shipping industry to focus on their more profitable subsidiaries. For example the British company Ocean Transport (also known as Blue Funnel) sold its shipping interests and restructured into a logistics company. The second common tactic was to flag their ships out to "open registers" which allowed them to make significant and immediate labour cost reductions. The third tactic was for ship owners to manage ships for other owners as a means of utilising spare management capacity (Barton, 1999; Brownrigg et al, 2001; Lorange, 2001; Sambracos, 2001). For example in 1983, P&O won a contract to manage four tankers owned by one of the Gulf States. This was in addition to the 15 ships it managed for various other companies.

Third party ship management prior to 1970 was practiced in a limited way by the traditional maritime nations, but the scale was incidental.²⁶ The trend towards third party management resulted in a number of in house management buyouts or the creation of self-sufficient but wholly owned subsidiaries of technical and personnel

Interview, Crewing Manager of Unicorn Shipping, Durban, South Africa: September, 2003.

Interviews with: (1) Crewing Manager of Unicorn shipping, Durban, South Africa: September, 2003.
(2) ITF Information Officer, London, United Kingdom: January, 2005.

management services. Many of these commercial activities were facilitated by the mergers and acquisitions that began to characterise the shipping industry in the 1990s.

Again this had a direct impact on the way labour is sourced and valued. Ship owners were looking to cut their overheads, and these new ship management companies promised to do just that by cutting labour costs. By and large, ship owners were unfamiliar with seafaring labour from the South (except India) and trusted the specialist knowledge of the ship management company to deal with this aspect of labour sourcing. In order to keep and renew their contracts, ship management companies had to visibly reduce the cost of running these ships.

As ship management companies have developed and expanded, they have become the world's largest employers of seafarers. A ship management company is a company that provides a range of services to a shipping company. These services include providing technical ship management, information technology services, offshore maritime services, port and terminal management services and commercial management functions. Crew management may be provided by some management companies, although crew management services are usually a subsidiary of the ship management company. Such is the scale of their labour requirements and their consequent need for efficient organisation (ILO, 14: 2001) that they have collectively become a powerful source of labour market stability. Ship management companies need reliable and predictable labour supply lines in order to function effectively. In order to assure the quality of the seafarers provided, a number of ship management companies initiated their own training programmes for officers and ratings.

By the 1990s ship managers had consolidated in the following areas of the world:

In Europe - Hamburg, Glasgow, the Isle of Man, Geneva, Piraeus and Cyprus;

In the United States - in and around New York;

In Asia - Hong Kong, China, Singapore and Kuala Lumpur.

This consolidation further ensured that ship management companies are also geographically close to the new seafaring labour markets (Cahill, 1999).

The power of ship management companies is enormous and illustrates the global nature of the industry. For example, the Belgian firm Univan, founded in Hong Kong, has a fleet of more than 70 ships flagged to Liberia, Panama, Cyprus, Hong Kong, China and the Bahamas. Of these ships, 30 percent are owned in Norway, 25 percent in the United States, 12 percent in Japan, 12 percent in India and 5 percent in the United Kingdom. Crews are mostly Indian (90%) with others from the Philippines and Myanmar (ILO Report, 2001). Another shipping company, Acomarit, employs a wider range of crew, from Russia, India, Poland and the Philippines.

Ship management companies have established deep and personalised networks in the labour supply countries, often reaching into the training institutions of those countries. As the ILO Report (2001: 15) states "...social capital of this kind is not easily accumulated." At the same time, however, the report suggests that an interest in maintaining the status quo of the labour market is no guarantee of its continuation:

"All it would take is one large ship management company to seek the short-term competitive advantage of opting on a large scale for a significantly cheaper source of labour to send competitors off in pursuit."

(ILO Report, 2001:15)

If this had to happen, the impact would be similar to the scramble by shipping capital towards FOCs in the 1970s. According to Barton (1999), Paixao (2001), Sambracos (2001) and Brownrigg et al (2001), the geography of the ship management companies is now firmly established. Its main centres are in northern Europe including the Nordic countries, Greece, south-east Asia (China and Singapore), Japan and the United States, and its main customers are from the same regions. The total seagoing labour force of ship management companies was approximately 50 000 in 1994. Most of this labour was Filipino, Indian and Eastern European (BIMCO Manpower Update

Reports: 2001, 2005). One could argue that the move towards ship management companies is about the enhancing of organisational capacity by preserving economies of scale (Castells, 1996). In many ways, the ship management company is capital's way of overcoming and adapting to the financial rigidities and complexities that the economic crisis provided.

Another movement that increased FOC shipping and the multinational crewing of merchant navy vessels is the increased competition between shipping companies as a

97

result of mergers and acquisitions. Grey (2001:209) contends that in the shipping industry size clearly matters where scale economies, fierce competition and market share drive shipping competitors to slash labour costs in an effort to stay in business and prevent being bought off. Over the last thirty years, thousands of smaller shipping companies have been run out of business due to their failure to cut operation costs (Barton, 1999; Grey, 2001)

Increasingly the privately owned limited company is becoming extinct. Equity funded and listed companies are the norm when it comes to the ownership of large fleets of bigger and more sophisticated vessels. Throughout the twentieth century there has been a concerted move by shipping capital in the traditional maritime nations to concentrate ship ownership to a few global firms (ILO Report, 2001; Grey, 2001). Now as shipping moves into the twenty-first century, it becomes clear that ship ownership will be concentrated in the hands of a few global corporations. A key implication of this for the labour market for seafarers is that the nature of the employment of seafarers will be influenced significantly by these global corporate giants, since they have consolidated economic and organisational power further through their mergers and acquisitions.

Interview, ITF Information Officer, London, United Kingdom: January, 2005.

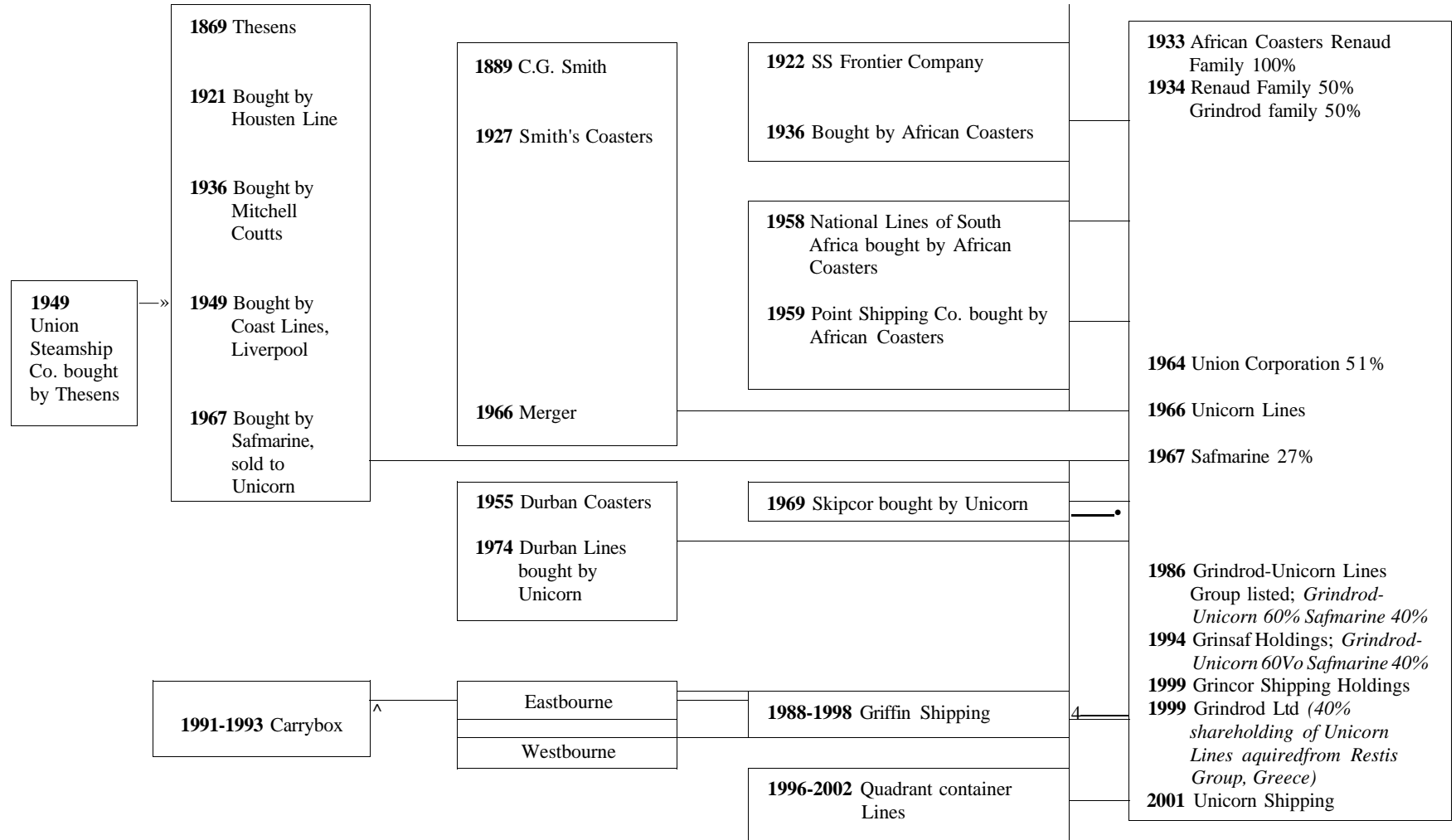
Interview, ITF Information Officer, London, United Kingdom: January, 2005.

By the end of the 1990s only six global carriers were running containerized shipping (Grey, 2001). This was mainly a result of mergers, take-overs and acquisitions during the 1990s. Three major mergers that took place in the shipping industry in the 1990s were the Wallenius-Wilhelmsen merger in car carriers, the Hoegh-Unicool merger in reefers, and a Stolt-Nielsen purchase of Van Ommereen in the chemical transport sector. The Wallenius-Wilhelmsen merger created a fleet of 80 ships and a 35 percent market share and Stolt-Nielsen further consolidated its already dominant position (ILO Report, 2001). For example, in 1997 alone the economic consolidation of three major players in the shipping industry took place. Pentow Marine merged with SmitWijds to form Smit Pentow Marine in 1997 (Lloyds List Africa Weekly: June 1997), and the Neptune Orient Lines, US\$825 million acquisition of American President Lines (APL) in 1997 (Lloyds List Africa Weekly: June 1997). In 1999 Danish shipping companies AP Moller/Maersk acquired the South African shipping company Safmarine for US\$240 million²⁹ (Lloyds List Africa Weekly: February 1999). These are just a few examples of the most recent mergers and acquisitions in the global shipping industry. For a more detailed example of this I again turn to Unicom shipping. Figure 5.2 demonstrates the various ways that Unicom, as part of the Grindrod Group, has restructured over the decades through a series of mergers and acquisitions. Mergers and acquisitions are historical phenomena as indicated in figure 5.2, which shows a steady trend of mergers from 1921, then in 1936, 1949, and 1967. However, the bulk of the mergers and acquisitions occurred from the late 1960s through to 2001, further demonstrating the escalation of these types of business transactions that are particular tendencies of shipping capital's restructuring project over the last thirty five years.

For more on the acquisition of Safmarine, see Lloyds List Africa Weekly: May 16, 1997; November 13, 1998; November 20, 1998; January 29, 1999; March 18, 1999.

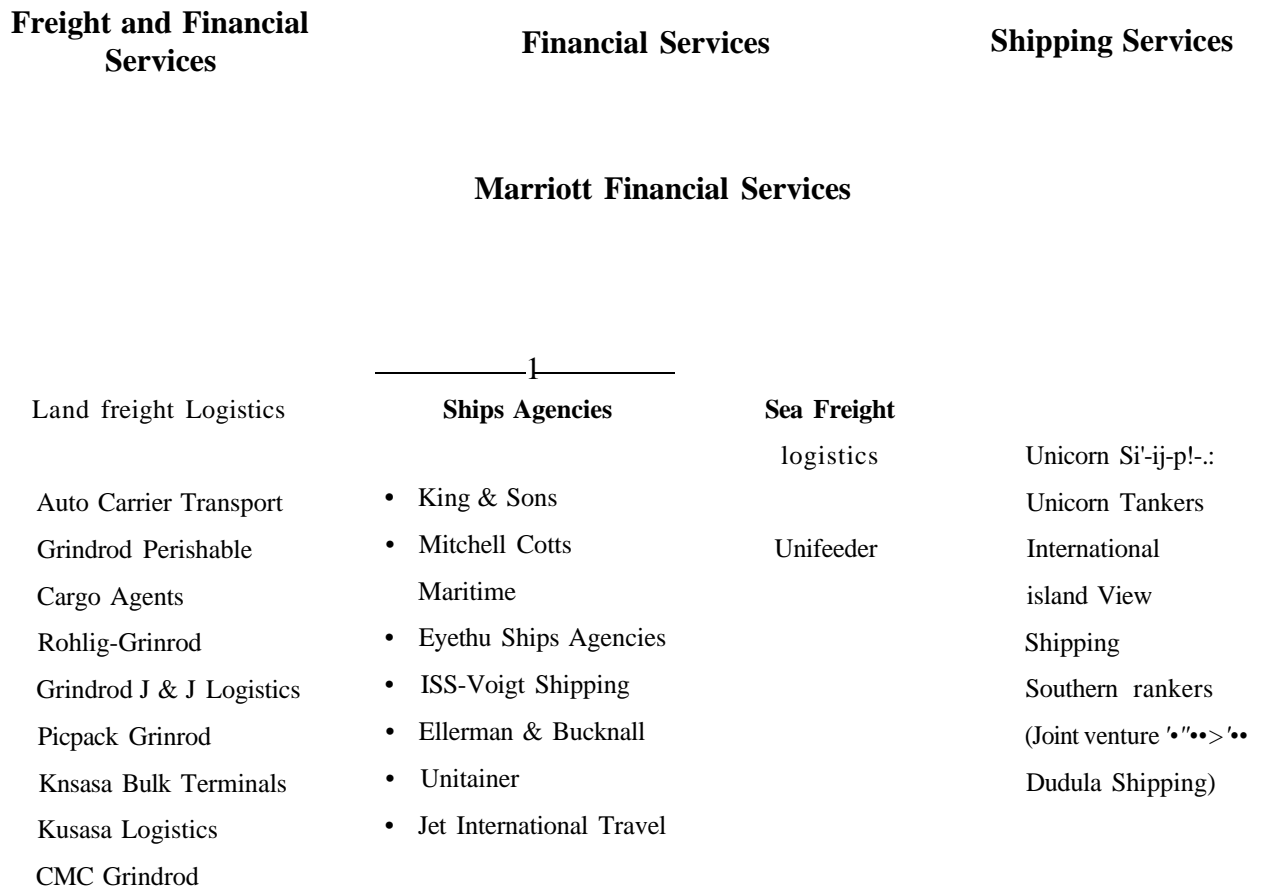
Other major mergers in the liner industry were between Maersk and P&O Nedlloyd, Maersk and Sealand and the Neptune Orient Line acquisition of American Eagle Tankers, (<http://www.brs-paris.com/index.php?page=annualreview#2008>)

Figure 5.2: Development and Restructuring of Unicorn Shipping since 1949



In keeping with the metamorphoses of capitalism, shipping companies are adopting integrationist and diversification strategies of their corporations. Through the 'vertical and lateral' ownership of ports, terminals, warehousing, road transport, railways, freight forwarding and feederships, the shipping companies are consolidating their assets (Lorange, 2001; Pires, 2001; Grey, 2001; Van Der Linden, 2001). Whilst these strategies of consolidation are similar to those adopted by shipping companies in the nineteenth century, there are significant differences. Nineteenth century consolidations operated from the premise that shipping was its core function, and all other acquisitions were to be arranged around facilitating this function. Contemporary consolidations however are arranged around the formation of global corporations whose business is structured around global networks and transport flows, of which "ships are but one element" (ILO, 2001:6). Thus many contemporary shipping companies are involved in a range of global transport operations, including trucking, air transport, railways, and ferries as a means of ensuring the smooth and continuous flow of goods and commodities from ship to harbour to final destination. This is enabled through mergers of shipping companies with other types of transport companies and the expansion of exclusively maritime companies into other transport sectors. The ship is one of many (and not the primary) factor in the new global transport logistics networks. This involves an immense investment by companies in the physical capital of the places they service. This includes the active finance and building of transport infrastructure including roads and railways from ports. However, in investing this physical capital as a means of facilitating the accumulation of profit, shipping finance capital also creates the conditions necessary for the increased solidarity amongst different transport workers that service these new global transport networks.

Unicorn shipping as part of the larger Grindrod Group again provides an example of a more detailed picture of the financial consolidation of shipping companies.

Figure 5.3: Organisational Structure of Grindrod Holdings**Grindrod Group Structure 2003**

Source: Ingpen, B. (2005: 8-9)

Figure 5.3 illustrates the structure of the Grindrod Group and the diversification of its portfolio of subsidiary companies. This is in keeping with the restructuring enterprise of global shipping companies. The strategies of diversification of interests and

chartering of ships as opposed to outright ownership are increasingly becoming the norm.

The above section has argued that the second tendency of shipping companies to restructure was a shift towards organisational restructuring. Firstly shipping companies became flatter as they separated ownership and management structures and functions. Secondly shipping companies became more financially consolidated through mergers and acquisitions. This allowed for their third strategy which was to become more diverse in their activities. For seafaring labour this restructuring was to have some profound consequences. Since their (shipping companies) prime function is no longer just shipping, a distinguishing feature of contemporary shipping companies is the separation of the ownership and management functions of shipping companies. The key implication for seafarers is that their employment is now governed by third party crewing agencies that compete with each other to offer shipping companies highly skilled but affordable labour. The relationship of seafarers is primarily with the crewing agency and not the shipping company. This makes regulation of labour in the industry in terms of wages and working conditions difficult since seafarers are working for shipping companies that mediate labour disputes through the crewing agency and not directly. There is also a diminished employer responsibility of the ship owner to seafarers due to the subcontracted relationship between seafarers and shipping companies. By subcontracting the hiring of seafaring labour, regulation is difficult. However, as will be presented in subsequent chapters, this regulation is possible even if it is problematic at times.

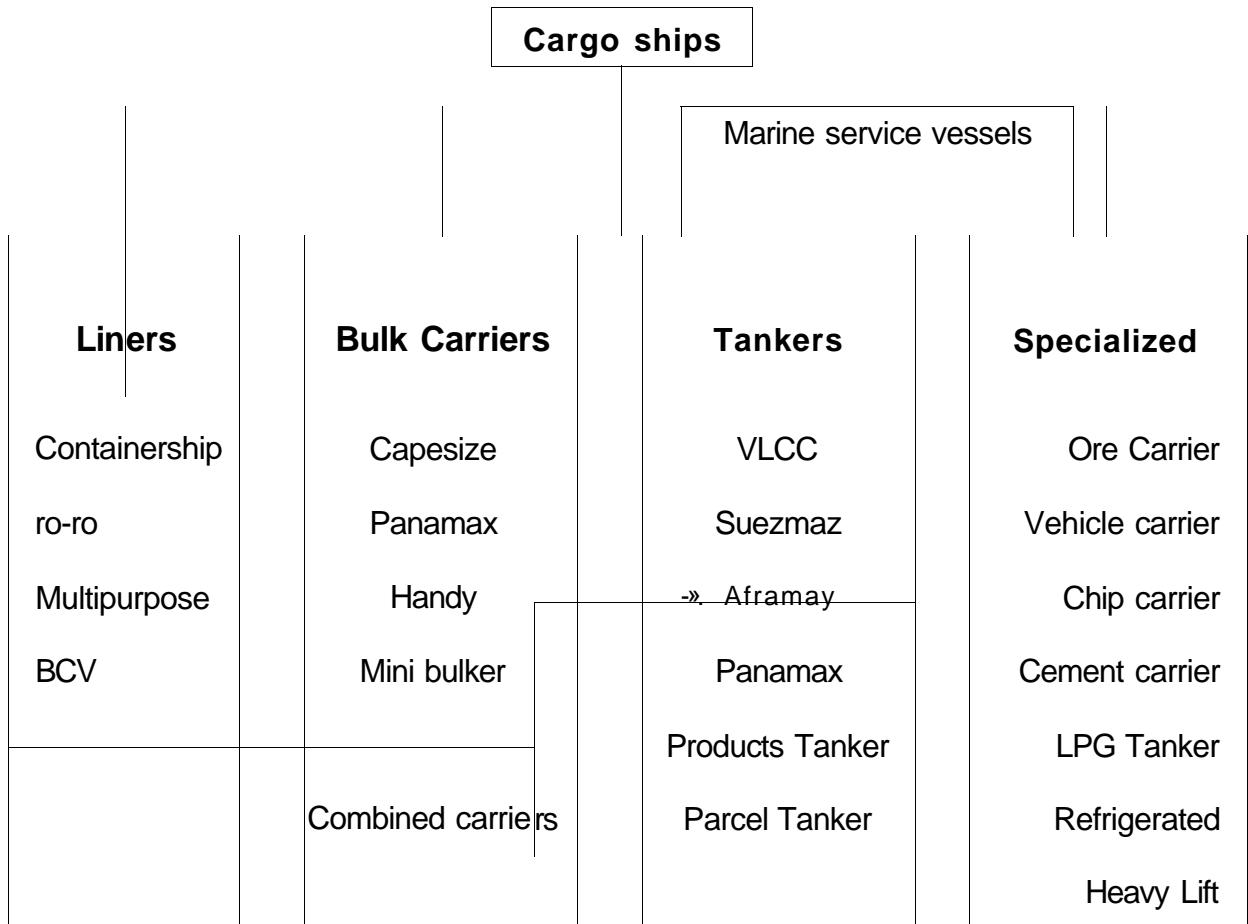
5.6 The Impact of New Technologies on a Diverse Industry

This section makes two arguments. Firstly it contends that the merchant marine is diverse in the types of ships it operates. This diversity of vessels is an outcome of the different requirements of particular trades and cargoes. Noting the variation in vessel type and purpose is important for this chapter since it demonstrates the complexity of the industry. This complexity is important to understand because as the previous section demonstrated different trades and vessels in the industry were impacted upon differently by the oil crises. The second purpose is to show how different sectors of the industry employed new technologies to deal with escalating costs of fuel and high labour costs. The industry through its use of different ship types will have different cost saving strategies depending on the operating costs (mainly labour and fuel) of that particular type of vessel. Further, different ship types will require different types of technological innovations to make them more efficient for the trades and markets they serve. The use of new technologies had a profound impact on the industry in terms of reducing crews in conjunction with increasing fuel efficiency and productivity of vessels. In fulfilling these two purposes, this section shows that the industry is a complicated and varied one.

However despite these variations, Stopford (1988:74) cautions that "...different ship types do not operate in separate and self contained markets. So whilst there is a high degree of specialization in the shipping market there is also a degree of substitution between ship types. Indeed for shipping companies to be successful, flexibility in a volatile market is key and preferable" (Stopford, 1988:75).

The four main types of ships that operate can broadly be classified as follows:

Figure 5.4 Types of Commercial Vessels



Source: Stopford (1997:390).

Different types of ship design are an attempt to manufacture vessels that are suited to the different types of tasks and cargoes they are designed to perform and transport. Given that the ship is literally mobile capital, it follows that in order for maximum profit to be realised for the ship owner, the most appropriately designed ship must be utilized for the transport of different types of cargo. It also stands to reason that differently designed ships will have different crewing requirements, operating costs

and potentials for profit. Though as will be demonstrated, the differences relating to operating costs (including fuel and crewing costs) are not stark. I limit my discussion to liner ships, the bulk carriers and tankers (bulk liquid vessels). These are the most significant ships in the world's merchant fleet in terms of deadweight tonnage.³¹ These three types of ships constitute 78 percent of the world fleet tonnage (Stopford, 1997: 19) I have omitted ships designed for a single commodity such as forest product carriers, cement carriers and ore carriers as their dwt is not significant in the world merchant fleet. Also omitted are fishing vessels, tugs and dredgers and passenger vessels as these are not relevant to my delineated field of investigation.

5.6.1 Ships from the Liner Trade

The liner trade provides a scheduled service between ports for small cargo transport. Ships that engage in the liner trade group together small cargo in containers to make up a single shipment (Branch, 1996). Given the high overheads incurred in operating a scheduled service between ports, even when full container loads are possible, the liner trade is particularly vulnerable to competition between various different liner companies, high fuel costs and high labour costs (Stopford, 1997:29). The liner industry remains one of the most profoundly altered by developments in the shipping industry from the 1970s (Branch, 1996; Stopford, 1997). I will restrict my discussion to the purpose of Container ships and Ro-Ro since these vessels dominate the liner trade. Other vessels used in the liner trade are not as relevant. These include Barge Carry vessels which are almost exclusively used in Russia (Stopford, 1997:400) and the 'tweendeck tramp which is increasingly being squeezed out of the liner trade as ship design becomes more sophisticated (Stopford, 1997:401).

³¹ Deadweight Tonnage (DWT) refers to a ship's total weight (in metric tons) when fully loaded with cargo plus crew, fuel and provisions.

³² Ro-Ro is an abbreviation for Roll on- Roll off ships which refers to these vessels ramps and their suitability to roll on and roll off cargo especially motor vehicles.

The Multi Purpose cargo liner which was popular in the 1960s has virtually become extinct and the last of this type of vessel was built in 1970. The reason for its demise is that the ship required loading and offloading of cargo that is both time and labour intensive. It is essentially a pre containerisation era ship, requiring an extensive amount of labour to crew as well as a substantive number of dockworkers to load and off load cargo. The number of crew required proved to be too expensive for ship owners (Branch, 1996:47-48) to operate.

5.6.2 Container Ships and New Technologies

The main type of vessels that operate within this trade are containerships. These vessels have been the most significantly affected by technological developments within the industry. The development of containerization of cargo as a means of managing the increasing growth of goods to be transported as a result of a growing world economy would revolutionize the liner trade. The development was more than just the development of container units but the computerized control of these units on, around and off the ship. It allowed for a means of distributing goods in a unitized form which made possible a more efficient intermodal transport system which includes rail, road, canal and air transport systems (Branch, 1996:368). The use of intermodal transport also means that ships now need to call at fewer ports, since the containers can be easily offloaded in record times and transported to other cities or ports or even countries by other modes of transport. For example container ships are now more likely to call at west coast ports of Long Beach and Los Angeles in the USA and have containers due at gulf coast and some east coast ports transported by rail. Some containers are railed as far as Mexico from American west coast ports. Such intermodal transport systems would not be possible without developments in computer and communications technology. The advent of containerization and the subsequent development of an intermodal transport system allowed liner companies a rationale to rationalize their fleets, significantly reducing the number of ships and seafarers required in their pre containerization fleets (Branch, 1996; Stopford, 1997).

A container ship is, at the risk of oversimplification, 'an open box in which containers can be stacked' (Stopford, 1997:394). Containers are stacked on top of each other and held in place by hatches which are the width of the ship's hold. The hatches are fitted with cell guides which allow for the containers to be moved into place, loaded and offloaded. The cell guides are computer controlled, allowing for the sophisticated stacking of cargo. Given that a container ship may call at several ports, the cell guide must be programmed to expertly load and offload the appropriate containers at the appropriate ports. Containerisation and the use of cell guides has reduced severely the use of labour both on the ship and on the dock since the labour intensity of the process of loading and offloading has been reduced.³⁴ Further reducing the number of seafarers and shore based maritime workers is the increasing use of computers whilst at sea. Communication technology has made possible an instant link between container ports and ships at sea. Laborious tasks such as stowage plans, bills of lading and figuring out container terminal layouts can now be almost instantly processed making the time that container ships spend in ports minimal. This allows ship owners maximum use of their vessels and labour as it decreases the 'down time' or unproductive use of the ship (Branch, 1996).

Containerization has also increased the pace at which seafarers have to perform tasks when ships dock at port. The turnaround time aspired to by most shipping companies is now 24 hours. This often means that ships are docking at more ports in shorter periods of time, further contributing to the intensification of work for seafarers. This also has the effect of reducing recreation time for seafarers on shore when their vessels dock. Turnaround times in single digit figures are now the norm for container services.

For more on the naval engineering of container ships, the reader is referred to Benford (1983, 1985). For more on the subtypes of containerships, the reader is referred to Buxton (1987) and Brooks (1995)

Container ships are also fuel intensive since they are designed for speed and volume. As container ships get larger they also get faster. For example a feeder containership at 499 TEUs has a speed of 13.8 knots whilst a behemoth Post Panamax ship at over 4 000 TEUs travels at a top speed of 24 knots. Given the need and design for speed and size, the container ship owners were profoundly impacted upon by the various crises of the 1970s. Given the major rise in oil prices the rationalization of fleets through the use of intermodal transport systems and the subsequent reduction in labour and fuel costs was a strategy that made possible the continued profits for liner shipping companies. As technology continues to develop new types of containers are being developed. It is now not uncommon to have container ships transporting food in refrigerated containers and agricultural produce in ventilated containers (Brooks, 1995).³⁷

5.6.3 Ro - Ro Ships and New Technologies

Ro - Ro ships refer to Roll On, Roll Off ships which are a type of container ship.. These ships were designed from the 1960s to transport cargo that cannot be containerized. It is also a solution to the problem of handling a combination of 'awkward' bulk cargoes and cargoes that cannot be containerized. It is essentially a cargo ship with access via ramps (instead of hatches). Developments in new technologies since the 1970s have made possible a number of innovations on Ro-Ro ships. The modern Ro-Ro vessel now has computerized decks in which different types of cargo can be stored (Branch, 1982, 1996). The inclusion of computer controlled decks and ramps means that forklifts and similar loading machinery can

³⁵ Stands for 'twenty-foot equivalent unit' and refers to a standard size of container.

³⁶ A post-Panamax ship refers to a ship that is so large that it cannot transit the Panama Canal. There are three main categories: Post-Panamax bulk carrier, Post-Panamax tanker, and Post-Panamax containership of about 5,000-9,000 TEUs with 17 or more TEUs across the breadth. The largest of these are sometimes referred to as super post-Panamax containerships or post-Panamax plus containerships (Institute of Shipping and Logistics Glossary, 2007:6)

³⁷ Goods such as wool, rubber, latex, cotton and even wood are now being transported by container ships due to advances in new container technology.

easily access the decks and storage areas and load the cargo. Cargo is also loaded in the form of pallets and bales. Motor vehicles are commonly transported by Ro-Ro ships. Despite not having cell guides, Ro-Ro vessels nonetheless have fast turnaround times at ports due to their deck and ramp design (Stopford, 1997) which do not need specialised port equipment to work. Modern Ro-Ro ships require a minimal number of dock workers and seafarers to load and offload cargo. The operation of the ramps requires the expertise of two seafarers at most.

5.6.4 Ships for the Dry Bulk Trade and New Technologies

Bulk carriers carry a range of bulk cargo, including grain, phosphate rock, iron ore, and coal and a range of toxic chemicals. When transporting bulk cargo, as in the liner trade, cost effectiveness is key to a successful and profitable business operation. Bulk carriers can be divided into four types (Stopford, 1997:400-401): The Handy bulk carrier (10-29000 dwt), the Handymax bulk carrier (30-49000dwt), the Panamax carrier (50-79000dwt) and Capesize (over 80000dwt). The technology used to load and offload bulk carriers ensures quick turn around times and minimal labour costs. The technology is usually in the form of modern cranes or derricks that are built on the ship. For the Bulk carrier trade to be successful it requires the use of economies of scale. By using large vessels massive savings are achieved (Brooks, 1995). A smaller vessel (15, 170dwt) for example can cost three times more per ton of cargo to operate than a larger vessel at 120 000dwt on a 1000 mile return voyage. On a 22 000 mile return voyage it costs as much as a six times more per ton of cargo to operate the smaller vessel instead of the larger one. Of course there are limits to the use of such large vessels. Briefly, not all ports can handle and process such large vessels and specific industries may not want such large deliveries of a specific product. The bulk carrier trade is often a compromise between smaller more expensive ships that are

³⁸ A derrick is an arm supported by a rope anchored to a mast with a winch providing lifting power. It is considered a traditional technology compared to modern cranes but is still considered efficient (Stopford, 1997:401). However in many ports modernized derricks exist that can lift and lower extremely heavy cargo of up to 300 tons (Stopford 1997:404).

more flexible and larger less expensive ships that are inflexible. Ironically, the same amount of crew is usually required to man a large vessel with more cargo than a small vessel with a small amount of cargo (McCaskey, 2007). Modern bulk carriers can operate with as few as 15 to 17 crew as a result of computer aided technology. This is opposed to the 30 to 40 seafarers required to work on bulk carriers that operated in the 1960s (Stopford, 2007).

5.6.5 Tankers (The Liquid Bulk Trades) and New Technologies

The main types of bulk liquids that are transported by tankers are, crude oil, oil products, chemicals, wine, molten sulphur and liquid gas (Branch, 1996:4-6). Oil tankers comprise the largest share of the worlds' tanker fleet, accounting for 37 percent of the world's tanker fleet (Stopford, 1997:406) when measured in tons deadweight (dwt). New technological developments in pump technology have improved significantly the intake and discharge of liquid cargoes into and out of tankers. These tankers rely minimally on port side equipment to discharge or pump in their cargo. The main technology required at ports is the ability to lock the pumps. The tankers have their own pump rooms and pumps on board. A series of pipes network along the deck linking the tanks to two banks of manifolds on either side of the ship. The manifolds are then connected to the shore based pipe system by flexible hoses which are manipulated by the ship's on board cranes (Branch, 1996). The flow of oil in terms of volume and speed is controlled by a computer programme operated by highly skilled seafaring labour (usually one or two men at the most) from the bridge of the ship (Stopford, 1997:408) The development of pump and crane technology has reduced the amount of labour required both on board and on shore. The tanker trade as discussed in the previous section was the most severely affected by the 1973 and 1979 oil crises and the glut of ship building that occurred in the

See Branch (1996) and Stopford (1988, 1997) for more on the naval design of different types of tankers.

1970s as maritime forecasters failed to foresee the two oil crises that came to define the 1970s for the maritime industry

This section has shown that the commercial shipping industry is composed of various types of specialized vessels that engage in specialized trades. Despite the levels of specialization there was a common thread towards employing new technologies ameliorated by falling profit rates. The first way was to employ new technologies to rationalize costs of fuel for shipping companies. Fuel is an escalating cost in the industry, and new technologies are geared towards making ships of all types more fuel efficient.

Secondly, new technologies were aimed at reducing labour costs through increased automation of the labour process. Labour costs were the most variable of costs to ship owners and cheaper labour could be sourced as opposed to cheaper oil. Not only could cheaper labour be sourced but new technologies meant that less labour was required to crew ships. Further new technologies meant that less skilled (and hence cheaper) labour could crew ships as the labour process became automated. For example modern day vessels no longer require their engine rooms manned at night for example, the extent of automation also means that tasks such as refueling of modern deep sea vessels now require the efforts of one seafarer only as opposed to five or six pre 1975 (McCaskey, 2007:45). The top of the range deep sea vessels (across all three shipping trades) can operate efficiently and safely with a crew of 17 (Stopford, 1997:161) and ship designers are pushing technological frontiers that would allow a crew often to safely operate a deep sea vessel (McCaskey, 2007:47). Indeed the size of crews needed to work on certain vessels has been halved (Kahveci, 1999). Kahveci in his 1999 report shows how vessels that were previously crewed by 30 seafarers are now crewed by 15 seafarers and in one case a crew was reduced from 22 seafarers to nine. In both cases seafarers reported that despite new technologies on the ship meant to work as labour saving devices, a reduction in crewing levels meant an intensification of work for them. The development of the microchip in the 1970s saw

computers introduced onto ships to monitor and control engine room activity. A number of seafaring functions became technologically Taylorised and could be performed by computer aided technology. This led to a reduction in the engine room staff.⁴⁰ A second example is that the introduction of electronic distress communications has abolished the position of radio officer.⁴¹ The new technologies involved in the development of more efficient merchant vessels required further reductions of the number of crew required to operate the vessels. In 1991, the Joint Maritime Commission (JMC) recognised that the rise of new maritime technologies has had a significant effect in reducing employment at sea (ILO Report, 2001).

Thirdly, new technologies increased the productivity of new vessels in two ways. The introduction of containerization was the first technological revolution in this respect. Containerization would also make possible the second innovation which was the creation of seamless links between ship and shore transport of all types of cargo (intermodal transport). These innovations have profoundly altered the nature of the industry.

5.7 Conclusion

This chapter has identified some of the key reasons that contributed to the changes in accumulation strategies for shipping companies. In so doing it has answered the question 'how might shipping capital have restructured to facilitate the process of transformation in the seafaring labour market?' This chapter, through a presentation of the empirical data on changes in the merchant shipping industry, demonstrated how the two oil crises of 1973 and 1979 (and the subsequent rise in bunker fuel prices), the oversupply of tankers and bulk carriers in an already deflated industry,

⁴⁰ Interview, Information Officer, NUMAST, London, United Kingdom: 2005.

⁴¹ Interview, Crewing Manager of Unicorn Shipping, Durban, South Africa: September, 2003.

⁴² Interview, Information Officer, NUMAST, London, United Kingdom: January, 2005.

and reckless commercial banking policies acted as catalysts that would drive the restructuring of the shipping industry.

In an effort to circumvent and ameliorate the consequences of the crises spurred by the events discussed above, shipping capital engaged in new accumulation strategies. These strategies involved a shift towards FOC shipping, organisational restructuring and the use of new technologies. This restructuring of the shipping industry took place against a larger restructuring project of global finance and manufacturing capital in the 1970s. This larger project was epitomised by political tensions in the middle east and the consequential oil crises of 1973 and 1979, the end of the Bretton Woods System and increased global financial speculation (as demonstrated in chapter two). In many ways this period represented the failure and decline of Fordism as an accumulation strategy in the West. These larger economic and social processes put an enormous amount of pressure on shipping capital's commercial enterprise and ability to continue to generate profits.

FOC shipping allowed shippers to incorporate cheaper labour markets as well as to reduce fiscal and monetary burdens of operation. The result of this was that the global labour market for seafarers was reconfigured with a preference of shipping capital to hire seafarers from countries they had not hired from before (in such significant numbers) and a decline in the employment of seafarers from the more expensive labour markets of the traditional maritime countries of western Europe and North America. This process of shifting to new sources positioned many countries, most notably the Philippines, as the dominant suppliers of seafarers to the global merchant navy, whilst countries like the United Kingdom witnessed a decimation of its seafaring working classes.

Secondly, the chapter demonstrates how the changing organisational structures of shipping companies means an outsourcing of the crewing function of shipping companies. Shipping companies, in an attempt to decentralise and become more

flexible in their organisational structures, outsourced several of their previously key functions to ship management companies as an attempt to become more streamlined, less top heavy and increase profits without investing directly in any of the ship management functions. Crewing of vessels was further outsourced to crewing agencies (these agencies may or may not be part of ship management companies) as an attempt to decentralise and increase profits (crewing companies are discussed more extensively in Chapter Six). These new 'third party' organisations regulate and govern the entry of seafarers into the labour market on behalf of the shipping companies. The commitment of ship management companies and crewing agencies to protect the 'bottom line' for shipping companies by ensuring profits flow often means that crewing agencies have to source and supply cheap and 'trouble free' labour. In order to be a preferred source of labour for crewing agencies, seafarers through their national unions often have to compete fiercely against each other for jobs in the global labour market. This has often resulted in the contractualisation of seafaring jobs with each contract lasting 12 to 18 months. In sum, crewing agencies have increased the competition amongst seafarers for work by attempting to initiate a 'race to the bottom' in terms of wages, regulate entry into the labour market for seafarers and through these processes attempt to impact on seafarer wages so cheaper labour can be supplied to shipping companies.

Thirdly, the advent of new technologies both reduced the number of crews needed to service certain types of vessel whilst simultaneously intensifying the work of seafarers. Turnaround times at ports decreased substantially as a result of containerisation further adding to the intensification of the work of seafarers. Whilst technology made possible larger ships with fewer crews, hence increasing the profitability of these ships for capital, it also allows for safer ships, making a career at sea more appealing for many potential mariners.

In this sense shipping companies as transnational organisations precipitated changes to the labour markets for seafarers. As we shall see in chapters six, and seven, that

whilst shipping companies may have precipitated these changes, organised labour and state institutions became vital facilitators of this restructuring process. The next chapter considers the strategies of organised labour.

Chapter Six

The Role of Organised Labour in the Restructuring of the Global Labour Market for Seafarers.

6.1 Introduction

This chapter aims to answer the question 'What has the role of labour been in the restructuring of the seafaring labour market?' In answering this question, the chapter argues that organised labour, in the form of national trade unions as well as the International Transport Workers' Federation (ITF), was instrumental in facilitating restructuring in the global labour market for seafarers. Whilst shipping capital may have precipitated the changes to the seafaring labour market, it has not prevented organised labour from responding to the changes initiated by it. Firstly, the chapter shows how the ITF as a global unified force of labour has facilitated the restructuring of the global labour market by preventing 'a race to the bottom' for seafarers by ensuring high wages and good working conditions exist for the seafarers that the federation serves. Secondly, the chapter contends that the various responses of organised labour to the restructuring initiatives of shipping companies have assisted in reconfiguring seafaring labour markets for their memberships. In devising their responses, trade unions of South Africa, the Philippines and the United Kingdom have had to take into account the peculiarities of local and global conditions of their seafaring memberships

To demonstrate my first argument the chapter examines the ITF's twin strategies to prevent a downward shift to low wages and ensure good working conditions on ships for its seafaring membership. The chapter shows that the ITF is an example of a global unifying force of labour that can act on a global scale to ensure and implement

the rights of its seafaring membership. To demonstrate my second argument I examine and assess the local and global strategies of four national unions in the restructuring of seafaring labour markets. These are the South African Transport and Allied Workers Union (SATAWU) in South Africa, the Associated Marine Officers and Seamen's Union of the Philippines (AMOSUP) in the Philippines, and the National Union of Marine, Aviation and Shipping Transport Officers (NUMAST) and the RMT in the United Kingdom.

6.2 The ITF as a Global Force of Labour

This section critically examines the ITF's ability to both prevent a 'race to the bottom' for seafarers in terms of their wages and working conditions in the global labour market, thereby impacting on the nature of this labour market by providing limits to the various strategies of shipping capital to circumvent national regulation of the global seafaring labour market. International labour solidarity is essential for the successful operation of the FOC campaign due to the campaign's global reach. I demonstrate how the FOC campaign and its sometimes problematic practice inform the restructuring of the seafaring labour market. This then necessitates a more critical understanding of the mobilisation of international labour solidarity and the way it informs the restructuring of the labour market for seafarers.

The ITF¹ serves as a hub for receiving and passing information to and from its affiliated unions since the structure of the modern shipping industry makes it impossible for a single nationally based union to significantly influence their members' employment situation, especially when working on foreign vessels. It further aims to negotiate wages and working conditions of crew employed by shipowners that operate vessels registered outside their country of ownership, in other words FOC vessels. As such, the ITF has no jurisdiction over nationally flagged and owned vessels. It may intervene in the affairs of a national ship if it deems that local practices undermine its global objectives. In turn the ITF is a member of the International Confederation of Free Trade Unions (ICFTU), although not subordinate to it, and uses the networks and influence offered by the ICFTU to involve itself in the ILO and the International Maritime Organisation (IMO).

The ITF was initially founded by representatives of the traditional maritime nations of Europe and North America in London in 1896 after a series of transport worker protests and strikes that occurred from 1896 - 1920 (Waterman, 2000; Lewis, 2003). The trade secretariat remained dominated by maritime unions until 1904 when railway unions began to join in droves. Since then railway workers and seafarers remain the largest industrial contingents of the ITF. During the interwar years it formed an important part of the Social-Democratic union internationalism that was both independent of Moscow and opposed to the rise of fascism (Lewis, 2003). By 1953 it was the second largest trade secretariat in the world, with a membership of five million members around the world, spread over forty countries. When the ITF met in 1946 and 1948 it was decided that it needed to be reorganized along regional lines to accommodate its new affiliates from the South. Subsequently sub-secretariats were set up in Havana, Cuba and Bombay (now Mumbai), India in 1949 (Lewis, 2003). The ITF was firmly on its way to increasing the role it played in the trade union affairs of the South as part of its ideological struggle against the spread of communism. Apart from the trade unions of China, most of the world's maritime unions are members of the ITF. The number of ITF-affiliated maritime unions increased by 10 percent between 1994 and 1998, although their combined membership fell by 9 percent. This tends to suggest a reduction in the size of national maritime unions, a phenomenon that is most apparent in the traditional maritime nations. The ITF also employs 105 inspectors in 39 countries (ILO Report, 2001:51).

Interview, ITF Official, London: February 2005.

The ITF is also a unique trade secretariat when compared to the other International Trade Secretariats, in some important ways (Waterman, 2000):

1. It directly represents employees, often without their consent.
2. It signs agreements with individual shipping companies. It has even signed an agreement with its counterpart in industry, the International Shipping Federation.
3. Due to the wide spatial dispersion of its affiliates it is able to wield enormous economic power through boycotts in order to meet its objectives.
4. As a result of point three and more specifically its FOC campaign, the ITF has managed to accumulate immense financial reserves.

Currently the ITF has 235 unions affiliated to it from 97 countries, with a total declared membership equaling 66 percent of the global maritime labour force. The international campaign against FOC shipping has been in operation over the past 50 years. The campaign represents one the most comprehensive and extensive attempts by organised labour to counter the spread of transnational neo-liberalism. As the world's economy becomes re-regulated in favour of capital, FOC registries represent how highly developed a commercial strategy may become over time, to the extent that it transcends the constraints of the nation state, in order to exist as much as possible 'territorially unbounded' (Barton, 1999:151). Prime motivation for shipping capital to register ships offshore is the allowance it makes for the hiring of cheap, flexible, and usually non-organised labour of the South and eastern Europe. Further, given that nation states were not protesting or constraining the activities of shipping capital, and in some cases encouraging it (Barton, 1999), it was up to organised labour to provide a response to it. Further, because FOC ships have 'no real nationality', seafarers are jurisdictionally beyond the reach of national unions (Barret, 2001:26). This makes FOC seafarers one the most vulnerable occupational categories of workers in the world (World of Work No.38, 2001; Barret, 2001; Ruggunan, 2005).

³ Interview, ITF Official, London: February, 2005.

The ITF's campaign is two pronged in its approach. Firstly, it is a political campaign to end FOC shipping. Secondly, it is an industrial and collective bargaining campaign to protect workers on board FOC ships. On the political front the campaign is waged to establish a tangible link between the flag a ship flies and the nationality and residency of its owners, managers and seafarers. It achieves this by making public the correlations between FOC ships and poor employment and safety records. It lobbies governments and international organisations such as the IMO (part of the ILO) to monitor and enforce international shipping treaties and conventions that set wage rates and working conditions for seafarers. Whilst the ITF has had limited success in eliminating FOC registries, it has, in conjunction with its national affiliates, achieved several major concessions that are indicative of the power that labour can wield in a globalising world. It has convinced many governments and shipping companies from going the FOC route. For example, in western Europe and Australia there is a concerted effort by national maritime unions in conjunction with the ITF to work in partnership with their respective governments in bringing nationally owned fleets back to their shipping registers. Further, it has resulted in national port authorities monitoring FOC vessels more tightly than nationally flagged vessels.⁴

Seafarers are highly appreciative and knowledgeable of the ITF's role in servicing their needs. For example, one Filipino seafarer indicated that:

"I strongly feel that the ITF had really been a great help in my career as a seafarer. Based on my own experience, if one belongs to a union he cannot just be mistreated by the shipping principal. Just last December 17, my captain unfortunately did not give the extra pay for my overtime. With the help of my trade union, together with the ITF, I was able to get the right compensation for my job even if I already returned here in the Philippines."⁵

⁴ Interview, ITF Official, London: February 2005.

⁵ Interview, Seafarer No.3, Manila: March 2004.

For some seafarers the ITF is an important resource to draw on as demonstrated by the quote below:

"The ITF is where abused seafarers go complain their problems. Any problems faced by sailors like no salary, lacking of seafarers insurance, unsafe boats, overloading, etc. can be reported to the ITF and they give out immediate protection. The ITF arrest shipping companies which does not give fair rates to sailors and files charges on its principals."

In 1999 the ITF launched an international public relations campaign against FOC shipping. This campaign involved ITF officials visiting many of the ports of its affiliates, and FOC ports on board the ITF vessel, the *Global Mariner*. At each port of call the ITF met with stakeholders in the maritime industry, including national affiliates to discuss FOC issues. FOC workshops were held over a period of four days on board for members of the public as well as trade union officials.⁷

The collective bargaining and industrial component of the FOC campaign is unique in that it involves an annual meeting between the ITF and all its affiliates, where a minimum wage is set for seafarers. The wage that is agreed upon at this meeting is extended to all seafarers on FOC ships as well. Moreover this minimum wage is not negotiated with employees "but is a unilateral demand of the ITF based on an assessment of the profitability of the industry combined with cost of living conditions internationally" (Barret, 2001:27).

Any FOC ship owner who does not comply with the agreement faces the threat of industrial action, by dockworkers belonging to ITF affiliates. According to Barret (2001), in 1999 dock workers in 30 different countries took action against FOC ships.

⁶ Interview, Seafarer No.4, Manila: March 2004.

⁷ Interview, ITF Official, London: February 2005.

This is the most effective action against non-compliant FOC ships. By dockworkers refusing to load or offload a ship, millions of dollars are lost to the ship owner.

At present there are 5 600 FOC ships, representing one third of the world's FOC fleet, which are covered by the ITF collective agreement. The main feature of the collective agreement is the minimum wage. The most recent 2005 round of wage negotiations at the ITF saw the minimum wage for ratings set at US\$ 1 550. This was implemented from 1 January 2006.⁸ When the FOC ship owner signs the collective agreement with the ITF, s/he pays the ITF a penalty fee for flying a FOC. The fees collected by the ITF are channelled towards paying their more than 100 inspectors world wide.

When a FOC vessel docks in port, the ITF inspector boards the vessel and asks the captain to produce an ITF Blue Certificate as proof that the vessel meets standards imposed by the ITF. These include wages paid to crews. If no Blue Certificate is produced then the national unions of the country it has docked in boycott the vessel. This boycott continues until an agreement is signed with the ITF. The levying of fines, joining fees and payments for the Blue Certificate generate income for the ITF. The argument made by the ITF is that FOC ships are more prone to be substandard than nationally owned and flagged vessels.⁹

The ITF in conjunction with its national affiliates has been instrumental in securing back pay for thousands of seafarers. In 1998 for example the ITF secured R235 million in back pay for seafarers (Barret, 2001). It has also proved instrumental in securing compensation for families of victims of shipping disasters on FOC ships. For example, in 1997 the merchant navy vessel the *Leros Strength* sank due to structural failure and inadequate maintenance. Initially victims' families were paid

⁸ Interview, ITF Official, London: February 2005.

⁹ For example in South Africa, the two ITF inspectors, on average, inspect about 100 vessels a year.

compensation of \$US 40 000 per family by the shipping company. However, twelve families wanted to pursue the matter further and take the shipping company to court. ITF lawyers provided the families with free legal counsel and traced the real nationality and residency of ownership of the vessel, hence holding the ship owner accountable for the disaster.¹⁰ The ITF also assists seafarers that have been abandoned by shipping companies and have no means to return to their homes. This is part of the ITF's social and welfare programme provided to seafarers. According to ; the ITF, the interest from fees obtained from the FOC campaign is used to fund the ITF seafarers trust. This trust is targeted at servicing the social and welfare needs of seafarers the world over. A large percentage of these funds were used to establish the Seafarer International Research Centre (SIRC) at the University of Cardiff in Wales. The aim of this centre is to research the economic and social lives of seafarers."

This section has argued that the strategies of the ITF have influenced the nature of the global labour market for seafarers by preventing 'race to the bottom' for its memberships by ensuring high wages and good working conditions.. This section has demonstrated that the ITF is most influential in its ability to maintain high wages and ensure good working conditions for its seafaring membership. This has ensured that there is no 'race to the bottom' in terms of wages for its unionised membership and unionised ratings remain one of the highest paid blue collar workers in the world. The attempt of shipping capital to exclusively influence and shape the nature of seafaring labour markets in its search for greater wage flexibility is in large part countered by the actions of the ITF acting on mandates from its national seafaring union affiliates. The sometimes problematic nature of the relationship between the ITF and its national affiliates will be examined throughout the chapter.

¹⁰ Interview, ITF Official, London: February 2005.

¹¹ Interview, ITF Official, London: February 2005.

6.3 Unionising South African Seafarers: The South African Transport and Allied Workers Union (SATAWU)¹²

The South African Transport and Allied Workers Union (SATAWU) does not have a cohesive strategy to promote or supply South African seafarers into a global labour market. The union has formed extensive social partnerships with labour market institutions such as the Transport, Education and Training Authority (TETA) and the South African Maritime Safety Authority (SAMSA) as a means of addressing the more parochial needs of South African seafarers such as employment equity and career pathing. Whilst SATAWU remains active in both these state sponsored institutions, it has been unable to grow its seafaring membership in any significant manner. The union's focus has been on servicing its significantly larger memberships such as truckers and security guards, rather than actively engaging with growing its national seafaring membership. It has in many respects abdicated several of its responsibilities for its seafaring membership to the ITF. To better understand why the focus of SATAWU may be on servicing memberships in other sectors, one has to understand both the nature of the different sectors it serves and the historical formation of the union.

On 18 May 2000, in Johannesburg, the new SATAWU was born, through a merger of the former South African Transport Workers Union and the Transport and General Workers Union, both Congress of South African Trade Unions (COSATU) affiliates.¹³ For COSATU and the South African Communist party in particular, the merger marked a historical continuation of the struggles of the South African Railways and Harbour Workers Union, the Transnet Allied Trade Union and the Transport and General Workers Union (Nzimande, 2000) Further, it marked the first

¹² See Ruggunan, 2001 for an extended discussion on SATAWU.

¹³ It is interesting to note that the former SATAWU itself was a product of a December 1998 merger, called for by the Congress of South African Trade Unions. In December 1998, the South African Railways and Harbours Workers Union (SARHWU), the Black Transnet Allied Trade Union (BLATU) and the Transnet Allied Trade Union (TATU) merged to form the transport union giant the South African Transport and Allied Workers Union.

time that all South African transport workers were organised under one union. The new union had 102 916 members that work in the transport, cleaning and security industries (www.satwu.co.za). The ITF supported the merger and views it as part of the global struggle to achieve worker solidarity.

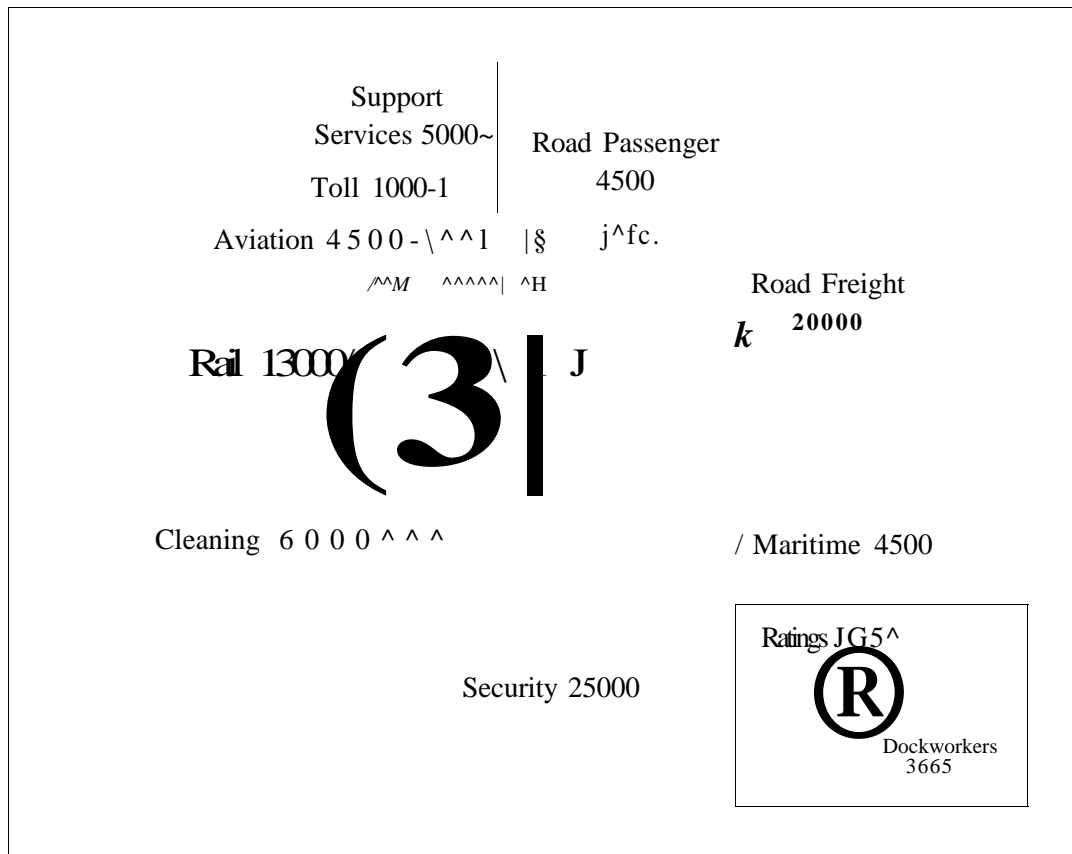
As a result of the two mergers,¹⁴ 46 percent of SATAWU's membership is comprised of Transnet workers. Transnet (formerly South African Transport Services) is the largest public sector transport parastatal. These workers are overwhelmingly employed in the various divisions and subsidiaries of Transnet such as Spoornet (railways) and the Airports Company of South Africa (ACSA) and provincial bus parastatals. Government's stated policy of privatisation of parastatals in including Transnet, means that SATAWU's greatest contemporary struggle is against the privatization of Transnet. At the founding congress of SATAWU held on the 18th and 19th May 2001, the issue of privatisation of Transnet dominated the agenda. An analysis of SATAWU's press statements for 2001 confirms this stance as do various speeches by the union's leadership (Howard & Barret, 2001). For SATAWU, the jobs of thousands of transport workers employed by Transnet divisions such as Spoornet, the Airports Company of South Africa and Portnet railway are under threat. A loss of thousands of jobs also means the loss of thousands of SATAWU members and a diminution of its bargaining power. SATAWU has therefore tailored its strategy over the last six years to focus specifically on servicing and organising its huge membership in the aviation, railway, and harbour sectors.

¹⁴ This was one of the few times in the history of the South African labour movement that mergers occurred between a Congress of South African Trade Unions affiliate (South African Railways and Harbour Workers Union), a National Council of Trade Unions affiliate (Black Transnet Allied Trade Union), and an independent union (Transnet Allied Trade Union). It marked the beginning of the Congress of South African Trade Union's campaign to consolidate South African unions hence consolidating bargaining power.

¹⁵ Truckers also comprise a significant part of the SATAWU's membership. To service thousands of its truckers, the union has initiated various plans of action to address the needs of its trucking membership, such its AIDS education campaign for road transport workers. Further, it has a skills development programme for truckers that have been retrenched, to enable them to retrain for other kinds of jobs.

The overwhelming emphasis and mobilisation of resources by SATAWU is aimed at servicing and organising its workers employed by Transnet. The transport union's national ratings membership of approximately 100 pales in comparison to the thousands of SATAWU members in other sectors.¹⁶ I argue that by the union focusing on the majority of its membership, the resources devoted to servicing ratings is proportionate to their membership. The mergers further consolidated SATAWU's commitment to servicing its larger memberships in trucking, security, cleaning, airports and rail. The smallest membership of the union is its seafaring membership. It is with this in mind that I examine the maritime section of SATAWU.

Figure 6.1: Structure of SATAWU's Membership



¹⁶ Interview, SATAWU Official 1, Johannesburg: July, 2005.

6.3.1 The Maritime Section of SAT A WU

Historically, the organisation of South African maritime workers has focused on dock and harbour workers (see Hemson, 1995, 1996, 1998, 2000, 2001; Harvey, 1995; Wellman, 1997). In this respect the Transport and General Workers Union (TGWU) was particularly active in the establishment of a National Dock Labour Scheme (NDLS) and the National Industrial Council for the Maritime Transport Industry (forerunner to the Maritime Bargaining Council). With regard to servicing and organising seafarers however, the results are not as clear. Black seafarers (all ratings) were historically organised by the TGWU and the Seamen's Maritime Union (SMU). The SMU has since deregistered and its members incorporated into the Transport and Allied Workers Union (TAWU), an affiliate of National Council of Trade Unions (NACTU). Both the TGWU (now the South African Transport and Allied Workers Union) and the Transport and Allied Workers Union (TAWU) are ITF affiliates. Officers in the merchant navy are not unionised in South Africa, although this is not the case internationally.

Historically, the vast majority of ratings have not been unionised. One of the reasons that unionisation of merchant navy ratings has proved difficult for the South African Transport and Allied Workers Union is that the overwhelming majority of 4 000 qualified South African ratings are unemployed. Of the 735 employed ratings, 98 work on nationally flagged South African vessels and are members of SATAWU.¹⁷ The ITF inspectors based in Cape Town and Durban service the remaining 637 that work on FOC vessels. These inspectors work closely with SATAWU and are physically based in its offices. The high unemployment of ratings can be attributed to several reasons as alluded to in the previous chapter.

¹⁷ Interview, SATAWU Official 2, Durban: July 2005.

6.3.2 SATAWU and the ITF

SATAWU currently has two regional offices, one in Durban and the other in Cape Town, aimed at servicing and organising merchant navy ratings. Based at each office is an ITF inspector. The role of the ITF inspector is to service South African ratings aboard FOC vessels. In addition he is to monitor the working conditions on board the ship and deal with any complaints received from seafarers regarding their working conditions and remuneration. The two ITF inspectors in South Africa are both former SATAWU officials that now work for the ITF. They are both experienced labour organisers and seafarers, having worked as TGWU organisers in addition to having extensive seafaring experience.¹⁸ Both inspectors are formally employed and paid by the ITF, but informally there is a large overlap in their SATAWU/ITF functions.

According to the constitutions of the ITF and SATAWU there is supposed to be a strict division between the role and reach of the ITF inspectors and officials of its national affiliates. However in practice this proves not to be the case for several reasons. Firstly the South African ITF inspectorate is charged with servicing South African seafarers on FOC vessels only. According to the Durban based ITF inspector and SATAWU maritime officials, there are approximately 735 South African ratings working on FOC vessels and 98 South African ratings working on South African flagged (national) vessels which mainly ply the coastal routes only. Hence, according to the constitutions of the secretariat and the union, a separate official would need to service the needs of South African seafarers working on nationally flagged vessels. Logistically this is difficult for the union since it is perceived as a drain on the resources of the union to employ separate officials to service the needs of the almost 100 members that can be attended to by the local ITF inspectors. Moreover the maritime section of SATAWU has traditionally focused on its dockworker constituency, which is larger in number and requires more financial and human

Interview, SATAWU Official 3, Johannesburg: July 2005.

resources to service (Radebe, 2000). Given that significantly greater membership fees come in from dockworkers than from SATAWU's national ratings, it makes organisational sense to use the ITF inspector to service seafarers working on both FOC and nationally flagged vessels. Given that most ships owned by South African shipping companies are registered offshore (South African Ships Register, 2006) and that this will be a growing trend, the Durban ITF inspector contends that South African seafarers on national and FOC vessels are best serviced by the ITF. In addition, both South African ITF inspectors have a history of organising South African maritime workers, particularly seafarers, and are sensitive to the political, social and economic context in which they operate. In other words, the ITF inspectors are not foreign or alien to the needs of the membership they service and have to be imposed on SATAWU by the ITF.¹⁹ This is not to suggest that the relationship between the ITF (as embodied by its inspector) and SATAWU is unproblematic. According to my interviews with South African based ITF inspectors and SATAWU officials there have been several occasions when the ITF/SATAWU relationship has proved tense and difficult. These have revolved mainly around wage related issues. These wage related issues will be examined in a later section of this chapter.

SATAWU, in order to best service its national membership of ratings working on coastal ships and domestic routes as well as the South African ratings employed on FOC vessels, engages in a strategy of global solidarity with the ITF. Even though, officially, SATAWU has no jurisdiction over South African seafarers working on I FOC vessels, it remains committed through its affiliation with the ITF to ensuring I that both national and FOC South African ratings enjoy the benefits of union representation. As a strategy, SATAWU draws on the considerable resources of the ITF to service South African ratings though this service is limited to the inspection of vessels and negotiation of wages. The outsourcing of these functions to the ITF frees

¹⁹ Interview, SATAWU Official 3, Johannesburg: July 2005.

the union to mobilise most of its national resources to address the needs of the majority of its membership which are not seafarers whilst confident that the ITF draws on the considerable resources of the ITF to ensure the wage negotiations and conditions of service of South African ratings are implemented.

Whilst the ITF is mandated to inspect FOC vessels and has a mandate to negotiate wages, it is not the federation's responsibility to grow and market national seafarers of South Africa. It is in this respect that SATAWU has failed. The national union should assume responsibility for devoting its own national resources into reversing the decline of seafaring jobs and creating potential employment opportunities for seafarers. However, the union has observed the decline of seafaring jobs in South Africa without much intervention, except for a presence on various national state labour market institutions such as the TETA and SAMSA. As a consequence, the decline in South African seafaring jobs (particularly ratings) precipitated by shipping capital in the 1970s has gone unhindered by the union. I contend that SATAWU has not been innovative and assertive enough in reversing this decline for four reasons:

Firstly, seafarers represent the minority (less than 1%) of SATAWU's membership. The focus of the union has therefore been on representing and growing more profitable memberships in other sectors.

Secondly, a consequence of this focus on membership in other sectors has resulted in the union being content with the ITF's interventions in inspecting vessels and negotiating wages on behalf of the union. This means that initiatives to grow the seafaring membership for the union are now led by private sector initiatives in South Africa as demonstrated in chapter four. The union unlike its Filipino counterpart (see below) has failed to strike up strategic alliances with global shipping companies or crewing agencies as a means of both growing its membership and finding employment for seafarers.

Thirdly, the union is concerned with very national, even parochial issues of achieving racial equity and career pathing (from ratings to officers) of existing seafarers and the miniscule number of new seafarers in training. This concern whilst relevant to a sector that has historically being racially divided along skill levels, as mentioned in chapter four, does not have any meaningful implication for building and consolidating a South African presence in the global labour market for seafarers. Thus whilst shipping capital has shifted to new sources of labour in new regions of the world, South Africa has not benefited from this shift for several reasons (prohibitive shipping legislations being one reasons) including the passivity of SATAWU to engage actively in promoting South African seafarer employment globally.

Fourthly, the above three points suggest that the national union has failed to engage sufficiently with the globalising processes of the shipping industry and its labour markets. The union has prioritised local issues over global ones, and has therefore had minimal impact in reversing the decline in the employment of South African seafarers.

6.4 Unionising Filipino Seafarers: Associated Maritime Officers and Seafarers Union of the Philippines (AMOSUP)

This section focuses on the unionisation of Filipino seafarers and the relationship between the main Filipino seafaring trade union, AMOSUP and the ITF and the impact this has on restructuring the labour market for Filipino seafarers. The section demonstrates how the recruitment and organising tactics of AMOSUP at a national level and its relationship with the ITF on a global scale have impacted on the restructuring of the Filipino seafaring labour market. I draw extensively from my interviews with AMOSUP officials and other trade union experts from the University of the Philippines for this section.

6.4.1 Understanding AMOSUP's Style of Unionism

To understand AMOSUP's unique style of unionism requires a deeper historical understanding of labour broking and trade unionism in the Philippines. My argument focuses on four processes that are critical to understanding the practices of AMOSUP. The first of these processes is the development of the *caciquismo* or labour broking system for Filipino seafarers during the Spanish occupation of the Philippines. I argue that this system set up a historical and cultural trend for the institutionalization of labour broking in the form of modern day seafaring trade unions in the Philippines. Secondly, the second wave of colonization of the Philippines by the Americans steadily eroded (through legislation and cold war politics) the militancy and working class interests of trade unions to service the class based interests of their memberships. This made possible the development of corrupt unions like AMOSUP. Thirdly I contend that the repressive Marcos era's invention of the 'one union, one industry' rule as well as the practice of the regime's patronage system benefited the Oca family and cemented their dynasty in running AMOSUP as a family business. This coincided with the labour export policy of the regime, creating lucrative business opportunities for 'unions' to act as labour brokers for their members. Finally I contend that the end of the Marcos regime in 1986 coincided with the advent of globalisation in the region and government efforts were then focused on situating the Philippines as an ideal location for export processing zones and source of flexible labour. Post Marcos governments interfered minimally with AMOSUP since the union facilitates employment for thousands of Filipinos and its corrupt practices are either overlooked or benefit government officials through graft practices.

6.4.2 The *Caciquismo* System

The aim of this section is to show how seafaring labour broking practices are embedded in Spanish colonial practices in the Philippines. I contend that these practices have informed the contemporary practices of Filipino seafaring unions, and

as such provide a historical context for AMOSUP's practices. The Spanish occupation (1565-1898) of the Philippines was brutal (West, 1997). Key to the Spanish strategy was the need to exploit the geographic position of the Philippine archipelago for its trade purposes. Spanish seafarers struggled and were not able to navigate effectively through the south east Asian routes (Karnow, 1989). They lacked the navigational knowledge of the seas and geography of the region. An obvious step was for the Spanish to coerce Filipino maritime skills and knowledge to ply their trade to China and around the archipelago of seven thousand islands. Filipinos soon manned the Spanish galleons alongside Spanish officers. The Spanish at this point were convinced that the Filipino had an innate seafaring ability and one of the entries by a Spanish galleon captain reads "*there is not a Filipino who has not a remarkable inclination for the sea*". An exchange of both Spanish and Filipino maritime skills took place on these voyages. Filipino seafarers were also 'asked' (coerced) to teach Spanish sailors how to navigate the south China seas (Department of Labour and Employment Brochure: 2002). Each ship that participated in the galleon trade could generate up to two million pesos in Mexican silver per annum. It was a highly lucrative trade that would last for two centuries (1615 to 1815) and contributed significantly to Spanish coffers (Legarda, 1999).

The Spanish in their effort to have their galleons crewed by Filipinos forced land based Filipino workers (mainly agricultural workers) into seafaring contract work. According to Talampas (Interview: 2004) this was the first attempt of the colonial administration to introduce contract labour into the Philippines. There were only four to six thousand Spanish in Manila at the time so labour for the galleons was a real issue. According to Nagsaysay (1907) the Spanish initiated the system of the *cabos* whereby labour contractors traveled throughout the islands to recruit seafarers. These *cabos* were mainly Filipino men from Manila who were granted patronage or favour by the Spanish. There was much competition to receive such a favour since it guaranteed financial reward. A recruiting fee was paid to the labour broker or *caciquismo*. This fee was on average one third of the seafarers' wage. The practice of

the labour contractors was often vicious and violent that ripped families apart as male family members were forcibly recruited. Islanders lived in fear of the *cabos* though some men and boys either went willingly or were sent willingly as families (mostly agricultural workers) felt that working on the galleon trade may offer some material reward once their family members completed their period of service.

The end of the galleon trade in 1815 did not signal the death knell for Spanish trade or for the recruitment of Filipino seafarers. The Spanish having appropriated significant seafaring knowledge of the region were keen to formalize the training of Filipino seafarers and established the first maritime training school in Manila in 1820 (Legarda,1999). The hope was that this school would produce seafarers that would have the best of the 'native ability' and Spanish seafaring skills and Filipinos would service the Spanish empire and its expansion.

Filipinos continued to work as contact seafarers throughout the Spanish occupation. The advent of the American colonial period from 1898 saw seafarers become more militant in their responses to Americans and their employers. The *caciquismo* system began to become more formalized from 1905 when a few foreign (non Spanish) shipping masters having learnt of the immense success of the Spanish and Americans in using Filipino seafaring labour, which was both skilled and cheap, docked in Manila Bay (Legarda,1999). These shipping masters saw an opportunity to extend the labour contracting system beyond Spanish needs and began to formalize the process of providing crew to shipping companies that required skilled and cheap seafarers, giving birth to the first crewing companies in the Philippines. However contracts that were entered into by seafarers were still very much between the masters of the ship and his crew. Modern day *caciquismo* exist today in the Philippines and indeed internationally (India, Bangladesh, countries in eastern Europe) in the form of unions that service seafarers and require a set monthly fee from them (Interview, Talampas: 2004). It is not to my mind a stretch of the imagination to see how the impact of Spanish colonial rule and its invention of the seafaring labour contracting system

continues to inform and influence the practices of AMOSUP. The Oca family that runs AMOSUP was granted the status of *cabos* during the Marcos era in the same way that Spain granted favour or patronage to Filipino labour brokers during its colonial occupation of the islands. This is an example of how deeply corrupt practices can reproduce through elites over time resulting in modern day practices of AMOSUP. It also underscores the point that AMOSUP's practices must be understood within the particular social and historical practices of the colonial history of the Philippines.

6.4.3 The American Repression of Filipino Trade Unions

The aim of this section is to show that the American colonial regime (1898-1946), which replaced the Spanish one, undermined militant class based trade unions. The Americans achieve this in three ways, firstly through legislation, secondly through overt repression of labour leaders and thirdly through covert practices of their intelligence agencies such as the Central Intelligence Agency (CIA). The outcome of these processes was to fragment organised labour, delink labour organising from national liberation, strengthen sweetheart unions and decimate unions with class based and communist leanings. This decades long attack on trade unions further explains how conditions arose that could facilitate the formation of a union like AMOSUP.

As their numbers grew, Filipino seafarers realized their collective power. Seafarers loosely organised themselves during this period into what is referred to as the *Gremio de marinos Mercantes de Filipinas or Filipino Seamen's unions* (Dejillas, 1994). Their first strike was in 1908. The seafarers attempted to convince other transport workers to strike in sympathy of their working conditions. This attempt at solidarity did not work but was enough to convince the American colonial government to keep

a close watch on the development of trade unions, particularly seafaring trade unions in the Philippines.²⁰

The colonial government's strategy was to set up the Bureau of Labor in 1924 that would eventually become the current Department of Labor and Employment (DOLE). The main duty of the Bureau of Labor was to register trade unions and monitor their activities. The Bureau had the power to impose sanctions against trade unions and hence render them an illegal organisation. Reports from the Bureau of Labor from 1924 to 1927 show that the seafaring trade unions in Manila had 10 756 members or 27 percent of the 17 563 unionised workers in the city. There existed seven seafarer unions in Manila and three in the provinces. In the provinces or rural areas, seafarers made up 3 425 or 10 percent of the 33 499 unionised workers (mostly agricultural workers) in areas outside Manila (Talampas, 2002). Seafarers represented more than half of the unionized maritime workers. Seafarer membership constituted 14 181 (Talampas, 2002). Seafaring unions if left unmonitored posed a potentially profound threat to the American colonial government. All were militant unions that aligned their work struggles to that of national liberation struggles. The colonial government went to great lengths legislatively and militarily to break up these militant unions. Of these former militant seafaring union only the Philippine Seaman Union still exists (PSU).²¹

One of the legacies of American colonialism was to structure Philippine labour relations on the American industrial relations model with its reliance on law and contracts (Viajar, 2006). According to West (1997) and Viajar (2006) the shift to a more legalistic framework was rooted in efforts to dilute the more revolutionary tendencies of the Philippine labour movement. The colonial state together with employers sought to divide and rule the Philippine labour movement. The American

²⁰ American involvement in world wars one and two saw a further increase in the recruitment and training of Filipino mariners for service on navy vessels that was similar to the recruitment levels employed by the Spanish during the galleon trade.

²¹ With a negligible membership compared to that of AMOSUP.

labour movement sought to pattern Philippine labour relations after a particular kind of American business unionism where workers were encouraged to identify with their job conditions rather than their class conditions (Sibal, 2004). Unions were encouraged to limit their functions to the narrowest definitions of collective bargaining and membership welfare. In 1903 the American Federation of Labor sent representatives over to Manila to organise workers into a union under the auspices of the American Federation of Labor (Kelly, 2001). Manila workers were told that they would gain most by excluding politics from their unions and focusing on their jobs. So began the Americanization of the Philippine labour movement (West, 1997).

Filipinos were also encouraged to espouse free enterprise values (West, 1997). The American government established a commonwealth in 1935 giving the Philippines internal self government (Sibal, 2004). The Philippine commonwealth state then moved to regulate and protect itself from its labour movement through various legislations through the social justice program in 1937 which was patterned after the 1935 Wagner Act in the United States which also sought to give American workers the right to organise through collective bargaining (West, 1997). In the Philippines the 1937 social justice programme was set up that included a collective bargain law as well as a court of industrial relations. The Commonwealth Act 213 governed the recognition of labour unions and compulsory arbitration (West, 1997). Compulsory arbitration was a technique of social control which resulted in protracted litigations. Furthermore this compulsory arbitration was limited to legally registered unions only. However to legally register a union became an onerous task especially if the department of labour deemed the union as one which was trying to undermine the American Commonwealth government (West, 1997; Viajar, 2006). Unregistered unions could also not present a case to the court of industrial relations, so unions preferred to declare a strike rather than submit an issue for mediation. Despite these legislative difficulties and obstacles, Filipino trade union membership continued to grow, worrying the Americans no end.

During 1941 there was a cleavage already between the two main trade union federations in the Philippines. The division amongst the federations was ideological. The Union del Trabajo de Filipinas (UTF) was less militant, anti communist and supported the American occupation of the archipelago whilst the Union Obrera Democrata demanded national emancipation and was more sympathetic to communism (Viajar, 2006:168-169). Despite the Philippines formally gaining independence from the Americans in 1946, American interference continued in the internal affairs of the country. The Americans became particularly alarmed from 1945 when these two union federations united by forming the Congress of Labor Organisations. At its peak CLO membership was 70 000 workers belonging to 76 unions representing a powerful voice against American rule.

In 1950 becoming alarmed at the growing militancy and solidarity of Filipino workers , Daniel Bell was appointed by the American Commonwealth government

The Americans were also particularly concerned about seafarers since like the Spanish before them they were impressed by and used Filipino seafarers to man their ships. Whilst the technology was indeed different and the ships more sophisticated than the Spaniards, the skills of the Filipinos were still of great use to the Americans. Filipinos were often hired as Helmsmen or quartermasters aboard Americans ships (DOL Report:2004). America served as the colonial master of the Philippines for 50 years until the Japanese invaded in 1942. Whilst the Japanese occupation was quite short, only four years in fact, it left a profound impact on the Philippines. The Japanese assumed immediate control of the maritime affairs of the Philippines. Japan at the time had a bold vision of Japan's dominated Pacific region and set out its goals in the great east Asian charter. There were no qualms about these goals. The Japanese established the Philippine Shipping Association in October 1942 which fell under the Japanese Military administration. All maritime issues had to be channeled through the PSA including the training of seafarers. Young Filipino men were encouraged and in some instances forced to train in maritime colleges established by the Japanese to train Filipinos in skills they (the Japanese) were short of in their army and navy. The Japanese provided these young men with free clothes, food uniforms etc. Japan's occupation whilst providing Filipinos with a range of seafaring skills, destroyed the Philippine merchant shipping industry. The Japanese invasion resulted in over 80% of the Filipino fleet been destroyed. This included the inter-island fleet. All ships owned by the Manila Steamship Company were destroyed and 17 vessels of the Philippine Steam Navigation Company were destroyed.

The American military led by Mc Arthur defeated the Japanese on 5th July 1945. The next three years were spent negotiating the terms of the Philippines independence from American rule. For Filipino seafarer organisations, the next two decades were a tumultuous time. Cold war politics began to play out in the Philippine labour movement. From 15 March 1945 the Congress of Labour Organisation (CLO) was formed. It began actively campaigning for an end to American imperialism. The CLO was affiliated to the Communist led World Federation of Trade Unions (WFTU.) It became the Philippines largest labour federation in 1945 with an estimated membership

to investigate the state of organised labour in the Philippines. The Americans were becoming alarmed since some of the militant unions had communist leanings and ambitions for a future independent Filipino state. This potentially made the Filipino trade union movement a battleground for cold war politics (West, 1997). The geographic location of the Philippines in the Pacific made it a vital location for American battles during the cold war. He implemented a range of actions that he hoped would give labour enough concessions to distract them from linking workers rights with issues of national liberation. He hoped his policies would negate or dilute the need for unions to organise. The Bell Mission established a minimum wage in 1951 for most Filipino workers as an attempt to circumvent union negotiations and hence weaken unions and their relevance. American interference covertly through the CIA and overtly through legislation would see the Congress of Labor Organisations fragment from 1951 onwards.

Whilst American influence of Filipino trade unions seemed to outwardly show a support of democratic representation and workers rights, the reality was that it advocated a style of American business unionism. This was combined with a tendency to create labour factionalism by supporting less militant trade unions. This strategy of divide and rule and covert infiltration of militant trade unions would set the ground for Marcos' attack on the trade union movement.

of over 100 000 workers and 78 unions. This form of organised revolutionary unionism was troubling for the Phil-am government. Further when the CLO aligned itself with the PKM, CPP, HUKBALAHAP to form the Democratic Alliance in September 1945, the government introduced a law that dissolved trade unions suspected of communist links or activities.

This was to start a three decade long assault on political trade unionism in the Philippines that would only end with in 1986 when Marcos was forced out of power.

6.4.4 The Marcos Era and its Impact on Trade Unions

This section makes three arguments. Firstly it shows that when Marcos came into power in 1965 and declared martial law in 1972, he continued the American tradition of weakening the trade union movement. This was also a strategy to ensure that opposition to his dictatorship would effectively be silenced. Secondly the labour policies that Marcos advocated such as the 'one union, one industry' policy would pave the way for a number of independent and often corrupt trade unions like AMOSUP. Thirdly AMOSUP's founders, the Oca family would personally be granted the favour or rights from the Marcos cronies to set up AMOSUP in 1974. This was part of the wider practice of crony capitalism and favour granting that the Marcos regime used to consolidate its power.

Decades of American interference and influence ensured that repressive legislative labour controls were well set up before the Marcos period (1972-1986) of martial law. In 1972 Marcos declared martial law and almost immediately moved to repress militant trade unions and organise industrial relations into a unified system. His regime banned all strike activity and arrested militant labour leaders during this time. In order to control the industrial relations system for the country he facilitated the establishment of the Trade Union Congress of the Philippines (TUCP) as the official labour agent of the Philippines. Simultaneous to the establishment of the TUCP he organised employers into an employer confederation. The purpose of these two moves was twofold. Firstly he wanted to create a sweetheart labour federation that would not oppose his regime. Many of Marcos cronies were appointed as new trade union leaders and organizers. These positions were often for sale and achieved through graft or favours to the regime. This was similar to ways in which Marcos redistributed the industrial sectors of the country to friends and relatives. For example, shipping, banking and agricultural were all nationalized and given as 'gifts' to cronies to operate. The ultimate ambition therefore seems to have been to have cronies in both business and labour sectors of the economy.

On the first May Day 1974 he passed a labour code which mandated a one industry, one union organisation principle. A national labour relations common was set up under the department of labour to handle labour disputes. Of course trade unions outside the TUC immediately and unsuccessfully tried to challenge these laws, but the era was deeply repressive. The defining contribution for labour of this period was the 'one union, one organisation, one sector principle'. Marcos's administration set up the Bureau of Industrial Relations that would solely decide which unions would be given the status of only representative of a sector. It is during this process that the most corrupt practices took place. For workers this created confusion and rivalry amongst trade unions as bargaining for these positions took place. Workers that were not members of the newly appointed unions found themselves without representation and often to secure or maintain employment; workers had to join a TUCP union.

The bargaining and graft that went on during this period resulted in unions going through a number of metamorphoses, with some unions collapsing and new ones forming. The formation of the TUCP and the 'one union, one industry' rule coincided with Marcos' labour export strategy and for many astute union men, this represented a potentially lucrative business opportunity. To represent Filipino migrant workers (land and sea based) presented the opportunity to profit from labour contracting and remittances for both unions (as businesses) and the Filipino state.

For many charismatic and well connected (politically) leaders this was an opportunity to form their own unions and become quite wealthy through the labour contracting system. As the market for Filipino seafarers continued to grow steadily so did the realization of the potential profits to be made by engaging in labour contracting of seafarers on international vessels. It was within this context that two men formed the most powerful national seafaring unions in the Philippines and the world. Initially, Robert Oca formed the Associated Marine Officers Union on 11 November 1960 and Donata Alorcao established the Associated Seaman union of the Philippines in 1972. Both merged in 1972 to form AMOSUP, which is today the largest seafaring union in

the world in terms of membership and arguably the richest national trade union in the Philippines and perhaps the world. It is unclear from my interviews and research how these two men were granted the rights to form AMOSUP. One source contends that the Oca family was well connected to the Marcos family and was instrumental in using his seafarers to smuggle in money and weapons for the Marcos administration. However, it seems most likely to me that both Oca and Alorcaon would have had to have a close connection with members of the Marcos regime if not the Marcos family itself, for such a lucrative favour to be bestowed upon them.

The repression of unions overtly and covertly continued to the end of the Marcos era in 1986. By 1987, the damage had been done to unions. Despite the 'people power' uprising that overthrew the Marcos regime, unions were deeply fractured and almost all TUCP unions, including AMOSUP, unions remained in power and continue to do so.

6.4.5 The Post Marcos Era and its Impact on Trade Unions

With the various regime changes since 1986, such as Aquino, Ramos and Arroyo, imprisoned labour leaders were released and labour legislation changed. The new 1987 Philippines constitution recognised rights of workers including their right to strike as well as an end to the one union one industry rule.

However the end of the Marcos government coincided with the stirrings of neo-liberal globalisation. By the 1980s and the beginning of the 1990s, neo-liberal globalisation was firmly setting its footprint on the Philippines. Successive governments since Marcos have all been globalisation friendly, advocating economic policies that facilitated the development of strike free export processing zones and the continued flexibility of the labour market for Filipinos nationally and abroad. For example between 1992-1998 trade unions challenged Fidel Ramos' economic program 'Philippines 2000' and its bias towards neo-liberal globalization. The

movement, however, lost in its campaign to delay the country's ratification of the GATT agreement. The weakness and fragmentation of unions in the Philippines is reflected by the following statistics. In 2001, there were 14 606 active trade unions. Amongst registered unions, 13 908 are private sector unions, 698 are public sector unions and 175 are federations or labour centres. Total union membership is 3.678 million, roughly 10-15 percent only of the labour force. Private Sector unions have a membership of 3 499 00 while public sector unions have 178 166 members. Only 2679 unions have collective bargaining agreements (CBAs) covering 482 849 workers. The trade union movement is greatly divided with 7 major labour centres, at least 170 national federations, more than 9 400 independent unions (Viajar, 2005:37).

There has been no move to directly either disband or weaken business or family run unions like AMOSUP. Patronage and graft continue to permeate through Philippine institutions and this could also account for the continued Oca dynasty in operating AMOSUP. Further, the profound impact of the American and Marcos repression of trade unions cannot be discounted. The future of Filipino trade unionism remains in my view pessimistic unless unions like AMOSUP and its ilk are reformed to truly represent the interests of working class people. There are a number of initiatives in Manila that are attempting to persuade government to intervene in these types of unions. These include organisations such as LEARN and MARINO and to date their efforts have been unsuccessful. The greater impetus must come from global labour organisations such as the ITF, ICTFU and the ILO and other national trade unions from outside the Philippines. Together solidarity can act as a catalyst for change against the form of unionism that is inherently corrupt and antithetical to the interests of the working class.

6.4.6 The Current Context of AMOSUP

The Associated AMOSUP, which is today the largest seafaring union in the world with a membership of approximately 60 000 seafarers.²⁴ It is arguably the richest national trade union in the Philippines and perhaps the world.

AMOSUP, apart from offering more traditional services to its membership, is a labour contracting organisation. Its function as a union in this respect is an anathema compared to its South African and British counterparts. The Filipino union has institutionalised labour contracting for seafarers. Thus qualified seafarers would pay AMOSUP a membership fee for a contract placement on a vessel. These contracts are rarely more than 12 months worth, most ending at nine months. Whilst highly paid in US dollars, the seafarers have to pay up to US\$100 a month each to the Associated AMOSUP for the duration of their contracts. At any point there are up to 250 000 Filipino seafarers sailing on merchant navy vessels. Most of these are members of AMOSUP. Since its formation in 1972, AMOSUP has been run by the Oca family. Officially there is a 16 person board of directors but, according to a number of sources in the crewing industry, labour organisations and academics, the union is very much an Oca run affair.

AMOSUP is one of six seafarer trade unions in the Philippines. All six unions act as labour market intermediaries for seafarers. The other five unions are:

1. Philippine Seafarers Union (PSU). The PSU is affiliated with the Associated Labour Union-Trade Union Congress of the Philippines (ALU-TUCP).
2. United Filipino Seafarers (UFS).
3. International Seamen's Mutual Labour Organisation (ISLA).
4. Marine Transport Employees Union (MATEU). MATEU is composed of a domestic seafaring membership only.
5. Philippine Officers and Seamen's Union (POSU).

My fieldwork in Manila indicated that the other five seafaring unions are minor players in the unionisation of seafarers. I also established that their membership is nowhere near that of AMOSUP, and that whilst AMOSUP membership includes workers on foreign ships only, the other seafaring unions include seamen on both domestic (inter-island) and foreign ships.

Although one AMOSUP official places the figure at 85 000,¹ I use the official ITF estimate which is 60 000.

The union also facilitates employment of seafarers through the 'hiring hall.' AMOSUP "has a placement office to deploy union members to shipping and crewing agencies requesting for qualified seafarers" (Amante, 2004:3). In this case, the union becomes an agent of the employer in addition to an agent of the employee. Ordinarily this would indicate a conflict of interest but labour disputes in this regard are unknown.²⁵ The foreign shipping company pays the seafarers' wages, and the union gets a lump sum from the ship owner to pay these wages. In addition, the union gets a monthly stipend from the seafarers' wages for the duration of his contract.

AMOSUP is dominated and administered by a single family, the Ocas. The Ocas run the AMOSUP "like a family business"²⁶ and it is very much a patronage system of unionism. AMOSUP has built up a sophisticated network of links with international shipping and crewing companies. It is affiliated to the ITF and due to its membership size is the most powerful member of the maritime section of the ITF, because of the revenue it generates through its large membership. Milton Unso, former seafarer and AMOSUP member and now Chairman of the Maritime National Authority (MARINA), a Filipino non-governmental organisation aimed at campaigning for the rights of seafarers unfairly blacklisted by crewing and shipping companies, makes the following observations about the patronage style of unionism practiced by the AMOSUP:

"But you see it's a family affair. When the current leadership retires, their
77
children will take over.

While improving the pay and working conditions of its membership are goals of AMOSUP, my findings demonstrate that these are secondary goals. Interviews with ITF officials both in South Africa and the United Kingdom indicated distaste for this particular brand of trade unionism. AMOSUP remains a highly successful method of

Interview, M. Amante, Manila, Philippines: February 2004.

Interview, Labour, Education and Resource Network Researcher, Manila Philippines: March 2004.

Interview, Milton Unso, MARINA Chairman, Manila, Philippines: February 2004.

providing seafaring labour to the global shipping industry. It remains an organisation that *provides jobs* to seafarers. Given that it has to provide these jobs to serve and protect its own interests, there is often a contradiction between the protection of its own interests and that of serving the working class rights of its members. Further, this type of unionism is an anathema to the type of exported British unionism we are more familiar with in South Africa as well as the social movement type of unionism which is more targeted at representing labour and working class rights. In many ways the type of 'unionism' represented by AMOSUP is endemic in south east Asia, particularly in corrupt states. It is often a symptom of deeper corrupt practices of the state. My fieldwork indicated that a series of corrupt or questionable relations exist between the union and the state. However my interviews with seafarer members of AMOSUP indicate that seafarers themselves are more interested in the services (including jobs) provided by the union to them than the levels of corruption that the union may engage in. The general malaise of attitude to corruption by many Filipino workers I encountered (taxi drivers, seafarers, jeepney drivers, cleaners and nurses for example) seem to reveal a state of affairs where corruption is deep and endemic to daily life and organisations in the country. It is no surprise therefore that on 13 March 2007, the International Herald Tribune declared the Philippines to be the most corrupt country in Asia (<http://www.ihrt.com/articles/2007/03/13/busiiness/peso.php>)- In many ways the state of this type of patronage/business unionism and its relationship to the state serves as a warning to labour activists in other regions, including South Africa, that once corruption takes root, its very difficult to eliminate.

The success of AMOSUP in providing jobs has ensured the dominance of the seafaring labour market by Filipinos, and skewed the labour market for seafarers to the extent that 20 percent of seafarers working on FOC ships are Filipino. By operating as a dual employment agency and trade union it has raised several questions

The next chapter demonstrates how AMOSUP works with various organs of the Philippine state to market and secure employment for its membership.

about the credibility of such a dual structure to effectively service its membership. Although its success in supplying seafarers to a global market remains evident, AMOSUP has institutionalised labour contracting for seafarers within a trade union structure.

Filipino labour analyst, Josua Mata, offered the following observations about AMOSUP:

"...it's difficult to set up a new union to challenge AMOSUP. Because the seafarers union operates like a franchise, AMOSUP has its franchise here in the Philippines. In any other union we try to set up a collective bargaining agreement with ship owners. So it's very hard to challenge AMOSUP, in that sense, because it has the franchise...Because the seafarers themselves, the union members themselves, do not have effective control over the unions. Nobody knows how much, how the funds are being used...So some seafarers would basically complain that they pay so much dues, in the end they get only what, a day or two in a hostel when they get back for free, hospitalization when they still have a contract, but after that no more. And so a lot of the people, a lot of the seafarers complain that they don't feel they get what they deserve after paying so much. In a sense it is a labour broker and a business monopoly. So much so that it's difficult to set up a new type of union to challenge it."²⁹

Despite the patronage system and many allegations of corruption and mismanagement against AMOSUP³⁰ the evidence indicates that unionised seafarers are better paid than their non-unionised counterparts. Seafarers on the whole

²⁹ Interview, Labour, Education and Resource Network researcher, Manila, Philippines: March 2004.

³⁰ These allegations are chiefly made by seafaring Non-Governmental Organisation officials, labour activists, academics and seafarers themselves. The corruption allegations revolve around the monthly union fees and patronage system of the union.

expressed ambiguous attitudes towards the services offered by AMOSUP. For example, some expressed satisfaction with the services offered by the union:

"The first union that I joined was AMOSUP when I was only 27. I am still a member at the present and it helps by the free hospitalization that can be availed by my family from it. I also received a refund from AMOSUP. Now though, I know that there are some problems faced by other sailors with refunding their money to AMOSUP due to the policy implemented that a seaman can now only refund his money if he becomes an inactive member for 2 years or if he is already 50 years old."

The wages negotiated for AMOSUP members are clearly higher for unionised workers as demonstrated by Table 5.1. This is an outcome of twin processes. Firstly, its unique style of recruiting members for employment and secondly, consolidating its global ability to monitor the wage and working conditions of its membership through its (albeit sometimes troubled relationship) with the ITF.

³¹ Interview, Seafarer 1, Manila, Philippines: February 2004

Table 6.1: ITF/AMOSUP Rates Compared with SIRC's Findings of Filipino Seafarers (2003): n=362

Rank	ITF/AMOSUP \$	Non-Unionised \$
Master	4080	2977
Chief Engineer	3721	2765
Chief Officer	2679	2300
2 nd Officer	2171	1795
2 ⁿ Engineer	2171	1541
3 rd Engineer	2096	1729
Electrician	1885	1552
Bosun	1438	1234
Cook	1438	1153
AB	1300	1001
Mess Steward	1126	841
OS	999	757

Source: Amante, (2003:84)

In my limited survey of forty Filipino seafarers, only four seafarers indicated they were not unionised but all worked on vessels that were unionised. In other words, whilst individuals may not be affiliated to a specific union, the actual vessel would have signed a collective agreement with the ITF to pay an agreed upon ITF wage to all seafarers working on that specific vessel. The pay differential between AMOSUP unionised workers and seafarers that are not unionised is often as high as 15 percent at the lowest level of rank (rating) and 25 percent amongst the highest level (senior officers).

The above foray into the dynamics of the organising of Filipino seafarers by AMOSUP demonstrates a culture of organising workers that is different from that of the SATAWU or British seafaring trade unions. However different it may be, it remains a highly successful method of recruitment and employment of Filipino seafarers. The union ensures that its membership continues to receive higher wages than their non-unionised counterparts. These high wages remain an anomaly in the so-called race to the bottom that characterises much of the debate on global capitalism and global labour markets.³² Combined with high wages is the ability of AMOSUP through its affiliation to the ITF to monitor the working conditions of its membership globally. Questionable as AMOSUP's strategies and policies may be, they have consolidated their power both locally and globally as a union. The union remains the most powerful ITF seafaring affiliate, and the often competing interests of these to labour organisations result in conflict over organisational cultures and their respective ethos of organising workers. Most of the ITF's fees come from AMOSUP and AMOSUP has the largest voting bloc of any seafaring affiliate. The core conflict between these two labour organisations is the interest of the Filipino union in job security over high wages, and the ITF's constant wage push, that AMOSUP argues could easily overprice Filipino seafarers in favour of cheaper nationalities like Chinese seafarers. This conflict and its influence on the labour market for seafarers is the subject of the next section. Suffice to say that both the ITF and AMOSUP have effectively countered shipping capital's attempt to source cheap flexible labour through a strategy of FOC shipping.

AMOSUP, through a range of tactics, ensures that there exists a powerful (new) class of organised Filipino seafarers. This class has been able to challenge the ITF's alleged imperialism on a global stage and influence both labour and government debates on seafaring labour and shipping policy. Further, AMOSUP does not practice a traditional adversarial relationship with employers. Its executive remains close to

See Standing, (1999) and Silver (2003) for more on the 'race to the bottom' thesis.

both crewing managers and employers and views them as partners in ensuring the dominance of Filipino seafarers in the global labour market. This strategy, which is often at the expense of other nationalities of seafarers, challenges the conventional understanding that it is only capital that creates uneven development of labour markets. Workers themselves often do so on a global scale by actively inserting themselves as competitors against other workers. The case of AMOSUP indicates that it is not only shipping capital that believes that workers of the world should compete. The following section provides some discussion on this.

6.5 The ITF and AMOSUP: Globally High Wages versus Local Employment Security?

The ITF has a sometimes uneasy relationship with one of its largest affiliates, AMOSUP, as I discovered during my fieldwork. Arriving in Manila in 2004, with the intention of conducting several interviews with key stakeholders in the maritime industry, I was surprised to find that there was no ITF officer or office in Manila or the Philippines. I confirmed this with the ITF head office in London via email as well as with several emails and phone calls to other Manila-based labour organisations. This raised some interesting questions for me, such as:

1. Why is there no ITF representation or inspectorate in the world's main seafaring labour supplying country?
2. How did this come to be?
3. Given that AMOSUP is the most powerful seafaring affiliate of the ITF, with a membership of approximately 60 000 active seafarers, who by implication of the affiliation are also ITF members, is the lack of an office not a disservice by the ITF and AMOSUP to its membership?

My attempts to answer these questions revealed that there had been no ITF presence in Manila until 1998. An ITF-FOC office was opened in Manila in 1998 and headed

by Susan Cueva. The office, according to various reports by seafarers and labour Non-Governmental Organisations (NGOs) I interviewed, was immensely successful at servicing seafarers on FOC vessels. From 1998 to 2002 it dealt with hundreds of cases of abuse of Filipino seafarers by FOC ships, crewing agencies and even unions.³³ Exact figures are difficult to come by but, according to a source at the ITF, the office handled 367 occupational health and safety claims in the period 1998-2002. By the time of its closure in 2002, there were over 700 more cases waiting to be processed, "with the possibility of FOC unfair labour practice claims doubling exponentially every year."³⁴ Maritime lawyer and seafarer labour activist Edwin Dela Cruz described the closure to me as a "sudden, very surprising and untimely closure of the ITF office in Manila." The office was closed and Susan Cueva relocated to the ITF headquarters in London.

The closure of the office was not announced on the ITF website or mentioned in any brochures or bulletins that I could locate during the course of my research in the Philippines. Interviews with key informants in Manila revealed that the sudden and surprising closure of the ITF office left many seafarers in a limbo regarding the status of their various complaints and issues. Further probing through interviews with the ITF, seafaring labour activists and academics revealed that the ITF office was shut down at the request of Gregoria Oca, president of AMOSUP.³⁶ AMOSUP drew on the ITF constitution as a tactic to make its request for the closure of the office. The ITF constitution assigns a numerical value or weight to the vote of its executive members that is calculated based on the number of members a particular affiliate has. The ITF executive comprises 38 members, 37 being unions, and one being the general secretary. The executive board meets twice a year to discuss a range of issues from logistics to administrative. The number of votes allowed to an affiliate is

Interview, Dela Cruz, Manila, Philippines: January 2004.

Interview, ITF Official, London, United Kingdom: February 2005.

Interview, Dela Cruz, Manila, Philippines: January 2004.

Incidentally, Oca has been president of AMOSUP since 1960.

determined by a ratio of paid up memberships. For every 1 000 members (calculated to the nearest thousand) that an affiliate has, it is allowed one vote. With AMOSUP's paid up membership of over fifty five thousand it is entitled to fifty votes. At the 2002 ITF Congress which is held every four years, AMOSUP lobbied and used its considerable voting power to close the Manila ITF office down.³⁷

The tensions between the federation and the union revolved around the issue of wages and issues of organisational democracy. The first source of the fracture was wages. AMOSUP felt that the 2001 wage rates demanded by the ITF were too high. The ITF monthly benchmark pay for seafarers (AB position) in 2002 was US\$ 1 250. This rate applied to all seafarers covered by agreements between shipping employers and unions affiliated with the ITF. AMOSUP declared this to be too expensive and made clear that the union would only charge employers US\$1 200.³⁸ The decision to suspend implementation of the new benchmark wage was prompted by a resolution filed by Captain Gregorio S. Oca, president of the ITF affiliate, AMOSUP, which called for a temporary freeze of the scheduled increase. Oca said that a further increase in the wage of Filipino seafarers would render Philippine labour more expensive and less competitive in relation to seafarers from other Asian countries. A US\$50 increase would price Filipino seafarers out of the market. He stressed that he prefers security of employment for Filipino seafarers rather than the increase.³⁹

The second source of tension appears to be that the Manila ITF officer was overstepping her mandate to service AMOSUP members only. The ITF office was extending its services to include non-unionised seafarers and non-AMOSUP unionised seafarers. The office was also involved in a series of investigations concerning occupational health and safety violations against FOC shipping and ere wing companies. The office was further investigating a number of corrupt

³⁷ Interview, Former Manila ITF Officer, London, United Kingdom: March 2005.

³⁸ Interview, AMOSUP Official, Manila, Philippines: January 2004.

³⁹ Interview, AMOSUP Official, Manila, Philippines: January 2004.

practices against AMOSUP. These practices include the monthly membership fees demanded by AMOSUP, the nominal membership of seafarers, i.e. members for only as long as contract is valid, which may range from 6 to 12 months only, and lack of transparency regarding spending of seafarers funds. Perhaps the "biggest itch for the ITF office to scratch" was that AMOSUP refused to boycott FOC ships blacklisted by the ITF and continued to supply them with seafarers.⁴⁰ The union also overlooked a range of occupational health and safety violations in order not to jeopardise future employment of seafarers on these vessels. The exact details of these practices remain vague, and my respondents were not too eager to linger or discuss them. A common theme from my informants was that this was a deeply fractious time in the relationship between the ITF and its leading affiliate.

The threat posed by the ITF Manila office as perceived by AMOSUP reveals the tensions between global regulatory practices of the federation and national labour practices and needs of national unions. As demonstrated in the section on SATAWU, the ITF and SATAWU often have blurred boundaries between them, frequently acting as a single entity in servicing seafarers. The Philippine case demonstrates a need for clear boundaries between these two organisations in order for the national union to feel it can operate effectively. For the ITF, the office was a means of monitoring the undemocratic AMOSUP practices in dealing with its membership as well as engaging in standard federation practice to maintain a presence in a large seafaring port.⁴¹

The continuing relationship of AMOSUP with the ITF is based on the premise that the seafaring working class is a not a homogenous entity that may not have competing class interests for wages and work. These competing class interests can often come to a head as demonstrated above, and lead to serious divisions in working class organisations and labour markets. That the Philippine union is willing to market

⁴⁰ Personal correspondence, former ITF Manila Officer, July 2005.

⁴¹ Interview, MARINA Official, Manila, Philippines: March 2004.

its members at less than federation rates, and have them work on vessels that are not monitored by the ITF to ensure Philippine dominance of the seafaring labour market accounts in some part for the dominance of Filipino seafarers of the labour market. The union negotiates carefully between the alleged imperialism of the transport federation and the solidarity that it offers. It is in this negotiation that both organisations influence the restructuring of the global labour market for seafarers.

6.6 Unionising British Seafarers

This section considers the impact that the rapid decline in British seafaring jobs and the inability of British unions to reverse this decline has had on the labour market for British seafarers. The decimation of the British seafaring working class from 90 000 in 1970 to 9 320 ratings in 2005 (Glen, 2005:10) is remarkable. Of the 9 320 ratings, 4 350 work on cruise ships, 3 610 are deck officers on inter-island ferries, 820 are engine room ratings on inter-island ferries and 530 are general purpose or technical ratings on vessels that ply coastal routes and inland waterways. There are no certified British ratings that work on FOC merchant navy vessels.⁴² The trend is the same for British officers and is of some concern to British trade unions. The number of employed British officers declined from 38 000 in 1970 to 13 240 in 2005. Of these officers, 2 118 work on shore based maritime jobs, reducing the number of British officers that are employed on merchant navy vessels to 11 122. Projections made by the United Kingdom Department of Transport and the British Chamber of Shipping indicate that this decline will continue with both the percentage of employed United Kingdom officers declining by 50 percent in 2021 (Glen, 2005:47).

There are three key trade unions that represent seafarers in the United Kingdom. These are the Transport General Workers Union (TGWU), the National Union of Marine, Aviation and Shipping Transport Officers (NUMAST) and the National Union of Rail, Maritime and Transport Workers (RMT). Of these, the TGWU only represents ratings on inland waterways and some domestic shipping routes and ferries. Its merchant navy rating membership has completely faded away. The RMT represents a higher number of United Kingdom ratings on United Kingdom flagged merchant vessels, domestic and coastal ships. NUMAST has the largest seafarer membership in the United Kingdom and arguably the only significant membership that serves on merchant navy vessels, both United Kingdom flagged and FOC vessels. Whilst concerned with employment and training issues facing ratings, its primary maritime sector goal is to service its 13 000 (as of 2005) strong officer membership.⁴³ All three unions are affiliated to the British Trade Union Council and the ITF.

Once considered the bread and butter membership, ratings have become a less strategic membership to service. Similar to SATAWU, the RMT and the TGWU concentrate on the non deep ocean going transport workers. This is not to say that the RMT and the TGWU have not engaged in plans of action in an attempt to reverse this decline. Their attempts however have met with very limited successes. Similarly NUMAST has seen its membership decline, though not as rapidly as the decline of ratings memberships for RMT and the TGWU.

6.6.1 Strategies of the National Union of Marine, Aviation and Shipping Transport Officers (NUMAST)

In 2005 the NUMAST total maritime membership was 19 000⁴⁴ strong. This consisted of shipmasters, officers, cadets and other staff serving in the United Kingdom and international fleets and those working on shore based maritime jobs. This includes workers operating on oil rigs, marine pilots, harbour masters, vessel traffic services and superintendents. Membership of the union experienced a decline from 1945 when the first United Kingdom ships began to be flagged out. However its sharpest decline in membership occurred from 1970, with the institutionalisation of FOC shipping and the sourcing of crews from outside the United Kingdom.⁴⁵ Apart from traditional trade union services such as legal services, occupational health and safety issues, the union sees its key goals as threefold:

1. To maintain its current membership base.
2. To maintain the wage rates of its membership that reflects accurately their skill and status on both United Kingdom and foreign flagged vessels.
3. To reverse the decline of British officers in the merchant navy and hence grow its membership base.

(NUMAST Brochure, 2005)

It has had limited success in achieving a complete reversal of declining numbers of British seafarers. The union's most important victory to date was its role as campaigner for a tonnage tax scheme to be introduced in the British shipping industry. As a lobbyist, the union engaged in a number of research projects to submit as reports to the United Kingdom government on the dangers of a decline in active

The figure of 19 000 includes officers, and other maritime professionals. The union was not forthcoming in disaggregating this figure to reveal exactly how many of the 19 000 are sea based officers as opposed to shore based maritime staff. What is clear though is the devastation of British seafaring jobs since the 1970s.

Interview, NUMAST Official, London: January 2005.

seafarers. The most famous (and perhaps alarmist) of these submissions is the report, *Wither the Fourth Arm: the decline of United Kingdom seafarers and its implication for naval defence*. The report argues that if the current decline is not reversed, the United Kingdom may not have an adequately trained pool of seafarers to engage in maritime defence manoeuvres. By using and invoking national pride and patriotism as well as marshalling a wealth of empirical evidence on why this reversal of fortune should occur, NUMAST contributed significantly as a stake holder in the campaign for a tonnage tax scheme in the United Kingdom. My sense from my interviews with the British trade unions was that there is very much an emotive appeal to the idea of Britain's imperial past and success as a maritime nation. The protection of nation and nationhood comes across quite strongly. In an industry where ethnicity, race and nationality seem especially important in terms of perceptions of skill and wages, there is a sense that British unions find it difficult to understand why British seafarers that come from an imperial maritime heritage are now being marginalised by a new kind of global economic imperialism and rationale. My interpretation is that the loss of historical privilege is quite an emotive one for British seafarers and their unions to grasp. NUMAST, in an attempt to counteract the loss of seafaring jobs, served as a key labour stakeholder in the drafting of the initial government investigation into the introduction of the tonnage tax scheme as outlined in the 1998 document, *Chartering a new course*.

An innovative strategy of the union to address the unemployment of ratings and the decline of officers is to upgrade rating qualifications to officer qualifications. This approach takes cognisance of the fact that whilst the labour market for British seafarers is declining, British officers still have easier access to work as officers on international vessels than British ratings. Shipping companies are more amenable to hiring British officers than ratings. The union actively campaigns at tertiary institutions for new cadets to be trained and employed since new cadets will provide the new membership for the union. However it does not restrict its recruitment campaign to younger cadets. The union also actively encourages more mature cadets

to enrol in nautical school. Some of these cadets are well into their forties. The NUMAST general secretary admitted that these various campaigns by the union have met with very little success, and by early 2007 the union had shed 2 000 maritime officer members.⁴⁷ The outlook for a reversal of British seafaring fortunes is bleak.

6.6.2 The National Union of Rail, Maritime and Transport Workers (RMT)

The RMT describes itself as a "progressive, democratic and highly professional trade union" (www.rtrl.org)- It has a membership of 73 000 transport workers, with the bulk composed of railway, bus and road freight sectors. Its rating membership is 4320 although none of its rating membership is employed on merchant navy vessels. Despite this the union, like its officer counterpart NUMAST, is an active campaigner and lobbyist for ratings and officers jobs in the United Kingdom. This is part of its strategy to revitalise its merchant navy rating membership. It plays an instrumental role in the development of United Kingdom fiscal shipping and seafarer training policy. It widely publicises the plight of United Kingdom seafarers amongst the British public and campaigned for MPs to sign Early Day Motion 200 in 2005 which called for a training and employment link for seafaring officers and ratings. As of the 24 May 2005, 93 MPs had signed the motion. The key points of the motion acknowledged that:

"...this house is deeply concerned that the total number of United Kingdom seafaring ratings has declined from 30 000 ratings in 1980 to less than 5 000 in 2004; notes that the proportion of United Kingdom officers is also declining and has fallen by more than 27% in the last three years; regrets that the decline has continued despite the Government's tonnage tax scheme..."

Interview, NUMAST Official, London: January 2005.

Personal correspondence, NUMAST Official 2: March 2007.

In 2005, the RMT produced a report entitled *Employment opportunities for United Kingdom Ratings*. The report was a response to the increasingly futile attempt to garner employment for United Kingdom ratings in the merchant navy. The report suggested a range of alternate employment opportunities for United Kingdom ratings outside the merchant navy. These include securing jobs in:

1. The cruise industry sector.
2. Jobs aboard fast craft, i.e. fast ferries.
3. Offshore maritime jobs such as dynamic positioning officers, cargo storage and loading of containers are some of the offshore jobs suggested by the union. Diving support, refueling of offshore maritime helicopters, helicopter navigation, rigging work are further examples of jobs that could be undertaken by ratings in this sector.

Both NUMAST and the RMT, despite successfully campaigning at a national level for the United Kingdom government to introduce a tonnage tax, improve grants to United Kingdom shipping companies for training of ratings and officers, introduce grants to upgrade ratings to officers and even limited measures to introduce the transfer of cargo from roads to water, have not managed to reverse the decline of the pool of British seafarers.

6.6.3 NUMAST and RMT Strategies Within the ITF

NUMAST works closely with the RMT and the ITF structures to achieve its aims of creating more jobs, especially sea based jobs, for British seafarers. Together with the RMT they have campaigned for direct labour subsidies for the training of United Kingdom seafarers and tonnage tax. Both unions have successfully worked with each other and planned strategy together on the United Kingdom's Shipping Task Force Working group and, to quote a RMT official, "...made countless representations to

government about the seriousness of the seafaring employment issue." Both unions remain vociferous supporters of the ITF's FOC campaign.

At a national level both these organisations engage with British shipping capital and the British labour market institutions of the British state to spearhead their campaign to create jobs for British seafarers. These include involvement in a number of domestic fiscal, training and transport policy initiatives. At a global level these unions are more inclined to draw on their affiliation to the ITF. For these unions the ITF FOC campaign and its larger campaign for global labour solidarity is a means for addressing the current crisis of job losses for British seafarers. The unions however express some disquiet in how this solidarity is practiced arguing that the solidarity seems to be unevenly focused.

As one RMT official commented:

"...the weakness of the solidarity campaign is that it only seems to concern issues facing seafarers from developing countries and that there is a definite bias against seafarers from developed countries like the United Kingdom..."⁴⁹

There is also a painful recognition that domestic strategies are failing and that the unions are becoming increasingly demoralised as they observe the lacklustre response to their various national campaigning plans. For the RMT, there are 68 000 workers in transport sectors outside its ratings membership that it needs to service. NUMAST is experiencing a steady growth in its shore based maritime membership. As these membership trends develop over the next decade, it may mean that servicing officers and ratings in the merchant navy become less of a priority for these organisations. It is against this background of frustration with domestic projects that the unions have taken their campaign to a more global level with the ITF.

⁴⁸ Interview, RMT Official, London, United Kingdom: January 2005.

⁴⁹ Interview, RMT Official, London, United Kingdom: January 2005.

A proposal made by both unions to the ITF in 2004 was for the federation to consider a quota system for British ratings on FOC ships. This quota system would be monitored and implemented by the ITF. Ships that are under ITF collective agreements would then have to employ a specified number of British ratings, or face ITF penalties for not doing so. The two British unions contend that such a policy does not have to fall outside the ambit of global solidarity as practiced by the ITF. As one union official said to me:

"We will die...an entire generation lost. The ITF is our last great hope to help us in our time of need...I think we just want a fair shot at making sure our seafarers have jobs and an equal shot. Yes they are more expensive as you have said, but the ITF can enforce a quota system. That way, ship owners have to hire us, even if we are more expensive. This is an issue of equity not money. We won't take away jobs from our brothers from around the world. We were there for them when we were strong. You know if it does not happen now, then we will also lose the remaining workers that we have in our ferry sector."⁵⁰

The motion for a quota system was tabled at the 2006 ITF Congress in Durban, South Africa. The motion was denied, with AMOSUP leading the vote to quash it.

6.7 Conclusion

The main purpose of this chapter was to examine and assess the role of the ITF, AMOSUP, SATAWU, and NUMAST in influencing the restructuring of the labour market for seafarers. The first way in which organised seafaring labour has impacted on labour market restructuring is through the ITF's global strategies. The chapter contended that shipping capital's attempt to flexibilise seafaring labour along a wage

In a move that could see even more of the remaining British ratings jobs being lost, United Kingdom ferry services are threatening to flag out, and hire foreign, cheaper crew. This would see a decimation of ratings jobs. Irish ferries have already begun to flag out since 2005.

dimension by fiercely increasing competition amongst seafarers (and engaging in the notorious 'race to the bottom') is not universally achieved due to the global unified force presented by the ITF. An unintended consequence for shipping companies is that, as their strategies decimated seafaring working classes from the United Kingdom and South Africa, it simultaneously created new powerful seafaring working classes and working class organisations most notably in the Philippines and gave further impetus to existing working class organisations like the ITF to engage in campaigns of global solidarity. The more powerful these working class organisations become, the more they are able to influence the restructuring of this labour market. The power of these working class organisations such as the ITF is demonstrated by the continuing high wages and safe working conditions that unionised seafarers enjoy. This in itself is remarkable given that most globalising working class labour markets have experienced a decline in wages and working conditions, and the dilution of the power of trade unions. The relative success of national seafaring trade unions to secure and maintain high wages and good working conditions of a global workforce is, in most part, a result of a strategy of global solidarity with the ITF. However, as we have seen, these relationships of solidarity are not unproblematic.

Secondly, the chapter argues that South African seafarers have in the main been marginalised from the global labour market for seafarers. SATAWU has not engaged in any meaningful strategies to impact significantly on the positioning of South African seafarers in the global restructuring of the seafaring labour market. The union instead focuses on the numerically more significant membership it has in other sectors. The union's services to seafarers are almost exclusively defined by the ITF's function in inspecting vessels and setting of wages levels. At a national level, the union works in partnership with state labour market institutions to address the racialised nature of the seafaring labour market in South Africa. SATAWU's concern with achieving racial employment equity amongst seafarers defines its main strategy

for its seafaring membership.⁵¹ This focus on affirmative action means the union's 'strategies' are very parochial when compared to the strategies of their Filipino and British counterparts that are intent on both growing their memberships and finding employment for them in the global labour market. A consequence of SATAWU's failure to engage creatively with changes in the shipping industry and its attendant labour markets at a global level is the marginalisation of South African seafarers from the global labour market. South African seafarers will continue to decline in numbers if no active policy is implemented by the union to reverse this decline.

Thirdly for the Filipino union, AMOSUP, there is active engagement with its membership, the global shipping industry and institutions of the Filipino state. This engagement is geared towards the employment and growth of Filipino seafarers. Moreover the union is interested in gaining a competitive edge for its membership given the global nature of the labour market it participates in. This competitive edge has resulted in Filipino seafarers dominating the global labour market. The union has negotiated the thin line between lowering wages without forcing its membership into a 'race to the bottom' for wages. AMOSUP further draws on the strengths of the ITF resources but is simultaneously selective of which ITF mandates it abides by in order to maintain the competitive edge in the labour market for its membership. Even when the Filipino union is globally and deploying global strategies it is acting in its own national interests. Results of the union's initiatives are that Filipinos now constitute up to 20 percent of the global labour market for seafarers, they are in demand because of the ways in which the union uses its relationship with shipping companies, crewing agencies and Filipino state agencies to market their memberships skill, ability to speak English and willingness to work for less than ITF mandated wages. The union is active at every stage of recruitment and employment of seafarers in the Philippines. At a global level the union has not abdicated its power to the ITF but rather draws on ITF resources to maintain the competitive edge of its membership.

⁵¹ This argument will be amplified in the next chapter.

Finally, for British seafaring unions, despite engaging in several strategies to reverse the decline in employment of its membership in the global labour market, there is no significant result of these strategies impacting on the position of British seafarers in the global labour market. For the RMT, its ratings membership is being deployed to working on coastal and ferry services. It seems unlikely that British ratings will sail on deep ocean going vessels at all unless they develop a competitive edge like their Filipino counterparts which may involve working for cheaper (non ITF wages). Such a strategy remains an anathema to both the RMT and NUMAST and seems unlikely to be suggested as a strategy.⁵² The pool of British officers will continue to age and decline in numbers giving more employment opportunities to officers from the Far East. The profession is not attracting sufficiently large numbers of ratings or officers to reverse the decline of British seafarers or pose a threat to the newer nationalities that are dominating the seafaring labour market. Despite some valiant efforts by both the dominant British seafaring unions, it remains unlikely that their efforts will impact on the current nature of the seafaring labour market. A key marker of changes to the contemporary labour market will be the rapid decline of Britain as a major seafaring nation.

What does emerge from my discussion is that unions like AMOSUP that are willing to engage with both local and global conditions and sometimes make difficult decisions to ensure the competitive edge of their members impact the most on the restructuring of labour markets. Unions unwilling or unable to do this because of their focus on more local or parochial concerns make little impact in the global labour market as evidenced by SATAWU, RMT and NUMAST. Chapter four examined the ways in which the labour market has restructured for seafarers; chapter five examined the role of transnational shipping finance capital as a transformer of the global labour market for seafarers. Chapter six demonstrated the role of organised labour in shaping these labour markets. The next chapter examines the role of institutions of the South

Interview, ITF, London, United Kingdom: February 2005.

African, Filipino and British states in shaping the nature of these seafaring labour markets.

Chapter Seven

The Role of State Institutions in Shaping the Labour Market for Seafarers

7.1 Introduction

This chapter aims to answer the question 'What other labour market institutions contribute to this restructuring (of seafaring labour markets)?' In answering this question this chapter argues that whilst changes in the shipping industry and its labour market have occurred globally and despite the tendency to view these changes as being primarily precipitated by global shifts in the shipping industry, the state institutions are still significant players in shaping processes of capitalism and labour market restructuring. This line of argument also supports Standing's (1999) argument that labour markets are more complex than a market for lemons and that labour markets are imbued with institutional arrangements. The chapter contends that unique social, political and economic contexts in South Africa, the Philippines and the United Kingdom have interacted with the more global developments in the shipping industry, resulting in unique configurations of state institutions that service seafarers in these countries. The works of these state institutions have had differential outcomes for seafaring labour markets in the three countries investigated. State institutions of these three places (as captured by the processes mentioned above) that service seafarers have developed strategies distinctive from each other that have resulted in a diverse set of outcomes for South African, Filipino and British seafarers in the labour market.

The chapter demonstrates this argument by empirically examining the different ways in which state sponsored institutions that service seafarers have impacted on labour market change and restructuring. In the section on the Philippines, the focus is on the Philippine Overseas Employment Agency (POEA), the Maritime Industry Authority (MARINA) and the Maritime Training Council (MTC). The South African case examines the Sector Education and Training Authority (SETA), the Transport Education and Training Authority (TETA), and the South African Maritime Safety Authority (SAMSA). The example of Britain investigates the role of the Maritime and Coast Guard Agency and the Department of the Environment, Transport and the Regions (DETR) with a specific focus on the workings of the Shipping Working Group Sector in the DETR.

7.2 The State¹

This section consist of three arguments. Firstly I provide a brief argument of what I conceive the state to be, secondly I contend that state institutions are purveyors and managers of globalisation and global capitalism and thirdly I argue that there are three reasons why an analysis of state institutions are vital to understanding the restructuring of the global labour market for seafarers.

Much of the work on theorising the state in a global capitalist economy is dichotomous. The state is either conceived as a "power container"² (Jessop, 2002: 109) that is bounded within discrete territory or as a borderless state which is the victim of unregulated control mechanisms. These dichotomies dominate the literature on globalisation, capitalism and political sociology. The initial critique of the 'power container' thesis is perhaps obvious, but is still an essential

¹ The theme of the capitalist state runs through Chapter Two. This section serves to make some of those ideas more explicit.

² This "power container" may consist of a state's industrial districts, global cities and regional or national capitalisms.

one to make. States are often active producers of globalisation frequently influencing and intervening in the way global labour markets, international politics and international movements operate. Thus the claim that there are impenetrable borders that restrain the state from intervening beyond these borders is false. Secondly, as Lester (2000) and Jessop (2002) contend, the state and its institutions reflect the myriad processes that form globalisation. Thus state institutions may actively seek to attract and protect foreign capital whilst simultaneously campaigning for its own national capital interests in foreign countries.

The state can also be seen as a set of political organisations that exert control over territory and people and engages in legislative, executive, military and policing activities. The state can execute legitimate violence within its territory to maintain order. States can also extract resources from their populations and are often in competition with other states as they seek territorial expansion for their markets. Following Jessop, I add to this definition by contending that the state is also a container of contradictions. According to Jessop (2001:167) the state:

"...is a site of paradox. It is just one institutional ensemble among others within a social formation; on the other, it is peculiarly charged with overall responsibility for maintaining the cohesion of the social formation of which it is a part. It's a paradoxical position as both part and whole of society means that it is continually called upon by diverse social forces to resolve society's problems and is equally doomed to generate 'state failure' since so many of society's problems lie well beyond its control and can even be aggravated by attempted intervention."

Drawing on the Weberian idea of the state, and studying its institutions as well as its paradoxical efforts to simultaneously produce globalisation and manage it, I

³ See Gross, 1985 for more on how the state reorganises time and space in the global economy.

limit my discussion to the role of state institutions of the Philippines, South Africa and the United Kingdom and their contribution to the changing nature of seafaring labour markets.⁴ Implicit in my arguments about the state and its institutions is the notion that they operate within a mostly global neo-liberal context. Neo-liberalism has significantly influenced the ways in which states operate. A neo-liberal agenda biases state policy and operations to (de Dios & Hutchcroft, 2003):

1. The liberalisation and deregulation of economic transactions especially across global borders.
2. The privatisation of state-owned enterprises and state-provided services.
3. Constructing public welfare spending as a cost of international production as opposed to a source of domestic demand.

Advocates of the neo-liberal state see state intervention as epitomised by the Keynesian National Welfare State as an antithesis to the type of intervention it advocates. The neo-liberal state intervenes as a means to practice new forms of governance that are more in line with the market-led globalising economy (Golding, 1992). National states' governance of seafaring labour markets involves the creation of state institutions at various scales. In theory, the purpose of these institutions is to ensure the effective functioning of their national seafaring labour markets. These institutions may also promote their national workers by promoting supply side competitiveness as Jessop (2002b) suggests, particularly at a global level, though not restricted to it. The state in essence transfers its capacities to these institutions. A key feature of these institutions is a focus on forming strategic partnerships with various stakeholders. For state sponsored seafaring institutions, these may include partnerships with trade unions, shipping companies, providers of seafarers' training and education, global seafaring regulatory bodies such as the International Maritime

⁴ An insightful and comprehensive discussion on the development of the ways in which states are theorised is provided by Jessop (2001). Jessop's discussion runs the gamut from Marxist concepts of the state to feminist conceptions of the state. See also Sassoon (1985), Smart (1986), Golding (1992) and Lester (2000) for more on the different theoretical streams used in analysing states.

Organisation (IMO). As Williamson (2000) and Jessop (2002b) note, an irony of the neo-liberal project is the practice of more state intervention in the hope of balancing "economic and social policy so that the neo-liberal world market can function more effectively" (Jessop, 2002b:454).⁵

There are three reasons why I consider a discussion on the role of state institutions to be important for this chapter and thesis. Firstly, capitalism and the capital-labour relationship on which it is built cannot be reproduced purely through market relations. Both, according to Jessop (2002a: 11) require:

"...supplementary modes of reproduction, regulation and governance
- including those provided in part through the operation of the state".

Secondly, Jessop (2002a: 11) contends that since labour power is essentially a fictitious commodity it cannot be reproduced only through the wage form and labour market. It requires a range of non-market agents such as state institutions to contribute to the functioning of capitalism and capitalist markets. As capitalism develops, different organisations and institutions emerge that communicate and represent its particular moment of contradiction and crisis. In terms of the development of transnational neo-liberal capitalism and the transformation of the seafaring labour market, some of these organisations are global in scope, such as the International Maritime Organisation (IMO), the International Labour Organisation (ILO), the International Transport Federation (ITF) and the International Shipping Federation (ISF). On a more national level, state seafaring institutions have developed to express this particular moment of transformation of seafaring labour markets within a transnational capitalist economy.

Thirdly, to borrow from Boyer and Hollingsworth (1994), the idea of conflating the state to protecting market related interests is problematic. This may happen but the state engages in a range of non market-related activities. Capitalism is not

⁵ Neo-liberals contend that the paradoxical call for more state intervention is a stop gap measure to ensure a level playing field in world markets, after which the neo-liberal state can revert to playing a minimal role. This minimal role will be restricted to expanding the neo-liberal project both politically and economically (Williamson, 2000).

a thing, but instead, as Marx claimed, it is a social relation. Its social relations are with non and extra economic systems. It is the relationship between the capitalist system and other systems that are at the root of capital's tensions and instability. It is in producing this tension that the possibility for actions by state institutions and organised labour to influence the organisation of capital occur. Without the political input of states, capitalist accumulation is not possible.

In summary, the capitalist state in its various forms, influences and shapes the various processes of globalisation, even though some may be more active in this process than others (For example the labour broking activities of the Filipino state). Their activities in this shaping include promoting deregulation, re-regulation, liberalisation, influencing the way in which finance capital is organised and promoting the uneven development of a range of markets including labour markets.⁶ So I borrow from Poulantzas (1979) and Gramsci⁷ (1971) and from Jessop's (2004:486) critiques of interpreting the state as a blunt apparatus of class power or as a "unified rational subject" as Harvey (1978) does. Instead I argue that to understand the state's role in shaping the labour market for seafarers we must examine the institutional forms that the state takes and how these institutions articulate their power and relationships with various seafaring stakeholders. Capitalism's moments of crises create different organisations and state (amongst other) institutions that communicate and represent its particular moment of contradiction and crisis. This makes possible an exploration of institutions of the state and the ways they contribute to influencing the reproduction and regulation of capital accumulation, which includes the regulation and transformation of labour markets.

⁶ For a complete list of activities that states engage in to shape globalising processes see Jessop, 2002:110.

⁷ Gramsci is perhaps the only Marxist theorist whose conceptualisation of state continues to generate contemporary interest especially since the 1990s. He focuses on a more disaggregated analysis of the state and its power relations rather than theorising it as a unified capitalist state.

7.3 The Philippine Overseas Employment Agency (POEA): Producing and Managing Global Labour Markets⁸

This section provides an example of an agency that is perhaps the quintessential example of how states can be purveyors of globalisation whilst also managing globalising processes. The central state institution that manages the country's labour migration system is the POEA.⁹ The POEA is instrumental in researching and developing overseas labour markets for Filipino workers. The agency is an outcome of a larger Philippine state project to export Filipino labour into global labour markets.¹⁰ It is through a state labour export policy of both land based and

Whilst this section focuses on the POEA as part of the Philippines state's post 1965 labour export policy as a strategy to market their citizen seafarers into a global labour market, Filipino seafarers were part of the global market (though in substantially fewer numbers than now) as part of the Spanish galleon trade. Centuries of Spanish colonialism removed agricultural workers from agricultural work and forced these workers into working on the highly lucrative galleon trade route. The subsequent American occupation further consolidated the training and experience of seafarers on war vessels. A post independent Philippines was to further spearhead training and development of Filipino seafarers. The most interesting and insightful analysis of Philippine colonial history I have read is provided by Karnow (1989) in his Pulitzer prize-winning book *In our own Image. America's Empire in the Philippines*. Legarda (1999) provides an equally stimulating account in his book, *After the Galleons. Foreign Trade, Economic Change and Entrepreneurship in nineteenth century Philippines*. The analysis provided by these two seminal works on the colonial project in the Philippines is beyond the scope of this thesis.

⁹ Given the onerous task of ensuring the success of the country's migrant labour policy, the division of labour of the POEA is divided across four offices and one support group. This helps the behemoth agency in regulating, monitoring recruitment activities of licensed recruitment agencies and ensuring the protection and well being of overseas workers. These sub divisions are The Pre-Employment Services Office (PSO), the Welfare and Employment Office (WEO), the Licensing and Regulation Office (LRO), the Adjudication Office (AO) and the Management Services Group.

Ferdinand Marcos came to power in the Philippines in 1965 after defeating Macapagal in the 1965 election. Marcos would rule from 1965 to 1986 with an iron fist before democracy was to be restored to the archipelago state. The Philippines were under martial law from 1972 to 1981 (Dejillas, 1994). Today both unemployment and underemployment remain high in the Philippines. Most of this is a consequence of the years of the Marcos dictatorship. The imposition of martial law from the 1970s resulted in increased state control of the economy and the management of the economy was essentially carried out by various presidential decrees and letters of instruction (Islam, 2000). Marcos advocated a labour export strategy. The labour export strategy spearheaded by the Marcos regime was designed to be a temporary strategy. For Marcos:

"For us, overseas employment addresses two major problems: unemployment and the balance of payments position. If these problems are met or at least partially resolved by contract migration, we also expect an increase in national savings and investment levels." (Marcos in Tigno, 2000:65).

Concomitant with Marcos's plan was the question of where to send Filipino workers. The mid-1970s witnessed a boom in the oil industries in the Middle East, most notably Saudi Arabia and

sea based workers¹¹, that the Philippine state through the POEA has managed to influence the nature of a range of global labour markets for its citizens. Filipinos have a significant presence in the global labour market for domestics, nurses and, for purposes of this thesis, seafarers. The agency's ambition for seafarers is to ensure that the comparative advantage and competitive edge of Filipino seafarers enjoy over other nationalities continues.

The agency recognises that there is a need globally for what Rodriguez (2005:2) refers to as "gendered and racialised flexible labourers". For example in chapters four and five, it was noted that shipping capital prefers to hire seafarers of specific nationalities, and even specific job rankings on ships. Most ratings are employed from developing world countries, and there is a clear preference for officers from Europe. Whilst merchant shipping is dominated by male seafarers, cruise shipping is dominated by female seafarers who are viewed as more 'suitable' for the leisure industry. Female seafarers on cruise ships are predominantly hired from developing world countries, thus gender intersects with race or nationality in that shipping sector, in much the same way as it does

the subsequent need for huge infrastructure to be constructed (Arnold and Shah, 1986). The new found wealth in the region further resulted in the rapid growth of a middle class and middle class affluence and consumer power. The first wave of Filipino migrants was therefore men employed in the oil construction business. The second wave of migrant workers to the Middle East was mainly Filipino women, who worked as nurses, domestics and in other service sector employment (Pinches, 2001). The 1980s saw Filipino migrant workers moving to Asia, working predominantly in the newly industrialised economies of Hong Kong, Malaysia, Singapore, South Korea, Taiwan and most recently to Japan (Ball, 1986; Battistella and Paganoni, 1992; Pinches, 2001:189).

¹¹ The POEA distinguishes between land based and sea based migrant workers but considers both groups to be migrant workers, hence the servicing of seafarers falls within their ambit.

¹² From 1984 to 1995, 6.3 million Filipinos were deployed by the state for overseas jobs. From 2003 to 2004 this number was 6.5 million, and almost 10 percent of the country's population worked outside the country (Tigno, 2003:65). It is estimated that overseas migrant workers are at least 15 percent of the 26 million strong Filipino labour force. In economic terms the recorded remittances were US\$ 103 000 in 1975, US\$ 4.88 billion in 1995 and US\$ 6.9 billion in 2002 (Tigno, 2003:66). The ILO suggests that remittances are more than 20 percent export earnings and form 4 percent of the Philippines GDP (Tigno, 2003:67). Remittances of seafarers in 2002 were US\$ 1 226 180 alone. This is the official figure supplied to me by the Philippine Overseas Employment Agency (POEA) in 2004 of regulated seafarers only. However the amount that seafarers contribute to the economy when measured by their investments in small businesses, spending and so on has been estimated by the Department of Labour and Employment (DOLE) and the POEA to be over US\$ 6 billion annually. This includes seafarers in the cruise industry as well.

in the merchant navy for male seafarers. Certain nationalities are perceived by ship owners as providing more value for money due to perceived characteristics such as obedience, passivity and ability to integrate. In response to this need by global capital, the Philippine state, for a range of economic and political reasons, has situated itself (however problematically) to be a global labour broker of flexible workers. As Rodriguez (2005:2) asserts:

"...the Philippine state has transformed the surplus labor of its citizens into a kind of 'comparative advantage'. The Philippine state has become a 'labor brokering state' that produces, distributes and regulates Philippine citizen-workers globally as a developmental strategy."¹³

It is precisely through a recognition of the needs of the global labour market for a certain type of worker that the POEA has impacted on the way the labour market has restructured for seafarers. It engages in the following strategies to ensure the comparative edge of its seafarer citizens in the labour market.

Firstly, the agency is in constant dialogue with global employers (these include shipping companies, ship management companies and the International Shipping Federation) of Filipino seafarers as a means of monitoring any issues that ship owners may raise about seafarers that are supplied via the POEA. Secondly, the agency also explores through a research function the possibility of securing new employment opportunities for its seafarers. These opportunities could arise when shipping companies are unhappy with their existing crews of other nationalities, or when shipping companies expand their operations and are looking to hire skilled but affordable crews. Part of this monitoring includes scanning for the

¹³ Whilst Rodriguez sees labour export policy as developmental, Filipino academics such as Talampas refer to it as 'an outsourced state' whilst for Bello (2004) the Philippine state is what he terms an anti-development state, citing its labour export policy as contributing to this anti-development status. Suffice to say that the transformation of the Philippine labour market was part of a threefold broader state policy of the Marcos regime during the 1970s and 1980s. The first tier of this policy centred on land reform issues, the second focused on gearing the Philippines to a more export orientated growth path and the third tier focused on creating a coordinated labour export policy initiative. This third tier was only supposed to be a temporary initiative.

rise of possible competition from other nationalities for jobs and markets already secured by Filipino workers. The POEA with its sophisticated network that connects it to the global shipping industry always has, to use a colloquialism, 'its ear to the ground' for potential employment opportunities and threats to employment opportunities for its seafarers. By constant monitoring it is able to circumvent these threats.¹⁴ Thirdly, the agency enjoys a close working relationship, however problematic, with the largest Filipino seafaring trade union, the Associated Maritime Officers and Seafarers Union of the Philippines (AMOSUP). Through a partnership with the union, the agency endorses and legitimises the union's labour brokering and 'hiring hall' practices by considering it an official partner in the marketing and employment of seafarers. As part of this function seafarers have to be officially certified and processed by the POEA before they can be legitimately employed. This bureaucratic process of certification also ensures that seafarers' remittances are channelled back to the Philippines with a portion going back to the state.¹⁵ It is through this close working relationship with AMOSUP towards a common goal of employment and maintenance of competitive edge over other nationalities, that the agency is instrumental in ensuring the significant presence of Filipino seafarers in the global labour market. Fourthly, the agency provides a set of skills training for its seafaring workforce that extends beyond maritime sailing skills. Crudely put

In 2004, interviews with Filipino crewing agencies and POEA officials revealed a growing concern that Chinese seafarers pose a significant threat to Filipino dominance of the global seafaring market. The agency has since launched a major research initiative to explore the veracity of such a threat, and has worked on a campaign to reposition Filipino seafarers in the global labour market. The POEA is now marketing its seafarers along a quality dimension as opposed to its previous strategy of marketing Filipino seamen as cheap flexible and passive labour. The possibility of a Chinese threat leads the agency to position its seafarers as experienced, well trained and educated with its workers being fluent in English (as opposed to Chinese seafarers). In 2007, the agency released a press statement that it would not call for a drop in Filipino wages due to the possibility of Chinese competition, but would begin to market Filipinos more aggressively to ship owners globally. My reading of the Chinese after reviewing the empirical evidence by Zhao (2004) and Wu (2006) as well as extensive discussions with Wu in 2005 is that it remains one very much constructed by the POEA to control and discipline its large seafaring workforce. A manufactured threat of possible replacement and unemployment may ensure that Filipino seamen become less 'difficult' in their relationship to their union, employer and the state. This ensures that the Philippines are able to supply the global need for passive, and non-rabble rouser workers.

¹⁵ Interview, POEA Official, Manila, Philippines: January 2004.

these skills 'socialise' seafarers into the demands of the global labour market. The training includes lessons on how to be an obedient worker¹⁶ in the shipping industry because obedience is equated with being a patriotic Filipino. The Filipino's Catholic religious heritage (making Filipino seamen quicker to integrate into western Christian cultures on board vessels) and English speaking ability (which translates into an ability to follow instructions competently) is aggressively marketed by the POEA, and to date has ensured that Filipinos maintain their employment advantage in the industry over other nationalities, particularly other nationalities from south east Asia. This type of socialisation into the global labour market has further ensured the POEA's ability to maintain a competitive edge of other 'less obedient' nationalities.

The POEA as an agency of the Philippine state is instrumental in sourcing new labour markets for seafarers, securing and monitoring these markets, as well as for providing a bureaucratic function in processing seafarers to ensure that the state is able to monitor them and their remittances. These remittances are essential to the country's revenue. To reiterate, the agency is an example of how states can be purveyors of globalisation whilst also managing globalising processes. However the POEA is tasked with servicing a range of land based and sea based workers.

To summarise, what began as a temporary solution in the 1970s becomes a permanent fixture post the Marcos administration and has defined the Philippine state as an outsourced state, an anti-development state and a service state (Bello 2004; Balisacan 2003). Walden Bello's (2003:9) observation and analysis of the

Marcos and subsequent regimes in the Philippines have manufactured the identities of overseas land and sea based workers as national heroes or "balikbayan" as a form of controlling dissent as well as manufacturing national pride and patriotism. This view is echoed most notably in the work of Battistella and Paganoni (1992), Alegado (1997), Gonzalez (1998), Pinches (2001) and Bello (2003). The thrust of their arguments is best captured by Pinches (2001:191) claim that:

"The massive exodus overseas of Filipino contract workers since the 1970s has largely been orchestrated by the Philippine state as a programme of economic development and political control."

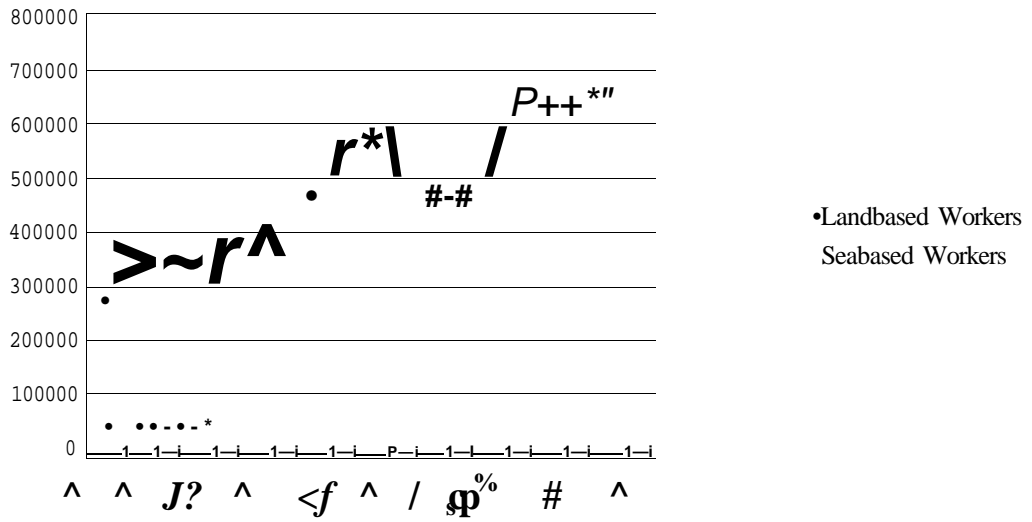
Philippine economy characterised it as "...the political economy of permanent crises".

The state and its institutions are firmly committed to ensuring the marketability and competitive edge of Filipino seafarers in the newly structured global labour market. The director of the POEA said that this is an active policy of the state:

"In 2002, institutional and individual awards were given during the International Employers Awards rites, the first under the Gloria Arroyo Administration. Most awardees were from the maritime industry. It was a long overdue recognition of the contribution of seafarers to employment generation. Seafarers are already well-known for their skills, there is very little that government should do to push their marketing. All government has to do is to ensure that seafarers do not lose in the sale of their skills. The Philippines is already a household name when it comes to the manning industry. Government must help enhance the potential and welfare of seafarers. In terms of their contract, their retirement benefits must be included, we must also improve their skills due to our desire to cope with the changes in technology compared with the other nationalities; Filipinos also possess dynamic personalities - they can easily adapt to other cultures. But our foremost advantage is our fluency in the English language and our ability to adapt to other languages."

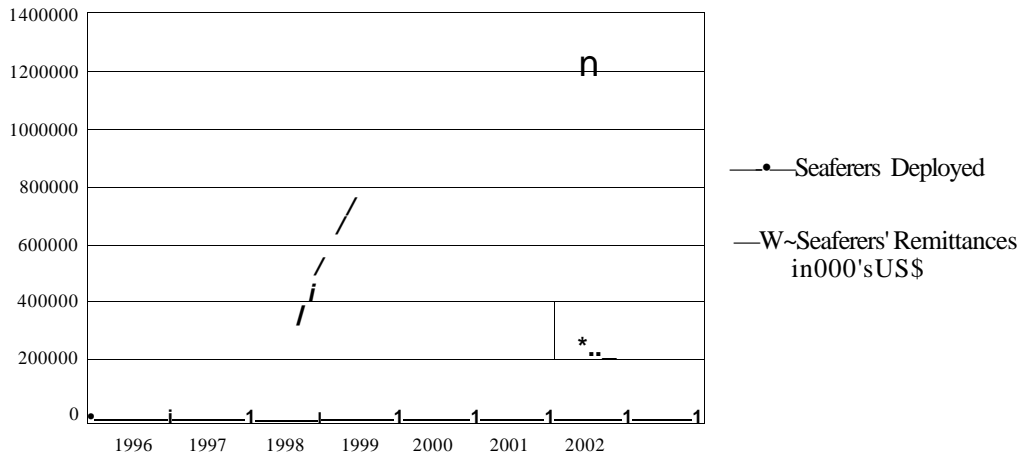
The two graphs below illustrate the growth of remittances and overseas land and sea based (seafarers) migrant workers. These are the official figures of workers that went through the official state channels. The actual numbers of Filipino workers are much higher than the official figures suggest as is the amount of money remitted since hundreds of thousands of workers are undocumented. These workers are recruited by employment institutions that are not regulated by the state. These are inevitably private and often shoddy recruitment agencies.

Figure 7.1: Growth of Land and Sea Based Migrant Workers since 1984.



Source: POEA, 2004.

Figure 7.2: Deployment of Sea Based Workers and Remittances Returned to State.



Source: POEA, 2004.

7.4. Maritime National Authority (MARINA)

Most importantly for purposes of this thesis, MARINA, established in 1974, is responsible for maintaining a reservoir of Filipino seafaring labour. MARINA therefore has a direct influence on the global structure of the labour market for seafarers by maintaining a steady supply of certified Filipino seafarers into the market. Whilst the POEA is responsible for both land and sea based workers, this agency is responsible for the exclusive regulation and monitoring of maritime workers including seafarers. With the surge in the number of Filipino seafarers employed globally from the early 1970s, the Philippine state established the Maritime National Authority (MARINA) in 1974. Its task then as now is multi-faceted but for our purposes its primary function is the maintenance of a reservoir of seafaring labour.

This maintenance of a reservoir of seafaring labour translates into some very specific functions as my 2004 interview¹⁷ revealed. Firstly, the agency must ensure continued Filipino crewing dominance and competitive edge in overseas shipping (both merchant marine and cruise sectors). This is done by ensuring that Filipino seafarers are well trained, qualified and competent by being compliant with global training requirements such as the Standard of Training Certification and Watchkeeping (STCW) 95.¹⁸

¹⁷ Interview, MARINA Official, Manila, Philippines: February 2004.

¹⁸ Other functions of MARINA that emerged from the interview are:

- 1 Maintaining Domestic Shipping: Developing a modernized domestic merchant fleet that is safe, efficient and competitive in servicing the country's economic and development needs.
2. Overseas Shipping: Developing an ocean going fleet owned and managed by Filipinos, and actively servicing the transport requirements of the country's foreign trade.
- 3 Shipbuilding and ship repair industry. Developing this industry to adequately cater for the requirements of the Philippine merchant fleet and evolving into a competitive source for new buildings in the east Asian region.
- 4 Ensuring safety in the maritime industry.

The MARINA official I interviewed was also quick to point out that MARINA coordinates the maintenance of a seafaring labour reservoir for the global labour market with a range of other state agencies.

"Well we are not the only agency which we say should be credited with this. There are so many agencies like the POEA, the Maritime Training Council..."

Secondly MARINA, like the POEA, is committed to developing strategies to ensure that the seafaring labour market continues to be one in which Filipinos enjoy a prosperous niche. The agency has to monitor the possible threat posed by other emerging seafaring nationalities in a competitive global labour market. My interviewee expressed his concerns as follows:

"I would like to think that we are optimistic that we will maintain our pre-eminence in the manning of overseas vessels despite competitions from Eastern Europe, China for instance, India, but again our goal to counteract this competition from other emerging labor supplying countries is to give our seafarers better training, better training and all that and to make them competitive, that is the only way, to train them, otherwise, if they work so sloppily and not within the current demands. Seafaring is very demanding right now. You have to compete up to the last cent so to speak. We have the comparative edge in terms of skill and language. We are not the cheapest though. How long will that comparative edge last, I do not know but maybe it will take several decades for our friendly neighbours to catch up with us when it comes to seafaring."¹⁹

MARINA clearly has a daunting function. The agency requires a sophisticated understanding of globalising processes and their potential impacts on seafaring labour and labour markets in order to develop labour policies. An ever constant monitoring of potential seafaring competitors within and without the south east

Interview, MARINA Official, Manila, Philippines: February 2004.

Asian region is central to its success. The agency must be proactive by knowing how to interpret global employment opportunities and service the needs of global shipping capital, as well as manage the effects of changes in a sometimes temperamental global labour market. Whilst my interviewee emphasises continued high quality of training of seafarers as a strategy to ensure their continued success in the global labour market, the role of monitoring and implementing training falls exclusively to the Maritime Training Council (MTC).

7.5 Maritime Training Council (MTC)

Global employers of seafarers demand qualified and competent workers. This is the initial criteria for employment. If a country or institution is to have any impact on the labour market for seafarers it must ensure that credibility of its seafarers qualifications. Given the vast range of potential national labour markets to source from, employers need a level of confidence that the country that they are employing from offers legitimately qualified seafarers. Countries with well regulated maritime training systems offer a level of confidence to employers of seafarers and employers are more inclined to employ seafarers from these countries.

The recognition of the importance of skilled and qualified employees by employers, was the main impetus for its establishment of the MTC in 1984. On a global level the International Maritime Organisation (IMO) mandated all seafarers in the global labour market be STCW 78 compliant in order to be employed on ships. The STCW 78 convention was aimed at regulating the global training standards of seafarers, to ensure both their quality as well as safety of the operation of merchant vessels. Countries that did not meet the STCW requirements and deadlines would find themselves removed from the global labour hiring pool, and be placed on a "blacklist". Countries that met the IMO requirements and deadlines would be placed on a "white list". In this respect the

Philippines acceded to the 1978 STCW Convention on January 11, 1984. A consequence of this was the obligation to create a body that would be responsible in giving full and complete effect to the convention.²⁰ According to the Administrative Officer of the MTC in Manila:

"...the role of MTC in promoting the global employment of the Filipino seafarers is rather indirect".

The MTC simply ensures that the Philippines is continuously included on the IMO "white list", so that the universal acceptability of certificates of competency for seafarers issued by the Philippine government is maintained. The 1995 revision to the STCW specifies that only certificates of competency issued by countries included on the IMO "white list" shall be accepted and recognized for service on board seagoing ships. The MTC by spearheading the Philippine compliance of the original STCW convention was found by the Maritime Safety Committee (MSC) of the IMO to have fully and completely given effect to the STCW. Thus the Philippines was included in the list of complying parties on the "white listed" countries. This was crucial for the continued viability and growth of Filipino employment in the merchant marine.²² As a consultant for the MTC Manila, mentioned in my 2004 interview with him:

"Yes, one should be in the white list...which means that the seafarers who are nationals of the member country are complying with the requirements of training, of competence, certification of watch keeping that the Convention is prescribing that all seafarers are supposed to be competent in basic safety, when they're aboard tankers they are supposed to have a tanker's certificate. It is necessary that you are certified by the government as competent. That is the role of the MTC: to assure that everybody is certified and given the proper endorsement by the government".

Interview, MTC Official, Manila, Philippines: February 2004.

²¹ Interview, MTC Official, Manila, Philippines: February 2004.

²² Interview, MTC Official, Manila, Philippines: February 2004.

²³ Interview, MTC Consultant, Manila, Philippines: February 2004.

The MTC is purely focused on training and quality control of mariners that work in a global environment by ensuring monitoring and regulation of national training centres. The agency works closely with a range of attached Department of Labour and Employment (DOLE) agencies to ensure the training development, marketing and employment of their seafarer workforce. Given the global regulation of seafaring qualifications, the MTC ensures that its supply of seafarers is always compliant with changing global demands of the training and certification of seafarers. It also further ensures that training schools that offer maritime qualifications are suitably monitored and inspected therefore giving added confidence to the employers of Filipino seafarers.

The discussion of these three labour market institutions of the Philippines has demonstrated that the unique historical, social and economically contingent processes that inform the nature and conditions of the Philippines as a place have influenced the strategies that these institutions employ to service their national seafarers thereby impacting in certain ways on the global labour market for seafarers. The Philippine government is concerned mainly with the generation of competitive edge for its seafarers so that they enjoy a privileged position in the global labour market.²⁴ It has as a consequence established the agencies discussed to enact this mandate.

7.6 South Africa: Managing Local Labour Markets

This section demonstrates how South African state institutions that service seafarers have had very little impact on the restructuring of the labour market for South African seafarers, both nationally and especially globally. The South African case reveals more of a focus in dealing with racial transformation of the

At a national level this serves to reduce unemployment levels and reduces the possibility of citizens being mobilised against government because of high national unemployment levels.

national labour market for seafarers. Racial equity and transformation of the national seafaring labour market are key goals of the post apartheid state as opposed to more ambitious and concerted efforts to engage in job creation strategies to export South African mariners into a global market. Subsequent strategies of state agencies are shaped to achieving these aims.²⁵

A consequence of this approach is that there is the lack of any significant intervention in the global labour market on behalf of South African seafarers. Social partnership is the most apt way to describe the strategies of the South African government (through its agencies) in achieving national goals of racial equity in the labour market for seafarers. By social partnership I draw on Gostner and Edigheji's (2000:84) definition, of it as "processes and institutions which facilitate the participation of social partners in socio-economic policy processes." This definition allows for the entire spectrum of social partnerships that occur in South Africa be they tripartite, bipartite or even, quadripartite. However useful social partnership may have been in negotiating the relationship amongst labour, capital and the state in post apartheid South Africa, it is a dismal failure when it comes to making significant and rapid inroads into growing the employment opportunities for South African seafarers globally. It has proved to be a parochial and intensely localised approach targeted at national issues of achieving racial equity in occupational ranks of seafarers. A consequence of this is that the marginalisation of seafarers in the global labour market continues. The subsequent sections show the rationale behind South Africa's intensely national approach and examines some of the South African state's agencies attempts at

Apartheid was successful in fragmenting the training and development of South African seafarers along racialised lines. The South African shipping industry has a history of not wanting to be burdened with training costs for ratings, or with equity programmes (Kujawa, 1996). Unicorn Shipping however did establish the Unicorn Training Centre (UTC) in 1978 to train African ratings for its company needs as well as for other South African companies. The training provided by the UTC was, and continues to be, limited to the needs of the local industry. The training of ratings in particular has also been very limited since the 1980s, since most of those employed rarely leave their jobs until it becomes mandatory to retire. The findings of this study confirm Kujawa's (1996) findings that shipping companies are reluctant to fund the training of ratings and even officers.

reversing the decline in employment of South African seafarers in the global labour market.

7.6.1 Transport Education and Training Authority (TETA)^a and SAMSA

The TETA has attempted to influence the seafaring labour market for South African seafarers in three ways. Firstly is the push to increase in the number of South African ratings and officers trained, secondly is the campaign for the implementation of a South African tonnage tax system that may result in the employment of more South African seafarers globally and thirdly is the concern with addressing racial equity amongst seafarers with a push for black African ratings skills to be upgraded to officer skills. These three tasks of the TETA are intertwined.

A primary reason for the dearth of South African seafarers in the global labour market is that there are not sufficient training berths for seafarers and especially ratings to complete their mandatory twelve month seetime. Seetime has to be spent on an ocean going vessel once the academic part of the training is

The TETA is an outcome of the formation of the Sector Education and Training Authority (SETA) in 2000. In March 2000 the minister of labour established the 25 SETAs (Barry and Norton, 2000). Each SETA has jurisdiction over the training needs of a specific economic sector. For example, some sectors that SETAs have training and education jurisdiction over are transport, financial and accounting services, tourism and hospitality. A SETA consists of representatives from organised labour, employers and other relevant stakeholders. Each SETA must consist of an equal number of members representing employers and employees. As such it is considered a platform in which social partnerships can be formed allowing labour a greater agency to service its membership. For the purpose of this study, the focus will be on transport SETA, the maritime section of the transport education and training authority. Prior to the creation of the Transport, Education and Training Authority (TETA), maritime training was governed by the Maritime Industry Training Board (MITB). Employers in the shipping industry dominated the MITB. It was only in 1990, through an amendment to the Manpower training act of 1981 that organised labour was allowed to have representation equal to that of employers on the MITB. Further, the financing of the MITB was dependent on donations from shipping companies. There was no enforceable skill levy that employers had to contribute. Between 1991 and 1994 the MITB had accumulated only R180 000 in funds. When compared to all other industry boards existent at the time, the MITB had accumulated the least amount of money from employers for training purposes (National Training Strategy Task Team, 1994; Kujawa, 1996; Interview with Muhlberg, 2005). This points to the relative lack of funding of training in the maritime training sector that the establishment of the TETA in 2000 hopes to offset.

complete. It is a form of 'internship' or practicum. Without seetime, a seafarer cannot work as a qualified sailor and hence cannot be employed. Private shipping companies such as Unicorn have limited training berths available and due to the lack of ships registered in South Africa, there are few alternatives to provide more training berths. This is an issue of capacity that was identified in a 2002 TETA report. In 2002, the TETA commissioned a report (Bonnin & Wood, 2002) in which I participated and assisted significantly in the fieldwork. The report was on the impediments to the employment of South African seafarers in the merchant navy. The report, entitled *Seafarer training and the availability of training berths in South Africa: The case of the South African shipping industry*, identified many of challenges facing the employment, training and development of South African seafarers. Broadly speaking, these were the lack of a significant South African ships register and hence lack of adequate training berths, perceptions of racism in the South African shipping industry, racial skewness of rating and officer composition of seafarers (Bonnin & Wood, 2002). The report (Bonnin & Wood, 2002:73-74) concluded that:

"There are no magic solutions to the crisis of training berth availability. The way forward requires the involvement and co-ordination of many different stakeholders, it requires innovative and creative thinking. In particular Government needs to become more proactive in the maritime sector. But most importantly it requires a wholehearted commitment to resolving the problem and the need to put the solution above individual interests."

If there was to be any prospect for job creation for South African seafarers, and therefore any significant presence of South African seafarers in the global labour market, then the TETA had to make serious recommendations to the Department of Transport and to the Treasury about introducing legislation that would facilitate more ships committing to the South African register, thus increasing the possibility of more training berth availability for seafarers to complete their seetime. In 2003, as a response to the report, the TETA's Maritime Chamber

formed a TETA Training Berth Task Team to reflect on, investigate and suggest solutions to the claims made in the 2002 report.

Finally, in the course of 2003 at the end of 2004 the TETA produced a series of reports that responded to the call for great proactivity and creativity in creating jobs for South African seafarers in the global labour market. The most significant of these was the 2004 report entitled *Progress with the TETA initiative on the South African Shipping Environment*. This report made a series of observations and recommendations to address the employment, training and development of South African seafarers. Amongst the suggestions²⁹ made by the report was an unequivocal call for change to the fiscal legislation governing South African shipping. The report counselled the state to move to a tonnage tax scheme³⁰ that would have a training incentive built in, similar to that of the current British scheme. The state's introduction of a tonnage tax scheme must be intertwined with a strategy to develop a national fleet. This means a development of a "maritime presence" in terms of South African crews, flagging and beneficial ownership similar to that in the Netherlands and the United Kingdom. The state would benefit from increased fiscal revenues which can be channelled into seafarers' training and job creation strategies. The report makes some further

The task team consists of stakeholders from industry, labour and academia to investigate ways of boosting the availability of maritime training berths at sea. The team reported to Thulani Dlamini, vice chairperson of the TETA. In addition he is chief negotiator for SATAWU, SATAWU representative on the Maritime Chamber of the TETA and chair of the Berthing committee.

In 2003 two more reports were produced. These included *Report on South African Ships' Register* (van Niekerk, 2003a) which was presented to the berthing commission established by the TETA. In early 2004, two further reports were produced by van Niekerk for presentation to the Berthing committee. These were *Proposal for a Maritime Training Scheme in South Africa* and *Proposal for a Tonnage Tax Scheme in South Africa*.

The report makes a series of observations and recommendations ranging from increased autonomy for domestic unions to negotiate seafarers wages (as opposed to simply endorsing ITF wage rates) as a means of becoming more globally competitive, to suggestions on how to deal with HIV testing of South African seafarers by shipping companies. I have focused on the training initiative only because of its relevance to the thesis and chapter. The wage and HIV issues are important in showing that social partners like the TETA can influence significantly at a local level the way South African seafarers intersect with the global pressures of the maritime industry.

See Chapter Four for a detailed discussion on the logistics of the tonnage tax scheme. See Chasomeris (2005) for a detailed economic analysis of the implications for a tonnage tax scheme. The British training incentive scheme is discussed later in this chapter.

points about the training of seafarers which include a commitment by shipping companies registering for tonnage tax to fill a prescribed number of training berths on board their ships.

A company registering for tonnage tax should be committed to training and to filling a certain number of training berths on board their ships. The twin tax and training scheme should in principle be based the SMART³¹ system the United Kingdom. Central to the funding strategies for training will be an emphasis on achieving racial equity in a traditional racially divisive industry. The report contends that:

"The scheme would be funded from the income from the skills levies (as promulgated in the Skill Levies Act of 1998) and to be administered by TETA in line with the existing funding regulations and disbursement practices. In the case of supernumerary cadets, funding could be accessed from the National Skills Fund, depending on the needs as determined by the minimum training requirements for ships under the tonnage tax scheme. This would link with the National Skills Authority's vision in pursuance of job creation. Specific guidelines would need to be developed for these bursaries and these guidelines should be developed to prioritise previously disadvantaged individuals in pursuance of the goals of the broader socio-economic environment."

The outcome of the TETA's recommendation is that a tonnage tax scheme is now (as of 2006) officially part South Africa's maritime fiscal policy although its details have not being revealed and neither has it being implemented at the time of writing this chapter in 2007. Therefore any assessment of the impact the new fiscal policy would have on increasing the training and employment opportunities of South African seafarers remains to be seen. As of 2007 there has been no further TETA initiative (since the acceptance of the tonnage tax scheme)

³¹ The SMART system will be discussed in section on the United Kingdom, which follows this section.

to explore other possibilities for job creation for South African seafarers. A consequence of this is that there continues to be a dearth of South African seafarers in the global labour market.

The TETA works closely with the South African Maritime Safety Authority (SAMSA)³² in achieving maritime training goals. In terms of its impact on labour markets, an important function of SAMSA is to ensure that the skills and employment equity acts are impacting on the maritime industry in South Africa. To this end it has a transformation committee to deal with issues of equity and skills development within SAMSA. When asked to expand on what this function entails, a SAMSA official revealed that apart from the monitoring of seafarers qualifications, SAMSA is also committed to achieving transformation and equity amongst South African seafarers by identifying skill shortages, communicating these to the TETA and then implementing any 'corrective' programmes to address these skill shortages in terms of training of new seafarers. These trainee seafarers must as far as possible be from 'previously disadvantaged groups'. The agency official points out:

"For us and the TETA the issue is now one of internal transformation. Before we can start marketing our seafarers like India or the Philippines, we have to get our internal dynamic right. For us this means achieving equity. This was a very divided industry. There were no Black officers. If you were Indian, Coloured or African, you were a rating. No argument. If you were a woman, you can't work on ships. So for us, we now need to sort this out. Since 1994, the new dispensation has made this possible through agencies

On 1 April 1998, the Department of Transport established the South African Maritime Safety Authority (SAMSA) (Lloyds List Africa Weekly: 10 April 1998). SAMSA was designed to take over the maritime activities of the Department of Transport. Funding for SAMSA comes from levies on ships calling at South African ports, direct user charges and governments service fees. There are ten main functions of SAMSA according to the South Africa Year Book for 2005/6 (609). For this brief section, I am most interested in SAMSA's responsibility to "maintain seafarers according to standards of training and staffing criteria." The various functions carried out by SAMSA are done so on behalf of the government. SAMSA has both employer and employee representatives on its committees.

like the TETA and SAMSA. So let's get our house in order at home before we can service the world."

After a disastrous and ill thought out transformation campaign in 2001 , SAMSA has reflected on the failings of that initial equity campaign and consolidated a new one. Since 2005, there have been more structured attempts by the TETA and SAMSA in achieving equity and an employment for South African seafarers. Both organisations have teamed up with the National Ports Authority to restructure their training and selection programmes for seafarers. One strategy has been to focus more on ratings training for coastal shipping and port needs which the country seems to need the most as opposed to training for merchant shipping in the global market.³⁴

The preceding discussion has shown that state institutions that service South African seafarers have a very local even parochial concern with addressing training and employment creation to meet national labour market needs as opposed to global labour needs. These national needs are in large part determined by the legacy of apartheid in South Africa. However even in producing qualified seafarers to work on coastal routes and in South African ports, progress is slow. As the official from SAMSA argued, the focus in both the TETA and SAMSA is not on training seafarers to supply to a global market. However in the last five years (2002-2007) the employment of South African seafarers on coastal routes has not increased drastically given that ships that ply these routes can only employ a fixed number of seafarers. Neither has there been an increase in employment in the number of seafarers (black or white) in port operations. The only initiative to create jobs for seafarers in a global labour

See Ruggunan 2001 for a detailed discussion of this campaign and the reasons for its failure. In March 2006, the TETA produced its first batch of female black able bodied seamen. The four women completed a marine learnership with the TETA. They are now completing their berth training off the coast of Cape Town. In an interview with the women that appeared in the Southern Africa Shipping News (March 2006, 21) they all express hopes of eventually developing careers in coastal shipping or becoming harbour pilots or tug masters where the need is greatest at the moment.

market is a private initiative by Marine Crew Services as seen in chapter four. For the moment it seems that these institutions have largely failed in making any impact on national or global labour market restructuring for South African mariners.

7.7 The United Kingdom: A Reversal of Fortune³⁵

This section deals with the impact that two British state agencies have on labour market restructuring for British seafarers in the global labour market. These are the Maritime and Coast Guard Agency (MCA) and the Department of the Environment, Transport and the Regions (DETR). In the DETR I am specifically interested in the functioning of the Shipping Working Group Sector (SWGS). The DETR provides mainly a research and policy function whilst the Maritime and Coast Guard Agency is tasked with implementing such policies. In addition, the MCA is responsible for implementing the 2000 British Tonnage tax scheme as well as administrating the compulsory Support for Maritime Training Scheme (SMART) for British seafarers.³⁶

The DETR is particularly interested in rebuilding the British national fleet, whilst simultaneously wanting to reconsolidate a significant pool of British ratings and officers. However, it increasingly appears that in order for a national fleet to make a profit, British ship owners must enjoy access to cheap flexible labour so as to maximise operational profits.³⁷ The agency therefore has to

Attempting to obtain interviews with the DETR and MCS in the United Kingdom proved extremely difficult, with a range of forms needed to be filled in. Both the DETR and MCS are considered essential security providers for the national security of the United Kingdom and, as they informed me, especially post 2001 are reluctant to provide interviews. Such was their emailed response to my queries, and despite me providing them with a list of questions, I was still unsuccessful. However the DETR did provide me with a range of documents that I have found useful for this study. My interviews were therefore restricted to British trade union representatives and interviews and discussions with staff members of SIRC, many of them former British seafarers and all of them maritime experts.

Interview, ITF Official, London: February, 2005.

Crewing costs after fuel costs are the most expensive operating expenses of ship owners.

maintain a fine balancing act between the needs of labour and those of employers. The agency engages in two strategies. Firstly, it has addressed fiscal policies affecting shipping registration in an attempt to grow a national fleet through the implementation of a tonnage tax scheme in 2000. Secondly, it has aimed to attach a training condition to ship owners that opt for a tonnage tax scheme. This training condition is known as SMART in the industry and obliges ship owners opting for tonnage taxation to provide berths for British cadets.³⁸ The academic training would be subsidised by government up to an amount of 50 percent. The condition of registration for tonnage tax is that a company can register for a period of ten years provided they sponsor or provide the training for one British officer each year for every 15 deck or engineering officers of their existing sea based staff complement (Gardner et al, 2005). The Smart Training scheme was introduced in 1999/2000. This scheme superseded previously more generalised training schemes such as the Government Assistance Training Scheme and the Development of Certificated Seafarers Scheme.

7.7.1 Provisions of the British Tonnage Tax Scheme ⁱⁿ

There are four main provisions of the British tonnage tax scheme. It is important to note however that it is an *optional fiscal regime*. The main incentive for ship owners to choose this regime is the potential massive savings in taxation since they are taxed on tonnage of their ships instead of profits. The taxation scheme does not dictate the nationality of seafarers or wage rates that have to be paid by ship owners electing to be taxed under this scheme. The reason that it is not a compulsory taxation method is because certain sectors of the industry or certain companies may find that they would actually pay more tax under a Tonnage Tax regime than they had previously. For example, a shipping group may have continuing losses (possibly as a result of capital allowances) which it currently

Cadets refer to officers in training.

The information for this section is sourced from Her Majesty's Revenue and Custom's manual of the tonnage tax scheme (2001) published by Her Majesty's Revenue and Custom office (equivalent of a Department of taxation and customs). The section on calculating tonnage tax profits is a direct extract from the manual (Reference TTM, 2001:1600 of the manual).

surrenders as group relief to profitable, non-shipping, members of the group - under Tonnage Tax there would be no shipping losses to surrender, and as a consequence there would be tax to pay. Once a shipping company decides to avail itself of the tonnage tax scheme, it will do so for a ten year period with the option to renew for another ten years.

Firstly tonnage tax is an alternative way of computing shipping profits and losses. Participating companies will have their taxable profits from shipping based on the tonnage of the ships they operate, rather than by reference to their actual business profits. The 'relevant shipping profits' are replaced by the 'tonnage tax profit' (per paragraph 2 of the Act), which will be chargeable to corporation tax in the normal way. Where trading profit would be relevant shipping income, any loss accruing to the company is similarly left out of account for the purposes of corporation tax, as will capital losses (subject to time apportionment) on the disposal of tonnage tax assets (TTM, 2001:1600).

Secondly there is a training requirement. "Participating companies will also have to sign up to 'a minimum training obligation' for the training of seafarers. This is designed to secure industry 'best practice' levels of training and is a key element in the Government's long-term policy to regenerate the nation's maritime skills base. The Department for Transport administers the training requirement" (TTM, 2001:1600).

Thirdly it is a 'Ring-fenced' regime. Tonnage Tax fixes the level of a company's taxable profits from shipping but not from any other activity.

Fourthly, in addition to this there is "a sweep-up anti-avoidance provision to deter deliberate serious or repeated abuse of the regime. This has been put in place with the agreement of the shipping industry. It would be contrary to Parliament's intention for a company to enter into transactions that enable the benefit of Tonnage Tax to leak out beyond the shipping industry. If a company

or group of companies seriously misuses Tonnage Tax in this way, then there is power to expel it from the regime with additional penalties" (TTM, 2001:1600).

Calculating Tonnage Tax Profits

Gross tonnage is used when deciding whether a ship is qualifying, for which it must be 100 gross tons or more whilst Net tonnage is used in the actual calculation of tonnage tax profit. The legislation provides for a calculation of the tonnage tax profits in four steps, although in practice the stages may be combined.

Step One - the daily profit

Determine the daily profit for each qualifying ship by reference to the following table:

For each 100 tons up to 1 000 tons	£0.60
For each 100 tons between 1 000 and 10 000 tons	£0.45
For each 100 tons between 10 000 and 25 000 tons	£0.30
For each 100 tons above 25 000 tons	£0.15

For example, the daily profit of a ship with a net tonnage of 17 371 tons would be £68.40, made up of:

	10 x £0.60	=	£6.00
Plus	90 x £0.45	=	£40.50
Plus	73 x £0.30	=	£21.90

Step Two - ship's profit for accounting period

Multiply the daily profit by the number of days in the accounting period, or, if operated for only part of the period, by the number of days in that part.

For example, if the ship mentioned above were operated for the whole of the accounting period ended 31 December 2003, the ship's profit for that accounting period would be £7993 (£21.90 x 365).

The reasons that the tonnage tax scheme managed to increase the number of ships registered under the British flag but not the number of British seafarers employed is fivefold.

Firstly, whilst there is a mandatory training link for companies that elect to be taxed under this system, there is no mandatory employment link. In effect British cadets and ratings are trained but once training is completed, they prove to be too expensive for employment in the global labour market. Secondly a number of ships that have shifted to the British flags are Asian owned (for example, Evergreen and Hatsu-Marine), and use the British flag (under the tonnage tax scheme) as a flag of convenience. Further there is no compulsion for these companies to hire British seafarers as a condition of flying a British flag and these ships are crewed by cheaper Asian labour. Thirdly, ship owners are given an option of Payment in Lieu of Training or PILOT, which means that if companies cannot train their own cadets or ratings they have to pay PILOT. Many shipping companies find it cheaper to pay PILOT than to source, train and provide seatime to cadets. Fourthly, given the oversupply of ratings in the global labour market, it makes very little sense to train more ratings, British or otherwise who are too expensive relative to other equally qualified ratings. The British government is reluctant to impose or make mandatory an employment link which is what British seafaring unions are arguing for. Fifthly, the profession or career has fallen out of favour as reflected in the dwindling number of new recruits in the industry. There is thus a dwindling pool of incumbents to draw on for training purposes. I expand on these arguments in the section below.

7.7.2 The Failure of SMART to Create Employment

In theory, SMART is an excellent training initiative and one that the South African government is advised by the TETA to implement to meet the training

needs of its own maritime industry. However, as interviews with the National Union of Marine, Aviation and Shipping Transport Officers (NUMAST) and the Rail and Maritime Union (RMT) officials revealed, there are some deep concerns about the training scheme.⁴⁰ The unions allude to three problems with SMART. Firstly, there is no clear employment link. Whilst the provision of seetime or berths allows a cadet to qualify as an officer, the ship owner is under no legal obligation to employ cadets they train, "...greatly reducing its effectiveness."⁴¹ Secondly, it focuses exclusively on officer training, whereas RMT would prefer a focus of the scheme on upgrading ratings skills to make them more employable.⁴² Thirdly, the percentage of the subsidy given towards the academic training of cadets remains contentious, with NUMAST wanting a 100 percent subsidisation of the training costs.⁴³

The tonnage tax scheme has been very successful at attracting ships back to the UK registry but the SMART training scheme has had a more modest success. Both unions are not entirely convinced that the SMART scheme represents a sincere and concerted effort by the DETR to reverse the decimation of British seafaring jobs since the 1970s. SMART is even alleged to be a means of pacifying the unions into accepting the inevitable total decline of British seafarers employed on FOC deep ocean going ships. According to NUMAST, the introduction of a tonnage tax scheme since 2001 has seen a growth from 42 to 67 shipping companies now using the national British registry and from 2000 to 2003, a total of 745 ships had joined the national registry. This is up from 520 ships pre-2000. However, as a NUMAST official mentioned at a 2005 interview with me in London, it is difficult to assess the full extent of the success of the tonnage tax scheme since not enough time has elapsed to judge properly and registries require decades to reach maturity.

Interview, NUMAST official, London: February 2005.

Interview, RMT official, London: February 2005.

⁴¹ Interview, NUMAST official, London: February 2005.

⁴² Interview, RMT official, London: February 2005.

⁴³ Interview, NUMAST official, London: February 2005.

The most disappointing aspect of the revised fiscal legislation was the lack of delivery from the training scheme. In this sense both unions allege that the DETR and the British treasury benefited the most from the tonnage tax scheme whilst British seafaring labour experienced no or very few benefits. In fact, the number of British officers employed on British registered ships actually fell by almost a third from 2000 to 2003.⁴⁴ The DETR statistics bear this assertion out. In 2001 69 percent of British officers worked on British registered ships, in 2002-3 this figure was 58 percent and in 2004-2005 it declined even further to 49 percent. This problem is compounded by the fact that the profile of British officers is 'unhealthy'. Almost 70 percent of British officers were over 40 years old in 2005, with more than 80 percent over 35 years old. This, as my interviewee claimed, presents a generation gap. He explained that Britain lost a generation of seafarers in the 1980s and government's attempts to redress this issue is, to quote my source, 'halfhearted'.⁴⁵

An emerging and disturbing trend for RMT and NUMAST but less so for the MCA is the number of foreign junior officers that are now working on ships that used to employ a 100 percent British crew. An analysis of statistics provided by the MCS, shows that the number of Certificates of Equivalent Competency issued to non British seafarers by the agency in 1997 was 37. The number of certificates issued in 1999 was 2000. The total number of certificates issued from 1997 to 2001 was 6097. A NUMAST Report (2003: 9) authored by its general secretary asserts that:

"...even if the British fleet recovered substantially by some miracle in the next year, it would take more than ten years to train and employ a new generation of British seafarers. As it is, the majority of masters on UK ships are British but at the lower ranks such as engineer officers, second officers and chief officers other nationalities are creeping up."

Interview, NUMAST official, London: February 2005.

Interview, NUMAST official, London: February 2005.

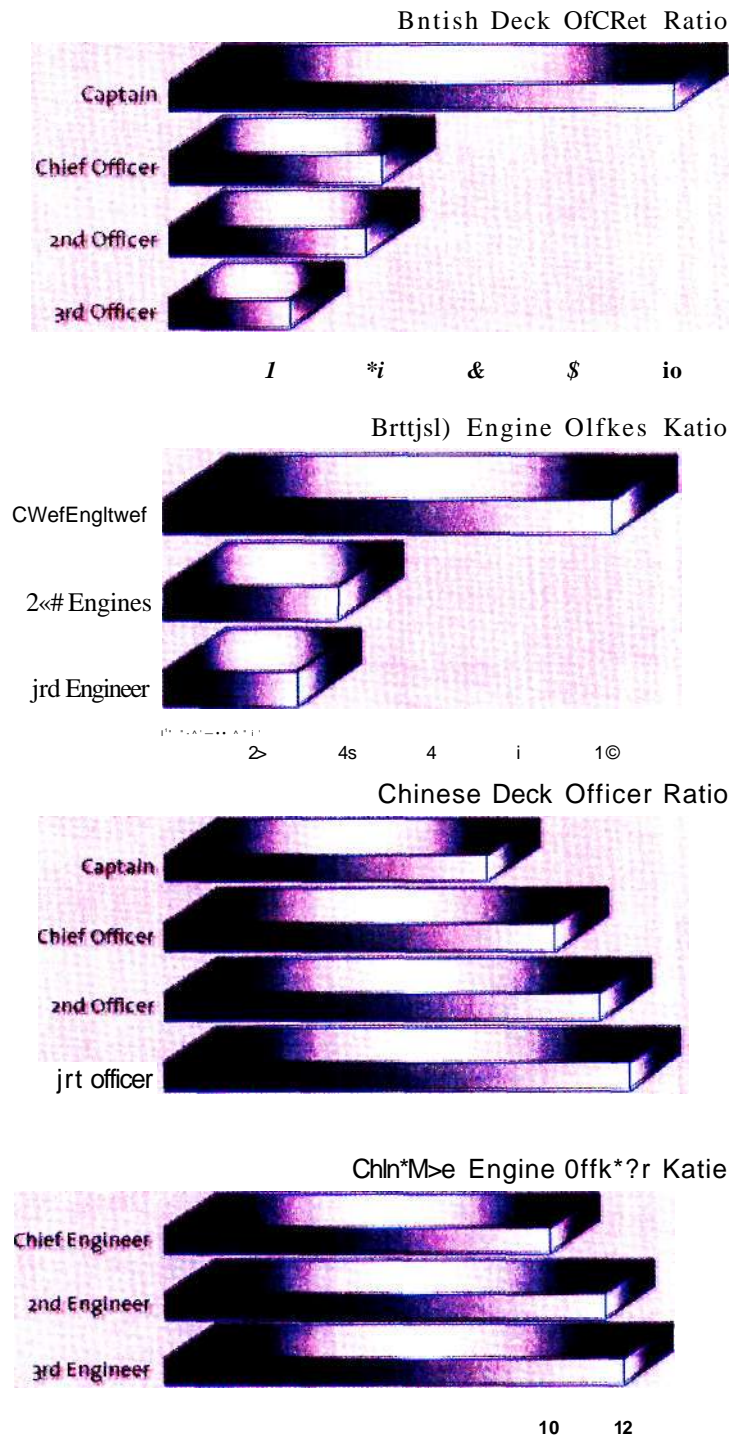
The SIRC data on crewing levels of British ships substantiates this assertion. The data reveal that 70 percent of masters on UK flagged ships are British, but only 54 percent are chief engineers, 37 percent are chief officers and only 33 percent are second officers. The logic of these employment patterns implies that over a period of time, perhaps 15 years, other younger nationalities that occupy these junior officer ranks will progress to officer levels, obliterating British dominance of the labour market for officers. As Table 7.1 and Figure 7.3 below illustrate (NUMAST Report, 2003:7-8) Filipino and Chinese seafarers could be the next (but not the last) generation of officers to dominate the world's merchant marine.

Table 7.1: Estimated Numbers of Officers of Various Nationalities Employed Aboard UK Flagged Vessels, 2002.

Nationality	Frequency	Percentage
United Kingdom	1356	49.9
Poland	264	9.7
Philippines	213	7.8
Canada	111	4.1
Ukraine	90	3.3
Russia	85	3.1
Croatia	85	3.1
Latvia	80	2.9
India	74	2.7
Norway	66	2.4
Denmark	65	2.4
Sweden	56	2.1
Indonesia	53	2.0
Germany	49	1.8
Romania	38	1.4
Barbados	35	1.3
Totals	2720	100

Source: NUMAST Report, 2003: 7-8

Figure 7.3: Ratios of Officers of British and Chinese Nationalities Aboard UK Flagged Vessels, 2002.



7.7.3 The Government Strategy to Seek Alternative Shore Based Maritime Employment for Ratings and Officers

To reiterate, Britain has experienced the displacement and loss of jobs for ratings and officers since the latter part of the 1970s. Despite strategies by trade unions and the British state to reverse this displacement and massive job loss, both have continued. The British DETR and British seafaring trade unions like NUMAST and RMT have acknowledged that subsidisation of officer training through the SMART scheme and the mandatory guarantee of training berths to cadets by ship owners wishing to enjoy the benefits of the UK tonnage tax regime have not delivered on their promises of job creation and employment. The introduction of tonnage tax has been a modest success for the employment of British seafarers, but exclusively benefitting cadet officers. An alternative proposed by NUMAST and RMT and later actively endorsed by the DETR as a viable strategy is the redeployment of UK seafarers into shore based employment.

In 2003 the DETR commissioned a study on the *United Kingdom economy's requirements or people with experience of working at sea*. The aim of the study was to estimate the demand for seafaring skills and experience in maritime shore based jobs in the United Kingdom. These jobs include jobs in port services, maritime law firms, marine insurance, ships agents, maritime schools, consultants and surveyors, terminal operators, towage and salvage, ship finance, ship brokers and charterers, marine equipment and information technology, marine engineering, ship and crew management. The study found that 15 700 jobs required the skills of former seafarers, where employers considered seafaring experience an essential prerequisite to the job (Gardner et al, 2003:7). The annual demand for these types of jobs was predicted to grow on an average of 700 jobs a year. The difficulty for employers arises when the demand exceeds the supply of seafarers, especially officers. In such instances, there will be a lack of a British pool of officers from which to recruit staff for essential shore based maritime work.

As the DETR (2003:45) report states:

"...it is inevitable that a shortfall in the supply of UK ex merchant navy officers to fill vacancies in shore-based jobs for which their seafaring experience is considered essential, will occur between now and the year 2011. Since the pool of UK ships' officers to fill these positions was determined by recruitment levels over the past fourteen to twenty nine years, the die was cast long ago and there are only a few measures that can be taken to increase supply in the short term without increasing wastage from the pool above its natural level."

If such a scenario plays out, then shore based maritime jobs may be staffed by non British seafarers, effectively consolidating the displacement of essential land and sea based maritime jobs for British seafarers. Another option could be to train non seafarers to make up for the supply shortfall, although such a move raises issues of quality, duplicating training costs, and does not address the issue of sectors where employers regard seetime as an essential experiential requirement for shore based maritime jobs. Most shore based industries would balk at the idea of financing such sea based training on their own (Gardner et al, 2003).

Since the publication of the Report in 2003, the DETR has chosen not to raise the subsidisation level of cadet officers on the SMART scheme. After acrimonious discussions with NUMAST, the DETR chose not to implement a mandatory employment link to the SMART scheme.⁴⁶ The state is currently developing a set of policies in conjunction with RMT and NUMAST to actively encourage ratings to seek employment in maritime sectors other than the merchant marine. Given the almost limited existence of British ratings working on FOC ships, it seems that the displacement of these jobs is a completed exercise that will continue to resist attempts to reverse the displacement. The

Interview, NUMAST Official, London: February 2005.

strategy adopted by the state seems to be one of accepting the displacement but attempting to circumvent job loss by redeploying ratings into a number of alternative maritime sectors.

RMT's comment and insight into this situation is one of recognition that redeployment may be the only viable strategy though not the most ideal one. As one RMT official comments:

"Yes, we work very well with NUMAST and our negotiations with the DETR can get quite heated but they include us on all their committees especially the shipping working group. We fought hard for the tonnage tax...it was a victory for us but now instead of creating employment the DETR says we must redeploy, ...Well we didn't like it at first but rather than that our members be jobless we explored the strategy, a job is a job. But what about national pride, history and all that, the DETR has forgotten. There are some good guys there but you know we have to accept the reality I suppose, the DETR is not going to force employment of British seafarers, we are going to ask the ITF to impose quotas on ship owners to hire British seafarers, at the congress in your city, Durban in August 2006, but in the meantime our strategy is to sit on all the shipping committees at the DETR and find alternative marine jobs for our members".⁴⁷

My insight and sense of NUMAST and RMT positions and policy based on interviews and analysis of their policy documents is that their appeal to the DETR is a very emotional one that hearkens back and draws on Britain's imperial past⁴⁸ as imperial maritime power extraordinaire, which is not the most convincing argument to capture the state's attention. Both unions also argue for further training, but without guaranteed berthings and employment offers it

⁴⁷ Interview, RMT official, London: February 2005.

⁴⁸ A revealing and informative discussion of the rise and decline of British seafarers in the merchant navy is provided in Tony Lane's 1986 seminal book, *Grey Dawn Breaking. British Seafarers in the late twentieth century* (1986) published by Manchester University Press. The book is almost a farewell to and acknowledgement of a bygone era when British seafarers dominated the global maritime industry.

amounts to training for unemployment. A further issue is the cost of labour. Crudely put, British seafarers are too expensive to be employed on FOC ships. This is a global reality borne out by over a decade of research and is reflected in the practice of ship owners and crewing agencies. Dr. Bin Wu, (a researcher at the Seafarers International Research Centre, at the University of Cardiff), said in one of our discussions that NUMAST and RMT are 'resisting globalisation since it's not on their terms'. Whilst that comment may be hyperbole, the evidence indicates that is a level at which the unions feel completely disempowered by the global changes in the shipping industry and its impact on the British labour market. Modest support from the state and a more pragmatic attitude and preference by British shipping companies for lower cost seafarers has compounded the problem. The state, by advocating and campaigning for a redeployment strategy as opposed to a convincing job creation campaign, is influencing and determining the characteristics of the current and future labour market for British seafarers.

The situation for officers, whilst less dire, is still a cause of concern. A failure to make up for the loss of a generation of officers and the subsequent high age profile of British officers, has alarmed the British state sufficiently for it to explore alternative employment opportunities for British officers in offshore maritime sectors. It considers this to be a more viable strategy than to explore or implement more interventionist policies on shipping companies to employ British seafarers.

The unions, whilst working closely with the state in an advisory capacity on the alternative employment policy, are nonetheless not completely satisfied or convinced that the DETR is doing 'all it can' to reverse the decline. As general secretary Brian Orrell of NUMAST asserted in a NUMAST Report (2003:12):

"For us the issues to be addressed are obvious enough. Government needs to ensure an enhanced flow of skilled and experienced maritime personnel. Since 2000, we have welcomed the government's maritime policies but it seems like only ship owners

have benefited and we are not any better off, or just a little better off when compared...over the past year in particular we have lost so many jobs. From October 2001 to March 2004 NUMAST has had to deal with 1,100 declared UK officer redundancies (a figure that resulted in some 719 confirmed job losses following negotiations between the Union and employers). We believe that the government must finish the job they started with tonnage tax in 2000."

This view is echoed and expanded on in the NUMAST publication, *A NUMAST Report on UK Seafarers, Maritime Skills and the Tonnage Tax*, which was released in 2005, and categorically states its unhappiness with government's strategy in dealing with what it terms an employment crisis facing British seafarers. The evidence points to a further displacement and job losses for British officers as the existing cohort ages and natural attrition occurs.

RMT's analysis is similar as is articulated by the comments made below:

"The thing is we have a government that basically does not want to piss off ship owners. That's why they throw us a bone with the SMART training but won't introduce a compulsory employment link. This has been happening since the 1980s that our seafarers have been losing jobs. So they don't even care that if we had another Falklands war, that's heavily maritime based, there won't be enough qualified ratings or officers to man the navy ships. They say it's the new reality of the world and we must accept it and be more creative, just you see, even the port jobs will go to foreigners soon... the tonnage tax has been good, it was a good first step, but how shall we say, its impact on seafarer employment has been modest to say the least. We thought with a Labour government, it will all change, but the pressure from business, mainly from the chamber of shipping, is too much on government. It's one thing to have to fight the ship owners and now we have to fight our own government."⁴⁹

Interview, RMT official, London: February 2005

Training with no compulsory employment link, whilst part of a solution, is not sufficient to span the loss of a generation of officers. The state, whilst working closely with seafaring trade unions to protect and preserve job losses and prevent further displacement has channelled its interests in exploring employment possibilities for seafarers outside the merchant marine. It is reluctant to intervene more directly in the industry and labour market by making the hiring of British officers compulsory. Its intervention in introducing a tonnage tax scheme in itself may be seen as a state that is more capital friendly than labour friendly as the unions assert, or a more pragmatic decision taken by a state that prides itself on free marketism. An increasingly possible scenario is that over time, British officers will disappear from their traditional jobs on ships in the global merchant marine in the same way that British ratings have lost their jobs and been displaced from that sector. This will fundamentally alter the nature of the labour market for British seafarers in the global labour market, in fact erasing such a market. The fading away of British officers will possibly result in the 'newer' global seafaring supply countries such as the Philippines, Russia, Ukraine, China, India, Pakistan, Canada and a handful of eastern European nations becoming the new suppliers of junior and senior officers. Such a transition is likely to take place over the next decade, and will consolidate the restructuring and transformation of the seafaring labour market that first began in the 1970s. This is not to imply a foresight of capital in erasing expensive labour from its operating cost structures, but rather a recognition that in the cyclical nature of capital, operating and labour costs are often paramount. By actively not choosing to employ British officers because of their high costs, compounded by a diminishing pool of British seafarers to employ from, ship owners, are unlikely to campaign for the protection of expensive jobs. The British state does not want or appear to be protectionist or interventionist in this regard by resisting "inevitable" globalising processes. Instead it is exploring strategies of redeployment of British seafarers into non merchant navy employment whilst monitoring the growth of its national register since the introduction of tonnage tax in 2000.

7.8 Conclusion

This chapter has examined the role of state agencies and the ways in which they have influenced the nature of global and national labour markets for their (and implicitly seafarers of other nationalities) respective seafarers. The chapter demonstrated that whilst changes in the shipping industry and its labour market have occurred globally, the unique processes of local places remains a significant shaper of labour markets. Firstly, I demonstrated that the Philippine state through its labour export strategy actively and successfully produces and manages the global labour market for its seafarers. A range of Filipino state agencies ensure that Filipino seafarers maintain their competitive and comparative edge over other nationalities in the labour market. Secondly, the case of South Africa demonstrates a more localised and nationally focused approach determined by the historically contingent concerns of the South African government to achieve employment equity in South African industry. These concerns also revolve around career pathing and training for the national needs of the country as opposed to any concerted effort to train and 'export' seafaring labour for a more global labour market. A result of this is that South African seafarers continue to be marginalised in the global employment stakes. Thirdly, the case of British seafarers shows that without the support of the state, any initiatives by unions to restructure labour markets will most likely fail. British state agencies responsible for seafarers are reluctant to be directly interventionist in the shipping industry to reverse the decline of British seafaring jobs. Instead they have spearheaded initiatives to redeploy British ratings into shore based maritime jobs. The government whilst supporting union calls for training initiatives has chosen not to support a call for a quota system, forcing ship owners to employ British seafarers. It appears very much that there will be no reversal of fortune for British seafarers in the merchant navy and, like South African seafarers, the British decline will continue.

All three cases discussed in this chapter demonstrate that the ways in which state institutions have chosen to service their national seafarers have influenced the

nature of the global labour market for seafarers. States, as the chapter demonstrates have responded in unique ways to global changes in the shipping industry. The strategies of the state institutions discussed have all been informed by their own social, political and economic contexts such as Marcos's regime in the Philippines, apartheid in South Africa and maritime capital flight in the United Kingdom. The state continues to be a powerful player (intentionally or not) in global processes and global labour market formation. Finally, I believe that this chapter and the question it answers provides key insights in addressing the larger claim of the thesis.

Chapter Eight

Conclusion

The conclusion of this study does not provide a detailed summary of the preceding chapters. Instead the first half of the chapter discusses the key implications of this investigation for understanding how the contemporary global labour market for Filipino, South African and British seafarers is formed whilst the second half discusses the key theoretical, empirical and methodological contributions this thesis has made to scholarship in sociology and specifically industrial sociology.

8.1 Revisiting the Arguments

This thesis has offered an account of how the global labour market for Filipino, South African and British seafarers has formed under contemporary capitalism. In so doing it argues that whilst capitalist tendencies may precipitate changes to global labour markets, capitalists are not the sole agents of transformations of global labour markets. This leads me to reject dominant and overly economist approaches to theorising labour market formation that gives capital exclusive or dominant credence in bringing about changes in global labour markets (see Albritton, 2001). I do not reject the idea that shipping capital precipitated changes in the global labour market for seafarers. Instead I contend that capital initiated these changes in very specific ways but is not the exclusive arbiter of changes in this labour market. The specific ways in which the shipping capitalists precipitated changes in the global labour market for seafarers is demonstrated in chapters four and five. Chapter five in particular, shows how through a confluence of three tendencies of shipping capital, changes to the global labour market for seafarers were initiated. Together these tendencies represent a rupture with earlier accumulation strategies of shipping capital.

These tendencies were propelled by a particular economic context, and must be understood within this context. The first marker of this context was the two unanticipated oil crises of 1973 and 1979 respectively. These oil crises were to have a profound impact on the industry and its restructuring efforts as indicated in chapter five of the thesis. The second marker was the financial turmoil that defined the global economy in the late 1970s and early 1980s. This turmoil would further impact on restructuring efforts of the industry. This particular economic context of economic crises in the 1970s would spur the tendencies of shipping capital to restructure.

The first of these tendencies sees shipping capital restructure through FOC shipping. A significant outcome of FOC shipping is the reconfiguration of labour markets for seafarers in the merchant navy as shown in chapter four. New sources of flexible labour were required as shipping companies circumvented prohibitive national fiscal and rigid labour policies of their countries of origin. This in effect created a new global division of labour along national lines for seafarers. Previously preferred suppliers of seafarers such as labour markets in western Europe and North America were deemed as too rigid and expensive to serve the needs of the contemporary shipping industry. By escaping prohibitive national legislation on labour laws and tax, shipping companies turned to labour markets of the developing world to meet the need for seafaring labour.

The new preferred sources of labour were countries of the 'developing' world, specifically countries of south east Asia. As chapter four shows, the Philippines was a major preferred source of seafaring labour for shipping companies as they abandoned the hiring of European, particularly British, seafarers. The case of Britain presented in chapter four shows how this shift to hiring from new countries such as the Philippines, decimated the pool of British seafarers as their jobs were displaced to other regions of the world. South African seafarers were not immune to this trend of re-crewing and also fell victim to it as shipping companies aimed to be more competitive by reducing labour hiring costs. As a result, seafarers of the Republic experienced significant job losses as the industry

reorganised and re crewed their vessels with cheaper crews from the new labour hiring centres of the world. Clearly then FOC shipping as initiated and practiced by shipping capital reconfigured in significant ways both national and global labour markets for seafarers.

The second tendency of the new accumulation strategies in the shipping industry was a shift to the restructuring of the traditional bureaucracies of shipping companies into more decentralised forms of organisation. A consequence of this is the development of crewing companies whose role it is to source and supply crews from a global market to the world's shipping industry. This as demonstrated throughout the thesis (particularly in chapters four and five) has further impacted on the labour market for seafarers. By outsourcing their crewing function and ship management functions, shipping companies believe they can generate greater profits since these outsourced functions can be better performed by external companies who make it their core business. Crewing agencies have to initiate a 'race to the bottom' for wages in order to provide cheaper labour to shipping companies to ensure that both the shipping company and the crewing agency are able to maximise profitability. Crewing companies are able to access and regulate entry into the labour market and control (to a certain extent) wage levels by reaching agreements with key role players in labour supply countries, like the Filipino union AMOSUP (as seen in chapter six) and state agencies such as the POEA (as seen in chapter seven). These agreements and relationships serve both the needs of crewing agencies and the needs of trade unions like AMOSUP and fit into the larger labour exporting strategies of the Philippine state. In contrast there exists no relationship between crewing agencies and South African and British unions, neither are there any significant movements by these unions to initiate such relationships. SATAWU, RMT and NUMAST are unwilling to engage in negotiations to market their seafaring members at lower than ITF mandated wages. The consequences of this lack of engagement are dire with a massive decline in the number of seafaring jobs in both these countries. A second function of crewing agencies as agents of capital is that these agencies contribute significantly in generating a 'race to the bottom' for seafarers in terms of their

wage levels. However, as demonstrated in chapter seven, crewing agencies whilst initiating a 'race to the bottom' have had limited success in achieving a rapid downward spiral of wage rates or working conditions for unionised seafarers.

Finally the advent of new technologies has impacted on seafaring labour markets in two key ways. Firstly it has reduced substantially the number of seafarers required to crew certain types of merchant navy vessels. This significantly contributed to the decline in employment in seafarers as pointed out by the ILO in 2001. Secondly new technologies allow vessels to be fully operated by fewer crew members (in some instances crews are 50% less than before). This also means that crews have to be highly skilled even at rating levels so that they can work both quickly and accurately. To control for this ability in seafarers, their qualifications have to be globally certified and regulated. The global regulation of seafaring qualifications means that access to the labour market is controlled and also accounts for the high wages found in the industry, even at ratings level. Crewing agencies want qualified, linguistically competent workers (mostly the need exists for English speaking seafarers) who are able to cope with the intensified labour process, but at the same time employers want 'value for money' employees that combine credible qualifications at affordable wages. The reality as discussed in chapter five is that new technologies have intensified the labour process for seafarers. Containerisation for example means that seafarers have to work more accurately and faster than before as new technologies speed up the turn around times for cargo loading and offloading.

This empirical account of the shipping industry combined with the more theoretical analysis of capitalism and its crises and how these crises impact directly on labour market formation. Chapter two disaggregates capitalist tendencies into very clear processes and shows how these processes influence in very specific ways labour market change in the merchant navy. The treatment of crises shows that an understanding of the tendency of the rate of profit to fall and efforts to ameliorate its fall by capitalists is pivotal to understanding labour market formation. Unpacking processes of capitalism and its crises is important

since such an analysis does not treat it as a monolithic un-interpretable economic force. This is an important point politically since it is only by identifying specific patterns and processes of capitalism in a particular industry that organisations such as trade unions can make meaningful interventions in circumventing capitalist strategies that may potentially be exploitative or damaging for workers.

The second argument made by this thesis is that organised labour, which includes AMOSUP, SATAWU, RMT and NUMAST in addition to the ITF, is an integral partner in facilitating the restructuring of seafaring labour market for Filipino, South African and British seafarers. The contribution of organised labour to this process is demonstrated in chapter six of the thesis. Organised labour in the case of the Philippines actively engages with processes of globalisation by forming relationships with crewing agencies, shipping companies and Philippine state agencies in an attempt to maintain Filipinos' competitive edge in the global labour market. AMOSUP further consolidates its power at a global level in servicing its membership through its affiliation with the ITF. At times, its relationship with the ITF is deeply problematic and the Philippine union often acts in its own national interests even where these national interests conflict with global strategies of the ITF.

It is through acting in its own national interests and by understanding how to deploy local and global strategies at particular times that serve the needs of its national membership that AMOSUP manages to secure the competitive edge of Filipino seafarers over other nationalities. Wages paid to Filipino seafarers continue to be high and increase on an annual basis (surprisingly, given the potentially exploitative nature of the industry). Whilst other nationalities may be cheaper to employ in terms of wages, AMOSUP ensures wages are not the only criteria by which employers make their decisions to hire. The union together with the Filipino state ensures that Filipino seafarers have a range of other qualities that make them more marketable than other nationalities. These include the ability to speak English fluently, the manufacturing of a 'balikbayan' identity by the state that constructs Filipinos as innately trouble free employees since they are

'obedient and passive'. Further, given the fact that most Filipinos are Catholics, AMOSUP and the POEA contend that as a predominantly Catholic nation, Filipino seafarers would adapt faster to the on board cultures and work ethic of European ships than their Buddhist, Muslim or Confucian counterparts.

SATAWU on the other hand has relegated the responsibility of servicing its membership to ITF structures. There is clearly no attempt to engage with global prospects to create employment opportunities for South African seafarers. There is no cohesive strategy by the union to achieve this, with the result that South African seafarers have become further marginalised from the global labour market as seen in chapters four, six and seven. Similarly the case of Britain shows that British seafaring unions whilst engaging in a number of strategies have not been successful in reversing the decline of British seafaring jobs. This is predominantly due to the inability of British unions to prevent maritime capital flight from the United Kingdom's ship registry. The British unions refused to compromise on the wage issue, and continued to compete unsuccessfully with equally skilled but cheaper seafarers from the developing world. The discussion of the ITF in chapter six demonstrates that given the competition in this global industry for work, it remains an anomaly that wages remain high and working conditions good for seafarers working on unionised vessels. There has not been a spiralling trend to the bottom in this regard due to the global initiative of the ITF in conjunction with its national affiliates. This further consolidates the argument that organised labour is a major agent in shaping the characteristics of the labour market for Filipino, South African and British seafarers.

The third argument presented in this study is that understanding the role of national states and national state institutions as discussed in chapter seven is key to understanding how global labour markets are formed. As chapter seven demonstrates, unique social, historical, economic and political processes inform the material practices of state agencies (that service seafarers) and trade unions. These practices influence the local strategies of national trade unions and state agencies in servicing the needs of their respective seafarers. Thus the Philippines'

particular colonial history, the social and economic policies of the Marcos regime and cultures of labour unionism and organising interact with global strategies of shipping capital. In much the same way South Africa's local concerns with racial equity override SATAWU's and the government's inclination to supply seafarers to a global labour market. Instead post apartheid South Africa views racial equity and career pathing for black South Africans as a priority. For Britain, national maritime capital flight from the British registry to FOC registries acted as a key catalyst in the decimation of British seafaring jobs. Despite a recent shift to tonnage tax in Britain, the reversal of the decline in British seafaring jobs as anticipated by British seafaring unions has not occurred. The British government, much to the consternation of seafaring unions, has further refused to impose a compulsory hiring practice on shipping companies that register on its national flag registry. The government seems more attuned to the reality of this decline than the unions are and have started to redeploy British mariners into shore based maritime jobs and in the ferry industry.

The three arguments presented and demonstrated through the use of the three case studies show how local processes in these three places interact with the more global processes and strategies of shipping capital and organised labour to shape the nature of seafaring labour markets for Filipino, South African and British seamen. The study ultimately shows that global labour markets are outcomes of complex and multiple forces of *capital* and *organised labour* and *labour market institutions* and that these forces operate unevenly at times but may also be simultaneous in the execution of their strategies.

8.2 Theoretical, Empirical and Methodological Contributions

This thesis makes theoretical, empirical and methodological contributions to the scholarship in labour studies.

8.2.1 Theoretical Contributions

There are three *theoretical* contributions. Firstly, this work offers a substantially different account of labour markets that advances a more fully social explanation of labour market formation that does not consider the social as a 'factor' or an 'add on' as does classical and neo-classical economics (and some strands of economic sociology) but a significant shaper of global labour markets. As the discussion in the previous section indicates, this thesis conceives of labour markets to be complex forms of the capital-labour relationship and essential to the capitalist mode of production and capitalist accumulation strategies. Therefore as capitalism through its experience of crises, and its attempts to ameliorate such crises, shifts from one mode of regulation to another (for example a shift from a Fordist to a post Fordist mode of regulation) it necessarily restructures labour markets.

The implication of this is that labour markets, including global ones, are formed differently from each other and function differently from each other depending on the various social and economic processes (such as Fordist and post Fordist) that inform their social and economic reproduction. Therefore I have demonstrated how seafaring markets are similar to and different from Fordist and post Fordist labour markets. I have emphasized that the shift to a post Fordist mode of regulation has resulted in a particular kind of flexible labour market for modern day seafarers.

Secondly, it fills a gap in theorising the agency of organised labour under global capitalism. The thesis demonstrated how the agency of organised labour should also be accorded primacy in arguing how labour markets are produced. Traditionally studies on capitalism ignore the ways in which organised labour, both at a national and global level, shape¹ the uneven development of markets for

¹ Especially during the Cold War. See Southall (1995) for a much expanded discussion on solidarity and imperialism of the labour movement during the Cold War. His work has a South African focus, but also provides an accessible reading of the general issues facing labour movements during this tumultuous period.

both labour and capital (Herod, 2001). The solidarities expressed by international labour organisations were shaped by the geo-political concerns of the Cold War. During this period the international labour federations were important actors in fragmenting worker solidarity according to capitalist and communist ideological lines. In the same vein the contemporary global capitalist demand for cheaper, flexible labour has pitted workers around the globe against each other. Consequences of this are the potential lowering of wages and decline in working conditions for workers as solidarities amongst workers dissolve and fragment. If capital finds the production of these kinds of labour markets conducive to its development and growth, then labour too finds certain spatial arrangements conducive to its survival. As work by Herod (1995, 2000) Johns (1998) and Castree (2000) on international labour solidarity demonstrates, workers may struggle for global economic justice or for an uneven distribution of opportunity that works in their favour. Hence self-preservation often wins over 'working class interests'.

Thus, for example, the crewing manager of Unicorn Shipping in Durban expressed the employers' views on the self preservation strategies of labour as follows:

"...and what happened suddenly was that British officers in particular were battling to find employment because third world countries started offering officers at far lower rates of pay and that's where the ITF FOC campaign has its roots. The ITF said well, if we can get an international system going which is going to ensure a minimum standard of pay across the board, the ship owner given a choice between a Filipino for US\$ 1 250 a month or a British seafarer for the same salary is going to chose what? Obviously the British seafarer who has got a decent education, speaks English, has a western culture and all those sorts of things. That was their stated objective, to look after the interest of European seafarers." ²

² Interview, Crewing Manager, Unicorn Shipping, Durban, South Africa: June 2005.

The tendency in the dominant discourse on organised labour and globalisation to characterise organised labour in the late twentieth and early twenty first century as weak, ineffectual and subservient to the processes of transnational neo-liberal capitalism, is premature and unfair (Bluestone & Harrison, 1982; Screpanti, 1987). The evidence provided in this thesis indicates that the state of organised labour in a globalising world is more complicated than simple failure to thrive. Certainly since the 1980s labour studies have been foretelling the doom of organised labour in our current capitalist era (Shalev, 1992; Western, 1995). Zolberg (1995) in Silver (2003:1) contends that the unique socio-economic conditions of the late twentieth century have resulted in the disappearance of "that social formation we call the working class." For Castells (1997) this new era implies an undermining of working class organisations to provide a cohesive means of social change for workers.

In contrast to these studies, the discussions of the ITF and AMOSUP show that organised labour still represents a powerful global force in shaping labour markets thus negating perceptions that organised labour both nationally and globally cannot influence capitalist accumulation strategies. That there is no decline in unionised seafarers' wages points to the agency of labour organisations in this sector to counter the pressure of crewing agencies to reduce wages. This then implies that there is no inevitable 'race to the bottom' for workers in a global labour market provided certain conditions are in place. Whilst the 'race to the bottom' thesis dominates much of the labour studies and economic literature, evidence presented in the present study indicates that dominant explanations of the thesis are somewhat over simplifying and misleading. For example, Silver (2003:5) demonstrates in her work that whilst capital has relocated to locations where labour is cheaper, these tend to be very industry specific and is therefore less 'unidirectional' than the literature suggests. Thus the majority of foreign direct investment flows continue to be between developed countries (Silver, 2003). Where these relocations have taken place, working classes from regions where capital leaves, become weakened, sometimes destroyed, but as Silver (2003) points out, new working classes and working class organisations are

formed in the new host locations of capital. Silver's arguments are based on linking global patterns of labour unrest over the last 130 years with the various ways in which capitalism has shifted over that time period. She employs the notion of a world historical system to understand transformations of capitalism and global labour unrest. Her evidence is marshalled from a database compiled to reflect patterns of global unrest since 1870.

In making my own assertions about the creation and decimation of working classes under capitalism, I draw on three detailed case studies of seafaring trade unions, capitalist and state strategies in the shaping and transformation of contemporary labour markets for seafarers and there demonstrate the fallibility of the 'race to the bottom' thesis using contemporary research and data. I have also focused on a sector much ignored in industrial sociology and therefore the work presented in this thesis adds to the historical depth and global scope of labour studies, particularly South African labour studies.

Thirdly, I have made a theoretical intervention in understanding how class operates within a global labour market. Traditional concepts of class as an homogenised identity and entity to organise workers no longer offers compelling explanations for workers' agency and solidarity in global labour markets. Whilst new working classes are created by emigrations and transformations of capital, these classes are not homogenous and as Arrighi (1990:63) suggests:

"Whenever faced with the predisposition of capital to treat labour as an undifferentiated mass with no individuality other than differential capability to augment value to capital, proletarians have rebelled. Almost invariably they have seized upon or created anew whatever combination of distinctive traits (age, sex, colour, and assorted geographical specificities) they could use to impose on capital some kind of special treatment. As a consequence, patriarchalism, racism, and national chauvinism have been integral to the making of the world labour movement... and live on in one form or another in most proletarian ideologies and organizations."

The ITF is more than just a trade secretariat and is akin to a social movement in its goals and actions. At the same time, however, it has come under increasing criticism for ignoring the geographical disparities in the economic conditions of its affiliated seafaring membership (Waterman, 2000). In an attempt to organise and mobilise workers by invoking class as a homogenous identity, the secretariat overlooks the myriad of other factors that affect how seafarers negotiate the labour market. For example, ethnicity, race, nationality, gender and geographical location all affect how workers experience the labour market. Not paying heed to the way class is complicated by these identities creates a tension in how labour solidarities are expressed. If we accept that labour solidarity is a key strategy in labour's attempt to influence labour market restructuring, then in order for this form of agency to be successful, labour organisations need to be cognisant of the contradictions between workers' class interests (Johns, 1998).

For labour theorists, this raises an oft-neglected aspect in labour studies, that of space and its intersection with class (Herod, 1998; Wills, 1998; Johns, 1998). They argue that whilst the manner in which capital creates uneven spaces is well documented, the way labour creates uneven economic spaces is often overlooked. The thesis has demonstrated some ways in which this uneven development of labour takes place. This perspective is in contention with capital centric explanations that situate capital as the only agent responsible for uneven development of labour markets. Labour can also determine the geography of capitalism in much the same way as capital influences the geography of labour. Therefore trade unions can decide through various strategies (as seen in the case of AMOSUP) to make their members more attractive for capital to hire than British unions are able to do. The ITF as an example of an international trade secretariat can through a range of resources be proactive in responding to capitalist processes instead of merely responding to strategies of global capital. As argued in this study, the ITF is instrumental in preventing a rapid decline in the wages and conditions of work for seafarers in one of the most potentially exploitative global industries. Trade unions such as SATAWU can actively choose whether they want to engage with processes of globalisation or not, again

influencing where capital decides to source labour from. In the same vein workers can actively compete against each other to attract capital to invest (and create employment) in regions where they are located.

8.2.2 Empirical Contributions

The chief *empirical* contribution I make is to trace the contours and changes in shipping capital and its attendant labour markets since the early 1970s (in chapters four and five respectively) thereby filling an empirical gap in industrial and economic sociology through the particular choice of my case studies. Given the large scale of the restructuring of the global seafaring labour market, and the fact that the ILO in 2002 described changes in the seafaring labour market as the largest labour restructuring event since the industrial revolution, it is surprising that empirical work (as opposed to econometric or purely descriptive work) on this phenomenon is minimally documented in the social sciences. A wealth of purely descriptive studies exists on the changing nature of global labour markets for seafarers. These include studies that document trends and patterns in the labour market and take the form of report writing or more technical articles in maritime or economic journals. Empirically, this thesis is one of the first analytical attempts to provide a cohesive theoretical and empirical argument that illustrates how these labour markets are formed as a part of socially and historically contingent processes and struggles over the control and power of labour.

8.2.3 Methodological Contributions

Methodologically, I have made two contributions. Firstly I have engaged in extended multiple case studies, thus not limiting my investigation to case studies of one or two labour markets but analysing case studies of three labour markets. Secondly I have engaged in comparative case studies that allow me to compare and contrast my claims and arguments across three diverse case studies. The multiple and comparative nature of my three case studies allows me to generalise

my claims and gives my claims greater veracity. The comparative nature of the study makes it possible for me to investigate and explore the claims of this thesis across three very diverse labour markets giving further credence to my arguments. It further makes it feasible for me to identify and account theoretically for the differences and similarities presented by these comparative case studies. It is doubtful that a single non-comparative case study that examined only one national seafaring labour market would have allowed me to make the claims I have about agency, the importance of place and class, and the nature of global capitalism.

In making the above theoretical, empirical and methodological contributions and interventions this thesis has both extended and given impetus to comparative industrial and economic sociology in South Africa. This thesis moves South African sociology beyond intensely nationally based and inward looking labour processes and national class issues, to a theorisation that engages with the global arena of power, agency and the changing geography of capitalism and labour. Though there have been recent attempts to be less parochial in South African labour studies, most notably led by Webster, Bezuidenhout and Lambert (2006)³, my own observations as a young academic in the field is that the dominant trend continues to be very nationally focused with very little work engaging in multiple and comparative case studies of different countries. The findings of this thesis not only contribute to a growing body of work that aims to introduce labour more critically into sociology, it is also an invitation to others to build on my work. In so doing, this analysis of the transformation and production of labour markets will add to economic and industrial sociology, particularly in South Africa, and provide it with a much needed methodological and theoretical reinvigoration.

³ These authors/researchers have worked on labour's response to globalisation in South Korea, Australia and South Africa and are expected to publish a book on comparative labour studies based on their experiences on this research project in 2006/2007. Other projects include a focus on Southern unionism and global social movement unionism.

References:

Database

Wu, B. 2005 'Seafarer International Research Centre Database', 1st Edition, Cardiff: Seafarer International Research Centre

Periodicals

1993 'Full Steam Ahead: a Maritime strategy.' London: Labour Party, Department of Transport.

1996 'White Paper on National Transport Policy'.

1998 'P&O Filipino Crew Plan', *Lloyds List Africa Weekly* (28 August): 11.

1999 'ITF to step up pressure for Leros Strength compensation', *Lloyds List Africa Weekly* (19 February): 12.

1999 'ITF's campaign ship 'denied Panama berth'', *Lloyds List Africa Weekly* (26 February): 14.

1999 'The Skills Development Act and the Skills Development Levies Act', *People Dynamics*: 46-47.

2005 'Japanese owners invests in SA companies', *Southern Africa Shipping News* (July).

Books, Journals, Reports and Papers

(1996). White Paper on National Transport Policy.

(1999). The Skills Development Act and the Skills Development Levies Act. People Dynamics. 17: 46-47.

Abercrombie, N., Hill, S, & Turner,B (2000). The Penguin Dictionary of Sociology. London, Penguin.

Abinales, P., & Amoroso, D (2005). State and Society in the Philippines. Manila, Anvil.

Ackroyd, S., Batt, R, Thompson,P,& Tolbert, P, Ed. (2005). The Oxford handbook of Work and Organization. Oxford, Oxford University Press.

Adler, G., Ed. (2000). Engaging the State and Business: The Labour Movement and Co-determination in South Africa. Johannesburg, Witwatersrand University Press.

Adler, G., & Webster, E (2000). Trade Unions and Democratisation in South Africa: 1985-1997. London Macmillan.

Adorno, T. (1973). Negative Dialectics. New York, Seabury.

Adorno, T. (1976). The Positivist Dispute in German Sociology. London, Routledge.

Agger, B. "Writing Social Things, review essay." Qualitative Sociology 25: 135-138.

Agger, B. (1989). Fast Capitalism: A Critical theory of Significance. Champaign, University of Illinois Press.

Agger, B. (1991). "Critical Theory, Poststructuralism of Postmodernism." Annual Review of Sociology 17: 105-131.

Aghion, P., & Howitt, P (1992). "A Model of Growth Through Creative Destruction." Econometrica 60(2): 323-351.

Aglietta, M. (1979). A Theory of Capitalist Regulation: The US experience. London, New Left Books.

Agnew, J., & Corbridge, S (1995). Mastering Space: hegemony, territory and international political economy. London, Routledge.

Albritton, R., Makoto, I, Westra, R, & Zuege, A, Ed. (2001). Phases of Capitalist Development. Booms, Crises and Globalizations. London, Palgrave.

Albrow, M. (1996). The Global age. State and Society beyond Modernity. Cambridge, Polity Press.

Alderton, T., & Winchester, N (2002b). "Flag States and Safety: 1997-1999." Maritime Policy and Management 29(2): 151-162.

Alderton, T., Bloor, M, Kahveci, E, Lane, T, Sampson, H, Thomas, M, Winchester, N, Wu, B, Zhao, M (2004). The Global Seafarer: living and working conditions in a globalized Industry. Geneva, International Labour Organisation.

Alderton, T., & Winchester, N (2002a). "Globalisation and deregulation in the maritime industry." Marine Policy 26: 35-43.

Alderton, T., & Winchester, N (2001). Globalisation in the Maritime Industry: Its effects upon the human factor. Maritime Transport. J. Puig, Dauer, R, Blanco, R & Malofre, J. Catalonia, University of Catalonia Press: 796-804.

Alexander, J. (1982). Theoretical Logic in Sociology: Positivism, Presupposition and Current Controversies. Berkeley, University of California Press.

Allen, J. (1992). Fordism and Modern Industry. Political and Economic Forms of Modernity. J. Allen, Braham, P and Lewis, P. Cambridge, Polity Press.

Allen, J., Braham, P and Lewis, P, Ed. (1992). Political and Economic Forms of Modernity. Cambridge, Polity Press.

Allen, J. (1992). Post-Industrialism and Post-Fordism. Modernity and its Futures. S. Hall, & McGrew, T. Cambridge, Polity Press.

Althusser, L. (1970). For Marx. New York, Vintage Books.

Althusser, L. (1972). Politics and History. New York, Vintage Books.

Amante, M. (2003). "Bitter Sweet Life of for Philippine seafarers in the global labour market." Philippine Journal of Labour and Industrial Relations 23(2): 534-550.

- Amante, M. (2004). *Rough seas for for Filipino Seafarers*. Cardiff, Seafarer International Research Centre.
- Amoroso, B. (1998). On Globalization: Capitalism in the 21st century. New York, Palgrave.
- Arato, A., & Gebhardt, E, Ed. (1978). The Essential Frankfurt School Reader. Oxford, Blackwell.
- Armstrong, P., Glyn,A, & Harrison,J (1991). Capitalism Since 1945. Cambridge, Basil Blackwell.
- Arrighi, G. (1990). "Marxist-Century, American Century: The Making and Remaking of the World Labor Movement." New Left Review 179(Jan-Feb): 29-63.
- Arrighi, G. (1994). The Long Twentieth Century. Money, power and the Origins of our Times. London, Verso.
- Arrighi, G., & Silver, B (2000). Global Inequalities and 'Actually Existing Capitalism'. Ethics and Globalization. Yale University.
- Arrighi, G., & Moore,J (2001). Capitalist Development in World Historical Perspective. Phases of Capitalist Development. Booms, Crises and Globalisations. R. Albritton, Makoto,I, Westra,R, & Zuege,A. London, Palgrave: 56-75.
- Arrighi, G. (2005). "Hegemony Unravelling-1." New Left Review 32: 23-80.
- Aubert, V. (1966). The Hidden Society. Totowa, Bedminster Press.
- Badham, R. (2005). Technology and the Transformation of Work. The Oxford Handbook of Work and Organization. S. Ackroyd, Batt, R, Thompson,P,& Tolbert, P. Oxford, Oxford University Press.
- Balisacan, A., & Hill, H (2003). The Philippine Economy, Development, Policies and Challenges. Manila, Ateneo De Manila University Press.
- Barret, J. (2001). "Flags of convenience: International exploitation, international solidarity." South African Labour Bulletin 25(2): 23-28.
- Barry, B., & Norton, D (2000). "The Skills Development Act. Transforming Education and Training for Workers." South African Labour Bulletin 24(2): 6-11.
- Barsky, R., & Kilian, L (2004). "Oil and the Macroeconomy since the 1970s " The Journal of Economic Perspectives 18(4): 115-134.

- Barston, R. (1997). "Flag Registration and Marine Economies: the Value of a National Register." International Ship Registry Review 4(8): 1-3.
- Barton, J. R. (1999). "Flags of Convenience: geoeconomics and regulatory mimimization." Tijdschrift voor Economische en Sociale Geografie 90(2): 142-155.
- Baskin, J. (1999). Striking Back: A History of COSATU. Johannesburg, Ravan.
- Beaud, M. (2001). A History of Capitalism: 1500-2000. New York, Monthly Review Press.
- Beck, U. (2000). The Brave New World of Work. Cambridge, Polity.
- Beck, U. (2000). Living your own Life in a Runaway World: Individualisation, Globalisation and Politics. Global Capitalism. W. Hutton, & Giddens, A. New York, The New Press.
- Belcher, P., Sampson, H Thomas, M. Veiga J & Zhao M (2003). Women Seafarers. Global employment policies and practices. Geneva, International Labour Office.
- Bell, J., & Sekine, T (2001). The Disintegration of Capitalism: A phase of Ex-Capitalist Transition. R. Albritton, Makoto J, Westra, R, & Zuege, A. London, Palgrave.
- Bello, W. (2001). The Future in the Balance: Essays on Globalization and Resistance. Manila, University of the Philippines Press.
- Bello, W. (2004). The anti-development state. The Political economy of permanent crisis in the Philippines. Manila, University of the Philippines.
- Benford, H. (1983). A Naval Architect's Introduction to Engineering Economics. Anne Arbor, University of Michigan Press.
- Benford, H. (1985). "Ship's capital costs: the approaches of economists, naval architects and business managers." Journal of Maritime Management and Policy 12(1): 9-25.
- Benner, C. (1999). Silicon valley labor markets: Overview of Structure, Dynamics and Outcomes for Workers. Work, Labor Organizations, and Labor Market Institutions in the New Economy: Lessons from Silicon Valley. San Jose, California.
- Benner, C. (2002). Work in the New Economy: Flexible Labour Markets in the Silicon Valley. Oxford, Blackwell.

- Bezuidenhout, A. (2000). Towards a global social movement unionism? Trade union responses to globalisation in South Africa. Labour and Society Programme. Geneva, International Labour Organisation.
- Bhagwati, J. (1986). "Export-Promoting Trade Strategy: Issues and Evidence." World Bank Research Observer 3(1): 27-57.
- Bhaskar, R. (1978). A Realist Theory of Science. Hemel-Hemstead, Harvester.
- Bhaskar, R. (1993). Dialectic. London, Verso.
- Bhaskar, R. (2006). Dialectic. Modern Social Thought W. Outhwaite. Oxford, Blackwell: 158-160.
- BIMCO/ISF (2005). Manpower 2005 Update: The Worldwide Demand for and Supply of Seafarers. Warwick, University of Warwick.
- Blackledge, P. (2006). Reflections on the Marxist Theory of History. Manchester, Manchester University Press.
- Bluestone, B., and Harrison, B (1982). The Deindustrialization of America: Plant Closings, Community Abandonment, and the Dismantling of Basic Industry. New York, Basic.
- Boje, D. (2001). Narrative Methods for Organizational and Communications Research. Thousand Oaks, Sage.
- Bolster, J. (1990). "To Feel Like a Man": Black Seamen in the Northern States, 1800-1860 " The Journal of American History 76(4): 1173-1199.
- Bonnin, D., Wood, G & Ruggunan, S (2001). Ratings training in South Africa. Durban, University of Natal.
- Bonnin, D., Wood, G & Ruggunan, S (2002). An evaluation of an International Transport Federation sponsored training scheme to upgrade the formal qualifications of African seafarers. Durban, University of Natal.
- Bonnin, D., Wood, G & Ruggunan, S (2002). Investigating a maritime industrial policy for the South African Developmental Community. Durban, University of Natal.
- Bonnin, D., Wood, G & Ruggunan, S (2003). Training berth availability for South African ratings. Durban, University of KwaZulu-Natal.

- Bonnin, D., Lane, T, Ruggunan, S & Wood, G (2004). "Training and development in the maritime industry: the case of South Africa." Human Resource Development International 7(1): 7-22.
- Bonnin, D., Ruggunan, S & Wood, G (2006). "An evaluation of an International Transport Federation sponsored training scheme to upgrade the formal qualifications of African seafarers." South African Journal of Labour Relations 30(1).
- Botlanski, L & Chiapello, E (2007) The New Spirit of Capitalism. London, Verso
- Bottomore, T. (1985). Theories of Modern Capitalism. London, George Allen & Unwin.
- Bourdieu, P. (1973). The Craft Of Sociology: Epistemological Preliminaries. Berlin and New York, De Gruyter.
- Bradley, H., Erickson, M, Stephenson, C, & Williams, S, Ed. (2000). Myths at work. Cambridge, Polity.
- Braham, P. (1992). The Divisions of Labour and Occupational Change. Political and Economic Forms of Modernity. J. Allen, Braham,P and Lewis,P. Cambridge, Polity Press.
- Branch, A. (1982). Economics of Shipping Practice and Managment. London, Chapman and Hall.
- Branch, A. (1996). Elements of Shipping. London, Chapman & Hall.
- Braudel, F. (1984). Civilization and Capitalism, 15th-18th Century. III: The Perspective of the World. New York, Harper.
- Brecher, J. (1972). Strike! Boston, South End Press.
- Brennan, R. (2000) Economics: Funny Flags and Australian shipping. News Weekly Volume, DOI:
- Brooks, M. (1995). "Understanding the ocean Container market-a seven country study." Transportation Journal 22(1): 33-49.
- Brooks, M., Button, K, & Nijkamp,P, Ed. (2002). Maritime Transport. Classics in Transport Analysis. Cheltenham, Edward Elgar.
- Brownrigg, M. (2001). "Developments in UK shipping: The Tonnage Tax." Maritime Policy and Management 28(3): 213-223.

- Bryant, C. (1985). Positivism in Social Theory and Research. London, Macmillan.
- Buckman, G. (2005). Global Trade: Past Mistakes, Future Choices. London, Zed Books.
- Burris, V. (1987). The Neo-Marxist synthesis of Marx and Weber on Class. The Marx-Weber Debate. N. Wiley. California, Sage: 67-90.
- Buxton, I. (1987). Engineering Economics and Ship Design. Wallsend, British Maritime Technology.
- Cahill, R. (1999). Death ship scandals. The Guardian. London: 9.
- Callinicos, A. (2001). Against the Third Way: An Anti-Capitalist Critique. London, Blackwell.
- Castells, M. (1997). The Information Age, Volume 2: The Power of Identity. Oxford, Blackwell.
- Castells, M. (2000). The Information Age: Economy, Society and Culture: Volume 1, The Rise of the Network Society. Oxford, Blackwell.
- Castells, M. (2000). Information Technology and Global Capitalism. Global Capitalism. W. Hutton, & Giddens, A. New York, The New Press.
- Castree, N. (1999). "Envisioning capitalism: Geography and the renewal of Marxian political economy." Transactions of the Institute of British Geographers 24: 137-158.
- Castree, N. (2000). "Geographic Scale, and Grass Roots Internationalism: the Liverpool Dock Dispute, 1995-1998 " Economic Geography 76(3): 272-291.
- Castree, N., Coe, N, Ward, K, & Samers, M (2004). Spaces of Work: Global Capitalism and Geographies of Labour. London, Sage.
- Cerny, P. (1995). What Next for the State? Globalisation: Theory and Practice. E. Y. Kofman, G London, Pinter.
- Chari, S. (2004). Fraternal Capital: Peasant Workers, Self Made Men, and Globalization in Provincial India. Stanford, Stanford University Press.
- Chasomeris, M. (2005). South Africa's Maritime Policy and Transformation of the Shipping Industry. Durban, University of KwaZulu -Natal.
- Choy, C. (2003). Empire of Care: Nursing and Migration in Filipino American History. Manila, Ateneo De Manila University Press.

- Clarke, S. (1982). Marx, Marginalism and Modern Sociology. London, The Macmillan Press Limited.
- Coase, R. (1992). "The Institutional Structure of Production." American Economic Review 82(4): 713-719.
- Collier, A. (1994). Critical Realism. London, Verso.
- Collins, R. (1980). "Weber's Last Theory of Capitalism: A systematization." American Sociological Review 45: 925-945.
- Comaroff, J., & Comaroff, J (2001). First Thoughts on a Second Coming. Millennial Capitalism and the Culture of Neoliberalism. J. Comaroff, & Comaroff, J. London, Duke University Press.
- Comaroff, J., & Comaroff J Ed. (2001). Millennial Capitalism and the culture of neoliberalism. London, Duke University Press.
- Conde, C. (2007). "Philippines Most Corrupt Survey Says." Retrieved 28 August 2008, from <http://www.iht.com/articles/2007/03/13/business/peso.php>.
- Consultants, D. S. (2007). Ship Operating Costs. London, Drewry Publications: 8.
- Corbridge, S. (1986). Capitalist World Development: A critique of Radical Development Geography. London, Macmillan.
- Couper, A. (1997). The Changing Global Constituency of Maritime Education and Training. International Conference of the Maritime Lecturers Association. St Johns, Newfoundland.
- Cox, K., Ed. (1996). Spaces of Globalization. Reasserting the power of the local. New York, The Guilford Press.
- Creighton, M., & Norling, L (1996). Iron Men, Wooden Women: Gender and Seafaring in the Atlantic World: 1700-1920. Baltimore, Johns Hopkins University Press.
- Crow, G. (2005). The Art of Sociological Argument. Basingstoke, Palgrave Macmillan.
- Dalby, S. (1995). Crossing Boundaries: Political geography and International Relations after the Cold War. Globalisation: Theory and Practice. E. Y. Kofman, G. London, Pinter.

- David, R. (2001). Reflections on Sociology and Philippine Society. Manila, University of Philippines Press.
- Dejillas, L. (1994). Trade Union Behavior in the Philippines. Manila, Ateneo De Manila University Press.
- Dicken, P. (2002). Placing firms, firming places. Grounding the debate on the global corporation. Responding to Globalization: Societies, Groups, and Individuals. University of Colorado, Boulder, United States of America.
- Dicken, P. (2003). Global Shift. Reshaping the Global Economic Map in the 21st Century. London, Sage.
- Djankov, S., La Porta, R, Lopez-de-Silanes, F & Shleifer, A (2000). The Regulation of Entry. Faculty Research Working Papers Series, John F.Kennedy School of Government: Harvard University.
- Dlamini, K. (1999). "Globalisation: Can unions reinvent themselves? ." South African Labour Bulletin 23(1): 79-82.
- Dobbin, F. (2004). The New Economic Sociology: A Reader. Princeton, Princeton University Press.
- Doray, B. (1990). From Taylorism to Fordism: A Rational Madness. London, Free Association Books.
- Dunford, M. (1990). "Theories of Regulation." Society and Space 8: 297-321.
- Edigheji, O., & Gostner, K (2000). "Social dialogue: The South African experience " Labour Education **120**: 83-91.
- Ehrenreich, B., and Ehrenreich, J (1979). The professional managerial class. Between Labour and Capital. P. Walker. Boston, South End Press.
- Elliot, G. (1994). Althusser: A Critical Reader. London, Blackwell
- Enslin, S. (2005). Modern mariners take strict legal codes on board. Sunday Independent. Johannesburg.
- Enslin, S. (2005). Unicorn to double its fleet as energy hungry world revs up demand. The Mercury. Durban.
- Falk, R. (1997). "State of Siege: Will Globalization Win Out." International Affairs 73(January): 123-136.

- Fevre, R. (2003). The Sociology of Labour Markets. Cardiff, Cardiff University.
- Fine, B. (1982). Theories of the capitalist economy. London, Edward Arnold.
- Fligstein, N. (2001). The Architecture of Markets: An Economic Sociology of Twenty First Century Capitalistic Societies. Princeton, Princeton University Press.
- Forsyth, C. (1989). The American Merchant Seaman and his Industry: Struggle and Stigma. New York, Taylor and Francis.
- Foucault, M. (1976). The History of Sexuality: An introduction. Harmondsworth, Penguin.
- Foucault, M. (1977). Language, Counter-memory, Practice. Ithaca, Cornell University Press.
- Foucault, M. (1981). Foucault, M: Power/ Knowledge: Selected Interviews and Other Writings
New York, Randon House.
- Freeman, R. (1998). "War of the Models: Which Labour Market Institutions for the 21st Century?" Labour Economics 5: 1-24.
- Fricke, P. (1973). Seafarer and Community: Towards a social understanding of Seafarers. London, Croom-Helm.
- Friedman, M. (1963). Inflation: Causes and consequences. New York, Asia House Publishers.
- Friedman, M. (1972). "A Monetary Theory of National Income." Journal of Political Economy 79: 323-337.
- Friedman, M. (1982). Monetary Trends in the United States and the United Kingdom: Their relations to income, prices and interest rates, 1876-1975. Chicago, University of Chicago Press.
- Friedman, T. (2006). The World is Flat: The Globalized World in the Twenty First Century. London, Penguin.
- Froebel, F., Heinrichs J and Krey, O (1980). The new international division of labour. Cambridge, Cambridge University Press.
- Frost, D., Ed. (1995). Ethnic Labour and British Imperial Trade. A history of ethnic seafarers in the UK. London, Routledge.

- Fukuyama, F. (1992). The end of history and the last man. New York, The Free Press.
- Gardener, B., Nairn, M, Obando-Rojas, B, & Pettit, S (1999). The Future of the UK Shipping Industry. Cardiff, Seafarer International Research Centre, University of Cardiff.
- Gentle, N., & Perkins, R (1978). An Estimate of Operating Costs for Bulk, Ro-ro and Container Ships. Canberra, Bureau of Transport Economics: 1-50.
- Gephart, R. (1999). "Paradigms and Research Methods." Research Methods Forum 4(Summer).
- Gerber, M. (2005). Taxman Waives Rules for British Shipping. The Observer. London: 25.
- Giddens, A. (1971). Capitalism and Modern Social Theory. New York, Harper and Row.
- Giddens, A., Ed. (1974). Positivism and Sociology. London, Heinemann.
- Giddens, A. (1981). A Contemporary critique of Historical Materialism. Berkeley, University of California Press.
- Giddens, A. (1990). Consequences of Modernity. Cambridge, Polity Press.
- Giddens, A., & Hutton, W (2000). In Conversation. Global Capitalism. W. Hutton, & Giddens, A. New York, The New Press.
- Glen, D. (1990). "The emergence of differentiation in the oil tanker market, 1970-1978 " Maritime Policy & Management 17(4): 289-312.
- Glen, D., Dowden, J, Wilson, R (2005). United Kingdom Seafarers Analysis for 2005. London, Department For Transport.
- Glyn, A. (2007). Capitalism Unleashed: Finance, Globalization, and Welfare. Oxford, Oxford University Press.
- Godfrey, W. (1986). Global Unemployment: The New Challenge to Economic Theory. Sussex, Harvester Press.
- Golding, S. (1992). Gramsci: Contributions to a Theory of Post-Liberal Democracy. Toronto, Toronto University Press.

- Gostner, K., & Joffe, A (2000). Negotiating the future: Labours role in Nedlac. Engaging the state and business: The Labour Movement and Co-determination in Contemporary South Africa. G. Adler. Johannesburg, Witwatersrand University Press.
- Gostner, K. (2000). Social Dialogue in South Africa. In Focus. Geneva, International Labour Organisation.
- Graham, L. (2005). Manual Workers:Conflict and Control. The Oxford Handbook of Work and Organization. S. Ackroyd, Batt, R, Thompson,P,& Tolbert, P. Oxford Oxford University Press.
- Gramsci, A. (1971). Selections from Prison Notebooks. London, Lawrence and Wishart.
- Gray, J. (1998). False Dawn:the delusions of global capitalism. London, Granta Books.
- Greif, A. (2005). Foreword. The Economic Sociology of Capitalism. V. Nee, & Swedberg, R. Princeton, Princeton University Press.
- Grey, M. (2001). "Minnows and Sharks: Survival of the Fittest." Maritime Policy and Management 28(3/ July): 209-212.
- Grint, K. (1998). The sociology of work Cambridge, Polity Press.
- Grint, K. (2000). Work and Society: A Reader. London, Polity Press.
- Gross, D. (1985). "Temporality and the modern state." Theory and society 14(1): 53-81.
- Gutter, W. (1973). A Name amongst Seafaring men: A History of the training ship General Botha. Cape Town, TB Davis Memorial Sailing Trust.
- Guba, E., & Lincoln, Y (1989). Fourth Generation Evaluation. Thousand Oaks, Sage.
- Habermas, J. (1975). Legitimation Crisis. Boston, Beacon Press.
- Halal, W., & Taylor,K, Ed. (1999). 21st Century Economics: Perspectives for a Changing World. London, Macmillan.
- Halal, W., & Taylor,K (1999). Conclusion: On the Other side of the Millenium: A Synthesis of Progressive Economic Thought. 21st Century Economics: Perspectives of socio economics for a changing world. W. Halal, & Taylor,K. London, Macmillan.

- Hall, S., & McGrew, T (1992). Modernity and its Futures. Cambridge, Polity Press.
- Hamilton, S. (2006). The Eagle and the Bustard: EP Thompson and Louis Althusser, University of Auckland, New Zealand. **2007**: Website.
- Harding, S. (1984). The Science Question in Feminism. Ithaca, Cornell University Press.
- Harman, C. (2007). "The rate of profit and the world today." International Socialism July(115): 1-15.
- Harre, R. (1986). Varieties Of Realism. Oxford, Blackwell.
- Hart, G. (2002). Disabling Globalisation. Places of power in post-apartheid South Africa. Berkeley, University of Berkeley Press.
- Hart-Landsberg, M., & Burkett, P (1998). "Contradictions of Capitalist Industrialization in East Asia: A Critique of 'Flying Geese' Theories of Development." Economic Geography 74(2): 87-110.
- Harvey, D. (1978). "The Marxian Theory of th State." Antipode 8(2): 80-89.
- Harvey, D. (1982). The Limits to Capital. Oxford, Blackwell.
- Harvey, D. (1985). The Geopolitics of Capitalism. Social Relations and Spatial Structures. D. Gregory, & Urry, J. New York, St Martins Press.
- Harvey, D. (1989). The condition of Post Modernity. Oxford, Blackwell.
- Harvey, D. (1996). The Limits to Capital. Oxford, Blackwell.
- Harvey, D. (2000). Spaces of Hope. Edinburgh, Edinburgh University Press.
- Harvey, D. (2003). The New Imperialism. Oxford, Blackwell.
- Harvey, H. (1995). Industrial relations in the maritime industry: some key issues facing the maritime industry in reconstruction and development. Johannesburg, Transport and General Workers Union.
- Heilbroner, R. (1985). The Nature and Logic of Capitalism. New York, Norton.
- Held, D. (1980). Introduction to Critical Theory: Horkheimer to Habermas. Berkeley, University of California Press.

Held, D., McGrew, A., Goldblatt, D., & Perraton, J. (2000). Global Transformations. Politics, Economics and Culture. Oxford, Polity.

Hempel, C. (1965). Aspects of Scientific Explanation. New York, Free Press.

Hemson, D. (1995). "Dock work in Durban: an end to casual labour? ." South African Labour Bulletin 19(6): 39-40.

Hemson, D. (1996). "Beyond Frontier Control? Trade Unionism and the labour market in the Durban Docks." Transformation 31(83-114).

Hemson, D. (1998). Breaking the impasse, beginning the change: labour market, unions and social initiative in Durban,. Durban Conference. University of Natal, Durban, South Africa.

Hemson, D. (2000). Top Concord and casual labour: Globalisation and livelihoods in the Durban docks. Conference of the Research Committee 10 of the International Sociological Association. University of Durban Westville, Durban, South Africa.

Hemson, D. (2001). The national dock labour scheme. 7th National Maritime Conference of South Africa. Cape Town, South Africa.

Henning, E., van Rensburg, W & Smit, B (2004). Finding your way in qualitative research. Pretoria, Van Schaik.

Herod, A. (1997). "Labours spatial praxis and the geography of contract bargaining in the US east coast longshore industry." Political Geography 16(2): 145-165.

Herod, A. (1998). Organizing the Landscape: Geographical perspectives on Labour Unionism. Minneapolis, University of Minnesota Press.

Herod, A. (2001). Labor geographies. Workers and the Landscapes of Capitalism. New York, The Guilford Press.

Herod, A., Wright, M, Ed. (2002). Geographies of Power. Placing Scale. London, Blackwell.

Hickson, C. (2000). Menger's Organic view of institutions. Contributions to the History of Economic Thought. A. Murphy, & Prendergast, R. London and New York, Routledge.

Hirst, P., & Thomson, G (1996). Globalisation in Question. London, Polity Press.

Hobsbawm, E. (1968). Industry and Empire. New York, Pantheon.

- Hollingsworth, J., & Boyer, R, Ed. (1997). Contemporary Capitalism: the embeddedness of institutions. Cambridge, Cambridge University Press.
- Honneth, A. (2006). Frankfurt School. Modern Social Thought. W. Outhwaite. Oxford, Blackwell: 241-244.
- Horkheimer, M. (1976). Critical Theory. New York, Herder and Herder.
- Hounshell, D. ((1984) 1992). Ford and mass production. Political and Economic Forms of Modernity. J. Allen, Braham,L & Lewis,P. Cambridge, Polity.
- Howe, K. (1988). "Against the quantitative-qualitative incompatibility thesis or dogmas die hard." Educational Researcher 17: 10-16.
- Howe, K. (1992). "Getting over the quantitative-qualitative debate." American Journal of Education 100: 236-256.
- Hubbard, P., Kitchin, R & Valentine, G, Ed. (2004). Key Thinkers on Space and Place. London, Sage.
- Hutchinson, J., & Brown,A, Ed. (2001). Organising Labour in Globalising Asia. The New Rich In Asia Series. London, Routledge.
- Hutton, W., & Giddens, A, Ed. (2000). Global Capitalism. New York, The New Press.
- Hyman, R. (1999). An emerging agenda for trade unions. Geneva, International Labour Organisation.
- Hyman, R. (2000). Social Dialogue in Western Europe: The State of the Art. Social Dialogue Papers. Geneva, International Labour Organisation.
- Hyman, R. (2001). "Imagined solidarities: Can trade unions resist globalisation?," Global Solidarity Dialogue.
- ILO (2001). The impact on seafarers' living and working conditions of changes in the structure of the shipping industry. Report for discussion at the 29th Session of the Joint Maritime Commission. Geneva, International Labour Organisation.
- ILO (2001). Seafarers Pay in Decline. International Labour Organisation World Of Work. 38: 24-25.
- Ingpen, B. (2005). Unicorn: Navigating New Frontiers. Durban, Fernwood Press.

- Islam, I., Chowdhury, A (2000). Asia-Pacific Economies. A Survey. London, Routledge.
- Jalee (1977). How Capitalism Works. New York, Monthly Review Press.
- Jessop, B. (2001). "Bringing the state back in (yet again): Reviews, Revisions, Rejections, and Redirections." International Review of Sociology 11(2): 149-173.
- Jessop, B. (1997). "Capitalism and its future: remarks on regulation . government and governance." Review of International Political Economy 4(3): 561-581.
- Jessop, B. (2001). The Future of the Capitalist State. Cambridge, Polity.
- Jessop, B. (2002b). "Liberalism, Neoliberalism and Urban Governance: A State-Theoretical Perspective." Antipode 34(3): 452-472.
- Jessop, B. (2002a). "Time and Space in the Globalization of Capital and Their Implications for State Power." Rethinking Marxism Spring(I): 97-117.
- Jessop, B. (2004). "On the Limits of *The Limits to Capital*." Antipode 36(3): 480-496.
- Johns, R. (1998). " Bridging the gap between class and space: U.S. worker solidarity in Guatemala." Economic Geography 74(1): 252-271.
- Johnston, R. (1994). "One world, millions of places: The end of History and the ascendancy of Geography." Political Geography 13(2): 111-121.
- Kahveci, E. (1999). Fast Turnaround Ships and their Impact on Crews. Cardiff, Seafarer Interational Research Centre: 69.
- Kahveci, E. (2006). Neither at sea no ashore: the abandoned crew of the OBO Basak. Annuaire de droit maritime. Nantes, University of Nantes: 279-320.
- Kahveci, E. (2007). "Reviewing seafarers' welfare at sea and ashore." The Sea February/March (186): 4-5.
- Karnow, S. (1989). In Our Image: America's Empire in the Philippines. New York, Ballantine Books.
- Keat, R., & Urry, J (1983). Social Science as Theory. London, Routledge.
- Kelly, P. (2000). Landscapes of Globalisation: Human geographies of economic Change in the Philippines. London, Routledge.

Kelly, P. (2001). "The Political Economy of Local Labor Control in the Philippines." Economic Geography **77(1)**: 1-22.

Keyser, N., & Bowens, W (2006). South Africa's tonnage tax gains momentum. Managing Partner. 8.

Kliman, A. (2007). Reclaiming Marx's 'Capital'. A Refutation of the Myth of Inconsistency. Dallas, Lexington Books.

Knox, J., Agnew, J & McCarthy, L (2003). The Geography of the World Economy. London, Hodder Arnold.

Koch-Baumgarten, S. (2000). Globalisation and international industrial relations in maritime transport: The multinational- collective bargaining system in FOC shipping. Changing Patterns of employee and union participation. 12th World Congress of the International Industrial Relations Association. Free University of Berlin, Germany.

Kotz, D. (2001). The state, globalization and capitalist development. Phases of Capitalist Development: Booms, Crises, and Globalizations. R. Albritton, Makoto, I, Westra, R, & Zuege, A. London, Palgrave.

Kuhn, T. (1972). The Structure of Scientific Revolutions. Chicago, University of Chicago Press.

Lamvik, G. (2002). The Filipino Seafarer: A Life between Sacrifice and Shopping. Social Anthropology, Norwegian University of Science and Technology. **Doctor of Arts**: 215.

Lane, A. (1986). Grey Dawn Breaking. British Seafarers in the late 20th Century. Manchester, Manchester University Press.

Lash, S., & Urry, J (1987). The End of Organized Capital. Cambridge, Polity Press.

Lawrence, S. (1974). International Sea Transport: The Years Ahead. Lexington, Lexington Books.

Lee, R., & Wills, J, Ed. (1997). Geographies of Economies. London, Edward Arnold.

Lefebvre, H. (2004). The Production of Space. Oxford, Blackwell.

Legarda Jr., B. (1999). After the Galleons. Foreign Trade, economic Change and Entrepreneurship in the Nineteenth Century Philippines. Manila, Ateneo De Manila University Press.

Lekachman, R., & van Loon, B (1981). Capitalism for Beginners. London, Writers and Readers Publishing Cooperative Limited.

Lester, J. (2000). Dialogue of negation: Debates on hegemony on Russia and the West. London, Pluto Press.

Levins, R., & Lewontin, R (1985). The Dialectical Biologist. Harvard, Harvard University Press.

Lewis, H. (2003). The International Transport Workers' Federation (ITF) 1945-1965: An Organizational and Political Anatomy. Sociology. Warwick, University of Warwick. **PHD**: 399.

Lincoln, Y., & Guba, E (2000). Paradigmatic Controversies, contradictions and emerging confluences. Handbook of Qualitative Research. N. Denzin, & Lincoln, Y. Thousand Oaks, Sage: 163-188.

Lipietz, A. (1986). "Behind the Crisis: the exhaustion of a regime of accumulation. A 'regulation school' perspective on some French empirical works." Review of Radical Political Economics 18: 13-32.

Lipietz, A. (1992). Towards a New Economic Order: Postfordism, Ecology and Democracy. Cambridge, Polity Press.

Lipietz, A. (2001). The Fortunes and Misfortunes of Post-Fordism. Phases of Capitalist Development: Booms, Crises and Globalizations. R. Albritton, Makoto,I, Westra,R, & Zuege,A. London, Palgrave.

Luke, T., & O'Tuathail,G (1998). Global flowmations, local fundamentalisms, and fast geopolitics: "America" in an accelerating world order. An unruly world? Globalisation, governance, and geography G. O Tuathail, Herod, A & Roberts, S. London, Routledge.

Mackenzie, N., & Knipe, S (2006). "Research Dilemmas:Paradigms, methods and methodology." Issues in Educational Research 16: 193-205.

Manapat, R. (1991). Some are Smarter than Others:The history of Marcos' Cronyl Capitalism. New York, Aletheia Publications.

Mandel, E., & Freeman, A (1984). Ricardo,Marx,Sraffa. London, Verso.

Mandel, E. (1990). Introduction. Capital. A Critique of Political Economy. London, Penguin Classics. 1.

Maree, J., & Godfrey, S (2005). If you can't measure it, you can't manage it': Reorganisation of Work and Performance at two Fish Processing Firms. Beyond the Apartheid Workplace: Studies in Transition. E. Webster, & Von Holdt, K. Scottsville, University of KwaZulu-Natal Press.

Marlow, P., Pettit, S, & Bergantino, A (1997). The Decision to Flag Out and its Impact on the National Economy. Millenium Conference. Gdansk, Poland.

Marlow, P., & Goss, R (1997). "Investment Incentives for British Shipping: A Comment on Recent Work." Maritime Policy and Management 4(24): 389-391.

Marlow, P. (2002). Ships, Flags and Taxes. The Handbook of Maritime Economics and Business. C. Grammenos. London, MPG.

Martin, R., Sunley, P, Wills, J (1994). "Labouring differences: methods, measurement and purpose in geographical research on trade unions " Transactions of the Institute of British geographers 19: 102-109.

Marx, K. (1990). Capital. Volume 1. A Critique of Political Economy. . London, Penguin Classics

Massey, D. (1993). Power-Geometry and a Progressive sense of Place. Mapping the Futures. Global Cultures, Local Change. J. Bird, Curtis, B, Putnam, T, Robertson, G, & Tickner, L. London, Routledge: 59-69.

Massey, D. (1995). Space, Place and Gender. Cambridge, Polity Press.

Mazur, J. (2000). "Labor's New Internationalism." Foreign Affairs **January-February**: 79-93.

McCaskey, S. (2007). Maritime Economics: New Perspectives. Cardiff, Cardiff Academic Press.

McConville, J., Glen, D, & Dowden, J (1998). United Kingdom Seafarers Analysis. London, The Centre for International Transport Management, London Guildhall University.

McKenzie, R., and Lee, D (1991). Quicksilver Capital. New York, Free Press.

McMillan, J., & Schumacher, S. (2006). Research in Education. Boston, Pearson Education.

Mitroussi, K. (2003). "Third party ship management: the case of separation of ownership and management in the shipping context." Maritime Policy & Management **30(1)**: 77-90.

Moran, T. (2002). Beyond Sweatshops: Foreign Direct Investment and Globalization Developing Countries. Washington, Brookings Institution.

MTC (2004). Maritime Training Council. D. o. L. a. Employment, Department of Labour and Employment.

Murray, R. (1989). Fordism and post-Fordism. The Changing Face of Politics in the 1990s S. Hall, & Jacques, M. London, Lawrence and Wishart: 38-53.

Nations, U. (2007). Review of Maritime Transport. United Nations Conference on Trade and Development. Geneva, United Nations.

Nicolaus, M. (1973). Foreword. Grundrisse. K. Marx. Harmondsworth, Penguin: 7-63.

North, D. (1991). "Institutions." The Journal of Economic Perspectives 5(1): 97-112.

Northrup, H., & Rowan, R (1983). The International Transport Workers Federation and Flag of convenience shipping. Philadelphia, Industrial Research Unit.

Noyoo, N. (1999). "Globalisation: trade unions at a crossroads." South African Labour Bulletin 23(1): 65-66.

O'Tuathail, G. (1996). Critical Geopolitics: The Politics of Writing Global Space. Minneapolis:, University of Minnesota Press.

O'Tuathail, G., S. Dalby and P. Routledge, Ed. (1998). The Geopolitics Reader. New York, Routledge Press.

Offe, C. (1985). Disorganised Capitalism. Oxford, Polity Press.

Office, H. M. s. R. a. C. (2001). Tonnage Tax Manual (TTM). London.

Ohmae, K. (1989). The Borderless World. Power and strategy in the global market place. London, Harper Collins.

O'Leary, Z. (2004). The Essential Guide to Doing Research. London, Sage.

Onwuegbuzie, A., & Leech, N (2005). "On becoming a Pragmatic Researcher: The Importance of Combining Quantitative and Qualitative Research Methodologies." International Journal of Social Research Methodology. 8(5): 375-387.

Ostreneg, D. (2000). Sailors: Cosmopolitans or Locals? Occupational identity of sailors on ships in international trade. Sociology. Oslo, University of Oslo. PHD.

Outhwaite, W. (1998). Realism and social science. Critical Realism: Essential Readings. M. S. Archer, Bhaskar, R., Collier, A., Lawson, T., Norrie, A. . London, Routledge: 282-96.

Ozaki, M., & Rueda-Catry, M (2000). "Social dialogue: An international overview." Labour Education 12: 1-9.

Painter, J. (1994). "Union geography -alternative frameworks of analysis " Transactions of the Institute of British Geographers 19: 99-101.

Paixao, A. C, & Marlow, P.B (2001). "A review of the European Union shipping policy." Maritime Policy and Management 28(2): 187-198.

Parkin, F. (1979). Marxism and Class Theory: A bourgeois critique. New York, University of Columbia Press.

PDOF (2004). Philippine Security and Exchange Commission Reports. D. o. Finance, Philippine Department of Finance.

Peet, R. (1992). Global Capitalism:Theories of Societal Development. New York, Routledge.

Phakathi, T. (2005). Self Directed Work Teams in a Post-apartheid Gold Mine: Perspectives from the Rockface. Beyond the Apartheid Workplace:Studies in Transition. E. Webster, & Von Holdt,K. Scottsville, University of Kwazulu-Natal Press.

Piore, M. (1980). Birds Of Passage- migrant labour and industrial societies. Cambridge, Cambridge University Press.

Piore, M., & Sabel,C (1984). The Second Industrial Divide-possibilities for prosperity. New York, Basic Books.

POEA (1997). Migrant Workers and Overseas Filipinos Act of 1995. P. O. E. Agency, Philippine Overseas Employment Agency

POEA (1999). Overseas Employment Statistics 1982-1998. P. O. E. Agency, Philippine Overseas Employment Agency
16.

POEA (1999). Overseas Employment Statistics: 1982-1999. P. O. E. Agency, Philippine Overseas Employment Agency, Manila.

POEA (2003). *Deployment of Overseas Filipino Workers: 1984-2002*. P. O. E. Agency, Philippine Overseas Employment Agency, Manila.

POEA (2003). *Filipino Workers: Moving the World Today*. P. O. E. Agency, Philippine Overseas Employment Agency, Manila.

POEA (2003). *Managing Labour Migration*. P. O. E. Agency, Philippine Overseas Employment Agency

POEA (2003). *The odyssey of Filipino Seafarers*. United Nations (UNESCAP) Regional forum on Maritime Manpower Planning, Training, Utilization and Networking of Centres of Excellence. Bangkok, Thailand.

POEA (2004). *Filipino Workers: Moving the World Today*. P. O. E. Agency, Philippine Overseas Employment Agency

Postone, M. (2007). *Theorizing the Contemporary World: Robert Brenner, Giovanni Arrighi, David Harvey*. Political Economy of the Present and Possible Global Future(s). R. Albritton, Jessop, B., & Westra, R. London, Anthem Press.

Poulantzas, N. (1975). Classes in Contemporary Capitalism. London, New Left Books.

Poulantzas, N. (1978). State, Power, Socialism London, Verso.

Prescott, J. *British Shipping: Chartering a new course*. London, Department of Transport, United Kingdom.

Przeworski, A. (1977). "Proletariat into a Class: The process of Class Formation in Karl Kautsky's *The Class Struggle* to recent controversies." Politics and Society 7: 343-401.

Radebe, J. (2000). Address at the launch of the Maritime Bargaining Council (Matibco). Johannesburg, Department of Transport.

Ray, M. (1998). "Skills development" South African Labour Bulletin 22(1): 39-40.

Reisetter, M., Yexley, M, Bonds, D, Nikels, H, & McHenry, W (2003). "Shifting Paradigms and Mapping the Process: Graduate Students Respond to Qualitative Research." The Qualitative Report 8(4): 462-480.

Reynolds, D. (1994). "Barnes on Marxism and Marxist Geography: Appropriation Characterization or Caricature?" Economic Geography 70(3): 302-308.

Roberts, S. (1998). Geo-governance in trade and finance and political geographies of dissent. An unruly world? Globalisation, governance, and geography. G. H. O Tuathail, A & Roberts, S. London, Routledge.

Robinson, W. (2004). A theory of Global Capitalism: production, Class, and State in a Transnational World. Baltimore, John Hopkins Press.

Rodriguez, R. (1999). "Outline of a Theory of the Labor-Sending State: The State and Migration Global Economy." Philippine Sociological Review 47.

Rodriguez, R. (2002). "Migrant Heroes: Nationalism, Citizenship and the Politics of Filipino Migrant Labor." Citizenship Studies 6(3).

Rodriguez, R. (2005). The Labor Brokering State: The Philippine State and the Globalization of Philippine Citizen-Workers. Sociology. Berkley, University of California, Berkley. **PHD**.

Rodrik, R. (1998). The Debate Over Globalization: How to Move Forward By Looking Backward Future of the World Trading System. Washington, DC.

Roncaglia, A. (2001). The Wealth of Ideas: A History of Economic Thought. Cambridge, Cambridge University Press.

Rosen, M. (1982). Hegel's Dialectic and its Criticism. Cambridge, Cambridge University Press.

Rubery, J. (2005). Labor markets and Flexibility. The Oxford Handbook of Work and Organization. S. Ackroyd, Batt, R, Thompson,P,& Tolbert, P. Oxford, Oxford University Press.

Ruggunan, S. (2001). Articulating Agency: A Case study of the strategies of the South African Transport and Allied Workers Union in servicing South African seafarers. Industrial, Organisational and Labour Studies. Durban, University of Natal. MA: 150.

Ruggunan, S. (2005). "Rough seas for South African seafarers in the merchant navy: the global is the local." Transformation 66: 56-80.

Ruggunan, S. (2005). "The Transformation of the global labour market for Filipino Seafarers since 1970." Loyola Journal of Social Sciences XIX(2): 139-167.

Salaman, G. (1992). Work Design and Corporate Strategy. Political and Economic Forms of Modernity. J. Allen, Braham,P and Lewis,P. Cambridge, Polity Press.

Sambracos, E., & Tsiaparikou,J (2001). "Sea-going labour and Greek owned fleet: A major aspect of fleet competitiveness." Maritime Policy and Management 28(1): 55-69.

Sampson, H. (2003). "Transnational drifters or hyperspace dwellers: an exploration of the lives of Filipino seafarers aboard and ashore " Ethnic and Racial Studies 26(2): 253-277.

Sampson, H. (2005). "Left High and Dry? The Lives of women married to seafarers in Goa and Mumbai." Ethnography 6(1): 61-85.

Sampson, H., & Schroeder, T (2006). "In the Wake of the Wave: Globalisation, Networks, and the experiences of transmigrant seafarers in northern Germany." Global Networks 6(1): 61-80.

Sanghera, B. (2003). After the cultural turn, a return to the moral economy. After Communism: Critical Perspectives on Society and Sociology. C. Harrington, Salem, A, and Zurabishvili, L.

Sasoon, A., Ed. (1985). Women and the State. London, Hutchinson.

Sayer, A. (1989). "Post Fordism in question." International Journal of Urban and Regional Research 13: 666-695.

Sayer, A. (1992). Method in Social Science: A Realist Approach. London, Routledge.

Sayer, A., & Walker, R (1992). The New Social Economy: Reworking the Division of Labor Oxford, Blackwell.

Schabas, M. (2000). The Jevonian Revolution re-appraised. Contributions to the History of Economic Thought. A. Murphy, & Prendergast,R. London & New York, Routledge.

Schirato, T. W., J (2003). Understanding Globalization. Thousand Oaks, Sage Publications.

Scholte, J. (2000). Globalisation: A critical introduction. Basingstoke, Macmillan.

Schumpeter, J. (1942). Socialism and Democracy. New York, Harper.

Screpanti, E. (1987). "Long Cycles of Strike Activity: An Empirical Investigation." British Journal of Industrial Relations XXV(1): 99-124.

- Shalev, M. (1992). The Resurgence of Labour Quiescence. The Future of Labour Movements. M. Regini. London, Sage.
- Sharma, N. (1997). "Birds of prey and birds of passage: The movement of capital and the migration of labour " Labour, Capital and Society 30(1): 8-38.
- Sheppard, E., & Barnes, T (1990). The Capitalist Space Economy. Geographical Analysis After Ricardo, Marx and Sraffa. London, Unwin Hyman.
- Sibal, J. (2004). "A Century of the Philippine Labor Movement." Illawarra Unity-Journal of the Illawarra Branch of the Australian Society for the study of Labour History 4(1): 29-41.
- Silver, B. (2003). Forces of Labour: Worker's Movements and Globalization since 1870. New York, Cambridge University Press.
- Silverman, D. (2000). Doing Qualitative Research: A Practical Handbook. London, Sage.
- Silverman, D. (2005). Doing Qualitative Research. London, Sage.
- Simbulan, D. (2005). The Modern Principalia: The Historical Evolution of the Philippine Ruling Oligarchy. Manila, University of the Philippines Press.
- Sitas, A. (1999). Managing Change in KwaZulu Natal, University of Natal.
- Skinner, A. (2000). Adam Smith; an historical perspective. Contributions to the History of Economic Thought. A. Murphy, & Prendergast, R. London, Routledge.
- Smart, B. (1986). The politics of truth and the power of hegemony. Foucault: a Critical Reader. D. Hoy. Oxford, Blackwell.
- Smelser, N., & Swedberg, R, Ed. (2005). The Handbook of Economic Sociology. New York, Russel Sage Foundation.
- Smith, S. (1984). Reading Althusser: An Essay on Structural Marxism. Ithaca and London, Cornell University Press.
- Soja, E. (1989). Postmodern Geographies. London, Verso.
- Southall, R. (1995). Imperialism or Solidarity? International Labour and South African Trade Unions. Cape Town, University of Cape Town Press.

Standing, G. (1999). Global Labour Flexibility: Seeking Distributive Justice London, MacMillan Press.

Standing, G. (2006). "Work and labor: The global transformation." 2008, from http://www.mtholyoke.edu/offices/comm/news/newsfull.shtml?portal_id=2JGDqD2gwQ_n~DDQODD~ahyU&node=4764359&full=1.

Stanford, J. (2005). Japanese group buys into local maritime firms. Engineering Weekly.

Stiglitz, J. (2007). Making Globalization Work. London, Penguin.

Stopford, M. (1988). Maritime Economics. London, Unwin Hyman.

Stopford, M. (1997). Maritime Economics New York, Routledge.

Stopford, M. (2004). World Shipbuilding 2004 Overview. Hamburg, Clarkson Research: 1-5.

Storper, M. (2001). Conventions and institutions : rethinking problems of state reform, governance and policy. Institutions and the Role of the State. L. Burlamaqui, Castro, A, & Chang, H. Cheltenham, Edgar Elgar.

Swedberg, R. (2002). "The Economic Sociology of Capitalism: Weber and Schumpeter." Journal of Classical Sociology 2(3): 227-255.

Swedberg, R., & Nee, V, Ed. (2005). The Economic Sociology of Capitalism. Princeton and Oxford, Princeton University Press.

Swedberg, R. (2005). The Economic Sociology of Capitalism: An Introduction and Agenda. The Economic Sociology of Capitalism. R. Swedberg, & Nee, V. Princeton and Oxford, Princeton University Press: 3-40.

Taylor, P. (2000). "World Cities, and territorial states under conditions of contemporary globalisation." Political Geography 19: 5-32.

Tesfahuney, M. (1998). "Mobility, racism and geopolitics " Political Geography 17(5): 499-515.

Thanopoulou, H. (2000). "From Internationalisation to Globalisation." Journal for Maritime Research(February): 1-8.

Theron, J., Godfrey, S., & Lewis, P (2005). The Rise of Labour Broking and its Policy Implications. Development and Labour Monograph Series. D. Collier, Kalula, E, le Roux, R., & van Voore, R. Cape Town, University of Cape Town.

Thomas, L. (2008). Rising fuel prices mean container costs are sure to jump. Furniture Today, Reed Business Information. 24 March: 28-30.

Thomas, M., Sampson, H., & Zhao, M (2003). "Finding a balance: companies, seafarers and family life " Maritime Policy and Management 30(1): 59-76.

Thomas, R. (2003). Blending Qualitative and Quantitative Research Methods in Theses and Dissertations. Thousand Oaks, Corwin Press, Inc, A Sage Publications Company.

Thompson, E. P. (1964). The making of the English Working Class. New York, Vintage Books.

Thompson, E. P. (1978). The Poverty of Theory and other Essays. New York, Monthly Review Press.

Thompson, P., & Warhurst, C, Ed. (1998). Workplaces of the Future. Basingstoke, Macmillan Education.

Thompson, P., & McHugh, D (2002). Work Organisations: A Critical Introduction. Hampshire, Palgrave.

Thrift, N. (1989). The geography of international economic disorder A world in Crisis? R. Johnston, & Taylor, P Oxford, Blackwell.

Tigno, J. (2003). Managing the Public Policy process in the Philippines: RA 8042 and deregulating the Overseas Employment Sector. Public Administration. Quezon City, University of The Philippines.

Tilly, C, & Tilly, C (1998). Work Under Capitalism. Colorado, Westview Press.

Tonelson, A. (2000). The Race to the Bottom. Boulder, Westview Press.

Transport, I. R. a. D. o. (2004). Post Implementation Review of Tonnage Tax. London, Department of Transport: 1-39.

Tuan, Y. (1977). Space and Place. The Perspective of Experience. Mineapolis, University of Minnesota Press.

Turner, B. (1981). For Weber. London, Routledge and Kegan Paul.

Usoro, M. (2006). Stakeholders and capital providers: Collaborating to Develop Nigeria's Maritime Industry: Global Overview: Maritime and Finance, where are the synergies? International Workshop on Maritime Finance and Infrastructure Development. Lagos: 11.

Velasco, M. (2000). "Editorial." Labour Education **120**: 1-10.

Viajar, V (2005) *Implications of economic globalization on labour market policies in the Philippines and Indonesia*. Unpublished Masters Thesis. Master of Arts in Labor Policies and Globalization : FHW Berlin and Kassel University , Germany

Viajar, V. (2006). Philippine Trade Unions in the Era of Globalization. Social Movements in the Philippines. A. Fabros, Rocamora J, & Velasco, D. Manila, Raintree Trading and Publishing.

Vogel, D., & Kagan, R, Ed. (2004). The Dynamics of Regulatory Change: How Globalization Affects National Regulatory Policies. Berkeley, University of California Press.

Wacquant, L. (2006). Positivism. Modern Social Thought. W. Outhwaite. Blackwell, Oxford.

Wainwright, D. (1997). "Can Sociological Research be Qualitative, Critical and Valid?" The Qualitative Report 3(2): 1-14.

Walker, R. (1998). Foreword. Organizing the Landscape: Geographical perspectives on Labour Unionism. A. Herod. Minneapolis, University of Minnesota Press.

Wallerstein, I. (1979). The Capitalist World Economy. Cambridge, Cambridge University Press.

Wallerstein, I. (1979). Underdevelopment and Phase-B. The World System of Capitalism: Past and Present. W. Woldfrank. Beverley Hills, Sage: 73-84.

Wallerstein, I. (1980). The Modern World System II. Mercantilism and the consolidation of the World Economy 1600-1750. London, Academic Press.

Wallerstein, I. (1984). The Politics of the World- Economy. Cambridge, Cambridge University Press.

Wallerstein, I. (1991). Braudel on Capitalism, or Everything Upside Down. Unthinking Social Science. London, Polity Press.

Waterman, P. (2000) Trade Union Internationalism in the Age of Seattle. **Volume**, DOI:

Webber, M. (1998). Producing globalisation: Apparel and the Australian State An unruly world? Globalisation, governance, and geography G. H. O Tuathail, A & Roberts, S London, Routledge.

Webster, E. (2000). NEDLAC, Labour unions, Social Pacts and Democratisation. Johannesburg, University of Witwatersrand.

Wellman, D. (1997). The Union makes us strong: radical unionism on the San Francisco Waterfront. Cambridge, Cambridge University Press.

Wellmer, A. (1969). Critical Theory of Society. New York, Seabury.

West, A. (1997). Militant Labor in the Philippines. Philadelphia, Temple University Press.

Western, B. (1995). "A comparative Study of Working Class Disorganization: Union Decline in Eighteen Advanced Capitalist Countries." American Sociological Review **60(2)**: 179-201.

Wiggershaus, R. (1994). The Frankfurt School. Cambridge, Polity.

Williamson, J. (2000). "What Should the World bank think about the Washington Consensus." World Bank Research Observer 15: 251-264.

Williamson, O. E. (1985). The Economic Institution of Capitalism. New York, Free Press.

Wills, J. (1998). "Taking on the CosmoCorps? Experiments in Transnational Labour." Economic Geography **74(1)**: 111-130.

Winch, D. (2000). A very amusing book about old times. Contributions to the History of Economic Thought. A. Murphy, & Prendergast,r. London & New York, Routledge.

Wolff, R., Cullenberg, S (1986). "Marxism and Post-Marxism." Social Text **Autumn(15)**: 126-135.

Wolff, R., & Resnick,S (1987). Economics Marxian versus Neoclassical. Baltimore, The John Hopkins University Press.

Woods, A. (2004). Karl Marx. London, Taylor and Francis.

- Wright, E. (1978). Class, Crisis and the State. London, New Left Books.
- Wright, E. (1997). Class Counts: Comparative Studies in Class Analysis. Cambridge, Cambridge University Press.
- Wright, E. (2000). "Working-Class Power, Capitalist Class Interests, and Class Compromise." American Journal of Sociology 105(4): 957-1002.
- Wu, B. (2004). Transgration of Chinese Seafarers in economic transition. An instituional perspective on mobility., Seafarer International Research Centre, University of Cardiff.
- Wu, B., & Winschester, N (2005). "Crew study of seafarers: a methodological approach to the global labour market for seafarers." Marine Policy 29(4): 323-330.
- Wu, B., & Sampson, H (2005). "Reconsidering the seafarer labour market: A 21st centurey profile of global seafarers." Ocean Year Book.
- Wu, B. (2005). Seafarer International Research Centre Database. Cardiff, Seafarer International Research Centre A data base in its pilot phase that makes availble data on the global shipping industry. Data is available on labour and shipping companies.
- Wu, B. (2006). Transformation from traditional to Rlobal seafarers: An assessment of Chinese seafarers in the Global Labour Market. Shenzen International Maritime Forum, Shenzen,China.
- Wui, M., & Tadem, T, Ed. (2006). People, Profit and Politics: State-Civil Society Relations in the Context of Globalization. Manila, Third World Studies Center & the University of the Philippines.
- Wurfel, D. (1959). "Trade Union Development and labor Relations Policy in the Philippines." Industrial and Labor Relations Review 12(4): 582-608.
- Yang, X. (2001). Economics: New Classical versus neoclassical frameworks. Oxford, Blackwell.
- Yergin, D. (1991). The prize : the epic quest for oil, money, and power New York, Simon & Schuster.
- Yin, R. (2003). Case Study Research. Design and Methods. London, Sage.
- Zhao, M. A., M (2004). Chinese and Filipino Seafarers: A Race to the bottom? Cardiff, Seafarer International Research Centre, University of Cardiff.

Zolberg, A. (1995). "Response: Working-Class Dissolution." International Labor and Working Class History 47: 28-38.

Zurcher, L. (1965). "The Sailor Aboard Ship:A study of Role behaviour in total institutions." Social Forces 43: 389-400.