

The Economical Emigration Aspect of East and Central European Seafarers: Motivation for Employment in Foreign Fleet

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ABSTRACT: East and Central Europe countries practically experience advantages and disadvantages of seafarers' employment in foreign shipping companies. There is a need to investigate this phenomenon in the aspect of economical emigration. Shortage of marine officers worldwide exaggerates the shortage of seafarers in the mentioned region because of the economical emigration of national seafarers to foreign fleet, which provides more favorable conditions. These facts encouraged investigating several questions using case study method in one country (Lithuania), which social-economic conditions are similar to other countries of the region: What shipping companies (national or foreign) marine officers give priority to be employed to? What is the motivation of such a decision? What personal characteristics mostly determine this decision? The study results show very strong seafarers' attitude towards economical emigration, reveal the reasons of this phenomenon and relations with the personal characteristics of marine officers. Key words: economical emigration, seafarers, motivation.

1 INTRODUCTION

The development of global economy is closely linked to the development of maritime transport. Maritime transport is vitally important for European Union (EU) as well because more than 90 percent of EU foreign trade and 40 percent of trade inside EU is performed by sea transport (Green Paper, 2006). The development of every business depends on working professionals available in labor market: in maritime transport - on seafarers, the number of marine officers worldwide is not sufficient - 466 thousands (BIMCO, 2005).

Shipping is in the forefront of global employment, because shipping companies can recruit seafarers from "wherever the best value for money is available". (Short, 2004) In contrast to 'national seafarers' dominated in the past the emergence of 'global seafarers' could be noticed in seafarers' labor market recently (Wu & Sampson, 2005).

What is the status of seafarer employed in the foreign company? He cannot be treated as being on a business trip; he usually is employed by foreign company temporarily and comes back to his country after contract is finished. This status is called eco-

nomical emigration (Ekonominės..., 2007). Economical migration is determined by economical factors: differences in wage and welfare in country of origin and foreign country. It is widely recognized that economical migration with the employment purpose (not living) is beneficial for the world economy, especially for the developing countries (World Economic..., 2004), because of the reduced unemployment and demand for social support and increased cash-flow and experience of returned people in country of origin. Short-term emigration is less harmful for the country of origin than long-term. (Lietuvių emigracija..., 2005), although it has negative aspects as well: when more people are going abroad than coming to the country; when investments to people education are lost; demographic situation becomes worse, because mostly young people emigrate; financing of social welfare declines, because tax payers went abroad, etc. (Lietuvių emigracija..., 2005), families suffer, children experience psychological, social and educational difficulties (De Silva, 2003, Лялюгене, Рупшене, 2008; Malinauskas, 2006; Nosseir, 2003; Quah, 2003).

What are the consequences of seafarers' economical emigration? Former researches proved economi-

cal benefit of seafarers' economical emigration for country of origin: e.g., Latvian seafarer working if foreign company gets salary above Latvian average and in 4-5 years returns his educational investments (Gulans, 1999); Lithuanian seafarers employed in the foreign fleet create about 60mil. Euro added value per year while consuming and investing in Lithuania (Policy Research Corporation, 2004).

Economical emigration of seafarers is beneficial for the country-recipient; it partly helps to solve the problem of seafarers' shortage. There is a shortage of seafarers worldwide especially in economically developed countries (BIMCO, 2005); the shortage will increase in the nearest future because of high competition in maritime sector – shipping companies are reducing costs and salaries accordingly (Yamamoto, 2000; Lopez, 1989), it can be mentioned, that seafarers' salaries for West European people are already unattractive nowadays (Green paper, 2006). The number of qualified seafarers and cadets is reducing, this negatively affects maritime sector (Brownrigg et al., 2001; Gardner and Pettit, 1996, 1999; Leggate, 2004; Pettit et al., 2004; Selkou and Roe, 2002).

Meanwhile the salary offered by West European shipping companies is attractive for seafarers from less developed countries, such as East and Central European seafarers. It is predicted that in future the majority of marine officers worldwide will be employed from the less developed countries (Glen, 2008).

The East and Central European national shipping companies will face the dual problem: on one hand there is a shortage of marine officers overall and on the other hand some marine officers will be employed by foreign shipping companies because of better salaries and welfare. That is a threat for existence and competitiveness of the maritime industry of mentioned region.

2 THE RESEARCH PROBLEM

In order to understand better the mentioned problem and find practical solutions the seafarers' migration phenomenon needs thorough investigation. Some aspect of the problem already have been analyzed in China: recently the tendency towards employment in foreign companies in China is growing (Wu, 2004b; Wu, 2003); one third of Chinese seafarers prefer to be employed by foreign companies, especially – Western; 30 percent do not have any preferences, the attractive salary and welfare onboard the ship are the most important factors determining selection of the company (Wu, 2005). The discrimination in salaries comparing to other nationalities and communication problems were mentioned as negative factors of

Chinese seafarers' employment in foreign companies (Wu, 2005).

Unfortunately, the researches about attitude of East and Central European seafarers towards employment in foreign companies were not found. This fact caused investigating several questions using case study method in one country (Lithuania) in 2008: What shipping companies (national or foreign) marine officers give priority to be employed to? What are the reasons of such a decision? What personal characteristics mostly determine this decision?

3 THE RESEARCH METHODOLOGY

3.1 *The sample size*

Lithuanian marine officers were under investigation. The sample selection was based on the notion that seafarer is a person holding seafarers' book (Lietuvos..., 2006). In the period of 2003-2007 there were 10982 such a persons in Lithuania (2003-2007 metais..., 2008): 7337 of them had Certificate of Competence, and 2927 were marine officers (1552 – navigators, 1375 – engineers). It was decided to make a random sampling and examine all the marine officers attending qualification upgrading courses at LMA (Lithuanian Maritime Academy) and visiting shipping and crewing companies in Lithuania in three months period. Finally, the representative (in view of age and qualifications, with 5 percent bias) sample consisting of 355 marine officers was formed (42 percent of them work if Lithuanian companies; 58 – in foreign).

3.2 *The research instrument*

The research data were collected in written form using originally designed questionnaire. Two major components matching the research aims can be distinguished in the questionnaire structure: in order to get data related to the first aim of the research, the close question with dichotomous answers (what shipping companies (national or foreign) the person give priority to be employed to?) and open questions about advantages and disadvantages of employment in foreign company were presented; in order to get data related to the second aim - several questions hypothetically treated as personal characteristics and influencing factors of the selection of the foreign company for employment were presented (marine officers were asked about their qualification, age, years at sea, salary's satisfaction, country of employment company, management level, about their opinion on the seafarer's profession perspectives in Lithuania and worldwide). Using factor analysis method 47 scales of motives of selection of seafarer's profession were grouped as personal char-

acteristics influencing selection of the company to be employed to.

3.3 The data analysis

The obtained research data were analyzed using qualitative and quantitative methods. Qualitative data were analyzed using statistical analysis methods (SPSS for Windows): factor analysis of seafarer's profession selection motives; independent variables discriminant analysis of respondents' attitude towards preferences in selection of the company; Chi-square test for evaluating differences among groups; Pearson's correlation coefficient for relation's strength evaluation, descriptive statistics (frequencies). Qualitative (open questions answers) data were analyzed using content analysis method.

4 THE RESEARCH RESULTS

4.1 What shipping companies (national or foreign) marine officers give priority to be employed to? and why?

Despite the fact that 40 percent of respondents mentioned that they never mind in which country's company they prefer to work, answers the other question showed that the majority (68 percent) would choose the foreign company. Students' opinion towards employment in foreign companies is even stronger: according to similar research performed in 2008 with students (who are potential seafarers) 82 percent of students of marine specialties have stronger will to be employed in foreign company.

Investigation of the reasons for selecting employment in foreign or national companies by using content analysis method allowed revealing four categories (Fig.1): salary, work and living conditions, physiological environment and career perspectives. As it can be seen in figure 1, not only economical factors determine attractiveness of foreign companies for seafarers. Working and living conditions onboard foreign ships are more attractive: newer, more technically advanced and safer ships; modern and better ship equipment; shorter time at sea; more convenient work schedule; better nourishment.

Better psychological environment in foreign companies is also mentioned by seafarers. It is described as more respectful communication with seafarers, better discipline and orderliness onboard the ships, more honest and better interrelationships among seafarers, better working and living environment.

The opinion about better career perspectives in the foreign companies noted as well, such as more possibilities: to select appropriate shipping company in the international market; to obtain higher rank

faster; to learn English language; to upgrade qualification.

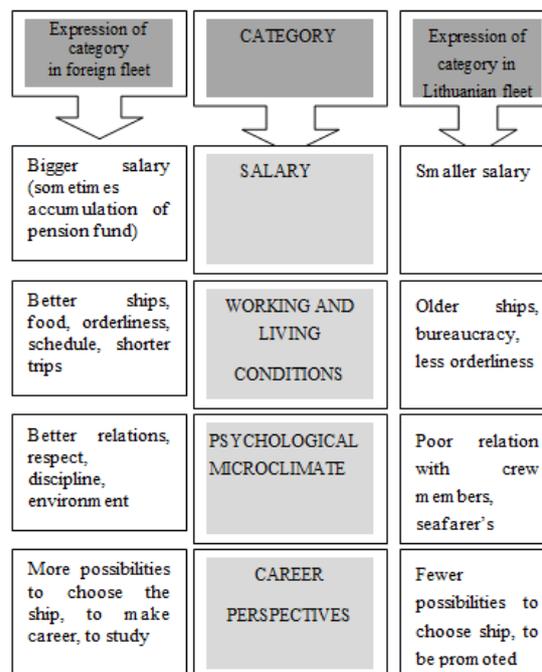


Figure 1. The reasons of prioritizing employment in foreign companies revealed by content analysis method.

4.2 What personal seafarers' characteristics mostly determine the decision to be employed in foreign company?

Using discriminant analysis of marine officers' data the canonic function was developed, this function describes 100 percent of variable dispersion. Wilks' Lambda statistics 0.407 and $p=0.000$ show that means of canonic function values in different groups statistically significantly differ, that indicates possibility for discrimination. Analyzing the coefficients of canonic function and structural coefficients (table 1) can be noticed that only one variable have the best discriminant feature and influences magnitude of canonic function: the marine officer's employment company. The strong correlation shows that majority of seafarers working in Lithuanian fleet prioritize Lithuanian shipping companies and seafarers working in foreign fleet prioritize foreign shipping companies.

Indication of discriminant power is rather low (table 1), but conclusions about marine officers tend to choose foreign companies can be formulated: they are employed by foreign companies now; they are marine engineers; they are satisfied by their salaries; they have chosen seafarer's profession purposefully.

Table 1. The results of discriminant and correlation analysis of seafarers' data.

Discrimination variables	Wilks' Lambda	F	p	r	Coefficient of canonic function	Structural coefficient
Personal characteristics (I)						
Management level (management/operational)	1.000	.051	.822	.027	-.105	.014
Qualification (navigator/engineer)	.943	10.062	.002	.210	.388	.204
Age	.986	2.357	.127	-.184	-.235	-.099
Years at sea	.991	1.489	.224	.154	.004	-.078
Present employment company	.498	168.638	.000	.688	.991	.833
Salary satisfaction	.977	3.998	.047	.145	.040	.128
Opinion about seafarer's profession perspectives in Lithuania	.984	2.685	.105	.033	.269	.105
Opinion about seafarer's profession perspectives worldwide	1.000	.020	.886	.096	-.109	.009
Personal characteristics (II) – motives of choosing profession						
Emotional attractiveness	.994	.980	.324	-.053	-.090	-.064
Coincidence	.974	4.384	.038	-.137	.002	-.134
Economical benefit	.996	.692	.407	.086	-.157	.053
New opportunities	.983	2.819	.095	.145	.123	.108
Prestige	.988	2.045	.155	-.176	-.245	-.092
Privileges	.999	.101	.751	-.013	-.114	-.020
Influence of intimates	.999	.195	.659	-.027	-.252	-.028

5 DISCUSSION AND CONCLUSIONS

The research revealed that the attitude towards employment in foreign company prevails among marine officers (68 percent of respondents give priority to foreign company). This indicator exceeds the country's average, as it is pointed in Strategy of regulation of economical emigration in Lithuania (Ekonominės..., 2007), the number of Lithuanians willing to emigrate because of economical reasons declines: in 2001 there were 63 percent of respondents wanted to emigrate, in 2005 – 16,2 percent. Additionally it was discovered that students comparing to working seafarers have stronger desire to be employed by foreign company (82 percent). This fact matches the general Lithuanian situation: younger people comparing to older ones tend to go abroad for making money (Ekonominės..., 2007).

The research revealed the reasons of prioritizing foreign companies. The main reason of being employed in foreign company likewise in China (Wu,

2005) was mentioned bigger salary. In economically developed countries seafarer's profession loses its attractiveness because of the specific nature of seafarer's work and isolation (Study on the Supply..., 2005). Meanwhile for the people from less economically developed countries the bigger salary's issue is important (Lopez, 1989). That explains the importance of economical factor for Lithuanian seafarers selecting Employment Company.

However rising living standards reduces people's will to work in foreign companies – this is illustrated by China example: it is difficult to hire seafarers in China's shore regions, where economical boom can be noticed (Short, 2004), the number of people willing to study maritime professions is declining because of rising living standards. This can be illustrated also by the Lithuanian example: the country has been developing rapidly last decade, the number of students of marine specialties was not big: in 2005 there were only 550 people studying marine specialties, although Lithuanian MET institutions (LMA and KUMI) were capable to provide education for 1250 students (Senčila & Bartusevičienė, 2005). In addition there is no guarantee that graduates will go to sea, according to research in 2006 only 65 percent of students are going to work as seafarers, 21- have not decided, 14 – decided no to go to sea (Senčila et al., 2006a).

Hypothetically can be noticed that economical development of East and Central Europe will reduce attractiveness of seafarers' profession because of salary and less young people will enter MET institutions. However if the salaries of seafarers of East and Central Europe and traditional maritime countries will be similar will the seafarers choose national shipping companies? If the reason for selection of foreign company was only economical we could predict positive answer.

Seafarers' responses highlight the other advantages of employment in foreign companies, e.g. significance of psychological microclimate. Naturally psychological microclimate is important for seafarers being physically and psychologically isolated from the world (Lamvik, 2002). It was mentioned in the researches that seafarers working in foreign companies experience psychological difficulties (Dyer-Smith, 1993); since the crews are becoming multinational, multicultural and multilingual (Squire, 2006), the feeling of isolation increases because of differences in seafarers' languages, culture, education (Knudsen, 2008). Probably these psychological difficulties are lesser comparing to difficulties in national shipping companies, because the respondents mentioned that psychological microclimate is better in foreign companies.

The importance of working and living conditions was emphasized by Lithuanian research participants:

foreign companies are prioritized because of better working and living conditions. It can be noted that generally seafarers' working and living conditions have been changed significantly. For example, Kahveci (2007a) investigations revealed several recent changes in seafarers' life at sea: difficulties for seafarers to come ashore (because of ISPS Code implementation); less time spent ashore (because of less time in ports); diminished usage of the facilities ashore (libraries, sport halls, excursions, cultural events), less social contacts with colleagues (smaller crews). Kahveci (2007b) has analyzed 4000 responses and determined that 64 percent of respondents during last 8 weeks was not ashore, 32 percent were ashore for 2 hours; the majority could reach only the nearest phone-box. The possibilities of relaxation ashore reduced and accordingly the requirements to have alternatives aboard increased. In order to attract young people and sustain qualified seafarers at sea, foreign companies are trying to improve working and living conditions on board, they establish cinemas, sport facilities, saunas, libraries, etc. on ships (Sampson, 2008).

The employment in foreign companies for Lithuanian seafarers is more attractive because of the career possibilities. This fact is also proved by Swedish research (Study on the Supply ..., 2005): because of the shortage of marine officers the companies started to hire younger and less experienced seafarers and help propose career mapping for them.

The research revealed the personal characteristics of seafarers tend to be employed by foreign company: seafarers are already employed by foreign companies; they are marine engineers; they are satisfied by their salaries; they have chosen seafarer's profession purposefully. That means that seafarers will not change foreign company to Lithuanian one. However it was discovered that seafarers working in Lithuanian companies prioritize to work in Lithuanian companies and will not change Lithuanian company for foreign one. That means that the shortage of marine officers in Lithuania will not increase because of crossover of working seafarers from Lithuanian companies to foreign ones and vice versa.

It can be mention that the number of working marine officers in Lithuania will be reduced in nearest future: they are achieving pension age, some of them are changing work profile. According to Senčila et al. (2006b) research, only one third of working seafarers are younger than 40 years, two thirds are older and will not go to sea in 10-15 years. So, the number of working places in Lithuanian fleet is increasing. That's why the opinion of potential seafarers (students of marine specialties) towards employment in foreign companies is vitally important, because they will replace experienced marine officers in near future. The similar research with students revealed that

majority of students tends to select foreign companies for employment; it will negatively affect the competitiveness of Lithuanian shipping companies in future.

It is clear that investigations in several East and Central counties would allow making more reliable conclusions about marine officers' attitude towards economic emigration; however case study analysis performed in one country (Lithuania), which social-economic conditions are similar to other countries of the region, is significant, because it reveals essential inferences about the important issue for entire region.

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