



Original article

Governance Issues and Challenges of Managing Dependency on Foreign Seafarers in Malaysia

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Abstract

The issue of dependency on foreign seafarers in Malaysia has been highlighted in the Malaysia Shipping Master Plan 2017–2022, whereby the number of foreign seafarers on Malaysian ships has been constantly high up to 17,000. A total of 6,000 Certificates of Recognition are issued by the Marine Department annually, which bring a great loss to both economy and career opportunities locally. A policy to reduce dependency on foreign seafarers has been implemented in 2018 as a goal to revitalize shipping for a stronger Malaysian economy. Conflicting priorities between shipping industries and local seafarers while trying to find the best solution to ensure that development efforts are not jeopardized have been a major challenge to the government of Malaysia. This article examines various issues and challenges in managing Malaysia's dependency on foreign seafarers by using a qualitative research approach. Key stakeholders have been identified through purposive sampling, and face-to-face in-depth interviews have been conducted to identify and understand the issues and challenges faced. The findings show that there are pressing needs to improve maritime governance in Malaysia, especially on system, education, and policy implementation. Fragmented governance arrangements and vague policies are affecting the formulation of effective solutions. It is also argued that an effective and clear management is crucial to reduce dependency on foreign seafarers, as only then can Malaysia's shipping development efforts be enhanced.

Keywords: Maritime governance, maritime policy, dependency, foreign seafarers.

1.0 Introduction

Governance has been widely used starting from the 21st century especially in the public administration field. The increasing popularity of the ‘governance’ used compared to ‘government’ is because of the capacity of the governance to cover wide range of institutions and relationships that involved in the process of governing. Government is usually referred to as an entity that exercises the authority, while governance is the study on how the government exercises their authority (Heywood, 1997). Governance is the capacity of government to make and implement policy or to steer society (Kjar, 2004). The word ‘governance’ becomes an umbrella concept for many other phenomena, such as public management, coordination, good governance, and so on (Pierre & Peters, 2000). Governance prioritizes both structure and process while having a wide range of institutions other than the government itself.

As governance has become an important aspect of study, the United Nations has established 8 principles as the indicators for good governance. The 8 important principles of good governance concept are consensus oriented, accountability, transparency, responsiveness, equitability as well as inclusiveness, effectiveness, efficiency, rule of law and participation. Good governance needs various actors to participate and give their commitment to achieve the best consensus. The decision made must be effective while using the resources efficiently. Good governance also prioritise the rule of law which also indirectly promote transparent, accountable and anti-corruption practices. It also stresses on quick responses on society’s issues and concerns through proactive policies, while simultaneously being equitable and inclusive (UNDP, 2011).

Maritime industry is a globalised industry as hence effective governance is highly problematic (Dicken, 2010). The maritime industry has a polycentric governance structure which emphasizes on multiple governing bodies interacting to make and enforce a specific policy (Black, 2008). The governance structure is very complex, multi-level, and overlapping. There are regional, international, national, and local regulators (Bloor et al., 2006). The globalized nature of the maritime industry means,

today, there is a single global labour market for seafarers of which a majority are from developing countries.

Seafarers can be defined as people who are sailing or working on ships as jack, jack-tar, mariner, navigator, sailor or seaman. Seafarer includes ratings, officers and every person on the ship, except masters, pilots and apprentices of the ships. Master is the person who have command of charge of any ship (Merchant Shipping Ordinance, 1952). People who work on Port, LNG ships that does not go on voyage or any ships that only stays in Port are excluded as seafarers (Marine department, 2019). There are local seafarers and foreign seafarers working on Malaysia’s ships.

The maritime industry in Malaysia is developing at a fast pace while the labour force growth is slower (Andaya, 1984). Therefore, there are many job opportunities for foreign seafarers to work in Malaysia. This has attracted a lot of people to migrate and work in Malaysia. People chose to migrate because they are searching for a better job opportunity and a better life (Global immigration specialist, 2009). However, over the years, Malaysia has less job opportunities while the number of foreign seafarers keeps on growing.

The dependency on foreign seafarers in the maritime industry can be seen by comparing local and foreign seafarers working on Malaysian ships as shown by Table 1 below:

Table 1: Number of Seafarers on Malaysian Ships

| Year | Foreign Seafarers | Local Seafarers |
|------|-------------------|-----------------|
| 2011 | 8,622 | 10,142 |
| 2014 | 8,272 | 9,287 |
| 2015 | 7,384 | 7,360 |
| 2016 | 6,893 | 6,048 |
| 2017 | 5,309 | 6,062 |
| 2018 | 4,717 | 5,156 |

(Marine Department (MARDEP), 2019)

There is only a slight difference between local and foreign seafarers as the maritime industry heavily

depends on foreign seafarers. Consequently, this brings many negative implications, which include an increase in the unemployment rate for local seafarers, increase in remittance, and security issues. Annually, 6,000 Certificates of Recognition are issued to foreign seafarers, causing Malaysia to lose RM30 million outflow per month (MOT, 2017).

There have been thorough discussions between scholars on how poor government management could affect the maritime industry, namely by Haines (2011) and MacKenzie and Lucio (2005). Without proper governance, both seafarers and the shipping industry will be adversely affected, and thus the nation's maritime industry will not survive. However, there are very limited studies that focus on the challenges of managing dependency on foreign seafarers in Malaysia. Most of the studies on seafarers in Malaysia focus on seafarers' career (Saharuddin, Sulaiman, Kader, & Nick, 2011) and security (Abdulrazaq & Kader, 2013). To the authors' knowledge, the only study that focuses on Malaysian seafarers and policy is by Osnin (2004). However, the study does not include the relationship between policy and governance, as well as issues and challenges faced when managing foreign seafarers.

The purposes of this article are to i) examine governance of foreign seafarers in Malaysia, ii) present findings on governance issues and challenges in managing dependency on foreign seafarers, iii) recommend ways to improve governance of foreign seafarers in Malaysia. The contribution of this study is obvious as the resulting outcomes can be capitalised as guidelines to formulate a better foreign seafarers' policy and good governance, thus, reducing such dependency.

2.0 Literature Review

Global Maritime Industry-Governance-Seafarers

By volume, more than 90% of the world trade is transported by sea. Competition in importing goods through cheap maritime freight has transformed the shipping industry by globalising the economic process (Sampson, 2013).

The global shipping industry governance has also attempted to change the beyond command and control approach. Responsive regulation or smart

regulation strategies can lead towards pro-active compliance (Braithwaite, 2005). Every country has their own self-regulation which has been modified from the international regulations. IMO requires the national maritime administration to send documentary evidence (Ayres & Braithwaite, 1992).

The international ship management companies supply a range of ship services, including the supply of crews on ship. Today, there is a single global labour market for seafarers of which a majority come from developing countries. There are nine countries that supply seafarers internationally, which are the Philippines, Russia, Ukraine, China, India, Poland, Indonesia, Turkey, and Myanmar (Sampson, 2004).

The Philippines was a major supplying state for seafarers in 2010. The governance of seafarers in the Philippines is led by the Department of Transport and Maritime Industry Authority (MARINA). There is also Human Resource Planning and Policy department which focuses on STCW, maritime education, quality management, the monitoring of seafarers, and certification. This is to ensure that the qualifications of the Philippines Seafarers meet the international standards. The Philippines encourages outsourcing/crewing agencies to market the Philippines seafarers internationally. (Amante, 2003).

Malaysia's Maritime Industry-Governance-Seafarers

Seafarers are managed through the Merchant Shipping Ordinance 1952 for Peninsular Malaysia, Merchant Shipping Ordinance 1960 for Sabah and Sarawak, and Maritime Labour Convention (MLC) and International Convention on Standards of Training, Certification, and Watchkeeping for Seafarers (STCW). The rights as workers are outlined in the Merchant Shipping Ordinance and Maritime Labour Convention 1952.

Local seafarers need to have Certificate of Competency (COC) to become a cadet while ratings need to have Certificate of Proficiency (COP). The process of changing foreign seafarers' Certificate of Competency (COC) to Certificate of Recognition (COR) depends on the respective country. This is to ensure that all seafarers are well-trained with the required qualities (McVeigh et al., 2019). The authority that can issue such certificates is Marine

Department of Malaysia. The COR can be issued to all foreign and local seafarers. (MARDEP, 2019).

3.0 Methodology

This preliminary research used data collected from relevant websites, official government publications, and field experts. Purposive sampling had been adopted to ensure that only respondents with the required experience of managing foreign labour are selected. The in-depth interviews consisted of six key stakeholders, which covered all groups of policy makers, policy implementers, policy check and balance, and also policy impressed, and had been conducted over a period of three months from November 2019 to January 2020.

The in-depth interviews comprised semi-structured questions that were based on the objectives of the study. It also followed the interview’s protocol including member checking and peer review. As shown in Table 3, this study had its own limitation to cover all the key stakeholders, which will be explained in the limitation section. The participants of this study are shown in Table 3 below:

Table 3: List of Participants

| Stakeholder | Participant | No. |
|--------------------------|--|-----|
| Policy Makers | Marine Department | 1 |
| Policy Implementer | Seafarer Management Centre (SMC) | 1 |
| Policy Check and Balance | Malaysian Maritime Enforcement Agency (MMEA) | 1 |
| Policy Impressed | Association of Malaysia’s Maritime Professionals (IKMAL) | 1 |
| | Malaysia Shipowners’ Association (MASA) | 1 |
| | Manning Agency (MNK) | 1 |
| Total | | 6 |

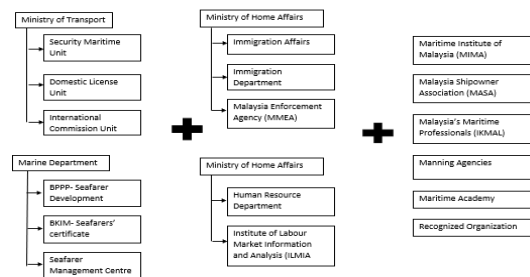
A qualitative content analysis comprising several phases was performed. The first phase involved identifying elements to be coded and the formulation of research themes. The second phase comprised comparing primary with secondary data so as to pinpoint relevant themes and patterns. The third phase started with the formulation of coding scheme, checking, and rechecking for consistency. The data coded had been analysed and interpreted through a constant comparative method, which allowed more categories and themes to be formulated and interpreted in line with the main objectives of the study.

4.0 Findings & Discussion

4.1 Governance of foreign seafarers

The structure of governance for foreign seafarers is collaborative governance which consists of three main ministries, which are the Ministry of Transport (MOT), Ministry of Human Resources (MOHR) and Ministry of Home Affairs (MOHA). There are also Private sectors, Civil Society like NGOs that act as check and balance.

Diagram 1: Governance of foreign seafarers

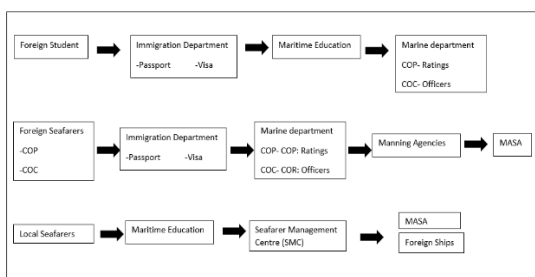


Managing foreign seafarers has been classified into 5 important groups, which are; Ministry of Transport (Maritime Division), Ministry of Home Affairs, Ministry of Human Resources, Private Companies and also Non-Governmental Organizations (NGOs). The Ministry of Transport and Marine department are the policy formulators for seafarers in the Maritime Industry, while the Immigration department from the Ministry of Home Affairs governs on foreign workers (including foreign seafarers). The Ministry of Human Resource governs on all workers that fall into the Employment Act (Seafarers-Ratings). Non-

Governmental Organizations such as Malaysia’s Maritime Professionals (IKMAL) and Malaysia Shipowner Association (MASA) protect rights of interest groups. An NGO research body such as the Maritime Institute of Malaysia (MIMA) conducts research on maritime law and policy. Plus, there are also NGOs that act as check and balance such as the Recognized Organization that conducts ship inspection.

Foreign seafarers could be employed through manning agencies or directly from the shipowner himself. Usually, large ships that have their own human resource department will directly employ their seafarers. The employment for foreign seafarers is illustrated as in the diagram below:

Diagram 2: Flow Chart Process of Employing Seafarers



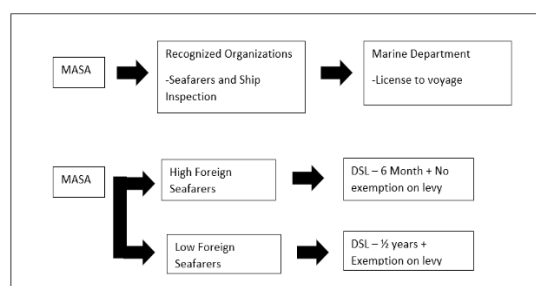
There are three important ways of employing seafarers. First, the foreigners migrate to Malaysia and study at Malaysia’s maritime academies such as ALAM, RANACO and others. During their entry to Malaysia as foreign students, they will need to follow all the Immigration rules such as health check, Passport, Visa and others. Upon finishing, they will get a seaman pass, and certificates. If they are going to be officers, they will need a Certificate of Competency (COC), and for ratings, they will need a Certificate of Proficiency (COP). These certificates are issued by the Marine department (BKIM unit).

Second, foreign seafarers can also be employed by Malaysia’s ship owners, after they have their COC and COP. Upon entry into Malaysia, they need to follow all Immigration rules and procedures. In order to be employed, foreign seafarers need to sit for another examination to change their COC to COR (Certificate of Recognition). These certificates are also issued by Marine Department (BKIM Unit).

Third, local seafarers with the required certificates

from the Marine Department could be employed through, the Seafarer Management centre (SMC), from Marine Department (Seafarer Development Unit-BPPP), manning agencies, direct through shipowner, or direct to foreign shipowner. There are also process inspection for check and balance, and prioritization for local seafarers. The flow chart below explains both processes.

Diagram 3: Flow Chart Inspection



The process of foreign seafarer’s governance is all about policy and decision making. The seafarers are governed through two important laws, which are Merchant Shipping Ordinance and Maritime Labour Convention. The Maritime Labour Convention has set out every important detail that covered on seafarer’s employment matters, such as minimum age, workload, leaves, medical assistance, and others. Malaysia has encouraged the employment of Malaysian seafarers through the DSL policy. Ships that employ 70% or more local seafarers could enjoy two years of DSL license. Gigantic shipping companies in Malaysia, such as Petronas has been advised to employ more local seafarers.

Analysis of maritime governance is based on the worldwide governance indicators for good governance, which are;

| Foreign Labour Governance | |
|---------------------------------|---|
| Good Governance Characteristics | |
| Participation | Various Participation, national and international actors such as IMO, ILO, MOT, MOHA, MOHR and NGO. |
| Rule of law | Follow Rule of Law, incremental Maritime, Immigration |

| | |
|------------------------------|---|
| | and Employment law. Every bill debated and gazetted to become law and policy. |
| Transparency | Decision seem fit, does not have any proof. |
| Responsive | Take too long to have a clear maritime framework |
| Consensus-Oriented | Take a long time to engage, consensus hard to be achieved and unclear goal during engagement. |
| Equity and Inclusiveness | Malaysia protect both society, foreign seafarers as well as sovereignty of Sabah and Sarawak. |
| Effectiveness and Efficiency | Delegate task to Private Company, have corporate communication. |
| Accountability | Report to officer, board of directors. Assist in career and employment process. |

The first characteristic is participation. Governance needs a wide range of stakeholders to participate in the process of policy formulation and implementation. The Ministry of Transport encourages the participation of all stakeholders through a meeting that is held on Wednesdays or Thursdays and other meetings in the Authority Council every six months to discuss a variety of maritime matters. There is also MIMA as a neutral organization that conducts studies on maritime matters. They engage with various stakeholders before coming up with any recommendation for the Marine Department or MOT (Maritime Division). Every stakeholder in the maritime sector is always welcomed to participate and contribute ideas in policy formulation. MASA is always called for meetings and also chairs the National Shipping Port Council (NSPC) as the Authority Council 1 (AC 1), which is for the Malaysian shipping. The policy of prioritizing Malaysian ships through MASA's permission is

actually the idea of MASA. This shows that the MOT has given weightage on participation in decision making.

The second characteristic is rule of law. The policy and law made by the MOT (Maritime Division) and Marine Department have followed the same process as other laws made in Malaysia. It will be discussed to gain a 2/3 majority voting before being gazetted by the government of Malaysia. Furthermore, Malaysia has the MIMA which has a specific division called OLAP (Ocean Law and Policy). This division focuses on laws and policies in maritime, both international and national. For international law, MIMA will advise whether or not to recognize any international convention, while for the national law, MIMA will advise according to the issue.

The third characteristic is transparency. The decision and policy taken must follow the rules and regulations. Most stakeholders in the maritime governance, such as Marine Department, MIMA, MMEA, and others have their own anti-corruption division to ensure transparency. However, it is written in the law that decision could be made based on fitness, as decided by the ministry. The reason of "fit" sometimes override other policies and law processes.

The fourth characteristic is responsiveness. The maritime governance is a little bit slow in its responses to current issues and concerns. For example, although maritime governance and shipping industry have been in existence prior to the country's independence in 1957, Malaysia only has a Master Shipping Plan in 2017. Only since then has maritime governance been strengthened with insights on the future, plans, strengths, and weaknesses to be addressed. Since 2017, Malaysia has started to provide better responses; for example, there are many Malacca Strait problems in 2018, and thus MIMA has added one more division that focus on the Malacca Straits.

The fifth characteristic is consensus-oriented. Every stakeholder needs to protect the organization's own priority. Therefore, MIMA has engaged with all stakeholders to discuss and minimize negative impacts for any stakeholder. MIMA has conducted several workshops, as much as needed to get the

consensus of all stakeholders before making suggestions to the MOT (Maritime Division).

Good governance also needs to have equity and inclusiveness. Maritime governance focuses on the betterment of all stakeholders, including shipowners and seafarers. This include the effort in economy support to help shipowners and career development for the seafarers. In order to ensure equity and inclusiveness The Merchant Shipping Ordinance 1952 is used for Peninsular Malaysia, while the Merchant Shipping Ordinance 1960 is for Sabah and Sarawak. There are three Merchant Shipping ordinances in a single country. Sabah and Sarawak are given the power to formulate their own laws and policies, and they can also reject any law and policy formulated at the federal level. Therefore, some policy implementations are applicable for the whole country, while some policies would only be implemented in Peninsular Malaysia.

Next, it needs to be effective and efficient. Maritime governance structure has been changing since the Malaysia Shipping Master Plan is introduced in 2017. The Marine Department has a new corporate communication unit to provide for an effective and efficient information system. New policies will always be announced through the Marine Department Notices. All stakeholders have to blast the information in the notifications in their circle. The Marine Department has done a good job by delegating the tasks of doing examination for COC certification and ship inspection to Recognize Organization and to private companies. This has increased the effectiveness and efficiency of foreign seafarer's governance.

The last characteristic of a good governance is accountability. All stakeholders in the maritime governance have to report to their officers and board of directors. The Marine Department are helping seafarers to develop their career as well as to balance their lives after they quit their job as seafarers. SMC are helping MASA to recruit new seafarers as well as helping new seafarers to get employment while prioritizing local seafarers.

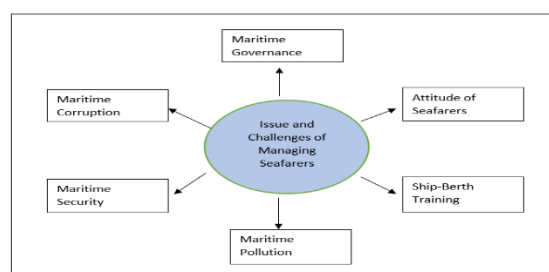
Governance of foreign seafarers in Malaysia, can fulfil 5 out of 8 good governance characteristics. They have fulfilled the characteristics of participation,

rule of law, equity and inclusiveness, effectiveness and efficiency, and accountability. However, those that are not fulfilled are transparency, responsiveness and consensus oriented. Therefore, Malaysia's maritime governance still can improve to be better in the future.

4.2 Issues and challenges of managing dependency on foreign seafarers.

The issues and challenges of managing dependency on foreign seafarers can be divided into six sections: governance issue, attitude of seafarers, ship-berth training issue, pollution issue, security issue, and lastly corruption issue.

Diagram 4: Issues and Challenges of Managing Seafarers



First is on governance issue relating to the three merchant shipping ordinances in the country. There are Merchant Shipping Ordinance (MSO) 1952 for Peninsular Malaysia, MSO 1961 for Sabah, and MSO 1961 for Sarawak. Even though the three MSOs are quite similar, it is hard to manage when there are different laws used in a country. The power of the Marine Department is limited only to Peninsular Malaysia as Sabah and Sarawak use other Merchant Shipping Ordinances. The challenge is how to overcome this issue as Sabah and Sarawak have these rights guaranteed to them when they joined Malaysia in 1963. They refuse to synchronise the MSO with Peninsular Malaysia. Nevertheless, when it comes to port problems, they will refer to the Marine Department. Sabah and Sarawak's sovereignty in the national law could not be revoked despite several discussions which have highlighted this issue.

The second governance issue is on overlapping departments. MASA claims that there are a few overlapping departments that are enforcement departments of ocean security, such as MMEA, Marine Police Force, and TLDM. According to IKMAL this has resulted in tasks being shuffled back

and forth between the departments. Sea pollution was initially under the Marine Department, and now the task is given to the Department of Environment. Due to lack of expertise, the task to control vessels is delegated back to the Marine Department. Manning agencies claim that there are overlapping tasks done by the SMC. SMC should have a database and control seafarers' system. However, they are now taking care of seafarers' welfare.

The third governance issue is the lack of information. The lack of information is due to the lack of cooperation from key stakeholders. MASA, ALAM, and manning agencies only report either to the Marine Department or Ministry of Transport. SMC and manning agencies agree that the maritime industry does not have a database and system to manage seafarers. Therefore, up until now, there is no effective system to monitor the number of seafarers who have graduated, the number of local seafarers employed and unemployed, the number of foreign seafarers, and the number of local seafarers who are employed on foreign ships. It is difficult to reduce the dependency on foreign seafarers when there is no automatic system that can manage seafarers and provide the information needed.

The fourth issue and challenge is on the attitude of seafarers. The Marine Department claims that both local and foreign seafarers have bad attitudes; however, local seafarers' bad attitude is usually highlighted. Therefore, many shipowners choose to not employ local seafarers. Seafarers with bad attitude (such as not following employment contracts), could face disciplinary actions. They could be blacklisted or face other punishment. IKMAL agrees that many local seafarers are pampered. They demand high wages and apply for leave to go back home even for petty reasons. As ships still need to operate during the festive season, ship owners choose to employ foreign seafarers who are far from home. The consequence of seafarers going home is the ship would be delayed. MASA says that employing foreign seafarers are more cost effective compared to employing local seafarers. They do not demand high wages and they work hard to get paid. According to MMEA, they believe that foreign seafarers do have bad attitudes. They always choose to not follow Malaysian law; for example,

they did not follow the IKHLAS route.

The fifth issue is about ship-berth training. Seafarer who want to graduate need to undergo their ship-berth training before they can get certain certificates provided by the Marine Department. They can either get the Certificate of Competency (COC) or Certificate of Proficiency (COP) for ratings. The problem is that not every maritime academy can provide the place for berth training. Therefore, certain students need to find their own ship for berth training. Not all ships can be used for berth training, since there are certain things in the practical report that they need to fulfil. There are a few challenges of providing ship-berth training for students. MASA and ALAM have been collaborating to provide ship-berth training for students; however, the job matching process is hard. Most of the ships only need ratings, whereas the ship-berth training is for cadets. Other than that, cost is one of the challenges to provide ship-berth training. MNK Manning Agency claimed that ALAM had no desire to pay more for ship-berth training; therefore, it is harder for the ships to provide ship-berth training.

The sixth issue is security issue. The Marine Department has highlighted an issue where offshore vessels wish to employ workers that have COC and COR because of some safety reasons. COC and COR are certificates for seafarers, which is not appropriate for offshore vessels that do not sail. Therefore, they do not really need workers with COC and COR certificates. The other security issue claimed by the Marine Department is on human smuggling. Foreign seafarers are smuggled through the ocean by using seaman card and seafarer's levy to become illegal immigrants that actually work in other sectors such as manufacturing, agriculture, services, construction, and plantation. Human smuggling issues occur because seafarer's levy is the cheapest levy in Malaysia.

Lastly is the corruption issue. According to IKMAL, there are many corruption issues occurring at the manning department. Most of the big ships will have their own manning department. Foreign seafarers will bribe the manning department for jobs. The Marine Department claims that there are people who mark up the fee for COR. Usually, the price of COR is RM500;

however, certain parties put a higher fee than RM500 for COR. The challenge is that foreign seafarers lack the information on the process and price of COR in Malaysia.

5.0 Recommendations

Recommendations are made based on the challenges to solve the issues. The first recommendation in the governance arrangement is that every department needs to have job specifications and standard procedures. This is to reduce overlapping departments, overlapping task and work in-silo. The governance arrangement in the Marine Department should be clearer and delegate the tasks efficiently. The governance arrangement of Maritime industry in Malaysia can follow the governance arrangement in China where they have a single governance system on seafarers to avoid overlapping task and confusion.

It is important to establish a system for seafarers. The system should automatically update the seafarers' information. The system should include sign-on, sign-off, number of active seafarers and to be linked with the key stakeholders, such as MASA, ALAM, manning agencies, and managed by the Marine Department. The system can be established can be modelled on the system that has been made by the Philippines as they have good seafarers' system and governance.

In order to reduce dependency on foreign seafarers, there are four important recommendations, which are to standardise wages for seafarers, conduct job fairs, increase cost and levy for foreign seafarers, as well as governmental support to shipowners. First, it is recommended that the wages for seafarers be standardised where the wages gap between ratings and captain should not be too wide. It is better to increase the wage of rating, so that it can attract more local seafarers to work on Malaysian ships. Next, it is also recommended that the Marine Department conducts job fairs for seafarers. The job fair can be a platform for shipowners to scout their seafarers, and the seafarers can find employment.

The third recommendation to reduce foreign seafarers is to increase the cost and levy to employ foreign seafarers. When the cost and levy of foreign

seafarer's increase, they will be less favourable to shipowners. Other than that, it can reduce the issue of human smuggling and illegal labour using seafarer's levy. Punitive enforcement will make it harder for the ship business to grow, since they need to compete internationally. Berth-training issues and challenges are on cost and the clash of job requirements with qualifications. Therefore, government support is very important while the academy assist every student so that they can obtain their berth training.

6.0 Limitation

As this preliminary study relied on information from six out of nine key stakeholders, the data gathered were not comprehensive in nature. Therefore, the gathering of additional data will likely affect the findings and future recommendations of the study.

7.0 Conclusion

The Malaysia Shipping Master Plan 2017–2022 has highlighted that there are seven Malaysian Shipping un-competitiveness and lack of resilience. These include governance, market access, manpower availability, support services, fiscal and regulatory regime, access to technology, and maritime administration. This study emphasize on 3 out of 7 un-competitiveness and lack of resilience in Malaysia's Maritime Industry as stated in the MSMP, which are the governance, maritime administration and manpower availability.

The main goals of the current study are to examine foreign seafarer's management and policies that have been implemented in Malaysia and present findings on issues and challenges of managing dependency on foreign seafarers. Foreign seafarers have been governed by a collaborative governance of three ministries and NGOs. They include the Ministry of Transport, Ministry of Home Affairs, Ministry of Human Resources, and several NGOs. The policies include immigration policy and Domestic Shipping Licence policy that prioritises local seafarers.

Returning to the second question posed at the beginning of this study, it is now possible to state that the common issues and challenges faced by the governance of foreign seafarers are governance issue,

attitude of local seafarers, corruption, and policy dilemma. The dependency on foreign seafarers is due to Malaysian seafarers' attitude where they demand higher wages that the shipowners are unable to pay. Shipowners prefer foreign seafarers since they can pay them lower wages. The high cost of living could be a huge contributing factor that makes Malaysian seafarers become demanding. Furthermore, with many manning agencies trying to please shipowners by bringing more foreign seafarers, the cycle of dependency could not be broken. The governance issue includes vague responsibility delegation, overlapping departments, and ever-changing arrangements. Policy dilemma is a huge challenge where shipowners as business entities need to compete and lower their operating costs; therefore, they prefer to employ foreign seafarers.

Therefore, in order to break the chain of such dependency, the recommendations stated above need to be applied, thus addressing all the present issues and challenges. These include providing better wages for Malaysian ratings, a better system for maritime education, a better system of managing seafarers, and good governance of the Maritime industry. By addressing the issues and challenges, the maritime industry can be improved. Addressing the dependency on foreign seafarers through policy and good governance would indeed revitalise shipping for a stronger economy. If the debate is to be moved forward, a better understanding of policy and governance of seafarers needs to be developed.

Acknowledgement

This study is funded by Universiti Malaysia Terengganu PGR Grant, project code: 55193/8.

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Received 01 October 2020

Revised 01 December 2020

Accepted 06 December 2020