



## **Illegal recruitment fees: A lasting problem**

More than 30 per cent of seafarers worldwide have been asked to pay illegal recruitment fees to get a job, according to a recent study. This challenge is persistent in the maritime industry - and it is one we need to address head on.

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The maritime industry operates on a truly global scale, with seafarers coming from a wide range of countries, including the Philippines, India, China, and Eastern Europe. To staff vessels, shipping companies often rely on recruitment agencies to source and employ crew. While this recruitment process is governed by a combination of national laws, international conventions, and industry agreements, the level of enforcement and compliance varies significantly across regions. And sadly, the use of recruitment fees is fairly common and a growing concern.

## Money, gifts, sexual favours

According to a [2024 study](#) conducted by the [Institute for Human Rights and Business](#), a significant share of seafarers across the world are still faced with illegal recruitment fees when seeking employment:

31% of seafarers have been asked to pay a recruitment fee to get a job onboard a merchant vessel, according to the study. Most were asked to pay money, but also gifts, unpaid apprenticeships, and even sexual favours are being used as part of the recruitment process.

As many as 74% of those asked to pay a recruitment fee did so in order to get a job. As a consequence, many seafarers accumulate significant debt to secure a position on board a ship. Fees range from USD 99 to more than USD 10,000.

A staggering 80% of those asked to pay illegal fees did not report the incidents to the authorities. Many of them were unaware that the practice is illegal; others were afraid to report or did not know where to report it to.

The study, which surveyed some 2,600 seafarers worldwide, also showed that fees are being demanded not only by crewing or manning agents, but also by other companies linked to these agents, online recruitment platforms, and sometimes by the shipping companies themselves. Seafarers also reported that they didn't always get the job they 'paid for', and that there were discrepancies between what was promised and what was delivered.

## Forced labour

High recruitment fees can entrap workers in debt bondage, a severe form of forced labour where individuals are compelled to work to repay a loan, often receiving little or no pay until the debt is cleared. This severely limits their ability to negotiate for fair wages, improved working conditions, or to assert their rights. The burden of heavy debt also adversely affects the seafarers' families and their local economies.

Certain recruitment agencies or employers deduct recruitment fees from the seafarers' salaries over time, further diminishing their already modest wages. This practice binds them to their employers for extended periods, often preventing them from escaping exploitative conditions.

The financial pressure of having to pay back debt, combined with the often harsh and isolated working conditions at sea, can also lead to significant psychological

stress for seafarers. This can have broader implications for the operational safety on board. High levels of stress and mental health issues can impair their judgment and their ability to perform their duties effectively, increasing the likelihood of accidents.

## What can we do?

In Gard, we emphasise the provisions of the Maritime Labour Convention (MLC), where payment of recruitment fees is strictly prohibited. The "*Employment Pays Principle*" is anchored in this convention, stating that seafarers should *not* bear the financial burden of recruitment costs, job placement, or any related costs. It is the responsibility of shipowners, intermediaries, or prospective employers to cover the expenses related to recruitment, not the seafarers.

*Reporting channels.* Having good reporting channels in place is key to giving seafarers a safe and accessible way to report unlawful charges or exploitation, without fear of retaliation. Regulation 5.1.5 of the MLC requires each member state to ensure that ships flying its flag have on-board complaint procedures in place to handle seafarer complaints regarding breaches of the convention's requirements, including seafarers' rights. An effective reporting channel should be transparent and with feedback mechanisms, where seafarers are informed of the progress and results. In Gard, we have our own [Whistleblowing portal](#) which is available to use for anyone who has a relationship with Gard and associated companies.

*Due diligence.* A growing body of legal requirements mandates that companies report on what they are doing to address human rights risks within their operations and supply chains. Conducting thorough due diligence of recruitment partners, manning agents, and other intermediaries is essential to ensure that these agencies comply with legal and ethical standards.

*Fair terms of employment.* Shipowners or ship operators should verify that seafarers have not paid recruitment fees to a recruitment and placement agency and include this requirement in contracts with recruitment and placement agencies. Additionally, verify that seafarers have not been subject to fraud, substitution of contracts, or retention of passports.

*Stakeholder dialogue.* By engaging in open, transparent, and collaborative discussions with key stakeholders, such as seafarers, unions and trade representatives, the industry can gain valuable insights into the real-world experiences of seafarers.

### **Related resources:**

[What are recruitment fees? \(Institute for Human Rights and Business, 2022\)](#)

[Seafarers and illegal recruitment fees \(Institute for Human Rights and Business, 2024\)](#)

[Recruitment\\_fees \(IHRB briefing, 2018\)](#)

[Delivering on Seafarers' Rights Code of Conduct \(2021\)](#)

[Gard joins the Maritime Anti-Corruption Network - Company News | Gard](#)

