

# Second registers have to be judged on their merits



**International registers don't necessarily deserve the reputation they have of being second-best,**

**says Jessica Bernfeld, post graduate research fellow at the Seafarers' International Research Centre**

**I** recently asked several seafarers what differences, if any, they saw among so-called second and international registers like Bermuda and DIS. "None really," one replied. "Either it's national or it's open." And how do these registers compare to national ones? "If it is not national then it is not for me," the same seafarer said, "because if it is not national then it is more concerned with profit than my well-being."

This response echoes much of the conventional wisdom that exists regarding the set of flags classified as

second and international, or "secondary" registers. This group – which includes Bermuda, Cayman Islands, Cook Islands, CSR, DIS, Gibraltar, GIS, Isle of Man, Kerguelen, Netherlands Antilles, NIS, and MAR, among others – is frequently characterised as providing an opportunity for shipowners to escape the uncompetitive environment of a national register while still benefiting from the association with a reputable flag state. Some of these registers have been designated as "flags of convenience". And, as the quote above demonstrates, these registers tend to be grouped into a single category that is more closely related to open registers than their national counterparts.

But is it fair to classify all of these registers under the same heading, whether in the context of academic research or everyday conversation? And do they deserve the reputation they have as a "next-best", though not entirely favourable,

alternative to open registers? Evidence from port state control data and statistics on seafarer nationalities, as well as characteristics of the registers themselves, suggest not.

First, it should be noted that there are small but significant variations in the structure of many of these secondary registers. Some are run by governments that are essentially autonomous from that of the national register, while others are administered by the same agencies that manage the national ones.

Of those in the former group, many are technically in competition for vessels with their respective national registers. The incentives secondary registers offer range from less stringent crewing requirements to a more profitable tax regime than are found on the national flag. Some require that vessels be owned by a majority of national or EU interests; others, such as MAR, are open to anyone. Registration fees, government

subsidies, and responsibilities under international law (through their respective parent state) all vary from one secondary register to another.

These differences are in many ways more critical than the usual "second" versus "international" distinction, which typically distinguishes between those registers that are physically located on an overseas territory and those that exist within the same borders as the national one. These differences also mean it is difficult to make wide-ranging statements about secondary registers as a group.

Despite this difficulty, it is frequently assumed that secondary registers are of a lesser quality than their national peers when it comes to the implementation and enforcement of international labour, safety, and environmental regulations. However, port state control data, which is a useful indicator of the regulatory environment on a given flag, tells a different story.

One example is the 2005 Paris MOU black, grey and white lists used to target ships for inspection. All but one of the secondary registers listed fall into the "white" category. The single exception, the Faeroe Islands, is on the grey list along with a number of national registers. Recent annual reports from three major port state control bodies – Paris, Tokyo, and the United States Coast Guard – confirm the majority of secondary registers listed are at or around (if not below) the average detention rates in these regions, indicating that they are not, as a whole, particularly substandard.

However, this is not to say that all secondary registers have comparable track records when it comes to port state control. For example, three Red Ensign flags have very different detention rates under the Paris MOU. Whereas Cayman Islands and Gibraltar have consistently

approached or exceeded regional average detention rates in recent years, the Isle of Man has one of the lowest detention rates of all of the flag states inspected.

It should also be acknowledged that there are ways in which port state control data does not give a complete picture of secondary registers. For many of these registers, inspection data is not listed independently from that of the national register. Where they are separated out, as one marine official I interviewed mentioned, there are sometimes inaccuracies in the data that would not necessarily occur for national or open registers. Additionally, some secondary registers have so few ships visiting ports in a given MOU region that it is hard to get a true sense of their level of regulation. These kinds of practices make it hard to draw accurate conclusions about the regulatory environment on secondary registers, either individually

or as a group.

Another charge frequently levelled at secondary registers is that they mean a loss of jobs for national seafarers. While this may be true to some extent (a recent SIRC report on crewing levels found that vessels on secondary registers tend to have smaller crews than those on either national or open registers), the fact that crewing requirements on secondary registers usually permit greater employment of foreign nationals than their national equivalents does not necessarily result in fewer jobs. Indeed, there are some cases in which the secondary register actually has a greater percentage of nationals crewing its ships.

For instance, data from a recent SIRC study on crew compositions indicates that Denmark has a lower percentage of Danish nationals among its vessels' crews than its secondary register, DIS. This study also reveals the extent to which the proportion of nationals employed varies among

secondary registers. Contrary to DIS, Norway's secondary register, NIS (which is usually seen as equivalent to DIS), employs a significantly smaller percentage of nationals than Norway's national register.

As the data on port state control and seafarer nationalities show, it is not clear that secondary registers deserve the collective – and occasionally negative – characterisation that they receive. One point that is obvious, however, is that the secondary register phenomenon is here to stay, with the United States, India, and Russia all having considered creating one in recent years. Distinguishing between these registers can be complicated. But until secondary registers are treated more as individual entities, as well as distinct from national and open ones, it will be impossible to get a real sense of what these registers are doing and the implications they have for seafarers.