



Cruise Ships: Continuity and Change in the World System

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Abstract

Cruise ships present a useful context to study contemporary developments in globalization. U.S.-owned cruise companies have managed to create the “ideal” context for contemporary corporations: very little government oversight of labor relations, an available pool of very cheap labor dispersed across the globe, lax environmental regulations, high profit margins, and corporate tax rates around 1%. A typical cruise ship leaving the U.S. contains workers from 75 to 90 nationalities. Crewmembers performing menial service work are recruited exclusively from “poor countries” in Asia, Eastern Europe, Latin America, and the Caribbean. Crewmembers typically sign 10-month contracts stipulating 10-14 hour workdays/7 days a week without vacation or sick days. There is a striking correlation between workers’ pay/status and their countries’ position within the world system. Staff members are usually white Westerners, while crewmembers are exclusively from the global south. On cruises the legacies of imperialism and colonialism are often the basis of workers’ racialization as appropriate servants.

Keywords: Cruise ships, Racialization



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The modern day cruise ship industry is representative of both change and continuity within the world system. The industry is an exemplar of a new era of globalization wherein the neoliberal agenda prevails. Specifically, cruise companies founded in the United States during the 1970s have grown into massive transnational corporations that enjoy minimal government oversight, a large pool of cheap and disposable labor dispersed across the globe, high profit margins, and minimal taxation. While these companies are largely free from state regulation, they manage to exert significant influence over the policies of governments in the core and periphery. The lack of labor organizing has also created a situation wherein companies have almost complete control over a vast labor force recruited primarily from Asia, South and Central America, the Caribbean, and parts of Eastern Europe. The nationalities represented by capital and labor originates from tens of different countries and is unique in their confinement to a singular, contained workplace. However, in both practice and discourse, cruise ships replicate patterns of racialized servility and hierarchies of color, which date back to colonialism. Specifically, white men from core countries are at the top of the workplace hierarchy and are racialized as possessing the qualities necessary for leadership and dominance over others. Workers from peripheral nations, especially South East Asian men, are racialized as naturally suited for servility.

From their origins in the early 1970s in Miami, cruise ship companies have transformed themselves from small-scale, informal, debt-ridden entities into global behemoths. The cruising industry remains one of the fastest growing sectors in the global economy. In the United States, three companies account for 80% of the market share. In 2014, cruise ships carried 23 million passengers, owned 178 ships, and employed over 200,000 employees (CLIA 2015). These transnational corporations are working together across nation-state lines. The Cruise Lines International Association works internationally to lobby governments that flag ships, host ports, supply labor, and subsidize shipbuilding. These efforts have created a very business-friendly environment for ships to operate in across the globe. For example, in 2013, Carnival Cruise Co., the industry leader, had \$15 billion in revenue, \$2.2 billion in profits, and a taxation rate of approximately 1%. The reasons for this success are multi-faceted but a key factor is the “flags of convenience” (FOC) system.

Although these companies were founded in the United States, the FOC system allows companies to choose which countries’ flag under which they fly. The “flagging” country then assumes responsibility for supervising and enforcing the ship’s compliance with their national and international regulations on ship safety and working conditions. Panama, Liberia, and the Bahamas currently account for 50% of the FOC business. These countries charge registry fees and tonnage fees, but companies are not taxed on any of the revenue they generate on ticket sales, tours, and shipboard purchases. It is no coincidence that cruise companies flag their vessels in such peripheral

nations. If they flagged ships in the United States, they would be subject to domestic labor laws and corporate taxation. Coordinated efforts on the part of the cruise industry have successfully prevented any attempts in the U.S. Congress to alter the FOC regime (Garin 2006, Chin 2008). Under the current system, the cruise companies have considerable leverage over flagging states. For example, in 2003 registry fees amounted to 17% of the Liberian government's revenue. In Panama, the industry successfully secured a change in domestic labor law: workers' mandatory day off each week is now given at the employer's discretion (Klein 2002).

Theoretically, seafaring workers have explicit rights enshrined in international law (freedom of association and collective bargaining) and they are specifically covered by the International Labor Organization (ILO) and International Maritime Organization (IMO) conventions. ILO Convention 147 (1976) explicitly states that each country that registers ships (flag state) must pass laws specifying minimum standards for employment and living conditions. This convention also states that employers must pay for travel costs associated with taking a leave. ILO Convention 180 (1996) specifies that seafarers should work no more than 72 hours in any 7-day period. Furthermore, ILO Convention 179 (1996) requires governments to closely supervise all crewing agencies, which recruit seafaring workers. Private agencies must be licensed and must not charge workers a fee to get a job. Furthermore, ILO Convention 147 gives extensive powers to port authorities to detain any vessels, which do not meet ILO labor standards. Because these flagging countries are desperate for the income generated from registry fees, they have no incentive to enforce international labor laws governing work at sea. As a result of the FOC system, cruise companies are beyond the reach of any single seafarer's union. Furthermore, unlike previous eras, there is no single nation-state that workers can lobby to have their labor rights upheld on cruise ships. This lack of meaningful labor laws has created a population of workers that are relatively powerless against capital.

The cruise industry is characterized by a regime of "labor flexibilization." A typical cruise ship contains workers from 75-90 different countries, 70% of whom work as hotel staff and are afforded no job security. Most workers are male. This global supply of labor is procured through the usage of independent crewing agencies. Crewmembers sign 8-10 month contracts that the employer can terminate for any reason. These contracts are usually vague about specific work duties and stipulate 10-12 hour workdays, 7 days a week, without vacation or sick days. Crewmembers are usually afforded half a day off each week, at the discretion of their supervisor. Crewing agencies often exploit the desperation of potential employees. "It is common practice for these agencies to charge each new recruit for their roundtrip airfare, medical examination, seafarer's book, work visa, and an administrative fee. The end result is that these workers from poor countries are often paying \$1,500-\$2,000 just to get the job" (ITWF 2002: 5). Additionally,

most cruise companies take an indemnity (approx. \$500) from each employee, which is forfeited if they break their contract. Large recruitment fees, an indemnity along with the expense of buying their own uniforms, shoes, and other supplies means that many crewmembers are working the first couple of months just to get out of debt (ITWF 2002). The company pays them meager wages. For example, laundry workers earn between \$400-600 a month. Room cleaners and wait staff can expect a monthly wage of \$50 which must be supplemented by passenger tips (ITWF 2002, Chin 2008). These very diverse workplaces are by no means egalitarian or post-racial.

There is a stark dividing social line between “staff” and “crew” employees. While their jobs do not necessarily require more education or skill, staff is paid significantly higher wages and interacts with passengers as quasi-equals. Staff employees are permitted to take advantage of the numerous amenities and services offered to passengers. Unlike their crew counterparts, staff employees can be observed eating in passenger cafeterias, relaxing in the spa, playing around in the main pool, or drinking and dancing in passenger bars and dance clubs. Crew, on the other hand, holds such jobs as room cleaners, waitstaff, bartenders, and cooks. These workers eat day old food, live in cramped quarters with no windows, and are forbidden from utilizing any passenger amenities.

The employer also seeks to divide the crewmembers along national lines in order to obviate labor solidarity. In 1981 there was a strike led by a group of 240 Honduran workers who were also siblings, cousins, and friends from home. Since that time it has been the explicit policy to hire a very heterogeneous workforce to forestall any potential labor unrest. As a senior executive from Carnival acknowledges, after 1981 “The whole [goal] was not to have a ship with 15 percent or more of one nationality” (Garin 2006).

Cruise ship employment is highly stratified along the lines of nationality and color. The main authority figures on the ship (captain and staff captain) are almost all white men from core nations. With few exceptions, Carnival’s senior officers are all Italian; Royal Caribbean are Norwegian; Princesses are British; and Holland America’s are Dutch (Garin 2006). White women are overrepresented in “front of the house” positions (e.g. hostesses), childcare, and personal services (Chin 2008). It is important to note that the cost of labor is not the only factor influencing hiring and job placement decisions.

In a book co-authored by Bob Dickinson, the former President and CEO of Carnival, they assert that certain nationalities are predisposed to servitude. “It is more difficult to find Americans who have a flair for service hospitality. The egalitarian nature and heritage of Americans tend to work against their ability to be motivated to serve others” (Dickinson and Vladimir 2008). This begs the question, if certain people are unsuited for servility, then who is? The answer harkens back to the days of colonization.

Discourse from company management and crewing agencies demonstrates that Southeast Asians (mostly men) in particular are perceived to be the most appropriate servants. “They seem to have been born with a wonderful service culture. They always greet guests and always smile. And, *they do it so naturally*...Managers compare them with Eastern Europeans who are considered unable ‘to smile...always so rigid’” (Zhao 2002: 11, italics mine). When asked why so many Filipino men are hired for service work, a crewing agent asserts “...the attitude of the Filipinos, and positive attitudes in terms of their dedication to work. Filipinos are obedient, resilient, happy people...it runs in the blood.” Other rationales focus on cultural subservience. “You know, Filipinos are very well educated...but they are also typically culturally subservient. And that’s one of the reasons they’re so popular on cruise ships, because...they can walk around and even under sometimes oppressive conditions they know they’ve got to smile and be subservient and they do that.” In other cases, the link between the present and colonialism is made more explicitly. On Holland America for example, a large number of the workers originate from Indonesia, a former Dutch colony. Cruise industry researcher, Ross Klien, notes that the colonial relationship between the Dutch and Indonesians was replicated aboard cruise ships. Indonesian men are racialized as “naturally reverent and deferential to the Dutch bosses, not just as their employer but also as the colonial power under which previous generations grew up” (Klein, 2002: 124). Given that Southeast Asian men have been racialized as obedient and subservient, it is no surprise that they experience discrimination in their attempts to move the workplace hierarchy into positions of authority (Terry 2013).

Cruise companies also maintain considerable leverage over port cities. In the 1990s member nations of the Caribbean Community (CARICOM) declared their intention to impose a head tax of ten to fifteen dollars per cruise ship passenger. These taxes were proposed to generate funds for infrastructure maintenance and upgrade in port cities. The cruise industry balked. Companies began pitting port cities against each other and threatening to withdraw business from those countries that would not capitulate to the neoliberal agenda. Eventually, the coordinated efforts among island-nations were abandoned and the cruise industry was successful in continuing to transfer costs onto the citizenry of these peripheral nations (Garin 2006).

Cruise ship companies are not bound by or to any one particular nation-state. These transnational corporations have manipulated the “flags of convenience” system to successfully evade regulation of their businesses by any singular country or institution. At the same time, they have considerable leverage over the various nations with which they deal including port cities and flagging states. This is future that the neoliberal agenda seeks to bring about for humanity, a situation wherein transnational corporations have tremendous power over pliable nation-states. It is a future where mostly brown workers are desperate and disposable.

Whiteness in the World System

I agree with Dunaway and Cleland (2016) that global capitalism can not be reduced to a project of “white supremacy.” However, colorism persists. Specifically, whiteness functions as “property” in many contexts, including cruise ships. Cheryl Harris’ (1993) groundbreaking work elucidates the ways in which “white skin” provides material and status benefits for those who are allowed to claim “whiteness.” The proliferation of skin “bleaching” products across the globe underscores the extent to which whiteness (or closeness to whiteness) is highly esteemed (Glenn, 2008). In the context of cruise ships, “whiteness” does not exclude European workers from servility, however, those laborers are overrepresented in “front of the house” and more prestigious jobs. In this regard, “whiteness functions as property” for the employer as well.

Racism, in various manifestations, is used to justify nation-based hierarchies aboard the ship. Some narratives are rooted in the history of “Orientalism” which essentializes and homogenizes “Asian” bodies (Said, 1979). The history of colonization, also serves as an underpinning to naturalize the servility of brown and black bodies. I argue that we must pay attention to the extent that profit-making motives are inextricably linked to racism in the world-system and how various racializations are used to justify global inequities.

About the Author

Francisca Oyogoa is Assistant Professor in Sociology and African American Studies at Bard College at Simon's Rock. She is a graduate of Bowdoin College (B.A) and the University of Massachusetts, Amherst (Ph.D.). Her research focuses on the intersection of racial, ethnic, gender, and national hierarchies in the workplace. Professor Oyogoa’s most current project is a book titled “*Service on the Move: Employers’ Race-Gender Ideology on Trains, Planes, and Cruises, 1867-Present.*” She is the recipient of numerous research grants and an award for excellence in teaching.

Disclosure Statement

Any conflicts of interest are reported in the acknowledgments section of the article’s text. Otherwise, authors have indicated that they have no conflict of interests upon submission of their article to the journal.

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