



Social dialogue in the process of structural adjustment and private sector participation in ports: A practical guidance manual

Professor Peter Turnbull

Cardiff University, United Kingdom

International Labour Organization

Sectoral Activities Programme

Copyright © International Labour Organization 2005

First published 2006

Publications of the International Labour Office enjoy copyright under Protocol 2 of the Universal Copyright Convention. Nevertheless, short excerpts from them may be reproduced without authorization, on condition that the source is indicated. For rights of reproduction or translation, application should be made to the Publications Bureau (Rights and Permissions), International Labour Office, CH-1211 Geneva 22, Switzerland, or by email: pubdroit@ilo.org. The International Labour Office welcomes such applications.

Libraries, institutions and other users registered in the United Kingdom with the Copyright Licensing Agency, 90 Tottenham Court Road, London W1T 4LP [Fax: (+44) (0)20 7631 5500; email: cla@cla.co.uk], in the United States with the Copyright Clearance Center, 222 Rosewood Drive, Danvers, MA 01923 [Fax: (+1) (978) 750 4470; email: info@copyright.com] or in other countries with associated Reproduction Rights Organizations, may make photocopies in accordance with the licences issued to them for this purpose.

Prof. Turnbull P.

*Social dialogue in the process of structural adjustment and private sector participation in ports:
A practical guidance manual*

Geneva, International Labour Office, 2006

ISBN 92-2-117721-1 (print)

92-2-117722-X (web)

CIP data:

Also available in French: *Dialogue social dans le processus d'ajustements structurels et participation du secteur privé dans les ports. Guide pratique* (ISBN 92-2-217721-5 print), (ISBN 92-2-217722-3 - web pdf), Geneva, 2006; and in Spanish: *El diálogo en el proceso de ajustes estructurales y la participación del sector privado en el sector portuario : Manual de orientación práctica* (ISBN 92-2-317721-9 -print), ISBN 92-2-317722-7- web pdf), Geneva, 2006

ILO Cataloguing in Publication Data

The designations employed in ILO publications, which are in conformity with United Nations practice, and the presentation of material therein do not imply the expression of any opinion whatsoever on the part of the International Labour Office concerning the legal status of any country, area or territory or of its authorities, or concerning the delimitation of its frontiers.

The responsibility for opinions expressed in signed articles, studies and other contributions rests solely with their authors, and publication does not constitute an endorsement by the International Labour Office of the opinions expressed in them.

Reference to names of firms and commercial products and processes does not imply their endorsement by the International Labour Office, and any failure to mention a particular firm, commercial product or process is not a sign of disapproval.

ILO publications can be obtained through major booksellers or ILO local offices in many countries, or direct from ILO Publications, International Labour Office, CH-1211 Geneva 22, Switzerland. Catalogues or lists of new publications are available free of charge from the above address, or by email: pubvente@ilo.org

Visit our website: www.ilo.org/publns

Printed in Switzerland



Contents

Preface	vii
Acknowledgements	viii
List of abbreviations and acronyms	ix
Introduction	xi

PART ONE – The context of social dialogue in the world’s ports **1**



1. The history of social dialogue in ports	3
1.1 Social dialogue and casual employment	4
1.2 Social dialogue and mechanization	6
1.3 Social dialogue and commercialization	8
1.4 Checklist	10



2. A new agenda for social dialogue in the world’s ports	11
2.1 The changing role of modern-day ports	12
2.2 Landlord ports and social dialogue	13
2.3 Landlords, leaseholders and labour	16
2.4 Social dialogue and decent work	18
2.5 Checklist	20



3. Representation of the social partners	21
3.1 The basic enabling conditions for social dialogue	21
3.2 Identity, status and representation	22
3.3 The representation of other stakeholders	27
3.4 Checklist	29



4. Social dialogue in situations of structural change	31
4.1 Structural adjustment, industrial conflict and social dialogue	32
4.2 Structural adjustment in a supportive industrial relations environment	34
4.3 Checklist	40



5. Private sector participation (PSP) in ports	41
5.1 The why and how of PSP in ports	41
5.2 PSP, labour reform and social dialogue	43
5.3 Checklist	48



PART TWO – The process of social dialogue in the port industry 49



6. Planning for social dialogue 51

- 6.1 Needs awareness and interdependencies 52
- 6.2 Internal review by the social partners 54
- 6.3 Joint strategic review 55
- 6.4 Checklist 55



7. Initiating social dialogue 57

- 7.1 Unilateral, bipartite or tripartite negotiation 58
- 7.2 Consultation about consultation 63
- 7.3 Forcing and fostering strategies 64
- 7.4 Checklist 66



8. Implementing social dialogue 67

- 8.1 Business-centred or employee-centred participation 68
- 8.2 Hard versus soft forms of regulation 70
- 8.3 Balancing flexibility and security 71
- 8.4 Checklist 74



9. Monitoring and evaluating the process of social dialogue 75

- 9.1 Establishing agreed criteria 76
- 9.2 Data collection 79
- 9.3 Remedial action and conflict resolution 79
- 9.4 Reviewing the phases and activities of social dialogue 80
- 9.5 Checklist 81



10. Mobilizing the resources needed for social dialogue 83

- 10.1 Training and development 83
- 10.2 Calculating the costs and benefits of social dialogue 84
- 10.3 Internal and external resources 85
- 10.4 Checklist 88



Bibliography 89



List of tables

Table 1	Public-private roles in port management	13
Table 2	Systems of board-level employee representation in Europe	
Table 3	Company restructuring and employee participation rights in Europe	34
Table 4	Examples of private sector participation	38
Table 5	Forcing and fostering strategies for social dialogue	42
Table 6	Hard and soft regulation	64

List of figures

Figure 1	Social partners and other stakeholders in the port industry	28
Figure 2	Organization of the private sector in the port of Antwerp	29
Figure 3	The phases of social dialogue in ports	49
Figure 4	Activities for planning social dialogue	51
Figure 5	Activities for initiating social dialogue	57
Figure 6	Initiating the Australian waterfront strategy	59
Figure 7	Activities for implementing social dialogue	67
Figure 8	Activities for monitoring and evaluating social dialogue	75
Figure 9	Phases and activities of social dialogue in ports	81

List of boxes

Box 1	Forms of social dialogue	xiii
Box 2	Singapore: Increasing business options via trust and cooperation	4
Box 3	Introduction of the National Dock Labour Scheme (NDLS) in the United Kingdom	5
Box 4	United States: The West Coast Mechanization and Modernization Agreement, 1960	7
Box 5	Malaysia: Private sector participation in Port Klang	9
Box 6	Canadian port reform	14
Box 7	The port of Belfast: Retaining trust port status	15
Box 8	Employment at Eurogate	17
Box 9	Decent work in Spanish ports	19



Box 10	United Kingdom: Setting the agenda of the National Association of Port Employers (NAPE)	24
Box 11	The representation of non-core workers	25
Box 12	Creating encompassing maritime trade unions	27
Box 13	Securing the right to be heard	33
Box 14	Board-level representation and restructuring in the port of Bremen	36
Box 15	PSP in the port of Mombasa	43
Box 16	PSP and social dialogue in Nigeria	45
Box 17	ITF policy on PSP	47
Box 18	Terms of reference for a ports operations privatization expert, Guatemala	53
Box 19	Implementing labour reform with PSP: The case of the port of Kaohsiung	61
Box 20	Negotiating access to the European port services market	62
Box 21	Fostering and forcing change on the Italian waterfront	65
Box 22	PSA International: A strategic and unified approach to human resource management	69
Box 23	Different forms of security to ensure decent work	71
Box 24	Pacts of employment and competitiveness in the European Union	72
Box 25	Striking a balance between employment and competitiveness in French ports	73
Box 26	Monitoring and evaluating waterfront reform in Australia, 1989-92	78
Box 27	Training for workplace delegates: The examples of Romania and Singapore	84
Box 28	National resources for training	86
Box 29	ILO support for social dialogue	87



Preface

The importance of the port industry for the economic development of countries cannot be overstated. During the last two decades the world has witnessed many developments in the organization of work in this industry, most of which are manifestations of the globalization of the transport sector. Worldwide terminal operators, increased private sector participation in all aspects of ports as well as the introduction of capital-intensive cargo handling techniques to obtain sustainable improvements in port operations have caused continuing and far-reaching changes in the port industry. There is now a wide recognition that social dialogue between governments, employers and workers' representatives in the port industry is a prerequisite for effectively managing these and foreseeing future changes, and the corresponding structural reforms.

Port reform is a continual process that takes place at different rates and from different starting points according to circumstances. There is, therefore, no universal standard formula for port restructuring. Consequently, in order to ensure that the issues concerning structural adjustment in ports are effectively addressed in a transparent manner, the institutions and capacity for social dialogue between the parties concerned need to be in place and might need to be strengthened.

It is against this background that a Tripartite Meeting on Social and Labour Problems caused by Structural Adjustment in the Port Industry, which was held in Geneva from 20 to 24 May 1996, unanimously adopted a set of conclusions that, inter alia, called on the ILO to provide technical advisory services to ports that are undergoing structural adjustment.

The Sectoral Activities Department, therefore, commissioned this practical guidance manual. During its development, constructive consultations were held with employers' organizations (represented by the International Organization of Employers and the International Association of Ports and Harbours) and workers' organizations (represented by the International Confederation of Free Trade Unions and the International Transport Workers' Federation).

It is hoped that this publication will strengthen the capacity and institutions for social dialogue in the process of structural adjustment and private sector participation in ports in many countries and, in turn, assist in improving the efficiency and effectiveness of port operations, and the working conditions of port workers, thereby enhancing economic and social development.

Johanna Walgrave,
Director,
Social Dialogue, Labour Law,
Labour Administration and
Sectoral Activities Department



Acknowledgements

Many of the cases reported in boxes throughout this Guidance manual are based on research funded by the UK Economic and Social Research Council and the British Council.



List of abbreviations and acronyms

ACT/EMP	Bureau for Employers' Activities (ILO)
ACTRAV	Bureau for Workers' Activities (ILO)
ADB	Asian Development Bank
AGHA	Antwerpse Gemeenschap voor de Haven (Antwerp Port Federation, Belgium)
ASIB	Australian Stevedoring Industry Board
BHC	Belfast Harbour Commissioners (United Kingdom)
BLER	Board-level employee representation
BLG	Bremer Lagerhaus Gesellschaft (Germany)
BTDB	British Transport Docks Board
COSATU	Congress of South African Trade Unions
CPA	Canada Port Authority
CSDR	Democratic Trade Union Confederation of Romania
DLCS	Dock Labour Compensation Scheme (United Kingdom)
DRD	Department for Regional Development (United Kingdom)
ETF	European Transport Workers' Federation
ETUC	European Trade Union Confederation
EU	European Union
HIT	Hong Kong International Terminal (Hong Kong, China)
IAPH	International Association of Ports and Harbours
ICTSI	International Container Terminal Services Inc. (Philippines)
ILO	International Labour Organization / Office
ILWU	International Longshore and Warehouse Union (United States)
ITF	International Transport Workers' Federation
ISC	Inter-State Commission (Australia)
KCT	Kelang Container Terminal (Malaysia)
KHB	Kaohsiung Harbour Bureau (Taiwan, China)
KPA	Klang Port Authority (Malaysia)
JODLIC	Joint Dock Labour Industrial Council (Nigeria)



JOMALIC	Joint Maritime Labour Industrial Council (Nigeria)
MWUN	Maritime Workers Union of Nigeria
NAPE	National Association of Port Employers (United Kingdom)
NDLB	National Dock Labour Board (United Kingdom)
NDLS	National Dock Labour Scheme (United Kingdom)
NPA	Nigeria Ports Authority
PMA	Pacific Maritime Association (United States)
PSA	Port of Singapore Authority
PSP	Private Sector Participation
RGCT	Rajiv Gandhi Container Terminal (India)
SPWU	Singapore Port Workers' Union
TEU	Twenty-foot Equivalent Unit
TGWU	Transport and General Workers' Union (United Kingdom)
UNCTAD	United Nations Conference on Trade and Development
UMEP	Union Maritime et Portuaire (France)
UNEPASS	Union of Employees of Port Ancillary Services Suppliers (Malaysia)
UNIM	Union Nationale des Industries de Manutention (France)
WIRA	Waterfront Industry Reform Authority (Australia)



Introduction

The ILO's commitment to tripartism and social dialogue

Tripartism and social dialogue are integral components of “decent and productive work”, for all women and men, and constitute essential channels for achieving this “in conditions of freedom, equity, security and human dignity.”¹ Tripartite cooperation refers to “all dealings between the government and workers’ and employers’ organizations concerning the formulation and implementation of economic and social policy”, while social dialogue includes “all types of negotiation, consultation or simply exchange of information between, or among, representatives of governments, employers and workers, on issues of common interest relating to economic and social policy.”² The resolution concerning tripartism and social dialogue, adopted at the 90th Session of the International Labour Conference in 2002, invited governments of member States “to ensure that the necessary preconditions exist for social dialogue, including respect for the fundamental principles and the right to freedom of association and collective bargaining, a sound industrial relations environment, and respect for the role of the social partners” in achieving employment goals and improving social protection.

Social dialogue in the world's ports

The social partners in the port industry have, for many years, acknowledged the contribution that social dialogue can make to both efficient operations and decent work. For example, Section IV, Paragraph 25 of ILO Dock Work Recommendation, 1973 (No. 145), states: “Where it does not already exist, appropriate joint industrial machinery should be set up with a view to creating a climate of confidence and cooperation between dockworkers and employers in which social and technical change can be brought about without tension and conflict and grievances promptly settled”. More recently, the agreed text of the 1995 Regional Seminar on Social and Labour Effects of Structural Adjustment in the Port Industry of Selected Asian and Pacific Countries concluded that “successful and lasting reforms are achieved when the consequences and implications of these reforms have been fully discussed and agreed with the social partners well in advance.”³

¹ ILO (1999), p. 3.

² www.ilo.org/public/english/dialogue/themes/tri.htm and www.ilo.org/public/english/dialogue/themes/sd.htm

³ ILO (1995), p. 8.



The benefits of social dialogue

A vital role of social dialogue is to “provide a setting for more efficient bargaining by helping to separate negotiations on ‘the state of the world’ from negotiations on the division of costs and benefits.” It is a process through which actors “inform each other of their intentions and capacities, elaborate on information provided to them by experts, and clarify and explain their assumptions and expectations.”⁴ As a cooperative approach to labour relations, it is about maximizing the potential for mutual gains, or what is usually referred to as integrative (“win-win”) bargaining.⁵ By addressing the concerns of all those involved in, or affected by, the process of change, especially workers, any ensuing outcomes are more likely to be favourable or at least more acceptable to all concerned. There will, of course, be distributive (“win-lose”) bargaining at some stage, especially during a programme of structural adjustment and privatization in ports as these changes are typically accompanied by job losses and major changes to workers’ terms and conditions of employment. But this should not deter the social partners from engaging in (hopefully productive) social dialogue. Whatever the outcomes, social dialogue will add legitimacy to the process of decision-making, which should become more inclusive and democratic, and it can help to establish ownership and accountability for any subsequent outcomes.

A brief look at the Guidance manual

Background

A Tripartite Meeting on Social and Labour Problems caused by Structural Adjustment in the Port Industry, which was held in Geneva from 20 to 24 May 1996 unanimously adopted a set of conclusions that, inter alia, included the following:

“Role of the ILO

In undertaking activities concerning structural adjustment issues in the port sector, the ILO should provide technical advisory services to ports undergoing structural adjustment, including examining broader issues (within its competence) that affect port performance;”

It is against this background that the ILO commissioned this practical guidance manual. During its development, constructive consultations were held with employers’ organizations (represented by the International Organization of Employers and the International Association of Ports and Harbours) and workers’ organizations (represented by the International Confederation of Free Trade Unions and the International Transport Workers’ Federation).

⁴ Visser (2001), p. 184.

⁵ Walton et al. (1994).



Audience

This *Guidance manual* is intended to reach policy makers as well as those persons who plan and organize processes of social dialogue in ports around the world. It is designed to provide instruments to manage and to facilitate processes of social dialogue in the world's ports, targeting particularly those who are involved in, or are currently planning, major programmes of structural adjustment and private sector participation (PSP). More basic and general information on social dialogue is already available in other guidelines and resource books of the ILO.⁶ It is also intended that the *Guidance manual* will be used by trainers and facilitators who prepare and monitor the participants in social dialogue in the port industry.

Terminology

The term “social dialogue” describes a cooperative approach to labour relations. Indeed, “[t]he main goal of social dialogue itself is to promote consensus building and democratic involvement among the main stakeholders in the world of work.”⁷ Social dialogue is advocated by a variety of different actors, from the European Union (EU)⁸ and international organizations such as the ILO to individual enterprises where management and employees work in partnership to promote their mutual interests. The different forms of social dialogue are listed in box 1.

Box 1 | Forms of social dialogue

Information exchange – the most basic process of social dialogue. Although it does not involve any real discussion, the two-way process of information exchange is the bedrock of more substantial social dialogue and the processes through which decisions are made.

Consultation – a means by which the social partners not only exchange information but also engage in more in-depth dialogue about issues raised. While consultation itself does not necessarily carry with it decision-making power, it often takes place as part of such a process.

Negotiation – the two dominant types of negotiation are collective bargaining and policy concertation. *Collective bargaining* consists of negotiations between an employer, a group of employers or employers' representatives and workers' representatives to determine issues related to wages and conditions of employment. *Policy concertation* involves the co-determination of public policy by governments, employers' organizations and workers' organizations, usually at a national or sector level.

⁶ For example, Ishikawa (2003); also, InFocus Programme on Social Dialogue, Labour Law and Labour Administration, *Promoting National Social Dialogue: An ILO Training Manual*, Geneva, ILO.

⁷ www.ilo.org/public/english/dialogue/themes/sd.htm

⁸ For example, European Commission (2002).



The word “dialogue” comes from the Greek *dia* (meaning “through” or “with each other”) and *logos* (meaning “word”). In everyday language it is understood to mean “exchange of words between two people”, but it also conveys a sense of “meaning flowing through.”⁹ By definition, simply presenting another party with information (e.g. a company newsletter) without providing that party with an opportunity to share or return information in exchange (e.g. to put questions and express opinions on the company newsletter) does not constitute dialogue. It is often said that such forms of top-down communication are simply concerned to “tell and sell” rather than to elicit dialogue.

Information sharing is a two-way, interactive process. The wide sharing of information is the foundation of the *ringi* system of decision-making in Japan, whereby decisions are subject to approval by different groups within the organization, building a strong consensus around decision-making in the process.

Consultation can take a variety of different forms. At one end of the spectrum there are direct but informal, face-to-face discussions that take place over day-to-day, job-related issues between individual employees and their immediate manager. At the other end of the spectrum, elected representatives of the social partners can meet in a highly formalized setting to discuss issues of strategic importance. In some situations, consultation could be entirely marginal to negotiations because workers’ organizations prefer to deal with management through collective bargaining. In other situations, consultation is seen as an important complement (or prelude) to collective bargaining, while in some cases it might be used by management as a substitute for formal negotiations.

As with consultation, it is possible to distinguish different types of *negotiation* depending on:

- the level at which it takes place (e.g. workplace or company-level negotiations with a single employer versus port-wide or industry-wide negotiations with an employers’ association and/or the government);
- the coverage of the agreement (which employee groups are included?);
- the range or scope of topics subject to negotiation (comprehensive or limited agreements); and
- the form of agreement that is concluded (e.g. precise or flexible, legally or non-legally binding).

Because negotiations typically involve formal agreements that commit the social partners to a particular course of action, making them jointly responsible for the ensuing outcomes, they are regarded as a more intense form of social dialogue than either consultation or information sharing.¹⁰

Social dialogue is usually a bipartite process between management and labour (or employers’ and workers’ organizations), but it may also be tripartite, with the government as an official party to the process. Where the State is also the employer, as is often the case in the port industry, the distinction between bipartite and tripartite social dialogue can become somewhat blurred. In some situations, other stakeholders such as customers or non-governmental organizations (e.g. environmental groups) might also

⁹ UNCTAD (2001), p. 1.

¹⁰ Ishikawa (2003), p. 3.



be invited to participate in the process of social dialogue, although these stakeholders are not usually involved in what are properly the concerns of the social partners in collective bargaining.

Structure

The *Guidance manual* is divided into two distinct parts, namely the *context* of social dialogue in the world's ports and the process of social dialogue in the port industry. Part One focuses in particular on the importance of social dialogue during periods of structural adjustment and private sector participation (PSP) in ports, but it is also emphasized that social dialogue is an ongoing process that should be an integral part of labour relations in all ports around the world. Part Two examines the different phases of social dialogue – planning, initiating, implementing, monitoring and evaluation – and the various activities associated with each phase.

To make the manual more accessible and help readers connect the general principles and policies of social dialogue to their own experiences, concrete examples of how the processes and issues under discussion were handled in a given situation are described in separate text boxes. In addition, each section ends with a checklist to facilitate self-reflection and practical implementation. The checklists propose a series of questions to be examined in the reader's own situation. They are by no means exhaustive and will need to be supplemented by more specific questions that are pertinent to the reader's own port(s). Thus, while underlying basic principles and policies are identified in the *Guidance manual*, each situation requires the development of tailor-made tools for implementation. The *manual* is intended to assist dialogue on how to design and implement such tools appropriate to each port.

As the sections of the Guidance manual are sequential and interrelated, especially in Part Two, it is not recommended to work on individual sections out of their overall context. The structure of the manual is intended to guide the reader step-by-step from a general understanding (Part One) to preparatory analysis, implementation and evaluation of the social dialogue process (Part Two).

PART ONE

The context of social dialogue in the world's ports

Part One of the *Guidance manual* sets out the context in which social dialogue takes place in the world's ports. The sections that comprise it endeavour to facilitate the understanding of frequently used terms, initially from an historical perspective and then focusing on the new agenda for social dialogue in the context of structural adjustment and private sector participation (PSP) in ports.

To be effective, social dialogue should be part of the basic infrastructure of labour relations and corporate human resource management policies on the waterfront. Social dialogue works best when it is an ongoing process, embracing all the different elements of information sharing, consultation and negotiation, rather than an option the social partners simply call upon at times of crisis or major structural change.



The history of social dialogue in ports

In an increasingly competitive and interdependent world economy, most employers recognize the importance of social dialogue and the contribution it can make to their business. Processes of social dialogue such as information exchange, communication, consultation and co-determination are at the centre of modern-day human resource management strategies, and these strategies, in turn, are at the heart of employee commitment and the competitive performance of the organization.¹¹ Moreover, “deliberative institutions”, ranging from company-based works councils to national tripartite consultative bodies, can help to reduce uncertainty and build credible commitments between the social partners, thereby increasing the capacity of firms to develop longer-term business strategies.¹²

Social dialogue helps to build trust between the parties, the essence of which is a belief that another party will continue to adhere to rules of fairness and reciprocity even in circumstances where it might be advantageous to do otherwise. This can help companies overcome temporary business problems with the cooperation of their workforce, as the example in box 2 serves to illustrate. Historically, social dialogue has been at the very heart of major structural changes in the port industry, most notably the regulation of casual labour markets, the mechanization of cargo handling and modernization of working practices, and the introduction of a more commercial or market-based approach to port administration and operations.

¹¹ See, for example, Patterson et al. (1997) and Pfeffer (1998).

¹² Hall and Soskice (2001), p. 33.



Box 2 | Singapore: Increasing business options via trust and cooperation

The dramatic downturn in traffic caused by the Asian crisis in the late 1990s placed a premium on cooperation between management and labour. Port of Singapore Authority (PSA) had already introduced a range of cost-cutting measures before proposing new work schedules to maximize the availability of labour and productive hours of work. The proposals were explained to the workforce by the Singapore Port Workers' Union (SPWU) in *The Singapore Portworker* (Oct.-Dec. 2001), the Union's in-house magazine, through a series of cartoons depicting the likely disruption to members' working lives but assuring them that the measures would be only temporary (initially for one year, subject to periodic review, with a return to normal rosters if and when the situation improved). The final cartoon, depicting the vigilance of SPWU members, asked: "How can the union ensure that the management would not exploit the situation and make us suffer unnecessarily?" Members were assured that the Union would "monitor and review the situation regularly with the management" and called on its members to "inform [the Union] immediately if they have any views. Let's roll up our sleeves and bite the bullet for the long term good of PSA for our own sake."

1.1 Social dialogue and casual employment

Historically, employment in the port industry was characterized by a lack of trust between the parties. This was an almost inevitable consequence of short-term engagement whereby dockworkers were hired only for the duration of a specific job while the ship was in port. The casualness and unpredictability of dock work was at the centre of all the industry's ills, ranging from poverty and unemployment to bribery, corruption and even organized crime.¹³

In the absence of constructive social dialogue between the main parties, the State has intervened in many ports around the world to regulate the dockland labour market. In Australia, for example, the Australian Stevedoring Industry Board (ASIB) was established in 1949 with powers to recruit and dismiss "wharfies" (dockworkers), impose discipline, set port employment quotas, pay "attendance money" when wharfies presented themselves for work but none was available, provide first-aid equipment, cafeterias and other amenities, and train port workers. Its functions were similar to those of the Waterfront Industry Commission in New Zealand, established in 1940, and the National Dock Labour Board (NDLB) in the United Kingdom.

As with many port employment schemes established in the twentieth century, the National Dock Labour Scheme (NDLS) in the United Kingdom was the result of tripartite social dialogue, as explained in box 3. In many situations, only the intervention of the State can break the impasse between employer and worker representatives, especially when major structural changes are needed to move the industry forward.

¹³ See, for example, Davies et al. (2000).



Box 3 | Introduction of the National Dock Labour Scheme (NDLS) in the United Kingdom

Social reformers and successive government inquiries had long recognized that “[I]labour frequently or constantly underemployed is injurious to the interests of workers, the ports and the public and it is discreditable to society.”¹ In the absence of cooperation between the parties, or even within the principal organizations that represented employers and workers, all attempts at reform initially faltered.² It was the exigencies of the Second World War and the appointment of Ernest Bevin, leader of the Transport and General Workers’ Union (TGWU), to the position of Minister of Labour and National Service that finally brought about a comprehensive system of employment regulation.

Compulsory registration was introduced for dockworkers at the major ports via Registration Committees with representation from both sides of the industry. To meet wartime demands, overtime work and inter-port transfers were a condition of registration and the docker’s entitlement to a guaranteed weekly wage. Social dialogue was at the heart of the new system of labour relations. Productivity improvements were sought through “speed and output” committees set up in each port with the full support of the TGWU, while basic conditions of services that ensured decent work (e.g. minimum wages, overtime rates, hours of work, holiday entitlement and the like) were determined through a National Joint Council (NJC) for the Port Transport Industry.

Long before the end of the war, the NJC was approached by the Minister of Labour to draw up proposals for a permanent peacetime employment scheme, but negotiations were protracted and eventually foundered over the issue of joint control of port employment registers. The Government therefore extended the wartime schemes while bipartite negotiations proceeded. In addition, official inquiries were established to facilitate the negotiations and consider specific sticking points between the parties (e.g. the amount of guaranteed wage).

Finally, the Dock Workers (Regulation of Employment) Order was introduced in June 1947. Both dockworkers and employers were registered with the National Dock Labour Board (NDLB), made up of four employer and four trade union representatives, with a Chairman and Vice Chairman appointed by the Minister of Labour, and only registered dockers employed by registered employers were allowed to undertake “dock work” as defined by the National Dock Labour Scheme (NDLS). There were also 22 Local Dock Labour Boards, composed entirely of equal numbers of employer and trade union representatives. These Boards were the “holding employers” of dockworkers, who were hired on a daily basis by the “operational employers” (private stevedoring companies, wharfingers, warehousing companies, etc.). In this role, the Boards were responsible for recruitment, discipline, dismissal, training, welfare facilities, and the payment of any attendance money and guaranteed weekly wages (which were financed via a levy on the employers’ wage bill).

At the time the NDLS was heralded as “the largest social and industrial experiment in any part of the world.”³ It was certainly a significant development in terms of social dialogue and industrial democracy, with statutory powers granted to workers’ organizations in areas traditionally regarded as managerial prerogatives. Inevitably, the NDLS was not without its detractors, from both sides of the industry, but it made a lasting and significant contribution to operational efficiency and decent work on the waterfront.

¹ Lord Shaw (1920), *Report Concerning Transport Workers’ Wages*, Cd. 936-7, para. 17.

² Phillips and Whiteside (1985).

³ Lord Ammon, the first Chairman of the NDLB, quoted in Wilson (1972), p. 111.



Even today, many dockworkers are still employed on a casual basis, usually by private companies contracted to load and unload cargo. In many parts of the world, such as Central America, these workers tend not to be members of a trade union, nor are they routinely involved in any form of social dialogue with their employer or the public port authorities.

1.2 Social dialogue and mechanization

In the developed industrialized economies, labour market schemes designed to regularize or “decasualize” the employment of port workers were widely introduced in the first part of the twentieth century.¹⁴ By the 1960s, however, the social partners faced an arguably greater challenge in the form of mechanization. This demanded nothing less than a thorough modernization of working practices and employment arrangements.

Most working practices, when first introduced, seem reasonable, but they often become restrictive with the passage of time as methods of work organization change and new technology is introduced. On the United States West Coast, many work rules introduced after the establishment of union hiring halls in 1934 were restrictive from the outset, such as limits on sling loads and “double handling”.¹⁵ The period from 1934 to 1948 was one of the stormiest in United States labour history, but after a 95-day strike in 1948 and the negotiation of an unprecedented two-and-a-half-year agreement, the International Longshore and Warehouse Union (ILWU) resolved not to sanction short spontaneous strikes and to invest instead in a new grievance and arbitration procedure. More importantly, the employers were reorganized under a new association, the Pacific Maritime Association (PMA), and under the leadership of Paul St Sure embraced a new approach to labour relations.

This laid the foundations for the Mechanization and Modernization Agreements of the 1960s, which still stand as one of the best examples of integrative (“win-win”) bargaining in the port industry or indeed any sector of the international economy. The negotiations exemplify the conditions necessary for effective bipartite social dialogue, most notably the bargaining principle of exchanging concessions rather than demanding moral or similar rights; mutual respect between the social partners (especially at the leadership level); internal democracy within both the employers’ and workers’ organizations; the transparency of negotiations between the parties; and the importance of comprehensive and cohesive interest organizations with the authority to speak for their constituents. The course and content of the Mechanization and Modernization Agreement of 1960 are described in box 4.

¹⁴ See Evans (1969).

¹⁵ Hartman (1969), p. 71.



Box 4 | United States: The West Coast Mechanization and Modernization Agreement, 1960

Although labour relations in United States ports had improved considerably in the 1950s, the PMA was concerned that “this ostensible era of stability belies the industry’s overall soundness... Slow-downs, restrictions and malpractices are routine, and cargo handling costs mount each year.”¹ Attempts to eliminate non-contract based work rules through various “conformance and performance” programmes in the early 1950s had failed and the employers faced growing competition and the spectre of government intervention if the industry did not improve.

Just as the employers were looking for a new approach, ILWU leadership realized that they could not cling on to outdated work rules for ever. In the words of the Union’s Secretary-Treasurer, “Much of trade union organization is primarily defensive ... the employer acts and the union reacts. In the main, unions are geared to remedy past grievances and to take care of present problems. They rarely prepare to meet the future – let alone anticipate it. There is always the temptation to drift, hoping for the best and meeting problems as they arise.”²

In proposing a new approach that would involve focusing on members who would remain in the industry tomorrow, rather than trying to maximize the number employed today, Harry Bridges, President of the ILWU, acknowledged at the 1956 Longshore Caucus³ that he was going to be “awfully unpopular”. Indeed, Union officers were compelled to bargain as hard with their own Caucus delegates and rank-and-file members as with the employers. Union democracy played a vital role in this context, because workers often feel helpless during negotiations that accompany any major change to their working conditions, leading to suspicion and hostility towards their union as well as their employer. The membership of the ILWU has always had a very strong sense that the Union was theirs and theirs to run, which provided sufficient trust within and between the major interest organizations for “off-the-record” talks to commence in 1957.

These talks established the basic principles of a future mechanization and modernization agreement before any detailed negotiations took place. Informal talks became formal negotiations in 1959. A particularly notable feature of the formal negotiations was that Union leaders regularly reported back to the Caucus, where future policy was agreed, and then negotiations proceeded *in front of the Caucus*. In what became known as the “fish bowl negotiations”, the Longshore Caucus remained in session for 18 days during the final stages of the negotiations on the 1960 Mechanization and Modernization Agreement.

When the Agreement was finally concluded, all Union members received a copy, with time afforded for reflection and debate at the hiring hall and stop-work meetings before a full referendum vote to approve the new contract. Both sides gained from the Agreement. In exchange for abandoning restrictive work rules, “A-list” longshoremen were guaranteed 35 hours’ pay per week (at the straight time rate) and employers paid US\$29 million over six years into a fund to cover these payments and a retirement plan for workers aged 65 years (with the option for early retirement at 62 years). This investment by the employers represented less than 5 per cent of the total labour costs per worker-hour. Productivity in 1965 was 40 per cent higher than in 1960, after being stagnant for the previous 20-30 years. More importantly, the Agreement opened the way for a technological revolution on the West Coast, and arguably in ports around the world, in the form of containerization. A second Mechanization and Modernization Agreement was concluded in 1966, to run for a further five years.

¹ PMA (1958).

² Goldblatt (1963), p. 41.

³ The Longshore Division of the ILWU is governed by the Caucus, a representative body of longshore workers, marine clerks and foremen/walking bosses elected by their constituents in each Union Local. The representatives at the Caucus cast votes in proportion to their Local’s membership strength.



1.3 Social dialogue and commercialization

As containerization and other forms of mechanization developed during the late 1960s and 1970s, making ever greater inroads into more conventional methods of cargo handling, international shipping lines and private operating companies displayed a greater willingness to invest in dedicated berths and specialist equipment. In the Belgian port of Antwerp, for example, the proportion of cranes financed by the private sector increased from less than one in ten in 1960 to more than a third by 1970 and to well over half by the early 1980s, by which time more than 80 per cent of all terminals were equipped by the private sector.¹⁶

The growth of private sector investment signalled a more commercial approach to port administration, management and operations. At most of the world's major ports, public port authorities now work closely with private operators to develop port facilities and integrate the various transport modes that converge at the port – sea, road and rail – as well as promoting more broadly based maritime, industrial and distribution activities (MIDAS) in and around the port area (the so-called “golden touch” that ports can have in terms of local and even national economic growth). In most industrialized economies the process of commercialization can best be described as “evolutionary” rather than “revolutionary”, although change has often been dependent on state intervention to change the legal status of the nation's port authorities, the conditions or criteria for investment and operating licenses, port pricing policies, competition rules and the like. In developing and newly industrialized economies, commercialization typically signals a more decisive break with past practice. Once again, social dialogue has a major role to play, as the private sector participation scheme in Port Klang (Malaysia) serves to illustrate (see box 5).

¹⁶ Suykens (1985), pp. 187-188.



Box 5 | Malaysia: Private sector participation in Port Klang

Following the introduction of Malaysia's New Economic Policy (NEP) in 1971, with an emphasis on export-led growth, the country's ports were unable to keep pace with more rapid economic growth. Port Klang, Malaysia's principal port, suffered from congestion, low productivity, run-down infrastructure and a shortage of modern cargo handling equipment. Attempts to reform its management were unsuccessful.

In 1983, the Malaysian Government embraced a policy of private sector participation, with Port Klang's container terminal chosen as the first candidate for commercialization. General *Guidelines on Privatisation* were issued by the Government's Economic and Planning Unit (EPU) in 1985, not only "to elaborate and clarify the Government policy on privatisation" but "to enlighten the employee and the general public on this subject". The latter aim was of particular importance because Malaysian workers in general are excluded from decision-making processes within and outside the workplace – the industrial relations system is characterized by pervasive state control, managerial unilateralism, and restrictions on labour's ability to organize and bargain collectively.¹ Union membership in Port Klang is very high, but union organization is based on "in-house" unions (i.e. confined to the area of the port) which are themselves fragmented into different employee groups (e.g. port authority staff, senior staff, harbour workers, and ancillary services).

Employees were understandably fearful of any change of ownership – there had never been any re-trenchment under state ownership – even though the EPU *Guidelines* stated quite clearly that "privatisation should not lead to any displacement of workers ... Employees were to be employed in the privatised firms under conditions not less favourable than those they enjoyed while working for the Government." Only the intervention of the Prime Minister, who met personally with eight trade union leaders from the port, allayed the fears of organized labour. After protracted negotiations between the port authority, unions, and the management of the new company called Kelang Container Terminal (KCT), a joint venture between Kontena Nasional and P&O Ports Australia Ltd., the workers were offered three choices: redundancy, remaining employed by Klang Port Authority (KPA), or resigning from KPA to join KCT. Just over 800 workers joined KCT, each with a guarantee of employment for five years (despite the fact that around 15 per cent of the workforce was estimated to be surplus to requirements).² KCT's commitment to the workforce was indicated by the payment of a 21-day bonus at the end of the first year of operation, although the company was making a loss, in recognition of a significant improvement in performance. Incentive pay was one of the key elements of KCT's human resource management strategy. Employment costs doubled during the company's first ten years of operations, in large part as a result of improved performance and consequent incentive payments, but the company's operating revenues increased by 130 per cent over the same period.

The most significant change for the workforce, in addition to extensive retraining to upgrade their skills and improve health and safety procedures, proved to be the change of management. P&O Ports held only a minor share in KCT, but P&O managers became the catalyst for change and a new corporate culture, which according to one of the company's employees was now "[b]ased on the desire to succeed. Previously, the whole attitude was to prevent failure."³ Most workers reported the change of management to be "a change for the better", resulting in a more cooperative relationship between the social partners and better two-way communications.⁴

¹ See Todd and Peetz (2001).

² Tull and Reveley (2002), p. 71.

³ Interview with the author, November 1996.

⁴ Ali (1994).



Most industrialized countries have passed through these stages of development in a sequential manner: introducing some form of dock labour scheme or system of labour market regulation (e.g. union hiring hall) to deal with the problems of casual labour in the 1940s-1960s period; negotiating new technology agreements or changes to the dock labour scheme to accommodate the changes wrought by containerization in the late 1960s and 1970s; and then introducing a more commercial approach to port authority management and administration, accompanied by greater levels of private sector investment and involvement in port operations, in the 1980s and 1990s. This is not to suggest that ports in developed countries do not face major challenges today – the negotiation of a new technology agreement on the United States West Coast in 2002 is an obvious case in point, as is the ongoing question of whether the public port authority or private terminal operators should be responsible for the employment of crane drivers in France – but rather to highlight the very different scale of the changes encountered by different ports around the world. The problem for many developing countries is that they face all these challenges concurrently – they often have poor or ineffective systems of labour market regulation, low levels of investment in equipment and electronic data systems, and bureaucratic state involvement in port operations. These are important items on the current agenda for social dialogue in the world's ports.

1.4 Checklist

- Are there national and/or company-based commitments to, and institutions for, social dialogue in your country?
- What are the different forms of social dialogue in your country's ports?
- What role has social dialogue played in the reform of working practices, the introduction of new technology, or private sector participation?
- What was the impact of social dialogue on the process of decision-making and any subsequent outcomes?
- What factors contributed to the success, or alternatively the limited impact, of social dialogue?



The new agenda for social dialogue in the world's ports

Change seems to be one of the most common characteristics of contemporary organizations. In the port industry, globalization has had a strong impact in recent years, increasing the level of trade and traffic flows around the world and bringing new players into an ever more competitive business environment. But port transport is also a cause, and not simply an object of globalization. Improvements in port efficiency serve to lower costs and reduce vessel turnaround time, thereby extending or opening up international route networks and providing new trading opportunities for importers and exporters.

Globalization has created a new agenda for social dialogue in the world's ports. For employers and government departments responsible for transport and trade, the agenda is now dominated by a concern for efficiency and the international competitiveness of the nation's ports. For workers, the primary concern is job security and associated conditions of employment that together constitute decent work on the waterfront.¹⁷ Herein lays the source of much of the conflict that has accompanied globalization on the waterfront. Workers want decent work but many employers stress that permanent employment and guaranteed income are not viable in a global economy in which technology is changing rapidly.¹⁸

¹⁷ See, for example, the comments of government, employer and worker participants in ILO (1995), pp. 4-7.

¹⁸ See the comments of employer members in response to the ILO's General Survey of the reports concerning the Dock Work Convention (No. 137) and Recommendation (No. 145), 1973, reproduced in the Provisional Record of the 90th Session (Third Item on the Agenda: Information and Reports on the Application of Conventions and Recommendations), International Labour Conference, Geneva, 28/39.

2.1 The changing role of modern-day ports

It is now widely acknowledged that modern ports must fulfil a multitude of different roles. They are vital to national economic interests, especially for developing countries where port costs can make the difference between goods being competitive or uncompetitive on world markets; they are centres for maritime, industrial and distribution activities and as such act as “growth poles” for the local, regional and even national economy, as in the case of Antwerp (Belgium) or Rotterdam (the Netherlands); and they are “functional elements” in the global logistics systems and “value chains” of international shipping lines, shippers, and multi-modal, transnational logistics companies.

It is the latter role that is perhaps the main driver of current developments, with transnational companies seeking to integrate a variety of different transport modes and offer “door-to-door” services to major customers.¹⁹ These companies might be international shipping lines or their subsidiaries (e.g. Maersk-SeaLand-APM Terminals), global terminal operators such as Hutchison Port Holdings and PSA International, forwarders and trucking companies (e.g. Kuhne Nagel and Transplace), rail operators (e.g. Stinnes-Railion and ABX) or “integrators” such as UPS and FedEx. These companies demand lower port costs, higher productivity, and more reliable services from the world's major ports, where they are often willing to make significant investments, as well as a reliable network of “feeder” ports that make up their global network of routes and services.

To accommodate these changes, ports are moving towards a “landlord” model of port organization and administration.²⁰ This model is advocated by the World Bank,²¹ UNCTAD²² and port management groups such as the Southern African Development Community and the Port Management Association of Eastern and Southern Africa.²³ In table 1, the landlord model is contrasted with public and private service port models (where the dominant party responsible for the port provides *all* the major investment and essential services) and the tool port model (where the public sector provides all the tools necessary for port services to be offered to users, but services are provided mainly by the private sector).

¹⁹ See Robinson (2002), pp. 241-255.

²⁰ Baird (2002) and Inoue (2005).

²¹ World Bank (2001).

²² UNCTAD (1995).

²³ UNCTAD (2003a), p. 17.

**Table 1 Public-private roles in port management**

	Port administration	Nautical management/ infrastructure	Port infra-structure	Superstructure (equipment and buildings)	Cargo handling activities	Pilotage	Towage	Mooring services	Dredging
<i>Public service port</i>	public	public	public	public	public	public private	public private	public private	public private
<i>Private service port</i>	private	private	private	private	private	private public	private	private	private public
<i>Tool port</i>	public	public	public	public	private	public private	public private	public private	public private
<i>Landlord port</i>	public	public	public private	private	private	public private	public private	public private	public private

2.2 Landlord ports and social dialogue

While there is a clear trend towards the landlord model, change is not a discrete or linear process and there is likely to be considerable differentiation within the same port over time. For example, a private concession for the port's container terminal under a landlord model might co-exist with a tool port model for general user, break-bulk cargoes. This can raise questions about equal access to available work opportunities. For example, will workers employed at the container terminal enjoy more secure and better paid work? Will employment at the general break-bulk terminals decline as a result, and who will pay for severance and retirement if the lion's share of the port's revenue is now generated and appropriated by the private sector in a "separate" part of the port?

When port authorities become landlords, new forms of public-private sector dialogue will be required to ensure the representation of different interest groups. There are examples of good practice from outside²⁴ and inside the port industry. Many ports already have institutions that provide opportunities for dialogue between the public port authority and private sector operators and user groups. Other ports have been reformed to give users more say in how the port functions; one such example is the establishment of Canada Port Authorities for the country's major commercial ports. The process of port reform in Canada is discussed in box 6.

²⁴ UNCTAD (2001).

Box 6 | Canadian port reform¹

Until the late 1990s Canadian ports, as public enterprises, were centrally controlled and were often slow to adjust to emerging competitive forces, especially as political appointments to the boards of the country's major ports at times led to decisions favouring political expediency over commercial needs. Following the introduction of the Canada Marine Act, 1998, the ports were reorganized into three separate categories, reflecting the role and importance of different ports to local, regional, national and international interests.

Major ports deemed vital to domestic and international trade became Canada Port Authorities (CPAs), placed under one management regime with uniform and clear criteria. CPAs now operate on a commercial basis, with users having more say in how the port functions and without any direct federal involvement in port operations. The second category includes regional/local ports that were transferred to local interests who are in a better position to manage them. Finally, remote ports serving communities that rely on marine transportation remain under federal jurisdiction.

These reforms were the result of an extensive and lengthy process of social dialogue, with cross-country hearings used to generate recommendations for a national maritime policy and a series of government-sponsored regional workshops to review the recommendations.

¹ This account is based on Ircha (2001).

Although the global trend is very clearly towards greater private sector participation in ports and the commercialization of public port authorities, there are alternative courses of action that can produce similar results. In several African countries, for example, the simple expedient of requiring public sector port undertakings to produce better results, combined with the independence to make decisions, has led to “identical and sometimes better results.”²⁵ Social dialogue can help to identify such alternatives. More importantly, the purpose of social dialogue is not only to identify alternatives to the status quo but to maximize what economists call the “*joint* utility function” of the social partners, as opposed to the *specific* interests of the dominant actors such as the State or transnational capital. The proposed privatization of the port of Belfast in Northern Ireland, discussed in box 7, is an interesting case in point.

²⁵ UNCTAD (2003a), p. 22.



Box 7 | The port of Belfast: Retaining trust port status¹

When the United Kingdom Government announced a £315 million investment package for Northern Ireland in May 1999, the objective was to provide a “framework for prosperity” that would dovetail with the “mechanism for peace” established by the 1998 Belfast (Good Friday) Agreement. Consultations had already taken place with the business and political communities, as well as trade unions, to determine how best to target the money to help alleviate unemployment, improve local housing, and promote education and training.

Infrastructure investment was also high on the list of priorities. All the planned investment was “new money”, with the exception of funds to be raised from the privatization of the port of Belfast, estimated to generate around £70-90 million. The Belfast Harbour Commissioners (BHC) welcomed the opportunity this would bring to further develop its commercial activities, but labour representatives and port users were against the proposed sale. In the words of Ian Webb of the Belfast Harbour Users Group, “If it isn’t broke, don’t try to fix it! In the past 30 years of the troubles, not much worked in Northern Ireland. But the port worked very well. It’s well managed, generates a good surplus and offers an efficient service. Why sell it off?” More importantly, opposition to the privatization move united all the major political parties in Northern Ireland, from Sinn Fein to the Democratic Unionist Party (DUP). Areas in and around the port having witnessed significant job losses in recent years, political groups were keen to protect existing jobs and maintain some influence over future port development projects that might regenerate local communities. Belfast might be a “trust” port – that is, one of a group of UK ports managed by an independent board of trustees or commissioners appointed by the Government and charged with acting in the interests of the port and all the relevant stakeholders – but as a senior civil servant with the Department for Regional Development (DRD) in Northern Ireland pointed out, “there was a lot of *distrust* of BHC. The Commissioners certainly didn’t enjoy the trust of local politicians.”

Under the Ports (Northern Ireland) Order 1994, there is only limited opportunity for consultation with interested parties, so in the face of mounting opposition the Secretary of State for Northern Ireland decided that the Northern Ireland Assembly should have the final say on the proposed sale. An Ad Hoc Committee was established to consider a range of alternatives, but after extensive consultation its recommendations proved not to be acceptable to BHC.

The impasse created by the political process left all parties with little option but to accept a continuation of trust port status, albeit with greater commercial freedom for BHC (e.g. in respect of borrowing and business diversification). BHC has the freedom to determine what is in the best interests of the port, but the Assembly will judge whether this is also in the public interest.

To consolidate these changes, the new composition of the Board of BHC reflects the political climate in Northern Ireland. The number of Commissioners has been increased from ten (formerly the Chairman, one trade union representative, one City Council representative and seven Commissioners from the business community) to 15 (instead of just one City Council representative there is now one Commissioner from each of the four main political parties, namely Social Democratic and Labour Party, Sinn Fein, DUP and Ulster Unionists, as well as two community representatives). According to the Director of the Air and Sea Ports Division of the DRD, the port of Belfast is now not only subject to greater public accountability, “but probably more so than any other UK port.”

¹ This account is based on Blyton and Turnbull (2004), pp. 170-177.

2.3 Landlords, leaseholders and labour

Under the landlord model of port organization, where public port authorities typically lease terminals and other port facilities to private companies on a long-term basis, there is likely to be an “optimum” system of employment based around a permanent “core” of highly skilled mechanical equipment operators (who are expected to be functionally flexible and work on a shift pattern to ensure 24-hour operations seven days a week), supplemented by casual or temporary workers who are employed during peak periods or to cover specific (typically less skilled) tasks such as container un/lashing. In most developed countries, the latter workers are usually fully qualified dockers employed by a private labour pool (e.g. Germany and the Netherlands), a private-public labour pool (e.g. Spain), or a state-mandated employment agency (e.g. Antwerp, in Belgium). In other cases, dockworkers are allocated on a daily basis from a union hiring hall (e.g. United States West Coast). Thus, although these dockers might work for several different employers during a typical week, preferential hiring gives them a significant degree of job security. This optimum system of employment is described in box 8.



Box 8 | Employment at Eurogate¹

Eurogate is one of Europe's largest container terminal and logistics groups, with nine terminal locations and handling figures of 11.5 million TEUs in 2004. At the Eurogate Container Terminal in Bremerhaven (Germany), the company recently introduced a new system of team-working, abolishing the old gang-working and supervisory system.

All team members are multi-skilled – over 90 per cent of the company's dock labour force can perform all tasks on the container terminal – and each team must ensure that two container cranes are available/operational at all times throughout the shift (which means that each crane must be “fed” by the team with boxes coming to or from the ship/stack by straddle carriers and other equipment). Shifts at the terminal now overlap by 30 minutes to ensure continuous operations and the old “on-off” system of working, based on two hours' driving followed by two hours off (resulting in just four hours' working time within an eight-hour shift) has been revised to two hours on, 30 minutes off (giving six hours' driving time per shift). According to one of the company's terminal managers, “The ideal would be flexible start times and payment to commence when the vessel starts work, rather than when the shift starts. But this would not be fair to labour. You have to take the side of the employees, you shouldn't just concede to the demands of the shipping lines.” Rosters, work duties and even days off are decided by the team at least two weeks in advance, in consultation with their team leader.

Company employees are all permanent workers hired from the external labour market under the same employment laws that apply to workers in other sectors of the German economy. However, any additional labour that is required to meet peak operating demands (e.g. weekend work) must be hired from the port-based labour pool. Recently, the labour pool itself embarked on a major programme of retraining and temporal flexibility to ensure that it could meet operational employers' requests for labour by skill and shift (if workers can perform a full range of tasks and work a flexible shift pattern then labour shortages by skill and/or time period are less likely to occur). As a result, the Bremen-Bremerhaven labour pool was able to reduce its idle time from a peak of around 1,000 shifts per week in 1996 to just 1,000 per annum at the turn of the century. Secure employment and varied work are just two of the main ingredients of decent work in German ports.

¹ This account is based on Turnbull and Wass (2005).

Most international agencies that produce guidelines on private sector involvement in ports emphasize the importance of permanent employment – private companies who invest significant amounts of money in new equipment will want to employ permanent, highly skilled workers to operate quay cranes, straddle carriers, and so on – but they often overlook the continuing requirement of most port employers for access to temporary or casual labour. This can be a source of confusion and confrontation between the social partners – the promise is one of permanent employment but private employers will often resort to hiring unskilled, non-registered or non-union labour from outside the port, or possibly even assign seafarers to various cargo-related tasks when the vessel is in port (e.g. container un/lashing).

As European examples clearly illustrate, an alternative integrative (“win-win”) bargaining solution is possible where employers share the costs associated with the employment of temporary or casual workers, mainly training costs and unemployment pay for days when no work is available (see box 8). In such circumstances port-wide labour pools can be financially viable, but this necessitates cooperation between employers and in many cases some guidance or regulation by the State (e.g. a requirement that private operators only employ qualified or recognized dockworkers, as stipulated in ILO Convention No. 137). This raises questions about the representation of the social partners, which will be addressed in section 3.

2.4 Social dialogue and decent work

Labour reform is widely regarded as the most crucial aspect of port reform.²⁶ To date, the impact of most structural adjustment programmes in the world’s ports has been to reduce employment and adversely affect workers’ terms and conditions of employment.²⁷ Not surprisingly, most guidance manuals on port privatization devote considerable attention to the question of workforce reduction and how this might be achieved through various mechanisms such as natural wastage, early retirement, and voluntary severance.²⁸ Such issues are inevitably part of the agenda for social dialogue, but this agenda should not be dominated purely by the imperatives of competition and cost-cutting.

According to both UNCTAD and the World Bank, however, private sector participation in ports, and indeed any form of structural adjustment, should be primarily about promoting competition. UNCTAD, for example, asserts that port reform “should have a single overall objective – to make the port responsive to the market and thus satisfy client’s needs. Reform will be successful as long as this objective is reached.”²⁹ On the more specific issue of social dialogue, the World Bank recognizes the value of participation in decision-making but seems to regard the principal purpose of such activity to be the promotion of competition: “[B]road participation will allow all stakeholders to share common concerns about competitiveness of port services and gain a better understanding of how any weakening of this competitiveness would be detrimental to all.”³⁰ If decent work is to be preserved, or in many ports to be more firmly established, then social dialogue should also address questions of employment security, fair remuneration, training and development, health and safety, equality of opportunity and the avoidance of any formal discrimination, and work-life balance.

Research evidence shows that where worker representatives are involved in the process of port reform, any adverse effects on dockers’ terms and conditions of employment can be alleviated.³¹ The example of Spanish port reforms, reported in box 9, demonstrates how decent work can be an integral part of the reform process.

²⁶ See, for example, UNCTAD (1995), p. 11.

²⁷ See ILO (1996a); Turnbull and Wass (1995a); Turnbull and Wass (1997), pp. 126-153.

²⁸ See, for example, ADB (2000), pp. 58-59; World Bank (2001), Module 7.

²⁹ UNCTAD (1995), p. 2.

³⁰ World Bank (2001), Module 1.

³¹ Turnbull and Wass (2005).



Box 9 | Decent work in Spanish ports¹

When the labour pool of Spanish ports was restructured in the mid-1980s, a bitter dispute erupted over permanent company-based employment versus allocation from Sociedad Estatal De Estiba, the new labour pool constituted as a non-profit making company owned jointly by the State (51 per cent) and private stevedores (49 per cent). (Previously, the pool was part of the Ministry of Labour.) The principal dockers' union, the Coordinadora, sought to limit company-based employment in order to preserve the principle of work-sharing and a broad equalization of earnings for the majority of dockers hired on the basis of strict rotation from the labour pool. Employers, for their part, wanted to employ permanent, highly skilled workers who were more familiar with the company's equipment and operating procedures.

Lengthy negotiations resulted in a compromise whereby employers were allowed to hire some weekly workers as permanent labour (typically 15-20 per cent of their workforce but in some ports up to 40 per cent) while the Estiba retained exclusive rights over "dock work" such that most dockers are still allocated to the operating companies (stevedores) on a rotating basis so as to ensure work-sharing, the equalization of earnings and a measure of employment security for all. The new system proved to be more flexible and cost-effective for employers, with a significant reduction in the total workforce brought about through early retirement and voluntary severance. But multi-skilling has arguably played an even greater role. Because dockworkers are paid comparatively high wages, determined through a national collective agreement for the industry, supplemented by port level agreements, employers know that they must increase flexibility in order to raise efficiency and lower costs.

Trade unions also acknowledge the importance of flexibility. In fact, following discussions within the union, the Coordinadora has revised its clarion call from "Unity-Rotation-Exclusivity" to "Unity-Rotation-Professionalization". Unlike other Spanish unions that have adopted a predominantly defensive approach to matters of work organization and functional flexibility, and a largely inactive approach towards training and skills formation,² the Coordinadora has embraced new human resource management practices but only in so far as these practices also promote decent work. "Service quality", for example, must also ensure high levels of quality in terms of health and safety and general working conditions. "Functional flexibility" should lead to job enrichment rather than work intensification, and "empowerment" must also recognize and preserve trade union representation at the workplace.

¹ This account is based on Saundry and Turnbull (1999).

² See Pérez-Díaz and Rodríguez (1995), p. 186.

2.5 Checklist

- What factors are currently driving change in your country's ports?
- Who are the principal actors involved in these changes, and what are their interests and objectives?
- What is the nature and extent of private sector participation in your country's ports?
- What have been the main items on the agenda during recent discussions and negotiations between the social partners?
- Does the agenda for social dialogue include the protection and promotion of decent work? If not, why not?
- How is the drive for greater efficiency and competitiveness reconciled with the demand for decent work?



Representation of the social partners

For social dialogue to play a positive role in promoting decent work and greater efficiency in the world's ports, there must be respect for the right to freedom of association and collective bargaining, a sound industrial relations environment, and respect for the role of the social partners. Organizations and individuals that represent the social partners must enjoy the trust and respect of their constituents, as well as the authority to speak on their behalf, and they need appropriate recognition in their respective roles by external interlocutors. When major structural change is on the agenda, representation may be needed from a much wider range of stakeholders.

3.1 The basic enabling conditions for social dialogue

At its 90th Session (June 2002), the International Labour Conference adopted a resolution concerning tripartism and social dialogue, inviting the governments of member States “to ensure that the necessary preconditions exist for social dialogue, including respect for the fundamental principles and the right to freedom of association and collective bargaining, a sound industrial relations environment, and respect for the role of the social partners” and reaffirming that “legitimate, independent and democratic organizations of workers and employers, engaging in dialogue and collective bargaining, bring a tradition of social peace based on free negotiations and accommodation of conflicting interests, therefore making social dialogue a central element of democratic societies”. The resolution also recalls “the essential role of the social partners in stable economic and social development, democratization and participative development and in examining and reinforcing the role of international cooperation for poverty eradication, promotion of full employment and decent work, which ensure social cohesion of countries”.³²

As the ILO is the only international organization where governments and representatives of workers' and employers' organizations can freely and openly exchange their ideas and experiences, promoting lasting mechanisms of dialogue and consensus building, the ILO's core labour standards (e.g. Conventions Nos. 87, 98 and 135), as well as industry-specific Conventions and Recommendations (e.g. Convention No. 137 and Recommendation No. 145), can provide the foundation for the effective representation of the social partners. In addition, specific instruments in areas such as health and safety in ports (Convention No. 152 and Recommendation No. 160) can play an important role. The new ILO code of practice, *Safety and health in ports*, rec-

³² Full text available at <http://www.ilo.org/public/english/standards/reIm/gb/docs/gb285/pdf/gb-7-1.pdf>



3. Representation of the social partners

ognizes that “employers, workers or their representatives should cooperate and consult each other in respect of safety and health matters”. Moreover, the code stipulates for the first time that workers should be consulted and agree to the introduction of any new working practices or innovations that could affect their safety.³³ Compliance with the code will not only improve health and safety but also help to protect decent work on the waterfront: research demonstrates that trade union involvement in setting and enforcing health and safety standards, most notably via a system of health and safety representatives at the workplace, is one of the main determinants of their ability to protect members’ interests during periods of structural adjustment.³⁴

The basic enabling conditions for the effective representation of the social partners are:

- freedom of association
- democratic foundations (of society in general and the representative organizations of the social partners in particular)
- legitimacy (through representative, transparent, accountable and cohesive employer and employee organizations)
- the political will and commitment to engage in social dialogue
- social acceptance of the role/activities of the social partners
- technical competence of the social actors to engage in social dialogue
- capacity to deliver.³⁵

3.2 Identity, status and representation

Broadly speaking, the enabling conditions enumerated above relate to the identity and status of the actors and the representativeness of the different interest organizations involved in social dialogue. The identity of the social partners will be clearer, and their status much higher, where:

- the role of worker representatives or trade unions in decision-making is underwritten by law and accepted as good practice by management and the State;
- representative organizations are unified or at least highly coordinated;
- there is transparency and accountability for all decisions that are taken, and
- the social partners have the capacity to enforce compliance with their part of any agreement.

Representativeness has both internal and external dimensions. Internal representativeness requires that participants in social dialogue possess the authority to speak on behalf of their relevant constituency, and to then commit the latter to the terms of any agreement (typically after a process of internal consultation and/or democratic vote). Clearly, this becomes more problematic as group size increases, or the group becomes more heterogeneous, or where there are competing representative organizations. In Brazil, for example, there are more than 30 unions affiliated to the National

³³ ILO (2005), p. 6.

³⁴ See Turnbull and Wass (2005).

³⁵ Ishikawa (2003), pp. 9-12.



Portworkers' Federation; no fewer than nine unions are represented in the port of Santos alone. In 2001, agreements were reached with the majority of these unions over the allocation of labour and work assignments, but an agreement with Sindicato dos Estibadores, the most powerful union in the port, was delayed by strikes over a compensatory package including early retirement incentives. The port of Manila in the Philippines was affected by similar problems when a group of workers broke away from the 1,000-strong Associated Port Workers and Checkers' Union to form their own organization, the Associated Port Workers' Union. More widely, there have been conflicts between different unions representing public sector crane drivers and private sector dockworkers in several tool ports around the world. Bitter jurisdictional disputes between unions have also surfaced when container depots for "stuffing and stripping" are (re)located just outside the port zone (e.g. disputes between longshore and teamster unions in the United States, and between wharfie and warehouse/distribution unions in Australia and New Zealand).

On the employer side, disputes often arise between different companies over the financing of common benefits for port workers such as training and unemployment pay. These benefits are usually financed via an additional charge on the cargo and/or a levy on the employer's wage bill. Shipping lines and container terminal operators tend to favour a financial assessment or contribution based on wage bill costs as they are capital-intensive and handle high volumes of traffic, whereas general (break-bulk) stevedores tend to favour an assessment based on tonnage handled as they are more labour-intensive and handle less tonnage (each group wants the other to contribute more than its "fair share"). Commenting on Union Nationale des Industries de Manutention (UNIM), the French port employers' association, a government official who worked closely with UNIM claimed that "[i]t has as many positions as it does members".³⁶ An example of how the domination of an employers' association by a particular group can have detrimental effects on the workforce and even the wider public interest is provided in box 10.

³⁶ Interview with the author, July 1992.

Box 10 | United Kingdom: Setting the agenda of the National Association of Port Employers (NAPE)¹

In September 1967 a new National Dock Labour Scheme (NDLS) was introduced in the United Kingdom, with every registered dockworker assigned to a specific employer on a permanent basis. This substantially raised employment costs – previously, employers hired labour from the National Dock Labour Board (NDLB) on a daily basis, as demand dictated (see box 3) – and the number of registered employers in the industry fell from over 1,500 in the mid-1960s to just 470 by 1970 and less than 300 by the end of the 1970s. With permanent employment and an agreement concluded in 1972 that committed employers to a policy of “no compulsory redundancies”, whenever a cargo handling company went out of business the workforce was offered either voluntary severance or transfer to another employer in the port or Local Dock Labour Board jurisdiction. This raised the employment costs of other employers and made their demise more likely, especially at a time when mechanization was constantly reducing the demand for labour. In many ports, the public port authority became the “employer of last resort”, although others made a strategic decision to extend their activities into cargo handling (e.g. British Transport Docks Board, BTDB, the nationalized ports group).

This process transformed many United Kingdom ports from a “tool port” to a public service port model (see figure 1). By 1980, port authorities employed over 48 per cent of the registered dock labour force and BTDB employed a further 21 per cent. During the 1980s, when Margaret Thatcher was in office, with investment and employment costs rising, increasing competition from non-NDLS ports such as Felixstowe and Dover, and cutbacks on public expenditure, many port authorities determined that they should become “landlords”.

Port authorities were now the dominant group within NAPE and they pressed for the abolition, as opposed to the reform, of the NDLS. More importantly, they persuaded the Government to establish a Dock Labour Compensation Scheme (DLCS) for severance payments *without any cash limits* on the funds available. As a result, when the Government abolished the NDLS in 1989, many of the major port authorities simply dismissed their entire registered dock labour force and licensed private companies to undertake cargo handling in their stead.

The DLCS ran for three years, during which time employers dismissed over 7,200 dockers, more than 80 per cent of the former total. The cost to the Government was more than five times the initial budget, as employers reported a “surplus labour rate” of only 15 per cent prior to the abolition of the NDLS. Many dockers were replaced by contract or casual labour recruited from outside the industry – around 30 per cent of former Scheme port employers employed casual labour following the abolition of the NDLS, rising to 46 per cent among all employers in the industry – although more than 1,500 redundant dockers were re-employed in the industry as casual workers. Not surprisingly, port workers reported a marked decline in their employment security, hours of work increased, wages fell, accident rates soared, and many workers were denied trade union representation (one in five employers derecognized the TGWU).

In the year following the abolition of the NDLS, the ports of London, Liverpool and Associated British Ports (the now privatized BTDB) increased their combined profits by £45 million, equivalent to the total annual cost to *all* employers of financing the NDLS. Having already withdrawn from national collective bargaining in June 1989, NAPE was dissolved in December 1989, after a 70-year history. Port employers in the United Kingdom no longer have a unified organization to represent their interests.

¹ This account is based on research by the author; see, for example, Turnbull and Wass (1995b).



External representativeness stems from the willingness of external interlocutors to engage in dialogue with certain organizations rather than others. Where there are competing unions representing dockworkers, for example, employers may favour dialogue with “moderate” as opposed to “militant” unions, or “in-house” as opposed to fully independent unions. In particular, where unions are small and represent the interests of non-core employees, they are often overlooked or deliberately excluded from social dialogue and decision-making. As a result, their members often fail to share the benefits of port reform and modernization, as the examples in box 11 serve to illustrate.

Box 11 | The representation of non-core workers

Following the restructuring at **Port Klang, Malaysia** (see box 5), core workers there report an improvement in their pay, conditions of employment, and two-way communications, while members of the Union of Employees of Port Ancillary Services Suppliers (UNEPASS), who number less than 200, report daily problems with the private contractors licensed by the port on an annual basis to provide general labouring, lashing, cleaning and other ancillary services. Unlike other unions in Port Klang, UNEPASS is not an in-house union and has often been excluded from social dialogue with the major stakeholders in the port.

A similar situation arose in the port of **Hong Kong, China** in April 1996: contractors’ pay at Hutchison’s Hong Kong International Terminals (HIT) was cut by a third and 300 casual workers struck off work overnight. HIT simply terminated the contract and replaced the workers. The strikers claimed to be members of the Harbour Transportation Workers General Union, but this union had a declared membership at the time of less than 30 members. HIT has its own in-house union for core staff and an established system of information exchange and consultation.

Consultation and “fair treatment” were at the heart of months of unrest in the **Chilean ports** of San Vicente, San Antonio and Valparaiso in 1999, when terminal concessions were being transferred from Emporchi (Empresa Portuaria de Chile), the state port company, to the private sector. Negotiations took place with the state employees of Emporchi, allowing the severance of around 70 per cent of these workers on acceptable terms, but the Government said it had no duty to compensate 1,500 casual dockers who were also expected to lose their jobs as a result of privatization. In the words of one union official, the Government’s attitude was: “Not employed by us, so not our problem.”¹ However, when discussions switched from questions of “right” (Who was responsible for the employment and compensation of the dockers?) to the question of cost and exchanging concessions, it soon became apparent that the price of compensation paled against the cost of ongoing disruption to the ports (or indeed the profits to be made by the private sector following the reforms). The Government and the unions reached an agreement amounting to US\$70 million for the three ports at the centre of the dispute; the agreement was later extended to the ports of Arica and Iquique, the next ports to be put out to tender.

¹ Personal communiqué to the author.



3. Representation of the social partners

The principal dockworker union in most countries enjoys very high membership (in the majority of cases over 80 per cent),³⁷ but in many ports there are lower membership levels and/or rival unions based on political, religious, occupational or other differences. Indian ports are a case in point. In Guatemala, the port workers' union founded in 1989 subsequently split as a result of political differences between rival groups, leading to a weakened (dichotomous) union structure. In South Africa, a rival union to the Transport and Allied Workers' Union emerged in the port of Durban during the mid-1990s when a new dock labour scheme was being negotiated. This split in the union movement created significant delays and subsequent problems with the new employment scheme, most notably as a result of the registration of an excess number of workers. As the International Transport Workers' Federation (ITF) has noted, fragmented and competitive union structures can be a serious obstacle to successful port reforms, with some unions seeking to oppose change more fervently than others as a tactic to win members from rival unions.³⁸

There are also “rival” organizations representing employers, especially with the more widespread adoption of a landlord model and the different interests of public and private sectors in the port industry. In Europe, for example, public port authorities are represented by the European Sea Ports organization while private operators are represented by the Federation of Private Port Operators. These particular organizations work very closely together, and even share the same office space, but they also express different opinions on important policy issues such as the proposed Directive on access to the port services market published by the European Commission in February 2001.

Mutual recognition, which is usually preferred to state nomination of the representative organizations for social dialogue, may depend on the creation of “encompassing organizations” or competing interest groups negotiating their own differences before they can effectively engage in social dialogue. The latter was essential to the new approach adopted by the PMA during negotiation of the Mechanization and Modernization Agreements (see box 4). More recently, there are examples of trade unions that have been restructured to create more encompassing organizations that are better placed to deal with the modern-day demands of the industry. This might be the result of state intervention or trade union initiatives, as illustrated in box 12.

³⁷ See Turnbull and Wass (1995a).

³⁸ ITF (2000), pp. 20-21.



Box 12 | Creating encompassing maritime trade unions

In 1996, the Federal Military Government of **Nigeria** promulgated a decree reducing the number of trade unions in the country and directing four maritime unions – the Nigeria Ports Authority Workers Union, the Shipping, Clearing and Forwarding Union, the Dock Workers' Union of Nigeria, and the Union of Seamen and National Inland Waterways – to merge into one. Each of these four unions is now organized as a branch of the Maritime Workers Union of Nigeria (MWUN), headed by a branch president and secretary, with local chapters across the country's different geographical zones.

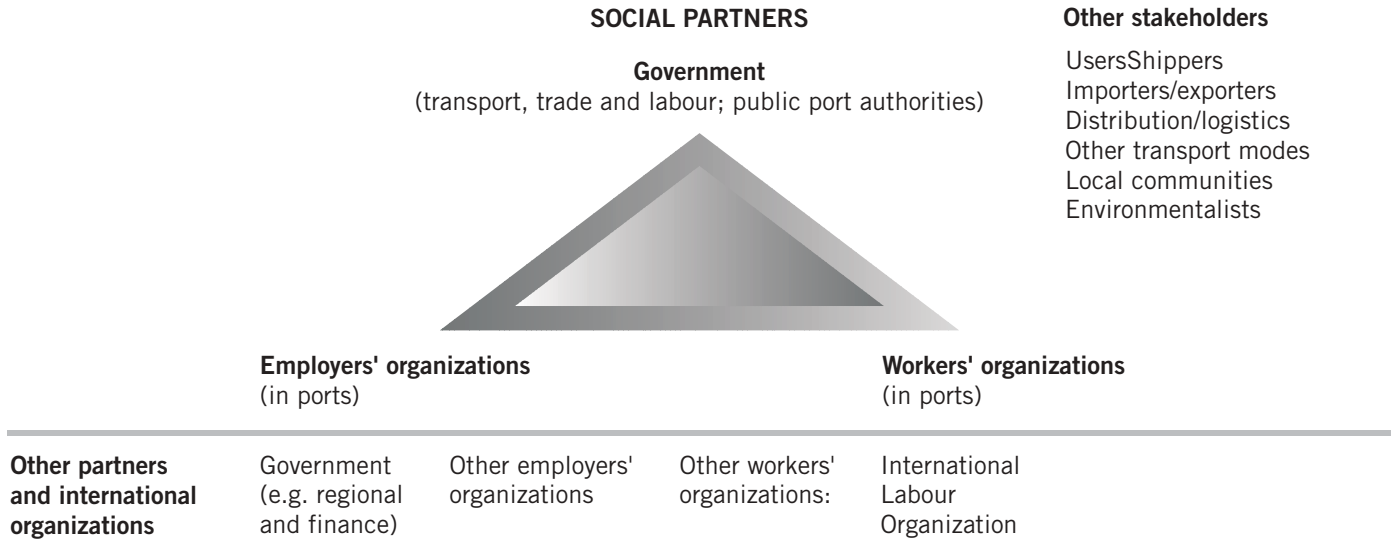
In **Australia**, in the late 1980s the Australian Council of Trade Unions initiated a policy of strategic unionism, with the amalgamation of 300 unions into just 20 industrial “super unions”. There were 16 unions with members on the waterfront. The two principal maritime unions – the Seamen's Union of Australia and the Waterfront Workers' Union – amalgamated in 1993 to form the Maritime Union of Australia (MUA), and other unions transferred their port membership to the MUA.

3.3 The representation of other stakeholders

With a new agenda for social dialogue in the world's ports (discussed in section 2), it is important that the social partners identify the full range of stakeholders in the port industry and consider their interests during any process of organizational change. In most ports, tripartite relationships exist between the government, employers' and workers' organizations. Government interests will most directly concern the relevant ministries or departments of transport, trade and labour. Other state interests will include public port authorities, which may be national, regional or local/port-based. Employers' organizations might include national and international shipping lines as well as general and specialist cargo handling companies. Workers' organizations might be specialist port unions or more broadly based transport unions. Other partners and international organizations are on hand to offer support and advice. For example, workers' organizations can call on the International Transport Workers' Federation (ITF), while many ports are affiliated to the International Association of Ports and Harbours (IAPH). The ILO offers support and advice to all the social partners. Figure 1 illustrates the relationships between the social partners, other partners and international organizations, and identifies other stakeholders with an interest in the port industry.



Figure 1 Social partners and other stakeholders in the port industry

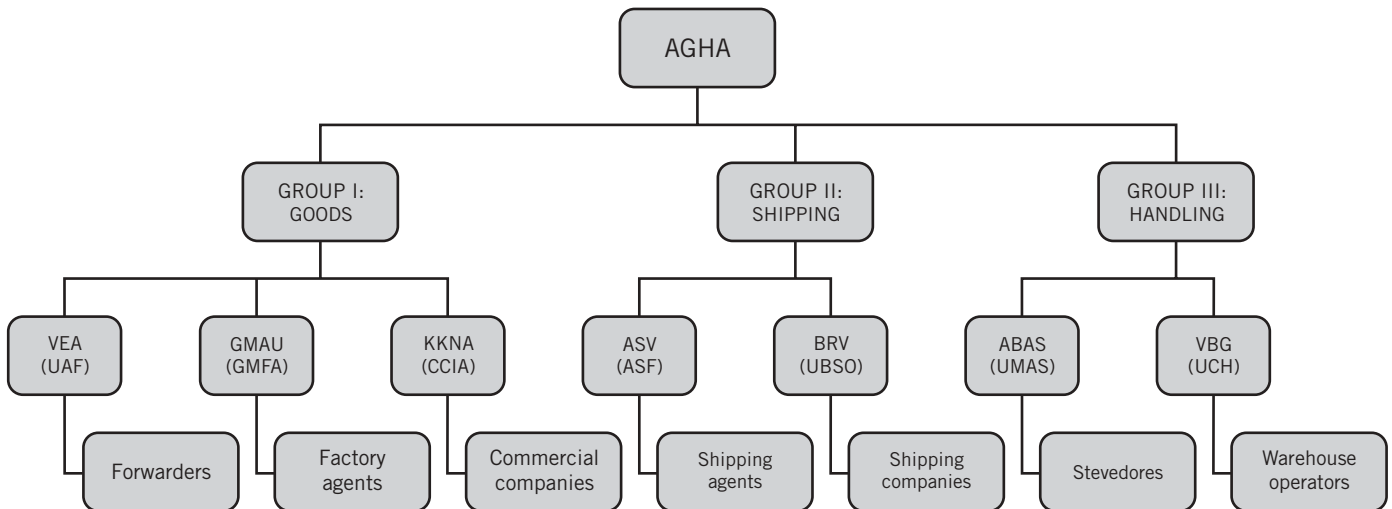


In some ports, other stakeholders are very well organized and have well-established representative bodies to articulate and pursue their interests. In the French port of Le Havre, for example, all the professional associations (e.g. ship brokers, stevedores, merchants, freight forwarding, coffee brokers) are represented by the Union Maritime et Portuaire (UMEP), which in its current form dates from the early 1980s but can trace its origins back to 1930. UMEP is part of a Port Alliance, along with the port authority and the local Chambers of Commerce, which combines public and private expertise to promote the interests of the port. Likewise, in the Belgian port of Antwerp a “port community” was established in 1973, under the auspices of the Antwerp Port Federation (Antwerpse Gemeenschap voor de Haven, AGHA) to represent private interests in the port. This was a direct result of increasing private sector participation in the port and the desire of different groups to coordinate their own activities within the port and to present their common interests to other agencies such as the port authority, the Government of Flanders, and the European Union. Each group of employers has its own representative professional association (e.g. for forwarders, shipping agents, and stevedores); these are grouped into three “clusters” (goods, shipping and handling), as illustrated in figure 2. Each association has two members on the board of AGHA, which meets formally every six weeks. In the words of the President of, the Port of Antwerp Employers’ Association (Centrale der Werkgevers aan de Haven van Antwerpen), “A key feature of the port is management by consensus – everybody has a voice.”³⁹

³⁹ Interview with the author, May 1997.



Figure 2 Organization of the private sector in the port of Antwerp



3.4 Checklist

- What interest organizations exist to represent the social partners?
- How inclusive, comprehensive and representative are these interest organizations?
- How are any differences resolved within and between the different interest organizations?
- What mechanisms exist for the ratification and enforcement of agreements reached between the social partners?
- Who are the other stakeholders with an interest in port transport and related activities?
- What mechanisms exist to involve other stakeholders in dialogue with the social partners?



4.

Social dialogue in situations of structural change

When the social partners met in Geneva in 2002 to discuss national reports concerning the Dock Work Convention, 1973 (No. 137) and its accompanying Recommendation (No. 145), the Report of the Committee of Experts noted that, in an age of globalization, “It is even more essential to develop discussions and negotiations between all those involved when the sector is to be affected by a structural adjustment or modernization programme. For such a programme to succeed, it is essential to involve both employers and workers ... Dialogue and negotiation in good faith are still the most effective way of preventing conflict, in so far as possible.”⁴⁰ It is not uncommon, however, for workers and their representatives to be excluded from consultation and negotiations on the future of their port, especially during the initial stages of a structural adjustment programme. According to the ITF, the involvement of trade unions and worker representatives “is still the exception and not the rule.”⁴¹

On numerous occasions, workers have organized strikes and demonstrations against the process of structural adjustment, in particular the failure of other parties to consult them, as well as the impending outcomes such as job losses, severance payments or pension entitlements. In this context, social dialogue can help to “resolve important economic and social issues ... advance social and industrial peace and stability and boost economic progress”,⁴² especially when such dialogue takes place in a supportive industrial relations environment.

⁴⁰ ILO (2002), p. 81.

⁴¹ ITF (2000), p. 20.

⁴² www.ilo.org/public/english/dialogue/themes/sd.htm

4.1 Structural adjustment, industrial conflict and social dialogue

The latest phase of structural adjustment in the world's ports, coming in the wake of globalization, has been marked by bitter and often protracted disputes, which in many cases have taken on an increasingly international dimension.⁴³ The Strike Club, for example, which is a mutual insurer of shipowners, charterers, and vessel operators against strikes and other causes of delay, has reported a growing number of claims arising from labour unrest in ports in recent years.⁴⁴

In some ports, strike action appears to be an almost constant feature of management-labour relationships, both in an historical⁴⁵ and contemporary context. Structural adjustment and private sector participation in Brazilian ports, for example, most notably in the port of Santos, have been characterized by ongoing conflict between the different interest groups. In some cases, private sector participation is marked by industrial conflict from the outset. When Puerto Rosario SA, part of the Philippines giant International Container Terminal Services Inc. (ICTSI), terminated its concession to manage, operate and develop this Argentine port after just 18 months of a 30-year concession, the company claimed that it had experienced 190 days of strike action at a cost of US\$40,000 per day.⁴⁶ ICTSI was involved in another long-running dispute in the new port of Suape on the north-east coast of Brazil. Union members claimed that ICTSI was attempting to avoid local traditional labour hiring practices for dockworkers, but the company claimed that the Government had not specified that it would be obliged to respect them. After the company agreed to follow these practices, an ITF spokesperson reflected that the dispute "shows how important it is for union involvement right from the start of the privatization process undertaken by governments. If the unions had been involved at the beginning of the bidding process, the confusion over [hiring] workers would not have occurred."⁴⁷

Social dialogue will not, of course, guarantee labour peace and cooperative relationships between the social partners, but it will at least help to allay workers' fears of uncertainty. These fears will only be compounded if workers are excluded from decisions that will affect their future. If they are excluded, workers will invariably campaign to be included in the process of structural change, as the examples in box 13 serve to illustrate. The danger of exclusion is that it can set in motion a pattern of hostility and mistrust between the social partners that might jeopardize the future of the port(s) in question.

⁴³ See Turnbull (2000), pp. 273-97; Turnbull (2005).

⁴⁴ See Lloyd's List, 27 April 2001, 4 October 2004, and 22 June 2005.

⁴⁵ Turnbull and Sapsford (2001), pp. 231-257.

⁴⁶ *Lloyd's List*, 4 December 2000.

⁴⁷ ITF Press Statement, 31 May 2002.



Box 13 | Securing the right to be heard

Private sector participation in the ports of **South Africa** has been mooted for several years, but the proposed sale of state assets in the transport and other sectors of the economy had met with opposition from the Congress of South African Trade Unions (COSATU). Through its links with the African National Congress, COSATU is regularly consulted on restructuring issues, but the South African Transport and Allied Workers' Union, the principal port workers' union, demanded a more direct say in any discussions on private sector participation in ports. After an 18-month campaign, the Government finally conceded consultation rights, with COSATU now represented on a port restructuring committee.

In May 2004, 11 trade unions in **Paraguay** joined forces to protest against plans by the Government to commercialize the National Navigation and Ports Administration (ANNP). Safety issues and the fear of job losses sparked a three-day strike to force compliance with the established collective agreement in the run-up to privatization. After two days of strike action an agreement was signed between the workers and the Labour Ministry, confirming that the modernization will go ahead but with the participation of workers represented by a joint committee, as specified in the collective agreement.

In ports where bipartite and tripartite social dialogue is well established, both day-to-day operational issues and longer-term strategic matters can be addressed within a context of routine interaction between the social partners. For example, joint committees exist in many countries to oversee the registration, discipline and discharge of dockworkers,⁴⁸ and specific committees are often established to resolve industrial disputes. In Antwerp, for example, disputes are settled by a permanent committee, which is available 24 hours a day, consisting of employer and trade union representatives and an official from the state employment office. This committee is just one component of an interrelated set of institutions that provide opportunities for social dialogue and reinforce a commitment by the social partners to cooperation and social peace in the port. The importance of management-labour cooperation was explained by the operations manager of one of the port's major container terminals in the following terms: "Social peace is fundamental to the success of the stevedoring companies and the port of Antwerp. If any of our competitors in the port have a strike, this reflects badly on us all, so good labour relations are in everyone's interests. The price of social peace is high – wages and benefits in the port are very good – but it's a price worth paying. Social peace is priceless."⁴⁹ Strategic issues, such as structural changes to the administration, management, and operations of the port, often require much broader societal support and institutional integration.⁵⁰

⁴⁸ See ILO (2002).

⁴⁹ Quoted by Turnbull and Sapsford (2001), p. 253.

⁵⁰ See Visser (1999), pp. 85-114.

4.2 Structural adjustment in a supportive industrial relations environment

Like ports in many European countries, the Belgian port of Antwerp operates in a supportive industrial relations environment where there is a strong commitment to policy concertation (i.e. the co-determination of policy by governments, employers and trade unions). European Union Member States underwrite a variety of institutions for social dialogue, ranging from consultation to collective bargaining, information exchange and works councils to board level employee representation. The latter, for example, is designed to provide employees with democratic input into company decision-making, in particular over strategic aspects of the business (as opposed to operational matters that are typically discussed in works councils). These provisions are summarized in table 2. For workers employed by Bremer Lagerhaus Gesellschaft (BLG) in Germany, their representation on the company's supervisory board was an important factor in the restructuring of the company in 1997-98, as described in box 14.

Table 2 Systems of board-level employee representation in Europe

BELGIUM	There is no system for the representation of employees on the boards of private companies, in the strict sense of the term. However, in some public service companies such as railways, other public transport and universities, employees have seats on the boards.
DENMARK	Employees in companies employing at least 50 employees are entitled (though not obliged) to elect at least two representatives on the board of directors and up to one-third of the total number of members.
FINLAND	In companies with 150 and more staff, employees have the right to board-level representation. Much of the detail is left to local negotiation between employer and trade unions. There must be between one and four employee representatives, making up one-fifth of the body in which they sit.
FRANCE	In private sector companies, two or four representatives of the works council (depending on the number of managers and engineers employed) may attend board meetings of the board of directors or supervisory board in a consultative capacity. In public sector organizations, elected employee representatives constitute up to one-third of the board and act as full members. Furthermore, in all limited companies the shareholders may voluntarily decide to include elected employee representatives on the board.
GERMANY	Employees in companies with 500 employees or more have representation on the supervisory board. The proportion of workers' representatives varies from one-third, in companies with 500-2,000 employees, to one-half, in companies with more than 2,000 workers. In these larger companies, the chair in effect represents the shareholders and has the casting vote, except in larger coal, iron and steel companies where the chair is independent. Also in coal, iron and steel, the employee representatives can appoint the "labour director", who is part of the management board.
GREECE	Employee representation on the board exists only in the "socialized sector", such as public utilities and transport, where there are two levels of worker participation. The highest level is the "representative assembly of social control", which sets broad policy objectives. Employee representatives constitute up to one-third of this group. Below this there is the board of directors, where again one-third of the members are elected by the workforce.
IRELAND	There is no statutory requirement for board-level employee representation (BLER) in the private sector. In a number of state-owned companies, employee representatives are entitled by law to one-third of the seats on the main boards.



ITALY	Although the Constitution recognizes "the rights of workers to participate in management, in the manner and within the limits prescribed by law", this has never led to legislation on BLER which is largely absent. However, some company agreements provide for the participation of employee representatives on boards, usually through forms of employee share ownership.
NETHERLANDS	Companies with more than 100 employees, a works council and a set amount of capital must set up a supervisory board. The supervisory board elects its own members and the shareholders, the works council and the executive board have the right to recommend new members. There is no fixed proportion of employee representatives on the board: a works council may use its right of recommendation, but employees do not necessarily have a real representative on the board. Members of the supervisory board must take the interest of the company and the undertaking as a whole into account in the fulfilment of their duties; they are not employee representatives as such.
NORWAY	A significant proportion of private sector enterprises are regulated by legislation that safeguards employee representation on company boards - usually one-third of the total. In some, but far from all, state and municipal institutions, political authorities have decided that employees should be entitled to be represented on the boards. Similar voluntary arrangements may be found in companies not covered by the traditional legal framework
PORTUGAL	The appointment of employee representatives to the governing bodies of state corporations or other public entities is provided for expressly by the Constitution and legislation. The legislation on public corporations also provides for the appointment of an employee representative to both the board of directors and supervisory board. However, this legislation is not complied with in practice and there are no known cases of employee representatives being appointed to a corporation's governing bodies. In the private sector, the law expressly states that recognition of the right to BLER depends exclusively on the wishes of the parties involved. In practice, there are no known significant cases in which this right has been recognized.
SPAIN	There is no statutory right to BLER. However, as a result of tripartite agreements, there is some union representation on the boards of the largest public sector companies. There is also provision for BLER in institutions with a special legal status, such as savings banks.
SWEDEN	In almost all companies with more than 25 employees, employees have the right to two board members. In companies with over 1,000 employees engaged in at least two types of business, this rises to three board members. The employee representatives can never be in a majority.
UNITED KINGDOM	There is no legal right to BLER for workers. There are very few examples of "workers directors", except in the area of management buy-outs of particular companies, mostly in the recently privatized or deregulated areas of the economy, such as transport.

Source: *European Foundation*

Box 14 | Board-level representation and restructuring in the port of Bremen

Under the ownership of the City of Bremen, BLG's corporate structure excluded it from partnerships and joint ventures with private companies. This was a significant disadvantage in an industry characterized by ever greater competition and specialization in order to meet customer requirements. Following a review of the business by consultants, a new structure was proposed that would pave the way for specialist businesses to emerge and prosper, taking advantage of market opportunities as they arose.

Understandably, the workforce was concerned about job security under a more diversified business structure – those employed by a specialist container company or the auto logistics business would no doubt have a bright future, but those employed in other businesses (e.g. forest products) might not fare so well. Worker representatives concluded that restructuring was necessary. “We started with some basic questions: ‘Is change inevitable?’ ‘Could the economic situation be improved within the existing structure?’ The Works Council and the Union agreed that there should be change”,¹ but four preconditions would need to be met:

1. No compulsory redundancies
2. The system of co-determination would be maintained, especially the supervisory board
3. Improved communications and management (principally via a new system of team-working)
4. Protection of workers' social benefits

Through trade union representation in contract negotiations (collective bargaining) and employee representation on the Supervisory Board and Works Council, the workforce insisted that they should be employed by BLG Holding rather than the specialist companies (workers would be assigned to the latter by the holding company, providing scope for inter-port transfers between Bremen and Bremerhaven as well as inter-company transfers). This would preserve the system of co-determination and a uniform collective agreement covering the entire workforce, albeit with some variation within the specialist companies in respect of hours, shifts, skill composition and work practices. According to BLG's Director of Labour, “the employee representative bodies share the management objectives of increasing productivity and competitiveness, but at the same time have sought to ensure that restructuring is implemented in a ‘socially acceptable’ way.”² The Works Councillors agreed: “The role of the employee representatives is not just old-style opposition. It's now involved in a genuine process of co-management with the company.”³ All the company's specialist businesses are now profitable and the subsequent merger with Eurokai to create Eurogate has established the company as the largest container and logistics business in Europe (see box 8).

¹ Interview with the author, March 2002.

² Dombois and Wohlleben (2000), p. 57.

³ Interview with the author, March 2002.



During any process of industrial restructuring and structural change, legal and other provisions (principally collective agreements) exist for European port workers to ensure that social dialogue takes place and workers' interests are protected. These provisions are summarized in table 3. In several European countries, most notably the Netherlands, workers enjoy rights of co-determination and even veto over some areas of work reorganization. This can lead to difficult and sometime lengthy negotiations, as was the case when the Rotterdam port labour pool (Stichting Samenwerkende Havenbedrijven) was restructured in the late 1990s (the pool was facing difficulties meeting employers' requests for labour, especially for skilled labour on night shifts and at other times). Nonetheless, the outcome of co-determination can be to "square the circle" and create a more cost-effective and competitive organization that still provides decent work for dockers. In the case of Stichting Samenwerkende Havenbedrijven, negotiations focused on retraining to produce a multi-skilled workforce but the most contentious issue proved to be a new shift pattern to ensure the availability of labour. Rosters are now less attractive than in the past, but temporal and functional flexibility has ensured the survival of the Rotterdam labour pool, unlike its counterpart in Amsterdam.

Table 3 Company restructuring and employee participation rights in Europe

COUNTRY	BASIS	REPRESENTATIVES INVOLVED	NATURE	ISSUES
Belgium	Law and intersectoral agreement (on new technology)	Works council (where none, other representatives in some cases)	Information and consultation	Business situation/prospects, employment situation/prospects, events/decisions with important consequences for enterprise, restructuring plans, new technology (with consequences for employment, work organization or working conditions), collective redundancies, transfers of undertakings.
Denmark	Intersectoral agreements and law (on collective redundancies and transfers of undertakings)	Works council (cooperation committee)	Information and consultation	Changes affecting organization of work -including production methods, technology, employment levels and company structure - collective redundancies, transfers of undertakings.
Finland	Law and intersectoral agreements	Local union representatives and employees	Information, consultation and negotiations (where any changes affect employees)	Business situation/prospects and changes affecting employees in areas of working methods, work organization, new machinery, workplace, products/services, closures, major expansion/cutbacks, collective redundancies, transfers of undertakings.
France	Law	Works council	Information and consultation	Business situation/prospects, employment situation/prospects, mergers, acquisitions, sell-offs, changes in production facilities, closures, new operations, subcontracting, new technology (with consequences for employment levels, qualifications, pay, training and working conditions), collective redundancies, transfers of undertakings.
Germany	Law	Works council	Information, consultation and co-determination (on various structural and production issues)	Business situation/prospects, alteration of production facilities, new machinery, new production processes, new work organization, alteration of workplaces, new work methods/production systems, changes in equipment, closures/cutbacks, mergers, structural changes, collective redundancies, transfers of undertakings.
Greece	Law	Works council	Information, consultation and co-decision (only on awareness-raising on new organization methods and use of new technology, and training/retraining plans)	Expansion/contraction of operations, new technology, change in employment structure and levels, awareness-raising on the organization methods and use of new technology, training/retaining plans, collective redundancies (and short-time work), transfers of undertakings.
Ireland	Law	Trade union representatives (or elected employee representatives where unions not recognized)	Information and consultation	Collective redundancies, transfers of undertakings.
Italy	Intersectoral and sectoral agreements and law	Unitary workplace union structure (Rsu)	Information and consultation	Employment situation/prospects, technological, organizational and productive changes, redeployment, collective redundancies, transfers of undertakings.



COUNTRY	BASIS	REPRESENTATIVES INVOLVED	NATURE	ISSUES
Netherlands	Law	Works council	Information, consultation and veto ("social" decisions - e.g. changes to occupational profiles, skill requirements, etc. - only).	Important strategic decisions, including production levels and methods, work organization, new technology, new investments, company structure, employment levels, changes to occupational profiles, skill requirements, working conditions and organization of working time, collective redundancies, transfers of undertakings.
Norway	Intersectoral agreements and law (on changes of material significance for work environment)	Works council, trade union representatives and working environment committee (changes of material significance for work environment only)	Information and consultation	Activities of enterprise, substantial investments, changes in production systems and methods, product development, expansions/reductions or restructuring, training, reorganization of importance for employees and working conditions, employment matters (including plans for expansion or reduction), plans of material significance for working environment (planning and organization of work), acquisitions, collective redundancies, transfers of undertakings.
Portugal	Law	Workers commission	Information and consultation	Business situation/prospects, organization of production units and implications for employment, equipment, plans for company restructuring, closures/cutbacks, measures resulting in reductions in employment or changes to working conditions, changes in work schedules and classification systems, changes in company location, training/retraining, skills, collective redundancies, transfers of undertakings.
Spain	Law	Workers committee	Information and consultation	Business situation/prospects, employment situation/prospects, production, subcontracting, reorganization of production affecting workers (substantial modification of working conditions, redeployment, functional mobility, etc.) changes in the legal status of company (e.g. mergers and acquisitions), employment restructuring/changes, reductions in working hours, transfer of facilities, training plans, new or changed work organization, collective redundancies, transfers of undertakings.
Sweden	Law and intersectoral agreements	Trade union representatives	Information, consultation and negotiation (on important alterations to activity, work or employment conditions and collective redundancies)	Business situation/prospects, employment policy, changes to organization and working conditions, important alterations to activity, work or employment conditions, collective redundancies, transfers of undertakings.
United Kingdom	Law	Trade union representatives (or elected employee representatives where unions not recognized)	Information and consultation	Collective redundancies, transfers of undertakings.

Source: European Foundation

4.3 Checklist

- Are worker representatives routinely involved in decisions concerning structural change in your country's ports, or have special committees or forums been established to involve the social partners in port reforms?
- To what extent are the institutions and procedures that handle day-to-day issues (discipline and grievance procedures, dispute resolution, arbitration committees, etc.) integrated with other institutions that deal with major structural change?
- How inclusive is the process of social dialogue when major structural changes are being discussed?
- How supportive is the national and sector-specific context for social dialogue?
- Are there specific legal or other rights that the social partners can draw upon at times of major structural change?



Private sector participation (PSP) in ports

Most observers agree that, in an increasingly global world economy, ports must improve their efficiency if they are to become an integral part of new international logistics networks and support their national economic objectives for trade growth and social prosperity. Private sector participation (PSP) in ports is widely regarded as one of the most effective means to achieve these goals. In many ports, however, PSP has led to a significant reduction in employment, often accompanied by inferior pay and conditions for those who retain their jobs. Nonetheless, most port and maritime unions no longer oppose PSP as a matter of principle, but demand that any changes are introduced in consultation with port workers to keep job losses to an absolute minimum, to protect wages and working conditions as far as possible, and to ensure that proper training is provided and health and safety standards maintained or improved.

5.1 The why and how of PSP in ports

Surveys of the world's major ports reveal that PSP is driven primarily by the desire to increase efficiency and reduce costs, although many ports also cite the expansion of trade and reducing the burden of public sector investment.⁵¹ Amongst African ports, the main objectives of PSP are, likewise, to enhance efficiency and improve the quality of service, as well as the modernization of infrastructure and the reduction of costs.⁵² The overriding objective, it seems, is "to make the port responsive to the market and thus satisfy clients' needs."⁵³ Also, "successful ports have one thing in common – they are all highly market-oriented, while unsuccessful ports are not."⁵⁴

There are many different ways to involve the private sector in the port industry. In fact, a wider range of reform models and public-private partnership formats exist for the delivery of port services than for any other infrastructure intensive sector.⁵⁵ Table 4 summarizes different agreements for increased PSP.

⁵¹ Baird (2002), pp. 276-277.

⁵² UNCTAD (2003a), p. 11.

⁵³ UNCTAD (1995), p. 2.

⁵⁴ UNCTAD (1995), p. 6.

⁵⁵ World Bank (2001).



5. Private sector participation (PSP) in ports

Table 4 Examples of private sector participation

Strategy	Agreements with limited port oversight	Agreements with active port involvement
Outsourcing	Franchises	Subcontracting labour and services Management contract Equipment leasing
Major Restructuring	Capital leases	Wholly owned subsidiaries Open competition
Partial Divestiture	Concessions Long-term leases Sale of major assets	Minority equity partners Joint ventures Special purpose companies
Full Divestiture	Sale of business Unrestricted private ports Capitalized long-term leases	Publicly traded stock company

Source: ADB (2000), p. 30.

There is no doubt that PSP is increasing in the world's ports, although public ownership of port infrastructure is still the norm.⁵⁶ In 1992, the World Bank recorded US\$304 million private sector investment in developing countries' ports. By the turn of the millennium this figure had reached US\$2,632 million. In 2003 there were 325 port investment opportunities reported for private investors, of which around a quarter were PSP projects. In northern Europe, the acquisition of current facilities made up 44 per cent of the opportunities while in South Asia, in contrast, almost 80 per cent were green-field, build-operate-transfers and joint partnership opportunities.⁵⁷

Among developing countries, African ports arguably have the greatest need for new investment to modernize equipment and improve port infrastructure. During the 1990s, however, the African continent received only 5 per cent of the total investment flows to developing countries relating to PSP in infrastructure.⁵⁸ African ports are generally viewed as a high-risk investment, local banks are often unprepared to grant long-term credit, and global operators are uncertain whether they can generate sufficient traffic to justify investment. There have often been severe delays, numerous false starts and a number of failed attempts with PSP, as illustrated in the case of Mombasa (Kenya), reported in box 15.

⁵⁶ See Baird (2002) and Inoue (2002).

⁵⁷ UNCTAD (2004), p. 79.

⁵⁸ UNCTAD (2003b), p. 24.



Box 15 | PSP in the port of Mombasa¹

East African seaports have long had a reputation for low productivity and relatively high costs, generally as a result of low volume but great variety of cargo throughput, politicized public port authorities, inefficient management and labour systems, limited investment in technology and equipment, congestion, and the weather. Where these ports have an exclusive hinterland, poor performance matters only as an economic depressant, but ports such as Mombasa increasingly compete with other ports for hinterland trade. Ugandan trade, for example, has been channelled through the Tanzanian port of Dar es Salaam, despite the longer distances involved, because of high port charges and low productivity in the port of Mombasa. In this context, a number of widely recommended revitalization measures have been considered, such as the manipulation of tariffs, rationalization, and PSP to improve the efficiency and delivery of cargo-handling services, especially container handling.

The Kenyan Government was initially rather unreceptive to PSP, preferring to keep port operations under its general control. However, following the appointment of Robert Brenneisen, an industrialist with a highly successful track record with Bamburi Portland Cement, as the new Executive Chairman of the Kenya Ports Authority (KPA) in March 1996, PSP was introduced in the port of Mombasa container terminal at Kipevu under a two-year, US\$2.2-million agreement signed in September 1999 with a British company from the port of Felixstowe. The abrupt departure of the Felixstowe management company in late 1997, prematurely terminating the contract with KPA, was purportedly the result of the constant breakdown of equipment at the container terminal and the Kenyan Government's apparent failure to provide for refurbishment or replacement.

¹ This account is based on Hoyle (1999).

5.2 PSP, labour reform and social dialogue

A rather vexed question is at what stage labour reform should take place. UK experience, for example, indicates that privatization prior to labour reform had little effect on the port performance of former nationalized ports while the subsequent privatization of trust ports, coming after the abolition of the National Dock Labour Scheme in 1989, improved profitability (and the personal fortune of the new port owners) but had only limited impact on productivity.⁵⁹ International agencies advocate the reform of port labour practices, with an almost inevitable reduction in employment, before the introduction of any PSP, in order to make investments attractive to the private sector.⁶⁰ This raises questions about the involvement of private sector companies and dialogue with the remaining workforce. For example, should the private sector be involved in labour reforms before any leases are awarded or private sector money invested? What ar-

⁵⁹ Saundry and Turnbull (1997).

⁶⁰ See UNCTAD (1998), p. 13; World Bank (2001).



5. Private sector participation (PSP) in ports

rangements will be made for social dialogue and collective bargaining with private sector companies?

In Nigeria, a social action plan was drafted by all stakeholders in the industry proposing a gradual process of PSP, starting with the port of Calabar. After an agreed period of time, the operations there would be compared with those at other ports and a decision made on the schedule for further reform. This plan required the Federal Government to regulate labour supply and manage employee welfare issues in the port through the Joint Maritime Labour Industrial Council (JOMALIC). This Council, established in 2003, extended the regulatory authority of the Joint Dock Labour Industrial Council (JODLIC), established in 2000, to include seafarers as well as dockworkers. However, the Federal Government, through the Nigeria Ports Authority (NPA) and Bureau for Public Enterprises, embarked on a very different course of action without consulting the Maritime Workers Union of Nigeria (MWUN). This led to a lengthy period of industrial disruption and significant delays to the proposed PSP scheme. This case is discussed more fully in box 16.



Box 16 | PSP and social dialogue in Nigeria¹

Like many developing countries, Nigeria has only recently introduced a comprehensive system of labour market regulation (via JODLIC and JOMALIC). This led to a significant improvement in working conditions on the Nigerian waterfront. Through the registration of workers, JODLIC/JOMALIC is able to coordinate the supply of labour to the stevedores, and the introduction of payment based on tonnage handled instead of a daily rate encouraged higher productivity and helped to eliminate a variety of inefficient and corrupt working practices. In addition, for the first time in the history of the industry, JOMALIC has facilitated a tripartite collective bargaining body involving representatives of the NPA, employers and port workers, and circulated a pamphlet detailing the agreed minimum conditions of service for dockworkers throughout the country's ports.

PSP had already been set in motion by the Federal Military Government in 1992, but the real momentum for change came with the nation's transition to democratic governance in 1999. By the turn of the millennium, Nigeria's ports were experiencing their worst congestion for 25 years and all parties recognized the need to improve efficiency and reduce turn-around times. The MWUN determined to work in partnership with other stakeholders, through a process of social dialogue, and strongly endorsed the ILO's social advocacy programme in Nigeria. As a member of the MWUN Executive explained, "The ILO has been championing the use of dialogue and has served as an unbiased umpire in all government-labour issues."

However, the Union's exclusion from various stakeholder meetings called to draft the port reform policy has created internal difficulties within the MWUN and soured relationships with other parties, leading to a series of strikes and demonstrations that have significantly delayed PSP. The MWUN is dominated, numerically, by NPA staff (the former Nigeria Ports Authority Workers Union, mentioned in box 12). Under the proposed PSP, around 75 per cent of these workers faced redundancy. There is a massive pension fund deficit for NPA staff and workers are owed three years of salary arrears. The fears and anxieties of NPA staff were matched by dockworkers' concerns over the fate of JOMALIC. Negotiations proved to be very difficult in this context, as a MWUN official explained: "If we make any concessions, our people will think we've been settled" (i.e. bribed by government officials). It is clear where the Union lays the blame for the impasse between the social partners in 2004-05: "Social dialogue is a two-way thing. We [the Union] must play our part and the presidency [Federal Government] must play its part as well. If one party fails, the social dialogue fails."

¹ This account is based on press reports and Adeleye (2005).

Survey evidence from the 1990s indicates that labour reform in the form of more flexible work practices and a deregulation of port employment led to both a reduction in jobs and a deterioration in port workers' terms and conditions of employment. PSP tends to compound the reduction in employment and very few unions have reported any positive effects of PSP on workers' terms and conditions of employment – at best the impact is neutral, at worst it leads to a further deterioration in job security, employment opportunities and the like.⁶¹ Where PSP has been more extensive, as in the Asia-Pacific region, unions are more likely to report job losses and a decline in their

⁶¹ Turnbull and Wass (1995a and 1997).



5. Private sector participation (PSP) in ports

members' terms and conditions of employment.⁶² However, where unions are engaged in social dialogue, involved in the process of reform, and are in a position to influence eventual outcomes, they are far less likely to report adverse effects.⁶³ Under the proposed PSP scheme at the port of Cochin in India, for example, agreement was reached between the Port Trust, the licensee and all the unions that the service conditions of all employees transferred to the new company at the Rajiv Gandhi Container Terminal (RGCT) "shall not be less favourable to what they would have been enjoying had they continued in the RGCT when it was operated by the Port Trust."⁶⁴ Agreement was reached only after a strike threat by the unions who demanded that the RGCT should not be handed over to any private bidder before finalizing labour-related issues, which in turn led to tripartite negotiations between Cochin Port Trust Management, representatives of Dubai Ports International (the proposed licensee) and the eight trade unions represented in the port.

The policy of the International Transport Workers' Federation (ITF), understandably, is that privatization should only be introduced on the basis of agreement, of which trade unions are a party. The ITF's policy on PSP, and how it has evolved in recent years, is described in box 17.

⁶² Turnbull and Wass (1995c).

⁶³ Turnbull and Wass (2005); Turnbull (1996).

⁶⁴ Memorandum of Settlement Arrived at Under Section 12(3) of the Industrial Disputes Act, 1947 Before the Regional Labour Commissioner (Central), in Respect of an Industrial Dispute Raised by the Port Unions Operating in Cochin Port Trust, 20 March 2005, Clause 3.



Box 17 | ITF policy on PSP

The first sign of a change in ITF policy on PSP was signalled in the preface to a report published in 1995 on *Reform and Structural Adjustment in the World's Ports* where Kees Marges, the ITF Dockers' Secretary at the time, wrote: "Any reform, restructuring or reorganization ... needs to be judged on its short and long term effects for the workers involved. There is no one standard policy ... the only criterion that can be used by trade unions negotiating reform is the effect of the proposed changes on the workers' interests." The latter included stable and fulfilling employment; an adequate income to meet basic needs; reasonable working hours; safe, healthy and environmentally acceptable working conditions; social security protection; workplace democracy; education and vocational training; equality at work; and freedom from discrimination and corruption.

This new approach was further developed during preparation for, and discussion at, an ILO Tripartite Meeting in 1996 on Social and Labour Problems Caused by Structural Adjustment in the Port Industry. The policy was endorsed at Regional Dockers' conferences in Latin America (Lima, November 1996) and Africa (Mombasa, December 1996), and then at a seminar in Sri Lanka before being formally endorsed in June 1997 at a worldwide Dockers' Conference held in Miami, United States. This new policy called for the introduction of restructuring to be the result of a process of verifiable research, joint decision-making, planning and implementation in which all parties affected have the right and the opportunity to participate. Where this is not the case, and in particular where privatization and deregulation has a negative effect on transport services or the conditions of transport workers, the ITF remains opposed to port reform (ITF 40th Congress, Vancouver 2002).

Not all international agencies agree with the ITF's position that consultation and negotiation with worker representatives are vital to the success of PSP. For example, a report published by the Asian Development Bank, *Developing Best Practices for Promoting Private Sector Investment in Infrastructure*, actually proposed that "[w]here there is sufficient lead time, the government can take a pro-active approach by reducing or eliminating the role of unions and by deregulating cargo-handling services to permit open competition."⁶⁵ The World Bank, in contrast, advocates social dialogue. In its *Port Reform Toolkit*, it cautions governments not to see port reform as an opportunity to "break" trade unions, undermine their organization or marginalize their activities. In fact, the Bank points out that "worldwide experience strongly suggests that port labour should be involved in the port reform process from its earliest conceptual phase. Again, experience indicates that the best way to build confidence in the reform process by all affected parties is to broaden the sphere of participation and responsibility to include port users, port labor and port and maritime employers."⁶⁶

This approach is, of course, endorsed by the ILO and the social partners in the port industry: "Employers should engage in a dialogue with workers' representatives according to national law and practice before developing policies and programmes to address

⁶⁵ ADB (2000), p. 59.

⁶⁶ World Bank (2001), Module 1.



employment issues arising from port reforms.”⁶⁷ The problem, according to the ITF and many of its affiliates, is that national law and practices often fail to provide sufficient safeguards and many private operators, and even public port authorities, use port reform and PSP as an opportunity to employ casual, non-registered and untrained staff, deploy seafarers on cargo handling activities, and sideline or exclude workers’ representatives. It is imperative, therefore, to establish a clear set of guidelines on the process of social dialogue in ports, which is the subject of Part Two of the *Guidance manual*.

5.3 Checklist

- What factors, and actors, have either promoted or impeded PSP in your country’s ports?
- Have external agencies such as the World Bank been involved in PSP? If so, have they involved the social partners in any discussions on future ports policy?
- What are the aims of increasing PSP in your country’s ports?
- What forms of PSP, if any, have been considered?
- What is the social partners’ policy on PSP?
- Have labour reforms been implemented as a prelude to, or as a consequence of PSP? What have been the effects on employment and conditions of work?

⁶⁷ ILO (1996b).

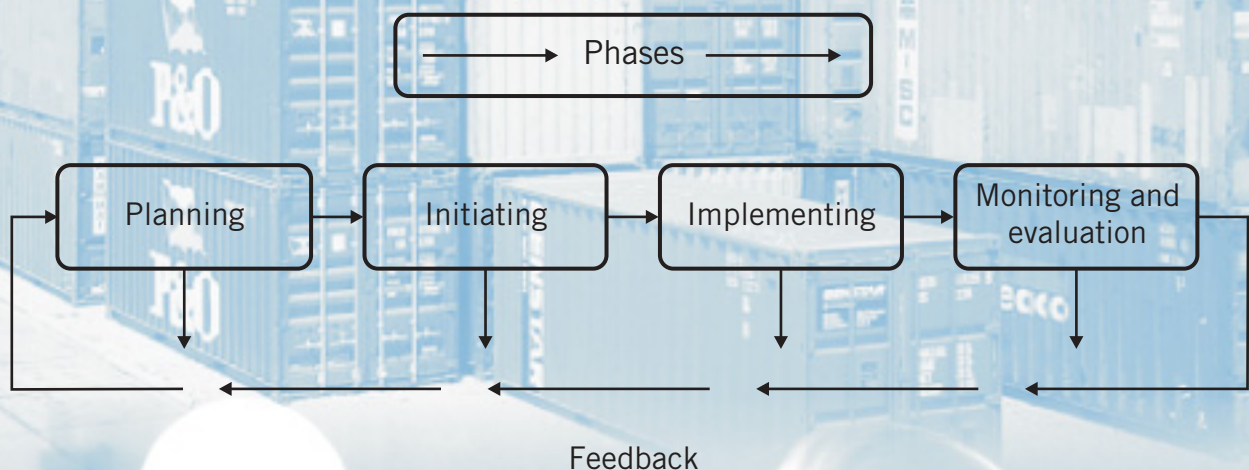
PART TWO

The process of social dialogue in the port industry

Social dialogue should not be a one-off event to address specific issues such as a structural adjustment programme or private sector participation (PSP) scheme, but a continuous and wide-ranging process that is itself subject to monitoring and evaluation. In this way, feedback can be used to revise the current process and improve the planning, initiation and implementation of future social dialogue. Where the institutions of social dialogue are less well established, structural adjustment and PSP can present a particular challenge for the social partners

and may require the establishment of new processes and institutions to negotiate and agree the intended changes. The different phases of social dialogue are illustrated in figure 3. The different activities associated with each phase are discussed in sections 6 to 9, while section 10 considers the resources needed to put social dialogue into practice. Even though the various phases of social dialogue overlap, they will be described separately for the purpose of clear analysis.

Figure 3 The phases of social dialogue in ports



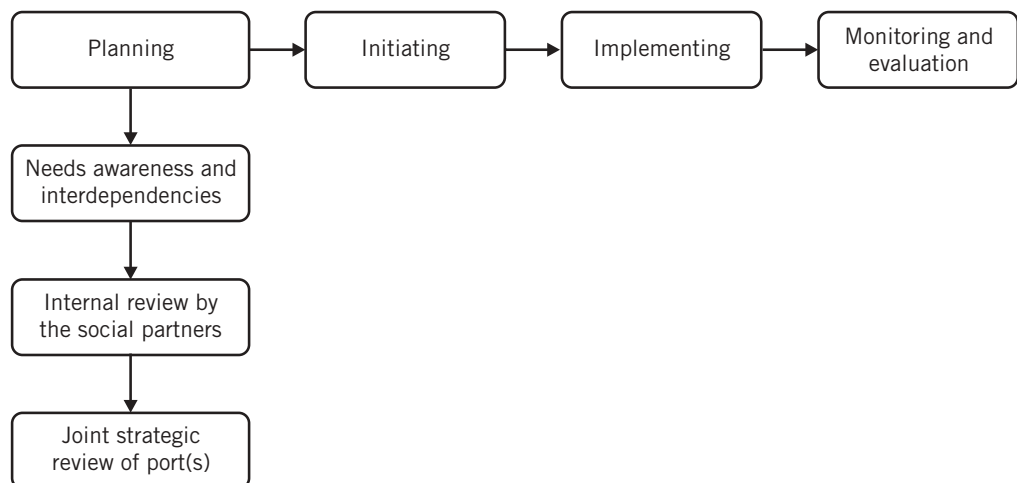


6. Planning for social dialogue

Although social dialogue is most effective when it is one of the foundations of relationships between the social partners, such that organizational and other changes can be addressed within an established framework of information exchange, consultation and negotiation, there may be occasions when new institutions or methods of interaction and dialogue are called for. During major structural adjustment programmes and PSP schemes, for example, it is not uncommon for a special task force to be established or a series of workshops and seminars to be held to disseminate information and generate discussion amongst the social partners and other stakeholders. Such activities often take place in response to external expert advice and are widely recommended in the models and toolkits for port reform promoted by international agencies such as UNCTAD and the World Bank.

Planning for social dialogue in the context of structural adjustment and PSP should start with an assessment of whether the social partners accept the need for change – do they share similar views on “the state of the world” (the impact of inter-port competition, the demands of major customers, the potential for greater efficiency, the benefits of decent work, etc.) and are they cognizant of their own interdependencies? This may require an internal review by individual organizations (e.g. the port authority and cargo handling companies) as well as representative organizations (e.g. employers’ associations and workers’ organizations) before any formal discussions on structural adjustment or PSP get under way. If the social partners concur on the need for change, then the planning stage itself can be carried out through a process of social dialogue. This will allow the actors to inform each other of their intentions and capacities at the very earliest stage and enable the social partners and other stakeholders to identify all the options that might be open to them. A joint strategic review of the port(s) in question will enable the social partners to maximize the potential for mutual gains. These activities are set out in figure 4.

Figure 4 Activities for planning social dialogue



6.1 Needs awareness and interdependencies

In many ports, the need for reform is all too apparent – delays, congestion, accidents and poor working conditions are clearly visible – but social actors often seem to be more concerned with defending their own vested interests than acknowledging the interdependencies between them and working to maximize their mutual benefits. For example, worker representatives might look to the government to reform port pricing policies, tariff rates, or even trade policy as a means to attract more traffic and improve the utilization of port equipment, rather than supporting the reform of working practices to improve port efficiency. Research evidence from countries such as India, however, indicates that improving port performance is the key to attracting more traffic.⁶⁸ Private terminal operators, for their part, “need to recognize that workers’ problem-solving capacities are an under-valued asset, and that sharing workplace decision authority, making sacrifices to train workers and keep them, are some of the ways to take advantage of this.”⁶⁹

The need for port reform is often made known to different interest groups through government agencies. In many developing countries, external agencies such as the World Bank might be formally involved in this process through an assistance programme that focuses on the technical aspects of structural adjustment and PSP. Such a review would typically involve:

- A *strategic review* of the market that the port serves, the competition in the market, port productivity and work rules, the strengths and weaknesses of the public port and private sector in serving this market, and a clear statement of the objectives for increasing PSP.
- A *financial review* in three stages: (i) restructure the accounts, value the assets and revise the financial structure to allow for an unencumbered transfer of assets to the private sector; (ii) develop cash-flow projections for different contractual arrangements to determine the impact on the port’s financial position and its ability to fund its residual activities and investments; and (iii) develop financial criteria to be used in evaluating proposals from the private sector.
- A *legal review* in two stages: (i) determine what arrangements and in what form are possible under the existing law and what changes in the law would be required for new or increased PSP; and (ii) develop the basic contract document for the arrangement that has been selected.
- *Discussions with potential bidders*, to include both informal discussions prior to tendering and formal discussions during tendering and contract negotiations.⁷⁰

At what stage, in what capacity, and in what ways are the social partners to be involved in this process? Consider these examples of technical assistance provided by the World Bank where consultants were contracted to undertake a strategic review of the respective port(s). In the terms of reference for the expert contracted to undertake a review of Ghana’s Freeport Development Strategy there was no formal requirement to consult with the social partners. The proposed efficiency project and development of a

⁶⁸ De and Ghosh (2003) and UNCTAD (2004), p. 77.

⁶⁹ UNCTAD (1999), p. 51. The ILO’s view is that training should not be regarded as a “sacrifice”.

⁷⁰ ADB (2000), p. 74.



voluntary retirement package for Sri Lanka Port Authority required the consultant to “identify union requirements and negotiating position” but the emphasis was on creating a plan that could “be effectively communicated to all of the ports stakeholders” (i.e. discussion with the social partners *after* the strategic review had been agreed with the Government). In contrast, the terms of reference for the ports of Santo Tomas de Castilla and Puerto Quetzal in Guatemala incorporated social dialogue from the outset, as described in box 18 (note, however, that PSP has already been decided as the appropriate strategy).

Box 18 | Terms of reference for a ports operations privatization expert, Guatemala

Infrastructure Privatization Technical Assistance Project: Ports Operations Privatization Expert – Terms of Reference (excerpts)

“3. The objective of the assignment is a) to assist the government in the successful and the earliest possible transfer of cargo handling operations from the public to the private sector, and b) devise and help implement an equitable scheme for ports staff reduction, where such staff has not been absorbed into private sector operations. (...)

4. d) ... propose a number of feasible alternatives for achieving the desired objective ... These proposed alternatives should be clearly presented and discussed with the relevant agencies in the government, ports management and union representatives so as to obtain a consensus on the best acceptable way to proceed. (...)

7. [The expert] should, at all stages of his [sic] assignment, coordinate his work closely with the Ministry of transports, the relevant Commission for Modernization of the State, and the management and union leadership in Santo Tomas de Castilla and Puerto Quetzal, ports users, ship agents and operators.”

Source: World Bank.

As labour reform is an inevitable, and usually integral, part of any structural adjustment programme or PSP scheme, many governments have set up a labour reform task force, typically headed by the Minister for Labour and with the involvement of other government departments (e.g. transport, trade, finance, planning), port authority managers, private companies, labour representatives, and even customers or port users. The crucial question at the planning stage is whether labour issues should be kept separate from wider business-related matters, as advocated by several international agencies such as UNCTAD⁷¹ and the Asian Development Bank,⁷² and if so, how will labour-related questions feed into the strategic review? For example, keeping such questions separate may limit the scope for alternative measures to be introduced to manage workforce reductions; this would result in any social dialogue over labour issues being distributive rather than integrative and alienate the social partners (especially employees and worker representatives) from the wider process of reform.

6.2 Internal review by the social partners

An important issue that must be addressed at the planning stage is internal representativeness. By definition, structural adjustment and PSP involve social dialogue with new actors from both the public and private sectors. Legitimacy and acceptance depend on the internal representativeness of the social partners, as well as their ability to engage effectively in the process of social dialogue. For example, if the public port authority is to become a landlord, with a separation of regulatory and operational responsibilities, who will speak for the management of the port? What role, if any, will local and national political interests continue to play in its management? How will the port's new management interact with users and other stakeholders? Not addressing these questions at the planning stage will likely undermine subsequent phases of social dialogue.

Planning for social dialogue can present a particular challenge for workers' organizations, especially in the context of structural adjustment and PSP. The major issues facing trade unions, according to the ITF, include:

- the need for a commitment to compromise during negotiations, combined with a strong defence of any agreements concluded by the social partners;
- the need to improve expertise within the union through a combination of education and training and the utilization of outside expertise;
- the possible introduction of new trade union structures, including more comprehensive or unified organizations with a commitment to internal democracy;
- protecting income and employment to allay workers' fear of change;
- adopting the bargaining principle of exchanging concessions rather than demanding political or moral rights when faced with proposals for private sector participation; and
- accommodating to new human resource management and industrial relations policies associated with private sector firms.⁷³

⁷¹ UNCTAD (1999), p. 52.

⁷² ADB (2000), p. 74.

⁷³ Marges (1999).



6.3 Joint strategic review

If planning social dialogue is to be an integral part of the whole process and is undertaken jointly by all the social partners, then each party is more likely to take ownership for subsequent phases and the ensuing outcomes. The outcome of a joint planning approach, however, is not necessarily predictable. Moreover, the result may well be different from a plan that would be developed by specialists based on well-informed analysis of the current situation and problems. Nonetheless, the social partners need objective and detailed information on such specialist analysis. The process that develops on the basis of a joint strategic review can already be the first stage of social dialogue. The resulting plan will be more acceptable to all parties concerned, even though it will be a compromise between different approaches.

A crucial variable to be established in any joint strategic review is an agreed time frame for implementation. As can be seen from many of the examples cited throughout the *Guidance manual*, port reform may extend over many months if not years. Even if the agreed time frame proves to be an underestimate, it will nonetheless provide an important reference for monitoring the whole process.

6.4 Checklist

- What information is shared between the social partners on current performance and conditions of employment in your country's ports?
- To what extent do the social partners concur on the challenges facing the port industry, the need for change, and the most appropriate direction for future changes?
- Who should be involved in the planning process, especially as new actors are being encouraged to enter the port services market?
- At what stage should the social partners be involved in the planning process, and in what way (information exchange, consultation and negotiations, the establishment of a separate labour reform task force, etc.)?
- Can existing institutions for social dialogue be used or will external agencies or a labour reform task force be required?
- How should the agenda for social dialogue be determined? In particular, how can decent work be protected/integrated in the process?



6. Planning for social dialogue



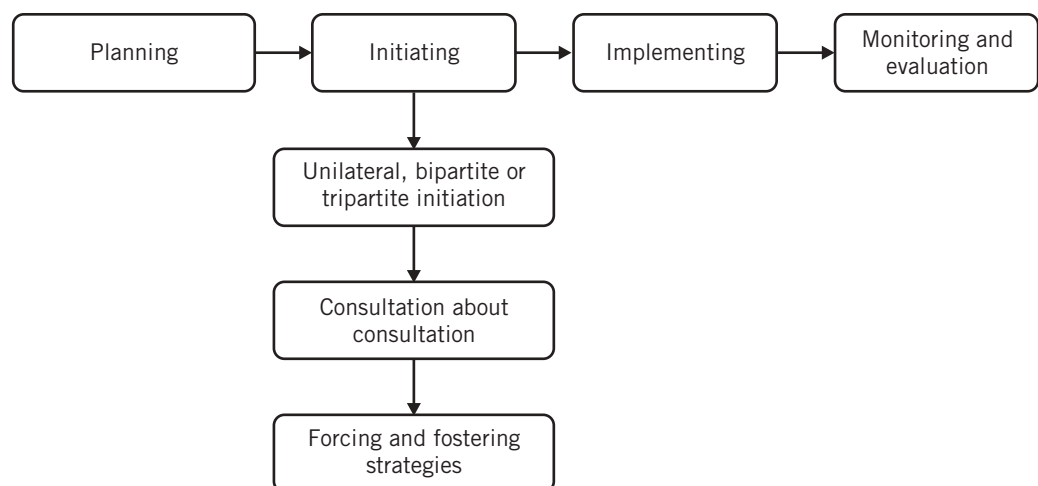
How should the time frame for different phases be determined and how can social dialogue be integrated into this time frame (e.g. will there be sufficient time for social dialogue, are different processes sequential or concurrent)?



7. Initiating social dialogue

Although the different phases of social dialogue tend to overlap, making it difficult at times to distinguish initiating from planning, it is nonetheless important to highlight a number of important features usually associated with the initiation of social dialogue with new social partners or a new agenda of structural adjustment and PSP. For example, social dialogue might be initiated by different actors, for different reasons, in different ways, in different contexts. Once social dialogue has been initiated, it may be necessary to engage in consultation or negotiations about how it will proceed, especially if major changes are being proposed by one or more partners. Then, if the social partners are genuinely committed to cooperation, democratic involvement, consensus building and a problem-solving approach to the challenges ahead, they will need to foster strong relationships based on trust and mutual respect. This may take time, but it is vital to establish an agreed agenda to be implemented through future social dialogue. These activities are set forth in figure 5.

Figure 5 Activities for initiating social dialogue



7.1 Unilateral, bipartite or tripartite initiation

Given the importance of port transport to national economic and social interests, it is not uncommon for change to be initiated by the government, especially when structural adjustment or PSP is being proposed. Thereafter, however, the government is usually keen to involve the social partners and possibly other stakeholders in the process of social dialogue.

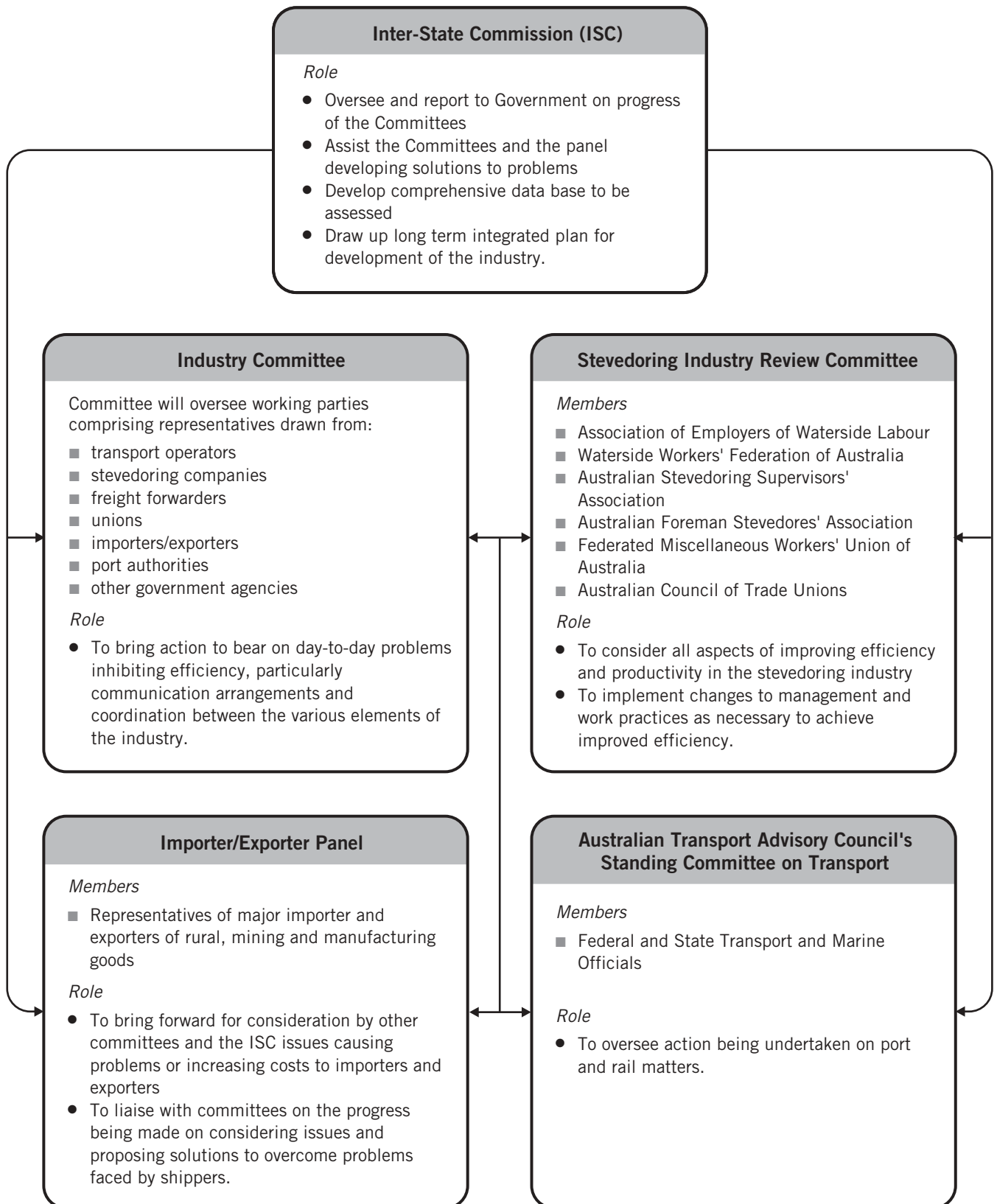
In Australia, for example, the Federal Ministers for Transport and Employment and Industrial Relations announced the establishment of a Waterfront Strategy in December 1986 to improve the efficiency, productivity, reliability and industrial relations record of the country's ports. This Strategy came in response to an earlier Task Force Report on Shore-Based Shipping Costs, itself the result of representations made by importers, exporters and other port users. The Task Force found that the efficiency of the industry could be increased by improving commercial and industrial practices and enhanced communications and coordination both within the industry and between the industry, Government agencies and shippers. The Waterfront Strategy was therefore initiated in full consultation with the industry, relevant trade unions and customers, under the auspices of an Inter-State Commission (ISC).⁷⁴ The Commission's initial role was to oversee the work of four separate bodies drawn from the many different interest groups in the industry (see figure 6). Their task was to establish a comprehensive data and information bank that the ISC could use to initiate the Waterfront Strategy. Once these groups had exhausted their efforts, the ISC held an extensive consultation process, of the like "not before used in the history of the Australian waterfront."⁷⁵ In the course of this investigation, the ISC considered almost 150 submissions, conducted public hearings on 59 days (resulting in 4,480 pages of transcript), investigated around 200 separate issues, commissioned ten consultancy studies and managed a number of special studies performed by the Commission's own staff seconded from three different government Departments, held countless informal discussions, visited numerous port facilities, and published initial, interim and a comprehensive final report that ran to several volumes.

⁷⁴ Created by the Inter-State Commission Act, 1975. The Act requires the Commission to conduct investigations by taking evidence on oath or affirmation.

⁷⁵ ISC (1987), p. 89.



Figure 6 Initiating the Australian Waterfront Strategy





7. Initiating social dialogue

In other situations it may be the port authority or private employers who, under growing commercial pressure, seek to initiate social dialogue. In many ports, managers are the only ones who can initiate a decision-making process about social dialogue and due process. In these circumstances, lack of action on the part of management amounts to a decision *not* to involve employees, delegate influence or share some degree of power.

Under a PSP scheme there are important questions to be resolved in relation to precisely when and how private sector operators will be involved in social dialogue. For example, if labour reform takes place before PSP is initiated, should advice be taken from private sector companies on these reforms? Will the labour reform process include provisions for social dialogue with these companies, and will this be a condition of any long-term lease agreement or Build-Operate-Transfer scheme? In the port of Kaohsiung (Taiwan, China), labour reform was seen a precondition for PSP but the private sector, post reform, was not really interested in consultation and collective bargaining with labour, as the narrative in box 19 serves to illustrate.



Box 19 | Implementing labour reform with PSP: The case of the port of Kaohsiung

When the prospect of PSP in the port of Kaohsiung (Taiwan, China) was raised in the mid-1990s, the international shipping lines decided to establish their own association, the Council of International Container Lines to ensure that their interests were represented. For them, the key to PSP was the reform of labour arrangements. All dockworkers were registered with the port authority, Kaohsiung Harbour Bureau (KHB) and were members of the Kaohsiung City Dock Workers' Union. Dockers' wages were paid from stevedoring charges collected by the port authority (typically 65-72 per cent of the charges were paid to labour), but the workers did not have a direct contract of employment with KHB. This created supervisory and other problems and led to reluctance on the part of international shipping lines to invest in the port.

To expedite reform, the Kaohsiung Port Management Committee established a Port Operation Privatization Team, with representation from different interest groups, including worker representatives, and a succession of conferences were held to discuss the port's future. The Union was opposed to privatization but, as one official commented, "We soon realized that it would be difficult to resist and impossible to prevent. So we were forced to comply with the privatization policy and focus our efforts on the compensation package."¹ Almost two-thirds of the workforce was over 50 years of age and dockers were entitled to work until the age of 65 years (17 per cent were aged over 60 years). Labour reform involved the retirement of all those aged over 60 years and severance payments for many more. Port reform involved KHB becoming a landlord. Consequently, all remaining dockers were transferred to the private sector terminal operators, who were either shipping lines (e.g. Evergreen and Sea Land) or stevedores contracted to major lines such as Wan Hai Lines. In the interim, local and international shipping lines had formed a new association, the Kaohsiung International Shipowners' Association, to determine uniform rates of pay and conditions of employment for any dockers transferred from KHB. The Association imposed a pay cut of around 40 per cent and many of the new operators dissuaded their workers from joining a trade union.

Operators and KHB officials readily acknowledged that the reforms had not led to any improvement in labour productivity – morale was understandably at very low ebb – but the reforms had delivered considerable cost savings for operators and users. Employment security for the dockers was guaranteed for only six months (January to June 1998). Between July 1998 and July 1999 over 1,000 dockers lost their jobs.

¹ Interview with the author, June 1998.

Trade unions, on the whole, tend to be more reactive than proactive, and many port unions have found themselves to be excluded from the dialogue between public and private sectors when structural adjustment programmes or PSP schemes are introduced. Even where institutions are well established and there is a strong tradition of social dialogue, as in Europe, fruitful avenues for social dialogue are sometimes overlooked or deliberately ignored. The recent experience of the proposed European Directive on market access is a case in point, leading to a "declaration of war" on the waterfront instead of social dialogue. Box 20 provides a brief overview of this case.

Box 20 | Negotiating access to the European port services market¹

Within the European Union (EU), social dialogue takes place at several levels. At the European level it takes two main forms – a bipartite dialogue between employers and trade union organizations, and a tripartite dialogue involving interaction between the social partners and the public authorities. This level of social dialogue is designed to complement national social dialogue that exists in most EU Member States, combining the values of responsibility, solidarity and participation and providing the essential means by which the social partners assist in the definition of European social standards and establish a balance between economic efficiency and social justice. Within particular industries, sectoral social dialogue committees have been established at the European level, based on the principle that as they are “close to the grass roots”, the social partners “can play a major role in anticipating and managing industrial changes at European level.”² The 27 sectoral dialogue committees, which are funded by the European Commission, embrace all the major transport industries *except ports*.

The absence of sector level consultation was a significant contributing factor to the recent “war on Europe’s waterfront” following the publication of a proposed Directive on Access to the Port Services Market in February 2001. In July 2000, the Commission had sent a short questionnaire to the European Transport Workers’ Federation (ETF), requesting a response to ten specific questions on market access within just two weeks. This was the first formal communication from the Commission on this topic since 1999. The ETF demanded more time to consult with its affiliates and a formal response was submitted in September 2000, calling on the Commission to ensure that “the presentation of any concrete proposals will be preceded by timely consultation of the trade unions.” But a draft Directive was circulating by November and the ETF’s first official meeting with the Commission took place in January 2001, less than a month before official publication of the proposed Directive. Instead of tripartite or multipartite consultation, the Commission met separately with the social partners and other stakeholders, resulting in a Directive that generated opposition on virtually all sides. Moreover, the absence of proper social dialogue presented a dilemma for the trade union movement, as some national unions believed that dialogue was still possible while others advocated forceful opposition to the Directive from the outset. When amendments tabled by the ETF were rejected by the Commission, European port workers united in defiance of the Directive, staging a succession of stop-work meetings, coordinated strikes across several Member States, as well as mass demonstrations. The Directive was finally rejected by the European Parliament in November 2003. A year later, a revised Directive was issued, again amid claims of inadequate consultation with the social partners.

¹ This account is based on Turnbull (2005).

² European Commission (2003), p. 9.



7.2 Consultation about consultation

Regardless of who initiates social dialogue, it is important to establish the ground rules for dialogue between the social partners, especially where the initiative is linked specifically to a major structural reform programme or PSP scheme. Thus, it is sometimes necessary to have consultation about consultation, or negotiations about negotiations, in order to establish the ground rules for future dialogue.⁷⁶ These rules might include respect for confidentiality and sensitivity of information, a commitment to avoid taking up publicly entrenched positions, and the avoidance of inflammatory or derogatory words and deeds. In this context, the typical questions or issues that will need to be addressed by the social partners in the ports industry include:

- What is the purpose of social dialogue, both in general and in the context of specific changes such as PSP?
- What will be the roles and responsibilities of the social partners?
- How will the social partners be held accountable for their actions and reactions?
- How will the social partners support each other?
- What forms of behaviour are deemed acceptable and unacceptable (e.g. behaviour that demonstrates mutual trust and respect, or the opposite)?
- What is the preferred level (e.g. workplace, company, port-wide or industry-wide, or some combination thereof) and form of social dialogue (i.e. what combination of information sharing, consultation and negotiation is preferred over particular issues)?

In ports where there is a high dependency on the State – for example in public service ports – it is important that management and labour do not waste time waiting for the State to initiate social dialogue if there are signs of any delay or unwillingness on the part of the government to invite broad participation or establish a labour reform task force. (It is particularly important for the social partners to initiate an internal review of their representative structures and procedures for involving their membership at the earliest opportunity.) The sooner the parties engage in productive social dialogue the better, even if this is simply consultation about future consultation in the event of structural adjustment or PSP. Social dialogue is about democratic involvement, promoting consensus, and building trust and credible commitments between the social partners, making it possible for workers or other interest groups to make concessions in the short term because they know that the other side will not exploit the situation now or in the future. All this takes time, thus making it imperative to initiate dialogue at the earliest opportunity.

⁷⁶ See Cutcher-Gershenfeld (1994), pp. 323-335.

7.3 Forcing and fostering strategies

One of the important outcomes of consultation about consultation is to establish that social dialogue is a problem-solving process that will deepen the interdependencies between the social partners. Unless social dialogue is initiated on this basis, it is unlikely to bear fruit. A problem-solving approach implies a “fostering” as opposed to a “forcing” strategy by all parties, especially on the part of management and worker representatives. A fostering strategy is based on integrative techniques (such as open exchange of information), the formation of positive inter-group attitudes, and the promotion of a broad consensus and a constructive use of differences within one’s own and the other parties’ organizations. Forcing strategies, in contrast, are based on a distortion of information (e.g. disputing and debating known facts), heightening negative inter-group attitudes (e.g. anger towards other stakeholders), and promoting solidarity within one’s own organization while seeking to exploit any divisions with the ranks of the other parties. These approaches are illustrated in table 5.

Table 5 Forcing and fostering strategies for social dialogue

	Forcing strategies	Fostering strategies
<i>Bargaining</i>	Distributive: distortion of information, debating proposed solutions, coercion, etc.	Integrative: open and accurate exchange of information, exploration of underlying interests, persuasion and education, etc.
<i>Shaping inter-group attitudes</i>	Promote uncertainty and heighten negative inter-group attitudes. ¹	Promote positive affect and build trust.
<i>Managing internal differences</i>	Promote solidarity in own party and division with the other party during the phase of reaching agreement; seek consensus in both parties when trying to sell the deal.	Promote broad consensus and constructive use of differences in both own and other’s organizations.

¹ This applies more commonly to labour negotiators (who often seek to promote anger toward management in order to make bargaining tactics more credible and increase union solidarity) than to management negotiators (who typically seek to minimize inter-group tension because of concerns about the effects on workgroup performance and because, unlike union leaders, management can exercise hierarchical control over its own members).

Source: adapted from Walton et al. (1994), p. 50.

In most relationships there will be elements of both types of strategies, either sequentially (e.g. initial forcing to persuade other parties of the need for change and then fostering to build commitment towards the change process) or concurrently (e.g. fostering in relation to some issues but forcing in relation to others). In Italy, for example, a prolonged process of port reform in the 1990s involved a combination of established institutions for constructive social dialogue and, at times, recourse to the courts in order to expedite change (see box 21).



Box 21 | Fostering and forcing change on the Italian waterfront¹

Italian dockers employed by the Compagnie Portuali (dockers' cooperatives) enjoyed exclusive rights to supply labour for all cargo handling activities. The Compagnie allocated labour on a daily basis and rotated dockers across different operations to ensure the monthly equalization of hours worked by all their members. Italian ports were dominated by comprehensive, state-controlled port bodies, with private companies playing only a minor role. In 1990, the public port body in Genoa, Consorzio Autonomo del Porto (CAP) transformed itself into a landlord port authority, granting leaseholders the possibility to form entirely independent companies (previously, the port authority retained operational and financial control of "service providing" companies via majority shareholdings). Thereafter, investment by private companies increased more than sixfold (from 75 billion lire in 1991 to over 500 billion lire in 1994) and private investment surpassed public investment for the first time in 1992. However, despite these reforms and an earlier national law that abolished the dockers' monopoly, the new terminal operators were still required to hire labour from the local Compagnia Portuale. A succession of strikes in Genoa had forced operators to sign a local agreement which preserved the dockers' exclusive work jurisdiction (barely 5 per cent of the port's workforce was classified as "Società" or direct company employees by the late 1980s). Several employers were prepared to foster a close working relationship with the Compagnia Portuale and regarded the system as sufficiently flexible and cost-effective to meet their needs. But other employers successfully challenged the dockers' position in the European Court of Justice (Case C-179/90) and the European Commission declared the dockers' monopoly to be anti-competitive. This opened the door for national port reforms in Italy, introduced in 1994. Henceforth, the country's major ports would be administered by Autorità Portuali (landlord port authorities) who were excluded from cargo handling. The Compagnie Portuali were to become "business enterprises". This ended government support for dockers' idle time payments, such that dockers are now paid only for any work performed. Forcing change, however, is never straightforward, and several local authorities refused to grant the necessary licences to potential competitors of the Compagnie Portuali. Following a lengthy process of political mediation, the 1994 law was fully implemented only in February 2001 by Ministerial Decree No. 132.

¹ This account is based on research undertaken by the author. See Barton and Turnbull (1999), available at www.regard.ac.uk.

In general, the stronger the commitment towards a fostering strategy, the more likely it is that social dialogue will provide a setting for more efficient bargaining by helping to separate negotiations on "the state of the world" from negotiations on the division of costs and benefits. In this way, an agreed agenda can be established that incorporates the interests of all social partners and, where appropriate, the interests of other stakeholders. It is imperative that social dialogue is initiated with a view to identifying joint benefits or mutual gains, thereby maximizing the range of policy options available to the social partners.

7.4 Checklist

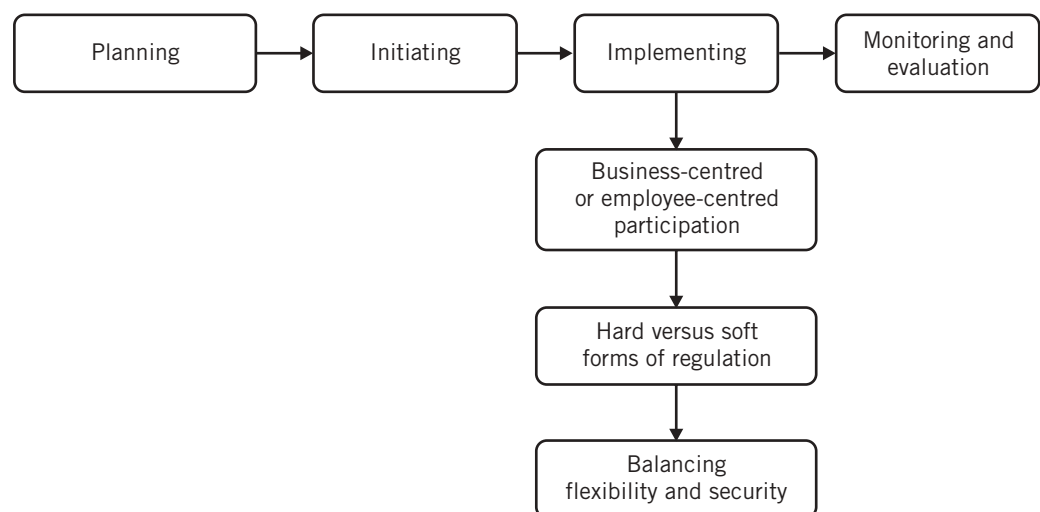
- Who will take the initiative and promote new forms of social dialogue, or alternatively refocus existing institutions and processes towards the challenges of structural adjustment and PSP?
- Should social dialogue start as an informal process (e.g. consultation about consultation) between the social partners or as a more formal process initiated by the major stakeholders such as the state?
- What are the ground rules for social dialogue?
- Are the social partners committed to a problem-solving approach that draws predominantly on a fostering strategy?
- What will be the agreed agenda for this initial stage of social dialogue?



Implementing social dialogue

If social dialogue is well planned and appropriately initiated, the major tasks in the implementation phase are the management and the facilitation of dialogue. In other words, how will social dialogue be implemented? An important change usually associated with structural adjustment programmes and PSP schemes in ports is the decentralization of collective bargaining and other forms of social dialogue to lower levels (e.g. company or even workplace bargaining rather than port- or industry-wide bargaining).⁷⁷ There is often also a shift from tripartite forms of dialogue involving the State, employers and trade union(s) to bipartite dialogue between management and labour. In this situation, implementation can become more heavily dependent on management. This raises questions about the approach of management towards human resource management in general, and the implementation of social dialogue in particular, and the different forms that implementation might take (see figure 7). Will it be “business-centred” or “employee-centred”? Will port operations be subject to “hard” or “soft” forms of regulation? And how will the social partners balance dockworkers’ traditional demands for security with the modern-day demands of flexibility and a much stronger customer orientation?

Figure 7 Activities for implementing social dialogue



⁷⁷ Turnbull and Wass (1995).

8.1 Business-centred or employee-centred participation

One way of viewing a modern-day port company, or indeed any business organization, is as a mini-society made up of large numbers of occasionally harmonious, occasionally conflicting constituents, each with legitimate interests and each claiming an important stake in the way the company is managed and its resources deployed. If this is the case, then human resource management policies will be more effective if they are designed and administered through a process of mutual influence between the different stakeholders.⁷⁸ But this approach has lost ground to more individualistic and business-centred forms of social dialogue, or what the World Bank in its *Port Reform Toolkit* describes as a “commercial opportunity-oriented approach” which is founded on the employees’ potential contribution to the organization rather than their fundamental employment rights. Thus, instead of workers and their representatives having the *right* to exercise some counter-control over those in authority, managers might allow employees to become involved in decision-making if, and only if, they believe this will enhance the latter’s commitment and contribution to the organization.

Although managers often favour direct, task-based forms of employee involvement, research demonstrates that these work best when implemented alongside representative forms of employee and trade union participation that is independent of management (e.g. works councils and collective bargaining), and in particular where a complementary relationship between them is maintained.⁷⁹ The European Foundation’s study of Employee Participation in organizational Change (EPOC), for example, found that direct employee involvement made a positive contribution to a range of indicators of business performance such as output, quality, and a reduction in throughput time, as well as reducing sickness and absenteeism, but the prospect of achieving this contribution was enhanced if managers communicated and consulted fully with employees over the changes, involved worker representatives in their implementation, and provided appropriate training and development in vocational and social skills. A strategic approach that integrates these changes so that they are mutually reinforcing was especially likely to pay dividends.⁸⁰ In some ports, managers have developed both the capacity and the expertise to implement a strategic, company-oriented approach to social dialogue, as the case of PSA International reported in box 22 serves to illustrate.

⁷⁸ Beer et al. (1984).

⁷⁹ See Beaumont and Hunter (2003).

⁸⁰ Sisson (2000).



Box 22 | PSA International: A strategic and unified approach to human resource management

Port of Singapore Authority (PSA) introduced quality circles in 1982 and now has 100-per cent participation in these activities. As part of the organization's drive for continuous improvement, employees can also put forward ideas through a "self-suggestion scheme", with financial rewards available to employees from any savings arising from their suggestions. There are two in-house magazines for staff – *Port People* and *Port Circle* – that focus on port developments and employee-related issues. Both of them provide opportunities for interaction and involvement of staff (e.g. the editorial committee of *Port Circle* is comprised of the quality circle coordinators for each operational division of the organization). Each head of division has a staff communication fund for monthly meetings, which involve both discussions with staff and video presentations. The latter are deemed to be particularly important because, in the words of a senior human resources manager, "Images speak louder than words."¹ In the late 1990s all members of staff, from the CEO to manual dockworkers, attended an adventure learning programme away from the workplace, designed to improve team working, cooperation, communications and listening skills. This is just one of many training programmes designed "to inculcate a positive mindset. We encourage all our staff to train, giving them the confidence as well as the skills to perform the job."² For many years, PSA has run its own training institute and the organization invests around 4 per cent of its annual payroll on staff training each year.

The two in-house unions are also closely integrated and heavily involved in various communication and consultation activities. The Port Officers Union (POU), for example, which represents staff grades, meets with senior human resources managers every Monday and both unions (the POU and Singapore Port Workers' Union, SPWU) hold regular dialogue sessions with management. Senior staff (e.g. operations supervisors) are often seconded to work for the SPWU on a full-time basis to assist with various union activities such as counselling members on disciplinary charges with the company. The SPWU's own in-house magazine, *The Singapore Portworker*, regularly reports news and statements from PSA International and senior managers often attend union delegate conferences and similar events. At the SPWU's Annual Delegate Seminar held in Bangkok in July 2000, the PSA's Chairman implored delegates "to work together for even greater Win-Win. We are in this together. We must carry on with our very close and very harmonious relationship between SPWU and PSA Management. The objective is very clear – we want a successful, world-class PSA. So we work together hand in hand and we adapt as we go along. It means SPWU has got to work even more closely with Management."³ A senior human resources manager summarized the company's approach in the following terms: "There is extensive orchestration behind every process. Nothing is left to chance."⁴

^{1,2} Interview with the author, June 1997.

³ *The Singapore Portworker*, July-September 2000, p. 4.

⁴ Quoted in Turnbull and Wass (2005).

8.2 Hard versus soft forms of regulation

Where the implementation of social dialogue is more dependent on management, this is often part and parcel of a broader shift from “hard” to “soft” forms of regulation,⁸¹ as detailed in table 6. According to the World Bank, the old model of hard regulation and “social equity” based on job security underwritten by the state – which is commonplace in many ports around the world – is being replaced by a system of security based on education, training and retraining programmes.⁸² This is often referred to as “employability” – the idea that the employer can no longer guarantee security but provides employees with the skills necessary to find alternative employment if the market dictates any reduction in job numbers.

Table 6 Hard and soft regulation

Hard regulation	Soft regulation
Compulsory	Permissive
Specific rights and obligations	General principles
Involves standard provision	More concerned with minimum provision
Relies on sanctions	Relies on open-ended processes (e.g. benchmarking, peer audit, moral persuasion)

Source: *European Foundation (2004)*.

When structural adjustment and PSP are under consideration, employees and worker representatives usually prefer formal agreements and concrete commitments (hard regulation) rather than general understandings or guidelines on future action (soft regulation), although there will usually be scope for a variety of different arrangements for different issues (e.g. formal agreements over substantive issues such as pay and pensions, and informal understandings about future training and development in the light of new technology, an expansion of traffic leading to new job opportunities, and so on). Inevitably, structural adjustment programmes and PSP in ports will raise questions about security. Port employer members at a recent ILO meeting were keen to emphasize that permanent employment and guaranteed income are no longer viable in a global economy in which technology is changing rapidly.⁸³ However, one of the underlying objectives of social dialogue should be to establish that workers’ security and the firm’s flexibility are both necessary, rather than being seen in zero-sum competition. This is more likely if the social partners focus on all seven forms of security for decent work identified by the ILO, summarized in box 23.

⁸¹ Ishikawa (2003), p. 21.

⁸² World Bank (2001). See also UNCTAD (1999), pp. 48-49.

⁸³ ILO (2002), p. 39.



Box 23 | Different forms of security to ensure decent work

- *Labour market security* – adequate employment and work opportunities, through high levels of employment ensured by macroeconomic policy
- *Employment security* – protection against arbitrary dismissal, and employment stability compatible with economic dynamism
- *Work security* – protection against accidents and illness at work, through safety and health regulations, regulated limits on working time and unsociable hours, and a reduction in stress at work
- *Job security* – a niche designed as an occupation or “career”, the opportunity to develop a sense of occupation
- *Skill reproduction security* – widespread opportunities to gain and retain skills, through innovative means as well as apprenticeships and employment training
- *Income security* – provision of adequate incomes
- *Representation security* – protection of collective voice in the labour market, through independent trade unions and employer associations and other bodies able to represent the interests of workers and working communities.

Source: ILO.

8.3 Balancing flexibility and security

With a broader definition of security it becomes clear that cooperative approaches will be best placed to resolve the dilemma between flexibility and security, since workers’ security has to be treated as a collective good rather than the responsibility of a single employer. Thus, although structural adjustment and PSP in ports may signal a shift towards company-based forms of social dialogue, it is vital to involve a wider range of stakeholders (especially the public port authority and state agencies) and encourage cooperation between different private employers in the port. Such cooperation is vital for the financial viability of port labour pools, discussed in section 2, and the more general provision of training in many ports.

“Social pacts”, or “pacts for employment and competitiveness” provide examples of how the social partners have sought to address these issues. They differ from collective bargaining and collective agreements inasmuch as the State or public authorities – at national, regional or local level – are actors alongside employers’ and workers’ organizations, and there is substantial involvement and sharing of responsibility by the social partners for the implementation and subsequent outcomes of these pacts.⁸⁴ Examples include the 1990 National Agreement for the Promotion of Quality and Productivity in Mexico and the 1994 Framework Agreement on Employment, Productivity and Social Equity in Argentina. An important difference between these pacts and those found in Europe is that centralized collective bargaining by branch of activity

⁸⁴ www.ilo.org/public/english/dialogue/ifpdial/sd/social_pacts/index.htm

(industry-level bargaining) is much stronger in Europe, resulting in greater coordination between national, sector and local levels in many cases. The principal characteristics of sector level pacts for employment and competitiveness in the EU are detailed in box 24.

Box 24 | Pacts for employment and competitiveness in the European Union

Work redistribution

- Temporary or long-term reduction in the working week
- Greater variability in and extension of working hours without overtime premium
- Increased use of part-time work
- Extension of operating hours (e.g. weekend work)

Cost-cutting

- Reduction in pay levels and/or associated benefits
- Lower starter rates for new employees
- Commitments to moderate pay demands
- Increases in pay linked to key indicators such as prices, productivity, exchange rates
- Share ownership

Productivity and adaptability

- Conditions for use of fixed-term contracts, temporary work and contracting out
- New forms of work organization (e.g. team work)
- Training and development

Employability

- Guarantees of employment and/or no compulsory redundancy (open-ended or specific period)
- Investment for particular establishments
- Transformation of precarious into more stable jobs
- Additional employment for specific groups (e.g. young people, long-term unemployed)
- Relocation of work within the company
- Introduction of “work foundations” to improve the employment prospects of redundant workers

Source: European Foundation.



The commercialization of Port Klang (Malaysia), discussed in box 5, is an early example of what would today be termed as a “pact for employment and competitiveness”. Many pacts, however, represent an uneasy compromise between the social partners and are ultimately dependent on market conditions (will growth ensure continued employment?) as well as the business strategies of transnational corporations (will shipping lines and global terminal operators continue to invest in the port?). Box 25 provides one such recent example.

Box 25 | Striking a balance between employment and competitiveness in French ports

When the French dock labour scheme was reformed in 1992, transferring dockers from a state-run labour pool to direct permanent employment with the stevedoring companies, crane drivers were excluded from the reforms.¹ Under a tool port structure (see table 1), these workers are employed by public port authorities. Stevedores must therefore hire both cranes and drivers from the port authority, with the drivers working alongside dockers under the supervision, but not the employment contract, of the stevedore. The problems this created were explained by the Managing Director of a major stevedore in Le Havre in the following terms: “The one who pays the piper selects the tune. If you pay the worker, he’s your worker. We have no choice over the workers they [Port Autonome du Havre] send us. It can be very difficult to get good drivers, especially at weekends, and their productivity can vary by as much as 50 per cent.”²

This system of employment is a major factor in the continued high cost and poor productivity of French container terminals and has made international shipping lines and global terminal operators reluctant to invest in French ports. This has created particular problems in relation to the new Port 200 development in Le Havre and the port authority’s intention to operate the new container terminal on a landlord model. Crane drivers employed by Port Autonome du Havre have refused to give up their status and collective agreement as state employees, staging a series of strikes in defence of their position, while the terminal operators have refused to invest unless they can employ their own gantry crane operators. The basis of a compromise was agreed in 2003 whereby the crane drivers would be made available on a permanent basis to the terminal operators and placed under their control for operational purposes. At the same time, they would keep the benefits of their existing collective agreement. In effect, they will have a “double employment contract”.³

This compromise between employment and competitiveness was due to run for a four-year transition period, but doubts have once again resurfaced as the future terminal operators recently made a joint announcement that they want to employ their own crane operators after its expiry.⁴ Current negotiations in Le Havre are further complicated by the question of whether this is a local or national issue and what role, if any, the Secretary of State for Transport should play. The situation illustrates just some of the problems that can arise when implementing social dialogue in the context of major structural change.

1 The question of employment security dominated a prolonged period of negotiations over the reforms, with over 80 days of strike action between 1989 and 1992 and further problems associated with the implementation of reform (e.g. the law of July 1992 was not implemented until August 1993 in Le Havre). Dockers retained their “*professionnel*” status as “industry” as opposed to simply company employees, which ensures a measure of employment security in the event of business failure.

2 Interview with the author, December 1998.

3 Claude Pigoreau, Chairman of Union Nationale des Industries de Manutention (*Lloyd’s List*, 27 June 2003).

4 *Lloyd’s List*, 24 February and 19 May 2005.



8.4 Checklist

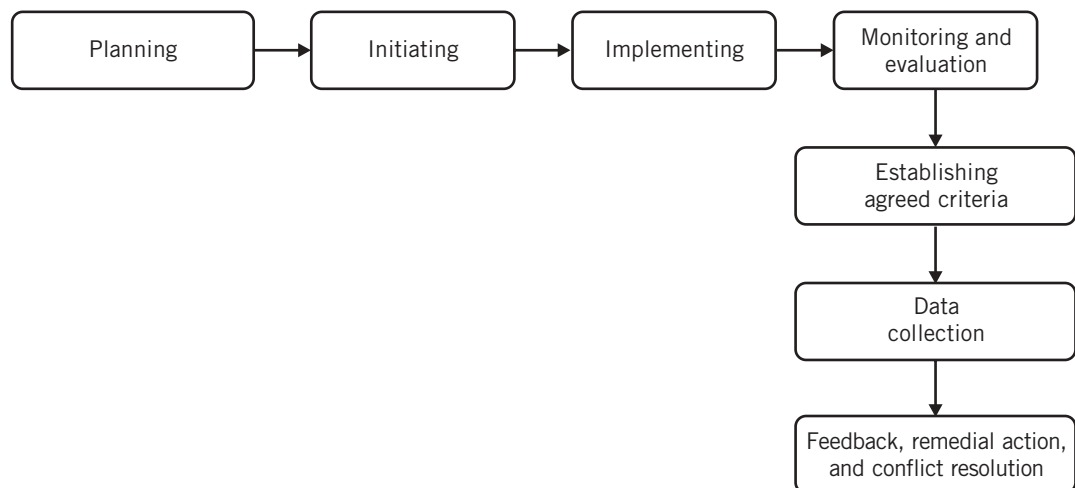
- Who will manage and facilitate the process of social dialogue?
- How will private sector firms integrate social dialogue into their human resource management strategies?
- Will implementation be characterized by hard or soft forms of regulation?
- How will the firm's demand for flexibility and efficiency be reconciled with the employees' need for security?



Monitoring and evaluating the process of social dialogue

It is important to establish that monitoring and evaluation is, or should be, an ongoing process that informs and improves future social dialogue. To do this, the criteria for evaluation must be agreed by the social partners, in particular whether the focus will be on the outcomes as well as the process of social dialogue. Data collection is vital to the process of monitoring and evaluation and should be undertaken by the social partners as a matter of course, possibly with some assistance from third parties (e.g. specialist government agencies or independent researchers commissioned to examine specific social dialogue processes or outcomes). The latter might be particularly important when remedial action is needed to address deficiencies in the social dialogue or to help resolve conflicts between the social partners. These activities are set forth in figure 8.

Figure 8 Activities for monitoring and evaluating social dialogue





9.1 Establishing agreed criteria

Although the intention is to monitor and evaluate the *process* of social dialogue, in practice it is often difficult to divorce this from an evaluation of progress towards the agreed *outcomes* (or agenda) of social dialogue. It is therefore essential to establish agreed criteria for the evaluation of social dialogue. It should be recalled that the primary aims of social dialogue are to build trust and credible commitments between the social partners, as well as to promote democratic involvement and provide a setting for more efficient bargaining by helping to separate bargaining over “the state of the world” from that over the division of costs and benefits. Democratic involvement may actually raise new issues that were previously suppressed, and although it may now be possible to identify a course of action superior to the status quo *for all concerned*, it may take longer to negotiate “fair shares” during the inevitable stage of distributive bargaining.

Criteria such as trust, commitment, and democratic involvement can be difficult to evaluate, or indeed to weigh against other criteria, such as the time taken to reach an agreement. If negotiations take longer than expected, but the outcome is a stronger commitment to integrative bargaining in the future, how can this be measured against the costs incurred today in terms of port congestion, delays to shipping, high costs, and so on? Nonetheless, trust, commitment and democratic involvement are vital to build the “social capital” that modern-day organizations need to promote innovation, agility and flexibility. Moreover, they are precisely the kind of indicators that the European Commission and other agencies have proposed for a “qualitative dialogue in industrial relations” and “quality indicators” in employment and industrial relations more broadly defined.⁸⁵

If monitoring and evaluation is to include outcomes as well as processes, then the agenda should embrace decent work as well as efficiency, flexibility and the competitiveness of the port(s). Data on the latter tends to be collected on a more systematic basis than information on the former. For example, private companies will routinely collect data on vessel waiting and turnaround times, crane rates, the “dwell time” of container boxes on the terminal and other performance indicators. Port authorities often collect similar data, as do specialist government statistical agencies. In addition, governments will often establish a port reform review body, either *ex ante* to review the process and current outcomes or *ex post* to review the final outcomes. Unfortunately, this is sometimes little more than a paper exercise to justify public expenditure on structural adjustment or PSP in ports.

In the United Kingdom, for example, the Government only commissioned a review of the abolition of the National Dock Labour Scheme (NDLS) in 1991, two years after deregulation, as a result of the escalating costs associated with the Dock Labour Compensation Scheme (see box 10), which was brought to public attention by the Parliamentary Committee of Public Accounts. The consultants commissioned to review the reforms concluded that “the benefits of abolition [of the NDLS] have far exceeded the attendant costs.”⁸⁶ However, the apparent (net) benefit derived from

⁸⁵ European Foundation (2002 and 2004).

⁸⁶ Pidea plc – MDS Transmodal (1993).



abolition was calculated solely on the basis of an annual saving on wage costs of £148 million (at 1991 prices) versus the “once-for-all” cost of redundancy payments of £229 million. Not only were these costs inaccurate – a further £42 million was incurred in legal costs and compensation associated with the unfair dismissal of former registered dockers, most notably a number of workplace union representatives, as well as pay in lieu of notice – but the consultants also “overlooked” the debts of the National Dock Labour Board and costs arising from lost tax revenue and ongoing social security payments to unemployed dockworkers (most redundant dockers were unable to secure alternative employment). Moreover, most of the cost savings were appropriated by the (former public) port authorities in the form of higher profits.⁸⁷ The contrast between the ad hoc monitoring of port reforms in the United Kingdom during the late 1980s and early 1990s and Australian reforms implemented at the same time could not be starker, as the case in box 26 illustrates.

⁸⁷ See Saundry and Turnbull (1997) and Turnbull and Wass (1995b).

Box 26 | Monitoring and evaluating waterfront reform in Australia, 1989-92

Whereas the United Kingdom Government determined to fund the Dock Labour Compensation Scheme (1989-92) “without any cash limits” on the total severance payments (see box 10), Australia’s In-Principle Agreement (1989-92) provided that payments for redundancy, retraining and restructuring were conditional on the implementation of agreed reforms arising from a wide-ranging review under the auspices of an Inter-State Commission (see figure 6). More specifically, the Agreement committed the social partners to the rationalization of 20 collective agreements into a single industry agreement (to provide for a new skills-based classification structure) combined with the transition from industry- to enterprise-based agreements. The latter were intended to redefine the nature of the future relationship between individual employers and their workers, create more commercial and more competitive operating companies, and bring to the workplace, for both management and employees, the key reforms outlined in the In-Principle Agreement.

A Waterfront Industry Reform Authority (WIRA) was established by the Federal Government as an independent body with a remit to oversee and monitor the process of waterfront reform.¹ WIRA was required to continually monitor progress and report to the social partners at six-monthly intervals. A timetable for the reforms to be progressively implemented was set out in the Agreement, with specific targets to be achieved within six months, 12 months, two years and three years. Progress was evaluated against five main categories of performance:

- Stevedoring Performance Indicators (e.g. cargo handling rates, productivity of equipment, utilization of labour and equipment for different modes of traffic)
- Stevedoring Labour Indicators (e.g. number of employees, average age, hours worked, idle time, industrial disputes)
- Shipping Performance Indicators (e.g. delays awaiting berth, delays alongside arising from congestion, equipment shortages/breakdown, labour shortages, etc.)
- Port Indicators (e.g. facility utilization and tonnages handled)
- International Performance Indicators (e.g. ship and crane working rates for specific ships calling at different ports)

After two years, WIRA was able to report that structural reform, via the implementation of enterprise-based agreements, was “providing the basis for Australia’s stevedoring and international container depot industries to achieve world class standards not considered possible a few years ago.”² At the end of the three-year Agreement, during which time WIRA had approved 108 enterprise agreements and overseen a 57-per cent reduction in the size of the workforce, Australian grain ports were among the most efficient in the world, container terminals had increased their productivity by 100 per cent and reduced turnaround times by 20-30 per cent, the annual saving to importers and exporters was around A\$170 million, and the payback period for the total cost of the reform programme was estimated to be just one year.³

¹ The *In-Principle Agreement* also granted “Any party ... the right to seek a review of progress at the Industry level.” (para. 5.2, In-Principle Agreement, WIRA, September 1989).

² WIRA (1991).

³ WIRA (1992).



9.2 Data collection

It is important that data collection is objective. The social partners should endeavour to undertake their own research on both the process and outcomes of social dialogue, and in the spirit of social dialogue should consider the formation of a permanent joint committee, such as that established in Italy (June 2001) with responsibility for all economic and social issues in the sector.⁸⁸ In addition, public authorities (ports and relevant government departments) should be encouraged to undertake tripartite reviews and commission independent research. It must always be borne in mind that data is collected for a purpose – it is the foundation of the research that will help to inform and improve subsequent action. To this end, data collection should embrace labour indicators (as in Australia, box 26) that can be used to evaluate decent work as well as port performance. Such data is vital when the social partners need to take remedial action or resolve conflicts of interest.

9.3 Remedial action and conflict resolution

Objective data should enable the social partners to agree on “the state of the world”, leaving any differences to the distribution of costs and benefits between the principal actors and other stakeholders. Any process of social dialogue is bound to encounter unexpected delays or unanticipated constraints that divert the social partners from their agreed course of action. During the waterfront reforms in Australia (see box 26), for example, implementation was put on hold during national wage negotiations between the Australian Council of Trade Unions and the Labor Government. This generated criticism and caused considerable disquiet both inside and outside the industry.

Systematic monitoring and evaluation, according to agreed criteria using objective data, will enable the social partners to identify any deviations from the agreed agenda or plan of action. In the event of any such deviations, appropriate remedial action can then be taken. More significant deviations, however, may give rise to overt social conflict and it is important to agree in advance how disputes and disagreements will be settled. For example, will the social partners seek to keep integrative and distributive bargaining separate, with the former handled through joint consultation and the latter through collective bargaining? Will the social partners make use of existing machinery and procedures for handling grievances and resolving disputes or will recourse be needed to special institutions established to oversee the reform process? Monitoring and evaluation is likely to involve a combination of continuous and periodic review, and the agencies or processes involved in the latter might prove useful when the social partners face particularly contentious issues. All these issues need to be discussed well in advance, at the planning stage, illustrating the importance of interaction between the different phases and activities discussed in sections 6 to 9.

⁸⁸ ILO (2002), pp. 80-81. See also box 21.



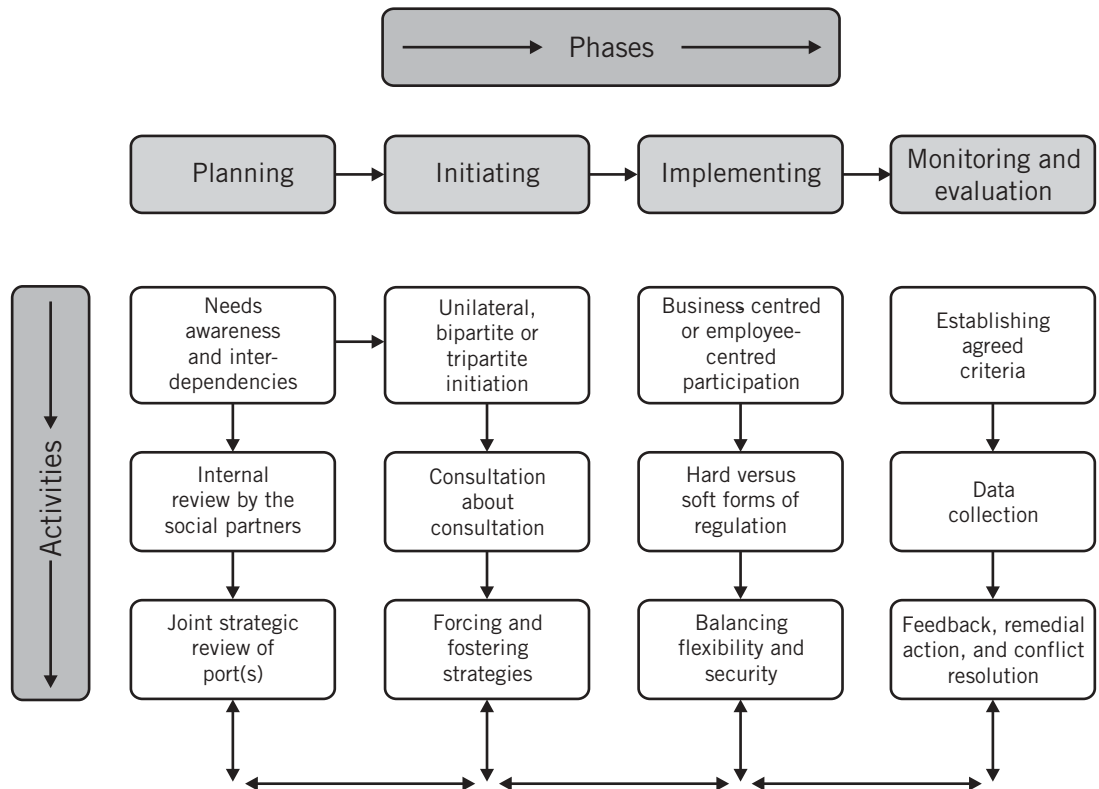
9.4 Reviewing the phases and activities of social dialogue

The process of social dialogue discussed in sections 6 to 9 – based on the sequential phases of Planning → Initiating → Implementing → Monitoring and Evaluation – is based on an “action research” model in which research and feedback on the process act as a guide for future dialogue. This cyclical process of action (Planning → Initiating → Implementing) and research (→ Monitoring and Evaluation →) is not designed simply to address specific issues or problems but to develop greater knowledge and enhance the skills of the social partners so that they can engage in future dialogue more effectively.

To be effective, research (monitoring and evaluation) should be a continuous process that takes place at each phase of the social dialogue – rather than a review at the end of the process – as well as during each of the different activities associated with planning, initiating and implementing social dialogue (see figure 9). For example, it is important to establish from the outset whether, or to what extent, all the different stakeholders are aware of the need for structural adjustment or PSP, and whether, or to what extent, they appreciate the interdependencies between themselves. Subsequent difficulties during the implementation phase might be traced all the way back to a failure to heighten awareness of the need for change or a failure to appreciate stronger interdependencies between the social partners in a more competitive port environment. Likewise, an internal review by the social partners during the planning phase will often lead to a redefinition of the actors’ self-interest strategies in a “public regarding” way (e.g. an acceptance that the actions of stakeholders in the port not only affect their own well-being but the social and economic prosperity of the locality, region or even the national economy). The social partners are not expected to abandon their own objectives or mission, but to add something to them and draw a new balance between their own interests and those of other stakeholders. If this is not done, or if a clear justification is not established for the status quo, then this might jeopardize social dialogue during a later phase. These issues need to be monitored and evaluated at the time, on a systematic and integrated basis, rather than brought to light through a post hoc review when the process of social dialogue runs into difficulties.



Figure 9 Phases and activities of social dialogue in ports



9.5 Checklist

- What criteria should be used to evaluate and monitor the process of social dialogue, and who should be involved in setting these criteria?
- Should the monitoring and evaluation of social dialogue focus solely on the process or also include agreed outcomes from the agenda of structural adjustment and PSP in ports?
- Who should undertake the evaluation of social dialogue in ports?
- What data is available and/or required?
- How will conflicts between the social partners during the process of dialogue be resolved?



10.

Mobilizing the resources needed for social dialogue

Social dialogue requires a considerable investment of time, financial and human resources by all the social partners. For social dialogue to be effective, especially in the context of structural adjustment and PSP in ports, a human resource development plan should be drawn up to identify and provide any necessary training for all the individuals involved in social dialogue. There must also be realistic calculations of the time and resources that will need to be invested, as well as an appraisal of the potential costs and benefits of the process. The resources that will need to be mobilized are both internal to the social partners (e.g. company human resources departments or union training programmes/facilities) and externally provided (e.g. by the State or other partners and international organizations identified in figure 1).

10.1 Training and development

The major costs incurred by social dialogue are generated by training and the time needed to participate in the process. Training needs should be identified at the outset, during the planning phase, and will initially be determined by the social partners in relation to their own internal review and the preparations their respective organizations need to undertake if they are to make a positive contribution to the process of structural adjustment and PSP in the nation's ports. Elected representatives and individuals nominated to participate in social dialogue, at whatever level (e.g. workplace council, company-wide committee, supervisory board of directors, port-level collective bargaining, or tripartite national ports committee/task force) will require training in both technical and social skills. The former might include negotiating and administrative skills (e.g. minute taking and writing feedback reports for constituents), while the latter might include active listening and learning to read body language. In many ports, worker representatives lack basic knowledge on structural adjustment issues and PSP,⁸⁹ and it is especially important that resources are made available for such training. Box 27 provides examples of the training offered to worker representatives by the Democratic Trade Union Confederation of Romania (CSDR) and the Singapore Port Workers' Union (SPWU).

⁸⁹ Marges and Iglesias (1999).

Box 27 | Training for workplace delegates: The examples of Romania and Singapore

The CSDR has produced a *Guide on Social Dialogue* to be used as a training tool for all those in charge of training worker representatives on issues related to social dialogue and social partnership. The *Guide* comprises assistance for training in the following areas:

- Legal framework
- Communication and negotiation
- Personal skills
- Self-evaluation and self-training
- Training strategies

The *Guide* also includes case studies which detail problems and potential solutions based on concrete examples.

The **SPWU** provides extensive training for workplace delegates, ranging from a Basic Certificate in Industrial Relations, developed in conjunction with the Singapore Institute of Labour Studies, to special one-day seminars on communication skills. The former is a tailor-made, four-module programme with eight main topics – trade union movement, roles and responsibilities of union officials, labour legislation, the Singapore industrial relations system, grievance handling, leadership skills, presentation skills, and globalization and national challenges – run over a period of three months. The latter include courses such as “SPIKES in Communication”, a one-day seminar covering the following topics: Setting up communication, Perceptions, Invitation, Knowledge, Emotions and Strategy.

10.2 Calculating the costs and benefits of social dialogue

The social partners need to be realistic about the time and costs involved in training for social dialogue, especially if they must rely solely on their own resources. However, there may well be national training programmes and resources provided by the broader representative organizations (e.g. training programmes run by a national trades union federation or employers’ association) and these should be utilized whenever appropriate, bearing in mind that they are more likely to provide generic rather than specific training.

In many countries, especially liberal market economies such as the United States and the United Kingdom, there is an increasing trend for private sector companies to “cost” all their investments in human resource management – based on the adage that “you can only manage what you can measure” – and management may well adopt this approach in relation to social dialogue.⁹⁰ While this approach might provide a rationale

⁹⁰ See Ulrich (1997).



or justification for the resources that need to be invested in social dialogue, it also presents some dangers, not least the tendency of many managers to overlook important variables that cannot be so easily measured (for example trust, democratic involvement and good governance).⁹¹ Any calculations of the costs and benefits of social dialogue should include equity as well as efficiency, security as well as flexibility, decent work as well as customer service, and so forth. Moreover, as training and human resources development is a field where the social partners are normally more likely to reach agreement, even in contexts where there is social conflict over other aspects of work and employment, it is often a good beginning for social dialogue experiences. Put differently, the benefits can extend well beyond the immediate remit of providing the social partners with the skills and capacity to engage in social dialogue.

10.3 Internal and external resources

In most countries, the ministry for labour or employment will have a training service or unit. In Latin America and the Caribbean, for example, there is not a single ministry for labour that does not have such a service or unit. In most European countries, companies are legally obliged to provide employees with information and to consult employee representatives on matters related to work and employment. Moreover, they must provide the facilities and resources needed for bilateral social dialogue, ranging from the workplace to their international operations (works councils and European Works Councils respectively). Clearly, the availability and mobilization of resources for social dialogue will differ systematically from one country to the next. Box 28 provides examples from Chile and Denmark.

⁹¹ See Pfeffer (1997).

Box 28 | National resources for training

In **Chile**, there is a tripartite national body responsible for planning, managing and monitoring training policies at national level, as well as a similar body at the regional level. At the enterprise level, local training committees are established on a bipartite basis. The respective organizations are:

- **Consejo Nacional de Capacitación** (National Training Council). The Council has a tripartite structure (but no equal participation) and its function is to advise the Ministry of Labour on the formulation of a national training policy. It was set up for counselling purposes and therefore has no resolving power.
- **Consejos Regionales de Capacitación** (Regional Training Councils). These Councils are regional tripartite bodies that advise regional governments on the implementation of national training policies at local level.
- **Comités Bipartitos de Capacitación** (Bipartite Training Committees). These Committees are established at enterprise level in order to agree and evaluate training programmes for workers and provide counselling on training to the enterprises' management. A Committee of this type must be set up in all firms employing 15 or more workers. The cost of training activities carried out by enterprises with the endorsement of Bipartite Committees is deductible from corporate taxes up to 1 per cent of the respective company's payroll.

In **Denmark**, social partners and public authorities work closely together in order to promote competence development in companies. In this way, consistency can be ensured between the work done in bipartite social dialogue and in tripartite bodies, which exist at national, sector and local levels.

At *national level* the general framework is defined through tripartite bodies advising the ministers. At *sectoral level*, framework agreements can be negotiated between the social partners to define general principles and common features for competence development in companies. These agreements deal with issues such as access to learning, resources for learning, and establishment and role of employees' representative bodies. At *company level*, different tools are used to ensure cooperation between the social partners. Identification of a worker's current competencies and future needs is possible through an annual interview between employer and employee (approximately 75 per cent of Danish employees benefit from these interviews). Once the outcomes of interviews are analysed and the company's competence needs are defined, a learning plan can be developed. Local training committees offer the possibility for management and worker representatives to discuss and plan learning activities.

Different financing systems are put in place to cover the range of different resources invested in learning activities: time, training fees, compensation for salary reduction during training periods, etc. For example:

- most of the basic adult education is financed by the State. A state fund, managed by the social partners, is designed to finance continuing vocational training. Social partners decide on the purpose and the content of funded learning activities, through framework agreements and joint committees;
- collective agreements foresee that, in cases where the State ensures an income equal to the level of unemployment benefits to employees during training periods, employers pay the difference between unemployment benefits and the actual wage;
- investment of financial resources and/or time can also occur on the sole initiative of employers or employees.

Source: ILO and ETUC.



In situations where governments launch a programme of structural adjustment and PSP in ports, they should also facilitate the process of social dialogue. Even where it is not directly involved in the process (e.g. when a private sector company takes over a long-term lease and negotiates new working conditions for its operations directly with the workforce), the government should still consider whether it needs to provide training or other resources for the social partners (e.g. expert assistance with data collection or independent facilitation or arbitration during negotiations). Among the other resources that the social partners might draw upon are those provided by the partners and international organizations identified in figure 1. The ILO's support for social dialogue is summarized in box 29.

Box 29 | ILO support for social dialogue

The ILO supports social dialogue through a range of activities, principally:

- standard-setting
- technical assistance/policy advice
- ACTRAV, ACT/EMP and other ILO departments
- International Training Centre, Turin

International labour standards take the form of Conventions and Recommendations adopted by the International Labour Conference at its annual meeting in Geneva. On the subject of social dialogue, the primary examples are the Tripartite Consultation (International Labour Standards) Convention, 1976 (No. 144), and the Tripartite Consultation (Activities of the International Labour organization) Recommendation, 1976 (No. 152).

An example of the technical assistance provided by the ILO is the work of SECTOR, the Sectoral Activities Department, which promotes dialogue on priority labour issues at the national and regional levels through seminars and workshops and provides advice on sector labour issues.

ACTRAV is the Bureau for Workers' Activities, which works to strengthen representative, independent and democratic trade unions in all countries. One of its functions is to promote and assist the development of institutions of workers' education and the delivery of coherent and sustained workers' education programmes within the structure of trade union organizations at the international, regional and national levels. ACT/EMP, the Bureau of Employers' Activities, maintains close contacts with employers' organizations in all ILO member States. Its tasks include making ILO resources available to employers' organizations and keeping the ILO constantly aware of employers' views, concerns and priorities. ACT/EMP is available, through national employers' organizations, as a gateway through which employers can gain access to some of the best information available on human resources development, industrial relations and a host of other employment and labour market-related subjects.

The ILO's International Training Centre in Turin promotes social dialogue through a training programme which advocates a social and labour dimension to policy-making, action planning and institution building. It disseminates good practices in social dialogue through bipartite, tripartite and tripartite-plus activities. It also provides awareness-raising, skills development and knowledge-building.

Source: ILO (2004).



10.4 Checklist

- What training needs to be undertaken by the social partners before meaningful social dialogue can take place?
- What financial and human resources are needed for the process of social dialogue?
- Who should contribute to mobilizing these resources?
- Can these resources be provided internally and/or externally, and can they be maintained in the long run?



Bibliography

- ADB. 2000. *Developing Best Practices for Promoting Private Sector Investment in Infrastructure – Ports* (Manila).
- Adeleye, I.L. 2005. *Contesting Globalisation: Nigerian Waterfront Industrial Relations and Trade Union Strategies After 1999*, unpub. MSc Dissertation, Cardiff University.
- Ali, H. Bin H. 1994. *Impact of Port Privatisation in Malaysia with a Case Study of Port Klang*, unpub. MSc Dissertation, Cardiff University.
- Baird, A.J. 2002. "Privatization Trends at the World's Top-100 Ports", *Maritime Policy & Management*, 29(3): 271-84.
- Barton, H.; Turnbull, P. 1999. *Economic & Social Research Council End of Award Report (R000235425): Labour Regulation and Economic Performance in the European Port Transport Industry*, available at www.regard.ac.uk.
- Beaumont, P.C.; Hunter, L.C. 2003. *Information and Consultation: From Compliance to Performance* (London, Chartered Institute of Personnel and Development).
- Beer, M.; Spector, B.; Lawrence, P.R.; Quinn Mills, D.; Walton, R.E. 1984. *Managing Human Assets* (New York, Free Press).
- Blyton, P.; Turnbull, P. 2004. *The Dynamics of Employee Relations* (Houndmills, Palgrave-Macmillan).
- Cutcher-Gershenfeld, J.E. 1994. "Bargaining Over How to Bargain in Labor-Management Negotiations", *Negotiation Journal*, 10(October): 323-35.
- Davies, S.; Davies, C.J.; de Vries, D.; Van Voss, L.H.; Hesselink, L.; Weinbauer, K. (eds.). 2000. *Dock Workers: International Explorations in Comparative Labour History, 1790-1970*, Vols. 1 & 2 (Aldershot, Ashgate).
- De, P.; Ghosh, B. 2003. "Causality Between Performance and Traffic: An Investigation with Indian Ports", *Maritime Policy & Management*, 30(1): 5-27.
- Dombois, R.; Wohlleben, H. 2000. "The Negotiated Change of Work and Industrial Relations in German Seaports – The Case of Bremen", in R. Dombois and H. Heseler (eds.), *Seaports in the Context of Globalization and Privatization* (Universität Bremen, KUA).
- European Commission. 2002. *The European Social Dialogue: A Force for Innovation and Change*, COM[2002] 341 final (Luxembourg, Office for Official Publications of the European Communities).
- _____. 2003. *The Sectoral Social Dialogue in Europe* (Luxembourg, Office for Publications of the European Communities).

European Foundation. 2002. *Towards a Qualitative Dialogue in Industrial Relations* (Luxembourg, Office for Official Publications of the European Communities).

_____. 2004. *Quality in Industrial Relations: Comparative Indicators* (Dublin, European Foundation for the Improvement of Living and Working Conditions).

Evans, A.A. 1969. *Technical and Social Changes in the World's Ports* (Geneva, ILO).

Goldblatt, L. 1963. *Men and Machines* (San Francisco, ILWU-PMA).

Hall, P.A.; Soskice, D. 2001. "An Introduction to Varieties of Capitalism", in P.A. Hall and D. Soskice (eds.), *Varieties of Capitalism: The Institutional Foundations of Comparative Advantage* (Oxford, Oxford University Press).

Hartman, P.T. 1969. *Collective Bargaining and Productivity: The Longshore Mechanization Agreement* (Berkeley, University of California Press).

Hoyle, B. 1999. "Port Concentration, Inter-Port Competition and Revitalization: The Case of Mombassa, Kenya", *Maritime Policy & Management*, 26(2): 161-74.

ILO. 1995. *Social and Labour Effects of Structural Adjustment in the Port Industry of Selected Asian and Pacific Countries*, Report of the ILO Regional Seminar, Pattaya, Thailand, 15-21 March (Geneva).

_____. 1996a. *Social and Labour Problems Caused by Structural Adjustment in the Port Industry*, Report for discussion at the Tripartite Meeting on Social and Labour Problems Caused by Structural Adjustment in the Port Industry (Geneva).

_____. 1996b. Tripartite Meeting on Social and Labour Problems Caused by Structural Adjustment in the Port Industry: Note on the Proceedings, Geneva.

_____. 1999. *Decent Work*, Report of the Director-General (Geneva).

_____. 2002. *General Survey of the Reports concerning the Dock Work Convention (No.137) and Recommendation (No.145), 1973* (Geneva).

_____. 2004. *Promoting National Social Dialogue: An ILO Training Manual* (Geneva).

_____. 2005. *Safety and health in ports*, Code of practice (Geneva).

Inoue, S. 2005. "Towards the New Framework of Port Industry for the 21st Century", available at www.iaphworldports.org/trade/inoue.htm.

Ircha, M.C. 2001. "Port Strategic Planning: Canadian Port Reform", *Maritime Policy & Management*, 28(2): 125-40.

ISC (1987) *Waterfront Strategy – Initial Report* (Canberra, Australian Government Publishing Service).

Ishikawa, J. 2003. *Key Features of National Social Dialogue: A Social Dialogue Resource Book* (Geneva, ILO).

ITF. 2000. *Port Worker* (London).

Lord Shaw. 1920. *Report Concerning Transport Workers' Wages*, Cd. 936-7 (London).



- Marges, K. 1999. "Effects of Privatisation of Seaports on Workers' Interests", Organization of American States, First Meeting of the Inter-American Committee on Ports, Guatemala (available from ITF).
- _____; Iglesias, J. 1999. "Fact Finding Mission to Central America", 7 April (London, ITF).
- Patterson, M.; West, M.; Lawthorn, R.; Nickell, S. 1997. *Impact of People Management Practices on Business Performance* (London, Institute of Personnel and Development).
- Pérez-Díaz, V.; Rodríguez, J.C. 1995. "Inertial Choices: An Overview of Spanish Human Resources, Practices and Policies", in R. Locke, T. Kochan and M. Piore (eds.), *Employment Relations in a Changing World Economy* (Cambridge, MA, MIT Press).
- Pfeffer, J. 1997. "Pitfalls on the Road to Measurement: The Dangerous Liaison of Human Resources with the Ideas of Accounting and Finance", *Human Resource Management*, 36(3): 357-65.
- _____. 1998. *The Human Equation: Building Profits by Putting People First* (Boston, MA, Harvard University Press).
- Phillips, G.; Whiteside, N. 1985. *Casual Labour: The Unemployment Question in the Port Transport Industry 1880-1970* (Oxford, Clarendon Press).
- Pieda plc–MDS Transmodal. 1993. *The Abolition of the Dock Labour Scheme*, Research Series No. 14 (London, Employment Department/HMSO).
- PMA. 1958. *Analysis of Work Stoppages in the Pacific Coast Maritime Industry 1957* (San Francisco, CA).
- Robinson, R. 2002. "Ports as Elements in Value-Driven Chain Systems: The New Paradigm", *Maritime Policy & Management*, 29(3): 241-55
- Saundry, R.; Turnbull, P. 1997. "Private Profit, Public Loss: The Financial and Economic Performance of UK Ports", *Maritime Policy & Management*, 24(4): 1-16.
- _____. 1999. "Contractual (In)Security, Labour Regulation and Competitive Performance in the Port Transport Industry: A Contextualised Comparison of Britain and Spain", *British Journal of Industrial Relations*, 37(2): 273-96.
- Sisson, K. 2000. *Direct Participation and the Modernisation of Work organization* (Dublin, European Foundation for the Improvement of Living and Working Conditions).
- Suykens, F. 1985. "Administration and Management at the Port of Antwerp", *Maritime Policy & Management*, 12(3): 181-94.
- Todd, P.; Peetz, D. 2001. "Malaysian Industrial Relations at Century's Turn", *International Journal of Human Resource Management*, 12(8): 1365-82.
- Tull, M.; Reveley, J. 2002. "Privatisation of Ports – An Evaluation of the Malaysian Experience", *Economic Papers*, 21(4): 63-80.
- Turnbull, P. 1996. *Port Workers and Privatisation*, unpub. paper, University of Leeds.

- _____. 2000. "Contesting Globalization on the Waterfront", *Politics & Society*, 28(3): 273-97.
- _____. 2005. "The War on Europe's Waterfront – Repertoires of Power in the Port Transport Industry", *British Journal of Industrial Relations* (forthcoming).
- _____; Sapsford, D. 2001. "Hitting the Bricks: An International Comparative Study of Conflict on the Waterfront", *Industrial Relations*, 40(2): 231-57.
- _____; Wass, V. 1995a. *Reform and Structural Adjustment in the World's Ports: The Future for Labour and the Unions* (London, ITF).
- _____. 1995b. "Accounting for the Costs and Benefits of Port Transport Deregulation and the Dock Labour Compensation Scheme", *Public Administration*, 73(4): 513-34.
- _____. 1995c. *Port Workers' Unions Response to Structural Adjustment in the Asia/Pacific Region: The Results of the ITF Survey* (London, ITF).
- _____. 1997. "Dockers and Deregulation in the International Port Transport Industry", in J. McConville (ed.), *Transport Regulation Matters* (London, Cassell).
- _____. 2005. *Defending Dock Workers – Globalization and Labor Relations in the World's Ports*, unpub. paper, Cardiff University.
- Ulrich, D. 1997. "Measuring Human Resources: An Overview of Practice and a Prescription for Results", *Human Resource Management*, 36(3): 303-20.
- UNCTAD. 1995. *Comparative Analysis of Deregulation, Commercialization and Privatization of Ports* (UNCTAD/SDD/PORT/3), Geneva.
- _____. 1998. *Guidelines for Port Authorities and Governments on the Privatization of Port Facilities* (UNCTAD/SDTE/TIB/1), Geneva.
- _____. 1999. *Port Modernization: A Pyramid of Interrelated Challenges*, Economic Commission for Latin America and the Caribbean (ECLAC), LC/G 2031, United Nations.
- _____. 2001. *Survey of Good Practice in Public-Private Sector Dialogue* (UNCTAD/ITE/TEB/ 4), Geneva.
- _____. 2003a. *African Ports: Reform and the Role of the Private Sector* (UNCTAD/SDTE/ TLB/5), Geneva.
- _____. 2003b. *Review of Maritime Transport, 2003* (Geneva).
- _____. 2004. *Review of Maritime Transport, 2004* (Geneva).
- Visser, J. 1999. "Societal Support for Social Dialogue: Europe's Trade Unions and Employers' Associations", in G. Huemer, M. Mesch and F. Traxler (eds.), *The Role of Employer Associations and Labour Unions in the EMU: Institutional Requirements for European Economic Policies* (Aldershot, Ashgate).
- _____. 2001. "Industrial Relations and Social Dialogue", in P. Auer (ed.), *Changing Labour Markets in Europe: The Role of Institutions and Policies* (Geneva, ILO).



Walton, R.E.; Cutcher-Gershenfeld, J.E.; McKersie, R.B. 1994. *Strategic Negotiations: A Theory of Change in Labor-Management Relations* (Boston, MA, Harvard University Press).

Wilson, D.F. 1972. *Dockers: The Impact of Industrial Change* (London, Fontana-Collins).

WIRA. 1991. *Fourth Six Month Report* (Sydney).

_____. 1992. *Final Report* (Sydney).

World Bank. 2001. *World Bank Port Reform Tool Kit* (Washington, DC).