

CEPAL

REVIEW

NUMBER 57
DECEMBER 1995
SANTIAGO, CHILE

ANIBAL PINTO
Director of the Review

EUGENIO LAHERA
Technical Secretary



UNITED NATIONS

CONTENTS

The United Nations and ECLAC at the half-century mark of the Organization	7
<i>Gert Rosenthal</i>	

The creation of the United Nations and ECLAC	17
<i>Hernán Santa Cruz</i>	

Human rights and the child	35
<i>Teresa Albáñez</i>	

Governance, competitiveness and social integration	45
<i>Fernando Calderón G.</i>	

Port privatization, labour reform and social equity	57
<i>Larry A. Burkhalter</i>	

New trends in wage policies	75
<i>Andrés Marinakis</i>	

Central America: macroeconomic performance and social financing	85
<i>Francisco Esquivel</i>	

Panama and Central American economic integration	95
<i>Luis René Cáceres</i>	

The dual currency bifurcation of Cuba's economy in the 1990s: causes, consequences and cures	113
<i>Archibald R. M. Ritter</i>	

Transnationalization and integration of production in Latin America	133
<i>Armando Di Filippo</i>	

Index of CEPAL Review, Numbers 1 - 57	151
--	------------

Guidelines for contributors to <i>CEPAL Review</i>	193
---	------------

Port privatization, *labour reform* and social equity

Larry A. Burkhalter

*Sea Transport and Ports
Specialist, Transport Unit,
International Trade,
Transport and
Finance Division, ECLAC.*

Governments of the ECLAC region have promulgated labour regimes which support port workers' desire for stable wages and job security, isolate them from market signals and create cargo-handling monopolies. The advent of a global economy, the introduction of export-led growth policies, the acquisition of advanced cargo-handling equipment and electronic information systems, and the participation of private interests in the offer of port services permit enterprises to compare, purchase and employ raw materials, labour and service inputs worldwide, and have transformed the traditional concept of competition between comparable finished goods into input-to-final product competition. Port labour is only one of the inputs in the distribution process and must be organized on a commercial basis in order to make possible competition with other ports in the world. The free play of market mechanisms offers an external standard to control the size of the workforce, harmonize the desires of dockworkers and maritime employers, and compel each to progressively improve productivity, reduce costs, innovate and make needed investments. Reforms of port labour regimes should remove regulatory impediments to the free play of market mechanisms; decentralize and deregulate the labour market; utilize antimonopoly laws which are applicable to maritime employers and labour unions to avoid misuse of market mechanisms; eliminate direct government participation in port operations, collective negotiations and informal dispute resolution, and promote opportunity-oriented social equity in the award of worker benefits. With a commercial port labour regime, maritime transport employers would come to recognize that their commercial objectives and the social goals of port labour are intertwined, and cannot be attained independently.

I

Background

For many centuries, the loading and discharge of vessels and the attendant storage of goods were carried out by informal, casual labourers in an extremely hazardous and insanitary setting. The only requirement for hiring such workers was strength, not skills or problem solving abilities. They needed no training, and were easily replaced if tired, unable to perform their work, unwilling to take risks, injured or sick. These conditions laid the groundwork for the centuries-held belief that port work was only for those who could not find employment elsewhere. Dockworkers reacted to the abusive nature of their employment and labour-displacing cargo-handling equipment by forming mutual assistance societies which would later become powerful union forces. These factors and the Great Depression of the 1930s led to a broadly held belief that government intervention was essential to economic stability, full employment and social equity in this field. This encouraged the adoption of paternalistic labour regimes by governments of the ECLAC region, many of which are still in force (Segura, 1993, pp. 32, 33 and 36; Edwards, 1993, p. 13; Banuri, 1990, pp. 51-61).

Paternalistic port labour regimes strongly support the social goals of dockworkers, create an unattractive investment setting for private interests, and have led governments to expand their role in ports from regulators to owners, investors, employers and administrators. These regimes were based upon a number of assumptions, such as: capital and labour are locked in an irreconcilable and destructive conflict; the services provided by cargo-handling monopolies can be just as cost-effective as those furnished by the private sector; neither governments nor port labour need respond to market signals; labour-saving technologies are socially irresponsible; only monetary incentives will induce dockworkers to make an effort to improve productivity and lower costs; the social costs of port labour reform are so high that governments cannot incorporate market mechanisms into labour regimes so as to commercially balance the interests of exporters, importers, carriers, dockworkers and maritime employers; and port labour monopolies, political alliances and gov-

ernment subsidies will not lead to grossly overstaffed, inefficient and expensive port services (Apolo, 1994, pp. 47, 57-59; Couper, 1986, p. 55).¹

Such assumptions have lost their legitimacy with the advent of a global economy, export-led growth policies and private participation in public-sector ports. No longer can capital and labour, for instance, be considered in terms of means and ends, and, therefore, in irreconcilable and destructive conflict, since they are in fact two measures of the same reality. They are both means and ends, and can only be attained in a setting subject to market mechanisms, because such mechanisms provide the only common, invariably unbiased standards by which the commercial objectives and social goals of capital and labour can be reconciled. Likewise, investments in labour-saving technologies have become socially responsible because improvements in productivity and cost-effectiveness make a port more attractive to users, generate new sources of employment in a port's hinterland and create a more secure work environment for dockworkers. The commercial objectives of exporters, importers, carriers and maritime employers, and the social goals of port labour, have become complementary and interdependent, and cannot be obtained without a joint, collaborative effort.

In a highly competitive global economy, social equity is opportunity-oriented and commercial. It no longer conforms to the paternalistic, market distorting, bureaucratic standards of yesteryear, because it does not guarantee jobs or a stated level of income, benefits and purchasing power to dockworkers

¹ As a recent example of overstaffing, in a dispute between the International Longshoremen's & Warehousemen's Union (ILWU), which represents port labour on the U.S. West Coast, and Peavey Grain Terminal over dismissal of redundant workers, the court held that

"The evidence reveals that for several years, the duties of a supercargo (a clerk who checks the cargo) were similar to those already being performed by the load master (the most experienced loader)".

Thus, the supply of port labour and its assignment often has no relation to the volumes of cargoes being handled nor to the cargo-handling equipment utilized. See Mongelluzzo, 1994, p. 8B, and Davies, 1993a, p. 5B.

(Apolo, 1994, pp. 40-41. It should, however, provide them with training and retraining programmes; new job assignments so that they may be rapidly reincorporated into the national workforce; early retirement benefits; fair compensation for the relinquishment of acquired rights and privileges, and an institutional framework which ensures that non-commercial bene-

fits and privileges given up by them will not be captured by another group in the port or trade community. The goals of opportunity-oriented social equity are to create a dynamic, skilled and well-paid port labour force, and to permit ports to function as unprotected business entities within a globally competitive environment.

II

Commercial mandates

Many port labour practices such as cargo-handling monopolies and inefficient two-shift operations were institutionalized during the paternalistic era. For nations which adopt export-led growth policies, such costs and inefficiencies have a negative impact on the prices of both exports and imports. Nowadays, dockworkers face an open commercial environment in which the cost and productivity of their services compete not only with nearby ports serving the same hinterland but also those an ocean away which handle similar goods bound for the same markets. As an illustration of this point, the distribution networks for fresh fruit from Argentina, Chile, New Zealand and South Africa to buyers in Chicago (U.S.A.) compete with each other, and if port labour costs are excessive or productivity is low for any one of them, this could result in loss of that market, even though cultivation and harvesting costs might be lower. Thus, the traditional concept of competition between comparable finished goods has been transformed into input-to-final product competition where each input and final product has its own demanding market requirements.

1. The port labour market

Labour unions have successfully dominated the ports of the ECLAC region for many decades because of the control they exercise over the supply of port labour through political measures such as registration systems, cargo-handling and storage monopolies and government subsidies. The capacity to compare the costs of everything from raw material inputs to labour, and from finished goods to land transport services, creates a powerful incentive to end the isolation of dockworkers from the competitive in-

fluence of the international labour market, and to improve productivity and lower costs: something that was inconceivable even a decade ago. Such registers, monopolies and subsidies have been obtained through political alliances between unions, port administrations and central governments, and they restrict labour supply, guarantee job security and provide many non-market benefits.

In the past, exporters, importers and carriers were cast in an unpatriotic light if they criticized or disapproved of excessive port costs and needless inefficiencies, and they therefore often assumed a passive, almost non-entrepreneurial posture. Port administrations, in their capacity as maritime employers, adopted a social view of their functions in order to avoid being viewed in the same disparaging light. In export-led economies, registers, monopolies and subsidies are nothing more than inefficiencies that must be eliminated in order to enhance the competitiveness of a nation's goods in very demanding international markets and, hence, the job security of port labour. The supply of dockworkers, as well as their wages and benefits, are best regulated by the requirements of exporters, importers and carriers, which is another way of saying that port labour should be exposed to market mechanisms.

The port labour movement has utilized its strategic position in ports to pressure governments to adopt political measures which lessen the impact of both exogenous (the competitive environment facing exporters, importers and carriers, and the transport systems available to cargo owners) and endogenous (productivity and cost-effectiveness of cargo-handling and storage services) factors on the demand for port labour. The introduction of export-led growth policies, however, makes it clear that the demand for

dockworkers' services depends on the demand for and competitiveness of the goods they handle, and governments can no longer avoid that reality by isolating them from market mechanisms.² The respective systems of port labour demand management favoured by the unions or by the employers create costly privileges and benefits, and ignore the commercial realities of competition faced by exporters, importers and carriers. Instead of measures to stabilize the demand for port workers, it might be more beneficial to stabilize their wages by withholding sufficient funds from their earnings to pay them wages during the customary periods of unemployment, and by creating special classes of seasonal workers.

2. The resolution of labour disputes

It has been calculated that the indirect costs of resolving labour disputes in court proceedings are 100 times greater than the direct costs of jury awards, settlements and attorneys' fees (Edwards, 1993, p. 193). The informal resolution of port labour disputes between the parties is eminently more acceptable and modifiable than one imposed by an arbitrator or judge (Schwieger, 1988, pp. 344-349). The resolution of disputes between port labour and maritime transport employers should begin with a review of the problem by a joint labour-management committee.³ In order to provide additional encouragement to use informal procedures, exporters, importers and carriers who can demonstrate that they were financially harmed between the time committee processes were abandoned and the final decision was rendered by a court or arbitration body should be permitted to recover damages from both parties in equal amounts. The informal resolution of labour disputes would then become a value-added component of port services, because the costs of management lockouts, labour strikes and go-slow movements would fall on the parties in dispute themselves.

² The United Nations Conference on Trade and Development (UNCTAD, 1993, p. 2) notes that

"... the demand by these (specific) markets for port services is derived from a demand for door-to-door logistics services which is itself derived from the demand for the products being transported."

³ See, for example, *Compañía Guatemalteca de Terminales a Granel, S. A.*, 1988, pp. 28-30.

The right to strike was profusely utilized by port labour during the paternalistic era, when there were few alternative sources of products, few substitutes for desired products and trade interruptions were customary. However, the global economy, export-led growth policies, capital-intensive cargo-handling equipment, and private participation in public-sector ports have transformed dockworkers and maritime employers into partners in a joint venture with port users—exporters, importers and carriers—where an interruption of cargo-handling operations is harmful to everyone, and the resolution of disputes requires the best efforts, mutual confidence and good will of all to maintain a basis for ongoing collaboration (Di Benedetto, 1994, p. 1B; Cantwell, 1994, p. 7B; Davidow and Malone, 1992, p. 205; Cabot, 1986, pp. 112-127). The right to strike intensifies the keenly contested market facing entrepreneurs, as there are large numbers of potential entrants who would like to satisfy users' needs, so this right should be used in a manner which allows dockworkers to obtain the wages and benefits desired while safeguarding the commercial viability of users and maritime employers.

3. Job security

Regulations which prohibit discharging dockworkers substantially lessen their desire to accept work restructuring proposals, to comply with the service needs of users, and to utilize new technologies. To create job security for dockworkers, governments should adopt port labour regimes which utilize market mechanisms to achieve a commercial equilibrium between the social goals of port labour and the commercial objectives of maritime employers, as well as to insulate governments from political pressures of both groups. A market-oriented reform of port labour regimes entails the acceptance of private participation in port services, but it does not mean a return to employer-controlled job-by-job and day-by-day employment practices. The competitive pressures of a global economy mandate that job security provisions should also safeguard the commercial viability of employers. In an open, competitive port environment dockworkers will come to accept that job security depends on the success of users and maritime employers, not on guarantees laid down in constitutions and regulations.

Dockworkers made redundant by efforts to respond to the global economy through private-sector participation and the utilization of labour-saving technologies can be more easily reinserted into the national workforce if training courses are supported by job placement services, and if such courses are jointly paid for by maritime employers, governments and displaced workers. The payments by the latter could come from the legal settlements and compensation benefits they receive. Modern technologies have also shifted skill requirements for port labour from single-function activities to the need for multiskilled workers to

operate and maintain complex equipment which integrates a large number of different functions. Training programmes must give remaining dockworkers an insight into how greater productivity enhances the competitiveness of exports in international markets, as well as how it attracts exporters, importers and carriers and generates new job opportunities both inside and outside the port.⁴ At the Port of Tilbury (London, U. K.), for instance, dockworkers visit the premises of exporters and importers to observe how costly and inconvenient it is for them if goods are damaged, pilfered or delayed (Finney, 1993, p. 4).

III

Operational mandates

Governments and unions have much in common. Both are socio-political institutions which have an enormous impact on the commercial goals of users. With governments acting as owners and operators of ports, as employers of dock labour, and as direct participants in collective negotiations, unions have a ready ally because such negotiations are bipartite (government-labour), not tripartite (government, employers and labour). Disputes usually arise because users demand that governments (port administrations and maritime employers) compel dockworkers to accept modern technologies and institutional arrangements which enhance productivity and lower costs, while the unions demand that governments (port administrations and maritime employers) protect their wages, benefits and sources of employment. To resolve conflicts, governments (Ministries of Labour) intervene and usually decide that modern equipment will not be purchased or, if acquisition is unavoidable, that it will be utilized in a labour-intensive manner. In this context, dock labour often does not respond to global competition and export-led growth goals, and rejects users' requests to acquire modern equipment, improve productivity, lower costs and utilize flexible work demarcation.

1. Port users' requirements

In a highly competitive, market-driven commercial world, port labour unions can only impoverish them-

selves and users by ignoring users' requirements. Collective negotiations very rarely have anything to do with improving productivity and cost-effectiveness. Most commonly, governments (port administrations) yield to the demands of port labour unions and neither seek to determine nor respond to the commercial needs of users, while Ministries of Labour merely request larger subsidies from governments (Treasuries) to cover greater expenses. This cost-increasing spiral was broken with the emergence of a global economy, the introduction of export-led growth policies, the participation of private interests in public-sector ports and the utilization of advanced technologies. Dockworkers were isolated from competition because ports were viewed by governments as having a strategic role in national defence and economic security, but both ports and dockworkers are now emerging from that political equation and forming part of a global market in which users' needs are paramount.

Port users require progressive improvements in productivity and cost-effectiveness in cargo-handling and storage services to enhance the competitiveness of their goods and services in international markets. Most of these improvements come from advanced technologies and modern institutional arrangements

⁴ *Fairplay International Shipping Weekly*, 1994, p. 8. For a similar situation in the British coal industry, see *The Economist*, 1993a, pp. 39-40.

which can render certain skills and jobs superfluous. The port labour movement can no longer utilize its political alliances and threats of civil disturbances to preserve a historical demand for dockworkers' services and to ensure that skill requirements remain largely unchanged. The speed with which port labour regimes, collective agreements and work practices translate market signals into responses from dockworkers is the key to commercial success in a global marketplace. Attempts to guarantee job security and income for dock labour cannot make ports attractive, even as social entities, unless they enhance the commercial viability of users in world markets.

2. Dockworker participation

The knowledge, experience and intelligence of those who actually provide cargo-handling and storage services is a resource that can make a major contribution to the earnings and competitiveness of ports and private terminal operators, but efforts to take greater advantage of these qualities are often viewed by maritime employers as an encroachment on management prerogatives and by port labour leaders as an effort to undermine union solidarity (ILO, 1981, pp. 29-35). It is often suggested that management prerogatives are derived from the principle of ownership and that dockworkers will have such power only if they are also proprietors. It is also asserted that dockworker participation in earnings and management decisions is a natural consequence of those workers' investment of their labour in the enterprise, just as other people invest capital (ILO, 1981, pp. 14 and 20). Each of these arguments seeks to justify dockworker participation in earnings and workplace decisions on the basis of an initial attribute (ownership or

investment), but the basis for this does not lie in some syllogism or circular argument. Rather, it lies in an understanding that dockworkers have a wealth of useful experience that can be utilized to improve productivity, lower costs, enhance the earnings of users and maritime employers, and satisfy their own opportunity-oriented social goals.

3. Modern technologies and dockworker skills

For dockworkers to properly serve users, to enhance the competitiveness of exports in international markets and to preserve their own jobs, it has become essential that they respond to market signals, utilize advanced technologies and accept training programmes. These changes create a stressful situation for port labour. To create a basis for their acceptance, port labour must be offered a counterbalancing human response, which has been referred to earlier as opportunity-oriented social equity. The main limits to the acquisition of new skills are likely to lie in the capabilities of each individual to cope with enlarged work requirements and responsibilities. Unions were very strong when port labour was an undifferentiated mass of workers in need of representation, but today a much smaller group of highly skilled employees carries out the same operations with very sophisticated equipment. This can lead to a weakening of the port labour movement if dockworkers reject new technologies and are unwilling to negotiate collective agreements which permit their efficient utilization. Modern technologies permit the expansion of dockworkers' skills and knowledge from the capacity to operate one type of machine to an understanding of port operations, and then to an awareness of how port services fit within a broader perspective of trade requirements.

预览已结束，完整报告链接和二维码如下：

https://www.yunbaogao.cn/report/index/report?reportId=5_3515

