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INTERNATIONAL TRANSPORT WORKERS' FEDERATION
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**EFFECTS
OF
PRIVATISATION OF
SEAPORTS
ON
WORKERS' INTERESTS**

Introduction by
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The International Transport Workers' Federation (ITF) is a federation of 530 transport workers' trade unions in 135 countries, representing more than five million workers. It is one of fifteen International Trade Secretariats allied with the International Confederation of Free Trade Unions (ICFTU). Founded in 1896, it is organised in eight industrial sections: maritime, ports, railways, road transport, civil aviation, inland

navigation, fisheries and tourism services. It represents the interests of transport workers at world level through its input into international solidarity.

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Annex 1:

Effects of privatisation of seaports on workers' interests

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Ladies and gentlemen,

1. Introduction

Before I am able to say a few words about the effects of privatisation of seaports on the interests of the port workers I first need to summarise both workers' interests in general and the current developments and trends in the maritime industry which are relevant for this conference and my contribution. After having done that I will present the effects on workers interests. This overview will show you the importance of privatisation for port workers and the indisputable necessity to solve the social problems caused by privatisation and other port reforms. Finally I will present some of the challenges privatisation causes for the workers and their trade unions.

But let their be no doubt: the role of trade unions is not to take care of the national interest or the interests of the entrepreneurs, employers or top management. They all have (or should have) their own organisation defending their interests. This does not mean that trade unions should have no eye for national interests and national developments.

The role of trade unions, and subsequently my role, is

to defend the interests of the union' members as employees

Of course it is also in the workers' interests if a country has a sound economy and, to name only one indicator, Gross Product raises in stead of drops. At the end it is in the interest of port workers to perform their duties in an efficient functioning port, attracting and thus handling as much as possible ships.

2. Workers' interests

In general, workers' interests may be summarised as follows: *stable and fulfilling employment* (while permanent jobs are better than temporary ones and it is better for workers to have some say in the labour supply system by which they are recruited); *an income adequate to meet basic needs; reasonable working hours; safe, healthy and environmentally acceptable working conditions; social security protection* (e.g. in case of sickness, unemployment, disability and for retirement); *education and vocational training* to obtain the required skills;

equality at work between men and women; and *freedom from discrimination and corruption*. In order to achieve these basic objectives, workers also need strong, effective and democratic trade unions, while an effective information and consultation process, including co-determination on certain workers' interests - in summary workplace democracy - not only offers workers the opportunity to influence decisions, but it also leads to shared responsibility.

Strong trade unions require a national culture in which trade union rights are seen as part of human rights. Sound labour relations, an efficient and democratic organisation, trained and experienced union leadership, sufficient financial means and a union policy and leadership attitude which takes into account both the short and long-term interests of the workers, are basic elements for a strong union.

In summary:

- 1. Employment**
- 2. Income & other working conditions**
- 3. Social Security & pension**
- 4. Education & vocational training**
- 5. Health, safety & environment**
- 6. Workplace democracy**
- 7. Strong trade union**
- 8. Equality between men & women**
- 9. Freedom from discrimination**
- 10. Freedom from corruption**

Each of those interests could be sub-divided into other more explicit interests. Take for example employment: this covers sustainable and permanent jobs, while casual labour, temporary contracts and constructions using sub-contracting are, generally speaking, not seen as being in the interest of port workers.

3. World Trends

Privatisation of seaports takes place against the background of three different but related processes: globalisation, privatisation and modernisation. These mean different things to different people and so are worth defining:

Globalisation in the ports means the clear trend towards the global ownership and management of port terminals. Hutchison and P&O Ports are only two examples of this. It also means port operators being confronted with the effects of the current disastrous consequences of the tariff policies of major shipping lines as they respond to cut throat competition in an industry which,

as a result of the flag of convenience system, is subject to gross overcapacity and totally inadequate regulation.

Privatisation for the ports means the transfer of a range of port related activities from mainly publicly owned to mainly privately owned undertakings. This ranges from loading and unloading of ships, warehousing or towing through to ownership of the port institutions, port authorities, and physical infrastructure. For port workers it means exchanging the status of state employee for the conditions of the private sector.¹

Modernisation includes not only the introduction of new cargo handling technologies and automation of cargo handling and transport but also the replacement of paper based information with office PC systems, EDI, Internet and E-commerce. We can also use the same term to refer to the modernisation of both management and labour organisations within undertakings, as well as changes to labour and other industrial relations at a national, industry and enterprise level.

In summary:

World Trends

1. Globalisation

- * **Global ownership**
- * **Increasing competition**
- * **Global tariff policies shipping lines**

2. Privatisation

- * **Private terminal operations**
- * **Private Port Authorities**
- * **State → private employers**

3. Modernisation

- * **New cargo handling methods**
- * **Automation**
- * **PC's, EDI, internet & e-commerce**
- * **Management & labour**

¹ This paper and the introduction based on this paper does not deal with the question of whether a port or a terminal should be privatised. The answer to the question depends, among others, on the function the port or terminal is given by the authorities. For example: privatisation of a naval base is not a common development. The meaning of “port” in this paper is a port with a purely commercial and industrial function.

* **Industrial relations**

4. Consequences of privatisation for workers

Privatisation is another reform affecting workers since the start of the industrial revolution for which trade unions need to find the correct answer. Privatisation not only means:

- a change in legal ownership of what becomes a separate enterprise;
- the introduction of management independent from the state authorities;
- the obligation (in most cases) to become self supporting and not to rely on state subsidies;

but for workers it also means

- the transfer of being employed by the state into becoming a worker employed by a private company.

In many countries this change of legal status has massive consequences for the rights of the workers. In some countries it has meant that workers mostly theoretically obtained the right to be a member of a trade union, a right which they did not have as employee of the state, which as such was a violation of ILO Conventions. In many other cases it meant that workers lost the support of the trade union organising workers employed by the state as no trade union existed for private company workers in that particular branch at the moment of transfer from the state to the private employer. In those cases employers had the opportunity to set the standards for the working conditions and to take measures which later formed barriers for the establishment of trade unions.

In most cases the experience of privatisation and other port reforms so far is that they are having a dramatic effect on port workers. They are affecting such matters as employment and job security, the structure of the labour organisation on terminals and in offices, resulting in changes in manning levels as well as in the tasks and duties of the remaining workers, in the organisation of labour supply including the restructuring of labour pools and hiring halls, changes in required skills and training, income and other financial benefits, health and safety at the work place, retirement conditions, and, in many countries, welfare facilities such as social security benefits and even education facilities for the workers' children.

Summary of effects so far:

- **mass reduction of employment on short term**
- **worsening working conditions**
- **casualisation of labour**
- **sub-contracting**
- **destruction of trade unions**
- **increased poverty**

No surprise workers and their unions oppose privatisation!

5. Involvement of trade unions in the reform process

A prerequisite for any port reform to be introduced successfully is for the authorities and employers to ensure that the effects of port reforms on the port workers are fully taken into account from the early stages of the reform process and through the entire restructuring. This requires the involvement of trade unions representing the workers from the early stages until the implementation of the changes in order to influence the process and the decisions from the workers' perspective. At the ILO Tripartite meeting on the Problems caused by the introduction of Structural Adjustments in the Port Industry, held in Geneva in May 1996, representatives of governments, employers and trade unions unanimously agreed on this principle.

Attempts to impose reforms unilaterally or to use labour sub-contracting arrangements which exclude trade unions altogether will always be bitterly resisted. Workers are only prepared to accept compromise and to support the proposed restructuring if the introduction of the restructuring is based on agreements reached after negotiation between the authorities, employers and trade unions.

6. Role of union during and after the transition process

May I now highlight some of what I consider as challenges for trade unions, their leadership, and their rank and file members. First however I would like to stress that there is a difference between the transition period to privatisation and the period following the introduction of privatisation. In the transition period the challenge for the trade unions is primarily to defend the short term interests of the workers which means to keep as many jobs as possible for their members and to secure the level of the working conditions in order to enable the workers to continue to feed their families, to pay for their houses and to safeguard the health and education of their children, to name only a few things. At the same time trade unions have to look to the future and to defend the workers' long term interests. This means that they have to develop a policy and a strategy for the future situation following privatisation. Even when workers interests are better off by opposing privatisation, they should also (as a second line of defense) prepare for implementation of privatisation in case it can't be stopped. Developing the details of such policies can only be done case by case, as there is no blue print for a trade union policy answering all questions resulting from privatisation. Moreover, taking into account both workers' short and long term interests trade unions and their leaders, as well as their members, will often come across unavoidable dilemmas.

Any long term policy and strategy requires the trade union leadership to familiarise itself with a post-privatisation position for workers and their

interests. Trade union leaders involved in privatisation need to study the policies and strategies of unions which are used to defend the interests of workers employed by a private company, not in order to copy those policies but to learn from them and to use them when developing their own policies and strategies. This is not an easy task, it is obviously more difficult than the task of a trade union leader already functioning in a post-privatisation situation. It is also difficult when you consider that most of the trade union leaders who have to deal with privatisation are engaged with a union in a developing country, where unions do not have the same experience, know how, financial and technical means as their colleagues in the developed world may count on. Defending workers interests in a transition period is more challenging than defending workers interests in a post-privatisation era.

7. The challenges of privatisation

I have noticed the following six challenges resulting from privatisation:

- **a commitment from trade union leadership**
- **the need to improve expertise within the union**
- **the introduction of new trade union structures**
- **the solution of social problems caused by privatisation**
- **the acceptance of privatisation**
- **the understanding of the need for new labour relations**

Challenge 1: a commitment from trade union leadership

The participation of trade unions in a reform process is a big challenge for the trade union movement and its officials and activists as it requires a commitment from them. Negotiation implies compromise and this may not always be to the liking of all affected trade union members. Union leaders must accept that it is their responsibility, once they believe they have achieved the best deal available, to defend it strongly to their members. In turn authorities and employers must accept and understand that trade unions are democratic organisation and that it is the union members, ultimately, who have to make the decision on whether the results of negotiations are acceptable.

It is evident from those trade unions representing workers which have been involved in consultations and negotiations on the introduction of reforms, the quality of the reform process could be improved by making the know-how and expertise of workers on cargo handling available during the entire process. The involvement of workers' representatives is beneficial to the whole reform process and thus ultimately beneficial to the port users too.

Challenge 2: the need to improve expertise within the union

Let me now highlight the second challenge. Participating in a reform process and in discussions and negotiations not only requires sufficient human resources, but also a certain knowledge of these processes within the trade unions, as well as a trade union structure for internal exchange of information and debate. It is obvious that in some cases this know-how needs to be developed as it has been within those unions more experienced in reform processes. There are several ways to develop and improve this expertise within a union.

Training for trade unionists is one method. Another is to show them the results of privatisation and modernisation elsewhere by organising visits and excursions, the so-called “good-practices experience” method. A third method is to provide the unions with outside expertise, “worker-friendly experts” who they can rely upon to take the workers’ interests into account. Training for trade unionists, visiting other ports and hiring outside consultation all require considerable funds, as you may know from your own experience. The required funds should be made available as part of the framework to be developed by those governments planning port reforms and privatisation. Financial sources could be the same as those used to support the economic and technical reform process. Workers’ representatives should not be denied the same financial support and assistance that management can usually rely upon. This may sometimes even mean that reform programmes should also include funding specifically allocated to the training of all actors and not just the trade unionists involved in the discussions and negotiations, in order that they can do their jobs better.

Challenge 3: introduction of new trade union structures

The third challenge involves the trade union structure. A serious obstacle to a successful port reform, from the workers’ point of view, could lie in outdated union structures, dividing workers in many different unions, usually small unions which are sometimes even competing for membership. This unsuitable kind of decentralisation frequently leads to a sort of rivalry which usually results in unions competing as to who can oppose reforms the most fervently. Even strike actions are used as a tool in this, not only to put pressure on employers or governments but also to prove that the union is really against privatisation. Efficient trade union structures, covering the whole industry, should be created to enable the union officials to exchange information within the union and to organise the necessary internal debate required by a democratic decision making process. The union structure should enable the trade union officials and other representatives to represent all port workers, regardless of their function. At the end of this paper I will come back to the subject of union structures.

In addition: in many cases as a result of the change of employment, the transfer from a state to a private employer, the trade union structures already has to be reconsidered.

In summary:

Participation requires:

commitment

human resources:

- **union officials**
- **rank and file**
- **outside experts**

know how and expertise:

- **training**
- **visits**
- **excursions good practices**

union structure:

- **information**
- **debate**
- **internal democracy**

Challenge 4: How to solve social problems caused by privatisation

The main source of port workers' opposition to privatisation is uncertainty. Faced with the fear of unemployment and/or major cuts in income, their first reaction is always to say no. Unless they can be locked into the change process and given an interest in the results of the reform, they will resist any change.

Employment and income guarantees for port workers affected by privatisation are therefore essential in creating the climate required for successful and lasting port reforms. National governments should actively work to support the principle of permanent and regular employment for port workers. Casualisation of labour, by employing untrained and inexperienced labour, should be avoided. Steps should be taken by all concerned to minimise any reduction in the work force. Active employment policies, including re-training and re-location programmes, should be negotiated to avoid skill mismatches between existing workers and new jobs. Reduced working hours, combined with an increase in the number of workers necessary to do the same amount of work, as well as distributing the available work fairly between existing workers, are other ways in which redundancies can be avoided. Displaced port workers should always be given priority when vacancies need to be filled.

If permanent or regular employment is not a possibility, minimum income guarantees should be negotiated by trade unions. If employment cuts are

unavoidable, the conditions should be introduced by agreement between employers and trade unions. The costs of severance pay, unemployment benefits, pensions, cash payments for early retirement or other measures to overcome social problems should be part of the overall cost of the reform. These costs should be met by governments and/or, in the case of privatisation, the new owner, in many cases fully or partly financed by, for example, international lending institutions.

The main challenge for the trade unions is perhaps to develop their own policy on those issues and from there to convince the authorities and private employers to cooperate in solving the social problems summarised in this paragraph.

Challenge 5: the acceptance of privatisation

The fifth challenge, the acceptance of privatisation and other reforms, which I will now introduce, has already been met by our affiliates, provided certain conditions are being fulfilled. It may be obvious that port reforms and privatisation not only influence the employment and working conditions of the workers, but also the strength, activities and ultimately the existence of the trade unions. This is an additional but very important and understandable reason why privatisation is opposed in many countries. Without this threat the reform would meet less opposition.

Nevertheless unions increasingly recognise the need for a differentiation of their policies on reforms and privatisations. The basis for this changing attitude towards privatisation was the increasing awareness that it is not privatisation as such which destroys jobs or worsens working conditions but the decisions and measures accompanying it. In most cases where privatisation has been introduced the conditions have been unacceptable and the results have been disastrous. In addition it was acknowledged that the degree of privatisation of port functions is also a crucial element for the workers to consider when judging the situation. The most far-reaching privatisation, i.e. the sale to the private sector of all responsibilities by the public port authorities, including both landowner and regulatory functions, will undoubtedly provoke opposition from all port workers' unions.

In June 1997 we had a world-wide Conference in Miami. Delegates from ports all over the world discussed privatisation and other port reforms in detail. The conclusion of the discussions at regional conferences (in Latin America, Africa and Asia/Pacific) was confirmed in Miami: privatisation in the port industry should neither be accepted or opposed as a matter of principle, but should be judged on the basis of the effects that the privatisation would have on the port workers' interests. The involvement of trade unions defending the interests of the port workers in the process of privatisation was considered

crucial for the effects of the privatisation on workers' interests and the ultimate opportunity for the workers to judge the effects.

In summary:

Union policies on port reforms and privatisation:

- **no standard model for privatisation**
- **port privatisation no matter of principle**
- **international support for national union policies**
- **port workers' interests as criterion and condition**
- **financial support facilitating unions' involvement**

Together with the conclusion on the discussions on another matter of great importance, the increasing trend of anti-trade union policies carried out by employers and governments, the conclusion of the discussions on privatisation was summarised in two resolutions and a International Solidarity Contract.

Challenge 6: to understand the need for new labour relations

The sixth challenge embraces the understanding that new labour or industrial relations are unavoidable. By labour (or industrial) relations I mean the way in which official but also un-official relations or contacts regarding 'labour' (human resources) are organised. Actors could be the workers themselves, trade unions, works councils and other workers' representatives. On the 'other side' employers and their organisations, including individual managers are part of the network, while, depending on the tradition, history and the particular privatisation process at stake, authorities and other external stakeholders and advisers may play their roles as actors. Perhaps it is better to speak about a labour relations network instead of structure.

Speaking about good or bad labour relations usually means the relations between individuals or organisations who are the actors in the structure (network) and who are influencing and deciding on policies and issues dealt with, which are ultimately the main concern of the structure and the actors. It could also be an indication of the efficiency of the way the relations are organised. Labour relations do change permanently as part of a dynamic process.

In summary:

aspects of labour or industrial relations:

- **official and unofficial relations**
- **actors**
- **structures / networking**

- **policies and issues**
- **dynamic process**
- **labour**

Privatisation brings with it a complete reform of labour relations. In the case of state owned companies in fact only two parties exist: the state and labour, setting apart the way they are represented. Privatisation means that a third party is being introduced: the private entrepreneur/employer. For many trade union officials this change requires from them a complete overhaul of the way they were used to thinking about labour relations.

Moreover it also requires from managers a completely different attitude and approach. Trade unions, employers and would-be entrepreneurs can no longer rely on governments or other authorities when decisions need to be made. In many instances entrepreneurs have to make their own decisions, in some cases in consultation with representatives of labour and in some cases in consultation with authorities. In turn civil servants in department offices need to accept that employers and trade unions can have their own opinion and may like to develop a joint policy based on their joint opinion, without the interference of civil servants. Authorities must learn that the state, on many occasions, should no longer take the lead, but should provide the environment in which entrepreneurs are encouraged to make their own decisions and in which trade unions and employers are encouraged to develop a joint opinion and policy

As I have said on many occasions, from what I have noticed in many countries this change means nothing less than a culture shock. It requires enlightenment, training, education of entrepreneurs, employers, trade unionists and civil servants to make them understand the big difference privatisation introduces for labour relations. It is obvious that new structures need to be introduced in order to enable social partners and authorities to meet, to consult and to negotiate.

Above all, and what is crucial for sound labour relations: authorities should create the environment in which labour and employers are encouraged to reach agreements on, for example, working conditions or employment issues. In the first instance it should be the responsibility of labour and employers to reach an agreement, which in most cases will require parties to accept a compromise.

I am well aware of the huge difference between current labour relations in many developing countries or countries in transition from a centralised to a market driven economy and the kind of labour relations needed in order to make the reform a success. A bi-partite and tri-partite structure for labour relations cannot be introduced in one week or one month, not even in one year. There is no available blue print for labour relations which could be

introduced. The gradual introduction of new labour relations, specific to each country or port, and their improvement is a continual and dynamic process. It requires a flexible attitude from authorities, would be private entrepreneurs and employers as well as the workers and their unions.

In fact this is a challenge for society in general!

8. ILO Meeting on Structural Adjustments in the Port Industry

At a Tripartite Meeting of the ILO in 1996 dealing with the social repercussions of implementing Structural Adjustments in the Port Industry, which obviously includes privatisation, the both government and employer representatives, together with trade union representatives - I was one of them - agreed that unions should be involved in the reform process. They also agreed that governments have the obligation to provide a legal framework and economic policies that enable reforms to be put in place and maintained. One of the unanimously adopted conclusions was:

'In order to define their respective roles, identify the appropriate reform measures and the means for the implementation, exchange of information and cooperation between employers and workers' representatives should precede the initial stages of reform and should be ongoing'... . 'Employers and workers' representatives should periodically review the reforms undertaken and cooperate in developing any measures that might be requires'.

Another conclusion was:

The establishment of sound labour-management relations, based on mutual trust and confidence between employers and workers' representatives, is important in reconciling and promoting the interests of the industry and in enabling productivity improvements. Within the enabling framework provided by government, employers and workers' representatives should establish and maintain a dialogue to discuss industrial and social issues and strive to reconcile any differences between them.

An early objective of this dialogue should be to establish guidelines to be followed in introducing a port reformn prograrnme. These guidelines should provide for the establishment of constructive labour-management relations with a view to ensuring that there is no overall deterioration in working conditions of port workers, and that the efficiency and effectiveness of port operations are improved.

The full text of the conclusions can be read in Annex 1 to this text.

9. Conclusion

Unfortunately I have not been made aware of any government or any employer who has taken the unanimously adopted conclusions of the ILO Meeting into serious consideration, let alone implemented them. At the same time the ITF and its affiliates have dramatically changed their policy on privatisation.

You will understand that it is not possible to continue in this one sided acceptance of a policy which requires offers from all sides and also offers advantages for all stakeholders. So far the advantages have gone to the governments and employers while the offers have been made by the workers. It's really time for a change.

I hope I have made clear to you that privatisation requires an almost impossible mission to be undertaken by the trade unions who want to defend the workers' short and long term interests. They need to contribute to the solution of short term social problems caused by port reform, in such a way that the solution does not harm the long-term interests of the workers, while at the same time they have to consider and most probably carry out a reform of their own organisation during the process of negotiating the solutions to the social problems caused by port reforms. Even for managers at the top of big companies or government departments this would be a task they could only fulfill if they had sufficient support from their own staff and from outside experts. Trade union officials are not usually in the position of being supported by all sorts of specialists. They should be.

It is in the interests of all stakeholders that unions play a positive role in the reform process. If they can't, their only chance of survival is to oppose any reform. Ultimately that would not be in the interests of all stake holders.

I would like to use this opportunity to ask your support for socially acceptable port reforms and the introduction of more private terminal operations based on an adequate participation of trade unions in the reform process.

I really hope that I may carry a positive message to our affiliates in Central America with whom we start a long term project on port privatisation early next month. The project is financially supported by the USA based AFL-CIO and the Dutch and Danish trade union movements. They too are looking with great interest to the developments in this part of the Americas.

Conclusions on social and labour problems caused by structural adjustments in the port industry²

The Tripartite Meeting on Social and Labour Problems caused by Structural Adjustme in the Port Industry,

Having met in Geneva from 20 to 24 May 1996,

Adopts this twenty-fourth day of May 1996 the following conclusions:

General

1. More private sector involvement and the integration of transport systems in an increasingly competitive and global transport sector have caused continuing and far-reaching changes in the port industry. One of the focuses of these changes has been the introduction of capital-intensive cargo-handling techniques to obtain sustained improvement in port operations.

2. Dialogue between governments and employers and workers' representatives³ in the port industry is a prerequisite for effectively foreshadowing and managing the required changes.

Port reforms

3. Port reform is a continual process that takes place at different rates and from different starting points according to circumstances. There is, therefore, no standard formula for port restructuring that can be universally applied; a transparent approach is required. Port reform should, none the less, be undertaken in the context of economic and social development, and implemented as an integral component of overall transport policy and a national ports policy, where applicable. Special attention should be paid to the economic and social impact of reform on the port, its workers and users.

4. Governments should assume responsibility for providing the legal framework and economic policies that enable reforms to be put in place and maintained. National policy should encourage cooperation between port employers and workers' representatives and freedom of association and the right to collective bargaining according to national law and practice which are consistent with international labour standards.

5. In order to define their respective roles, identify the appropriate reform measures and the means for their implementation, exchanges of information and cooperation between employers and workers' representatives should precede the initial stages of reform and should be ongoing.

6. Employers and workers' representatives should periodically review the reforms undertaken and cooperate in developing any measures that might be required.

Labour-management relations

7. The establishment of sound labour-management relations, based on mutual trust and confidence between employers and workers' representatives, is important in reconciling and promoting the interests of the industry and in enabling productivity improvements. Within the enabling framework provided by government, employers and workers' representatives should

² Adopted unanimously.

³ Throughout these conclusions the term "workers' representatives" has the same meaning as that contained in the Workers' Representatives Convention, 1971 (No.135).

establish and maintain a dialogue to discuss industrial and social issues and strive to reconcile any differences between them.

8. An early objective of this dialogue should be to establish guidelines to be followed in introducing a port reform programme. These guidelines should provide for the establishment of constructive labour-management relations with a view to ensuring that there is no overall deterioration in working conditions of port workers, and that the efficiency and effectiveness of port operations are improved.

Employment

9. Structural adjustment programmes in ports have led to reductions in the workforce. However, as a result of increased productivity, security of employment for those remaining port workers has, in many cases, improved. The level of employment following port reform should always be sufficient to guarantee the provision of port services in a safe and timely manner.

10. Employment policies and practices should be structured so that employers and workers' representatives can develop and agree adequate provisions for port workers who have to change their skills, their jobs, or leave the industry. Relevant national legislation, international labour standards and collective agreements should be taken into consideration by employers and workers' representatives as the basis for reaching agreement on appropriate courses of action. Governments should meet their obligations regarding international labour standards concerning employment and be ready, if requested, to assist employers and workers' representatives in reaching a satisfactory agreement.

11. Where reductions in the workforce are necessary, priority should be given to alternative job opportunities, within the industry and outside, and/or adequate redundancy payments. In the case of future vacancies, priority should be given to the redundant workforce.

12. Employers should engage in a dialogue with workers' representatives according to national law and practice before developing policies and programmes to address employment issues arising from port reforms.

Working conditions

13. Since structural adjustment in ports inevitably affects the working conditions of port workers, the importance of early dialogue between employers and workers' representatives on the impact of change cannot be overstated.

14. The development and introduction of new work methods should be discussed by employers and workers' representatives with the objective of mitigating any negative effects, particularly any arising from more flexible working. When the use of casual labour is inevitable, employment conditions should be formulated and agreed between employers and workers' representatives.

15. The importance of maintaining occupational safety and health standards is such that, even where labour markets have been deregulated, governments should ensure that safety and health regulations are in place and that they are enforced effectively by a competent authority.

16. Employers and workers' representatives should ensure that the flexibility of work organization and work methods that may be required is implemented in accordance with national law and practice and pays due regard to the desirability of maintaining workers' rights.

Training

17. A well-trained workforce is essential for efficient port operations. The objectives of training should be to provide port workers with skills necessary for the safe and efficient performance of their work. Training needs at all levels, particularly in times of change, should be

addressed on a consultative basis. Consideration should be given to providing vocational training at no cost to the employee; it should be carried out at port training centres.

18. Governments, in consultation with employers and workers' representatives, should facilitate the development and introduction of appropriate training standards and provide for the certification of trainers and trainees. Compliance with such standards should be monitored and enforced.

19. Where appropriate, joint training boards responsible for establishing training standards and curricula and for supervising the quality of training should be set up and facilities for port worker training should be provided. Workers should be given every opportunity to undertake necessary training.

Role of the ILO

20. In undertaking activities concerning structural adjustment issues in the port sector, the ILO should:

- (a) continue to promote the ratification and application of relevant international labour standards;
- (b) provide technical advisory services to ports undergoing structural adjustment, including examining broader issues (within its competence) that affect port performance;
- (c) undertake technical cooperation to assist, as requested:
 - (i) employers and workers' representatives to develop effective systems for resolving industrial disputes;
 - (ii) governments and ports with the drafting and revision of port regulations and legislation;
 - (iii) member States having difficulties in ratifying or applying the relevant instruments;
- (d) prepare a glossary of port terms to facilitate a consistent approach to port-related issues;
- (e) assist, on request, in the identification of training needs in the transport sector and the implementation of training programmes;
- (f) expand the Portworker Development Programme.

21. The ILO should ensure that future reports for the port sector incorporate the views of employers and workers' organizations.

22. The results of this Meeting should be disseminated, for example through the holding of tripartite workshops.