

Globalisation, Changing Port Ownership and Implications for Labour

Peter Fairbrother, Victor Gekara, Malcolm MacIntosh

Global Work and Employment Research Group, School of Management
RMIT University,

with contributions from **Peter Turnbull**

Cardiff School of Business
Cardiff University UK

Abstract

Ports stand at a critical place in the global supply chains. They are the site for an intersection between road, rail and shipping, core to the globalisation of trade. Moreover, ports are constantly and significantly shaped by these processes. Increasing volumes of international trade, together with the revolution wrought by the containerisation of cargoes has brought greater scrutiny by government and importers on the efficiency of ports as a critical link in global supply chains. The resultant reorganisation of capital and new technologies have reshaped jobs, employment patterns and the voice of workers in the industry. There may be a new hierarchy emerging between workers, managers, occupational groups and others in ports. This changing relationship may also be reshaping the way in which employees in the industries associated with ports are represented. It is no longer clear where the critical strategic jobs in a port complex are located and who holds them and what influence they have over the labour process. This paper examines the changing patterns of ownership and control and the reshaping of power relationships within ports. Data for the paper is drawn from a set of interviews with port employees in Melbourne, as well as documentary analysis.

Introduction

Australian ports are a key hub of international transport and logistics. They are the focus of a range of transport, storage loading activities and are increasingly characterised by the use of sophisticated technologies to manage the flow of goods as well as their physical handling. These changes have taken place in concert with, and have been influenced by changes in ownership and control over port operations and the associated organisation of labour. In Melbourne, and to varying degrees in other Australian ports, government authorities have ceded control over port-based labour hiring and labour organisation; further, these private companies are promoting

themselves as global logistics managers. These companies, many originating from transport companies, previously focussed on road or rail operations. They have employed information technologies to gain tighter control over the flow of goods, while also seeking greater efficiencies and cost effectiveness in the deployment of port labour. In Melbourne, these changes came to the fore in the 1998 Melbourne Dock Strike, and in this port and others, they have been accompanied by a keener sense of business efficiency to the operation of ports and their work force. These are the central issues facing Australian ports (Australian Competition and Consumer Council, 2008; Rail Ports and Freight Division, Queensland Transport, 2007).

In the research reported here we employ data on work and employment in Australian ports to provide an initial account of the way the transformation of work and workplace relations has been played out in ports. The research is predicated on the assumption that the local is global (Burawoy, 2000); the task is to study globalization and the associated global relations via a close study of local contexts, such as ports. The focus is on Melbourne port, the largest container port in Australia, accounting for the major proportion of export and import trade.

Themes

The dominant form of paid work in the early twentieth century – industrial, standardised, often large scale and largely male – has been transformed in a variety of ways by, among other things, technological innovation, the recomposition of workforces, and the embrace of flexible forms of employment. Very few industries have been left untouched by the processes of restructuring and ‘modernisation’ that have been taking place, and which have had numerous and diverse implications for the experience of work in the twenty-first century.

Globalisation 'is a source of interest, ideology, and grievances; it produces the flows and transactions of an interwoven capitalist economy' (Tarrow, 2005). Three interconnected phenomena define these developments: an increase in international trade and competition, the expansion of managerial coordination and control across national borders but within trans-national corporations (TNCs), and the 'globalisation' of capital markets in terms of ownership and the volume, and speed, of international financial transactions (Whitley, 1999: 119).

Global developments in transport and related industries can have profound social effects at the local level. The changes experienced in ports affect the location of work and the experience of work, as well as their influence of workers over the labour process. They also influence social relationships, and communities in particular ways. The reshaping of port work leads to the physical reorientation of port related activity away from traditional occupational communities and a redefinition of the critical skills required. Labour process changes therefore include socio-demographic adjustments, technological innovation, the recomposition of workforces and flexible forms of employment (Butcher, 2007).

At a more general level the changes being experienced cannot be understood without an appreciation of the role of international financial institutions, such as the World Bank, and state regulation over the operation of ports (Hirst and Thompson, 1999; Stiglitz, 2006). These developments are part of the complex process of readjustment and realignment that is taking place between states and corporations, as well as between states and international financial institutions. They are played out in ways that shape the port labour process.

Finally, there may be resistance to such developments from port workers. Such workers have experienced some deterioration in their terms and conditions of

employment in recent years (e.g.; Turnbull, 1999). Nonetheless, port workers may be well placed to defend and even advance their interests at both the national and international levels (Silver, 2003: 97-103; see also ITF, 2002; Breitenfellner, 1997: 545; Turnbull, 2006).

Ownership and Control

The Port of Melbourne has undergone a transformation in the control of port activities over the past several decades. This transformation has happened within the context of a wider and global process of restructuring of port ownership and operations. The aim is to enhance competitiveness, growth and productivity in terms of efficient turn-around times (Goss, 1990). To control the essential links of the global logistics chains and to reduce State ‘interference’, major shipping companies (eg., P&O, in the 1980s and 90s) began to secure control over many of the major strategic port terminals. Shipping companies thus became the dominant logistics companies, often offering factory to shelf services (Meersman and Van de Voorde, 1997; Suykens and Van de Voorde, 1998). The ability to control, not only the capital processes but also the labour process, provided an opportunity to organise the two in ways which enhanced turn-around efficiency for their shipping operations as well as efficient execution of their land-based operations. From the late 1990s, however, many shipping companies withdrew from port terminal operations. A new breed of logistics operators emerged, mainly from former stevedoring and land transport companies.

In Australia, Port Authorities, government-owned corporations actively intervened to build new facilities to handle container based traffic, while stevedoring companies focussed their attention on the potential of containerisation as the basis of rapid growth. In 1995 a new legislative framework for port management in Melbourne

transferred the control of labour to stevedoring companies. At the same time, stevedoring companies began to exercise greater concern for the costs of cargo handling, with an initial focus on the costs and productivity of labour processes in ports and a longer term focus on the use of technologies to reduce manual handling and improve control over cargo shipment and people engaged in port activities. In 1998, the pressures for rationalisation came to a head when Patrick Stevedoring a company dedicated to formal rationalisation and efficiency in port operation as a means of establishing itself as a key player in the emerging global logistics industry, sought dramatic changes in workforce levels, flexibility and pay. The resulting strike defeated the more extreme aspects of this strategy but it also opened the way for a longer period of sustained rationalisation. The withdrawal of shipping companies from the port in favour of control by the new logistics companies represents something of a transition in the control over port activities to these new self style logistics companies and away from those controlling one part of the supply chain.

Increasingly, with the advent of containerization and the emergence of trans-national multimodal transportation, the role of global logistics companies in shaping major globalizing processes is becoming evident. Major global logistics companies have sought to control whole chains by moving into the port, taking over key terminals and re-shaping operations. Because of this central position ports, as well as being important facilitators of globalizing processes, are constantly and significantly shaped by these very processes. These are central issues facing Australian ports (Australian Competition and Consumer Council, 2008; Rail Ports and Freight Division, Queensland Transport, 2007).

Ports are, therefore, not only important in the consolidation and distribution of global trade but also increasingly act as catalysts in the development and transfer of modern

technologies; a role which makes them prone to constant transformations as trade and technologies become more complex. Such changes ultimately translate into transformations in the work-place; the nature of work, patterns of employment and workforce demography.

Emerging occupational hierarchies

The restructuring of the industry and re-composition of the workforce raise a number of concerns in relation to the type of jobs available to new workers, particularly women and the availability of training for better paid jobs (especially professional and technical training). For example, are jobs created in and around the port in logistics and related activities simply adding to a “casualisation” of the workforce? Are there adequate provisions for maternity, career breaks, and “work-life balance”? Does human resource practice support equal pay (e.g. analytical job evaluation schemes that determine the relative “size” of jobs and ensure equal pay for work of equal value)? Does health and safety at work extend to stress and other work-related illnesses as well as bullying and intimidation?

Gender and Port Work

It is well established that men dominate most of the “traditional” jobs in ports, most notably cargo handling, but with changes to technology and the growth of logistics there are new employment opportunities in the industry. The question is whether these jobs are being filled by women. In addition, the recent surge in trade has created employment opportunities for women in some of the more traditional areas of employment that were previously “reserved” for men. Nonetheless, evidence to date

suggests that there has been little change in the overall gender composition of these types of jobs.

Strategic Jobs

These developments open up questions about strategic jobs in the industry, and whether change is taking place. Such jobs have direct impacts on work flow (eg., data processing), are interdependent and non-substitutability. Our analysis point to the dimensions that need to be taken into account when considering the changes that are occurring in traditional industries, especially where technological innovation is used to increase productivity and output, as is the case in the Asia pacific ports industry (see Blauner, 1964). Equally importantly, a dimension that is noted by Blauner (1964), the texture and contours of the community from which a workforce is drawn (p. 10) are often understated. However, over time, the quality and organisation of work and worker mobility within and beyond ports has consequences for workforce integration and social relations. Critical in this respect is the emergence of new strategies for the recruitment, retention and development of the industry workforce, which, we suggest, need to be understood through the lens of the capitalist aspect of work relations, and the persistence of these relations (Nichols and Beynon, 1977).

Mobility and career

Careers for those operating the mechanical equipment and transport equipment are now more tightly linked to formal certification of abilities in numeracy allied with operational skills. Discussions with port managers suggest that there is greater agreement that such operatives enter the industry with completion of high school and with ability operate and understand the technologies used in the industry. While the

labouring tasks of the past are being reduced, it is not clear that these jobs can be entirely eliminated. Evidence from the 1998 dispute suggests that there are greater opportunities for the internationalisation of certain categories of work in ports, though there is little current evidence that this is seen as necessary. Nevertheless, the drive to rationalisation leads to comparisons across national boundaries on the efficiency and flexibility of port labour. This is a central issue for unions.

Collective Organisation

Port workers may be better placed than many to defend and even advance their interests at both the national and international levels (Silver, 2003: 97-103). The International Transport Workers' Federation (ITF) is currently one of the few global union federations (GUFs) that can satisfy the criteria identified by Ramsay (1997: 526-7) for effective international trade union action (see Blyton et al., 2001; Breitenfellner, 1997: 545; Turnbull, 2000; Barton and Turnbull, 2002; Turnbull, 2006). Nonetheless, port workers throughout the world, in every transport mode, have experienced some deterioration in their terms and conditions of employment in recent years (e.g. ITF, 2002; Turnbull, 1999). In the face of the reconstruction and restructuring of port work, unions face particular difficulties. It may be that while workers' interests are invariably embedded in their everyday working lives, the logic of globalisation appears to call for a more 'detached' identity that will 'travel' across borders (Turnbull, 2006). It may be that workers will have to develop new narratives and develop new strategies to address the global (Tilly, 1984: 308; Herod, 2001; Tilly, 1995: 5). While some commentators see this as an almost hopeless task (e.g. Castells, 1997: 354) it may be the case that old labour strategies have been weakened and that labour is in the process of reshaping its approaches and strategies to address

the emerging corporate policies and practices (see, Piven and Cloward, 2000: 414).

Assessment

The research opens up three related conceptual issues.

First, rather than seeing space as merely a 'container' of social processes or the 'stage' upon which social relations unfold, spatial consideration play an important part in shaping political praxis (see Herod *et al.*, 2003). The notion of ports as physical entities is limited; rather ports are both the hub of complex transport and logistic relation relations and they are also the focus for work and employment that may or may not be physically located on the port facility itself.

Second, the pattern of industrial restructuring evident in port work opens up the possibility of occupational reorganisation, the changing composition of workforces and complex relations in the organisation and operation of power within the ports.

Thirdly, patterns these developments raise questions of workers in organising resistance. This draws attention to a range of theoretical accounts focusing on mobilisation theory (Kelly, 1998), patterns and processes of union renewal and revitalisation (Voss and Sherman, 2003) and the complex relations between local organisation and cross-border union practice (eg., Tattersall, 2007).

Conclusion

The study of ports and their labour forces is an important opportunity to understand the degree to which the globalisation of trade influences jobs, their location and the experience of work. This overview suggests dimensions for further study. These include the impact of globalisation on the organisation of the industry, the autonomy of workers associated with the labour process; the opportunities for labour

substitution by technology or alternative sources of labour, labour mobility and representation. The experience of those working in this industry provides lessons for every industry effected by globalisation.

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