The Indian Journal of Labour Economics, Vol. 46, No. 4, 2003

GLOBALISATION: THE IMPACT ON PORT AND DOCK WORKERS IN INDIA

Ernesto Noronha*

By the 1970s, countries all over the world started reviewing their policies that stressed on demand-driven economic growth and state-led import substitution. In order to avoid economic and political marginalisation, the less developed countries (LDCs) also opened up their economies. These developments have had profound implications for the workers of ports and docks. Recently, there has been a move to re-organise the port trusts. Corporatisation is seen as a first step towards privatising ports and improving their efficiency and profitability. Notwithstanding this, private sector participation already covers some areas. Unions in the ports are trying to grapple with the issues of privatisation, sub-contracting, a ban on permanent employment and increase in the use of contract workers. The unions have rejected some of the Indian Ports Association's (IPA) recommendations with respect to the manning of scales, interchangeability, over-time, and productivity-linked bonuses. Nonetheless, it remains to be seen whether the proposed trans-shipment hubs will improve the situation for labour.

The last decade brought sweeping changes to the way in which the world economy functioned. This qualitative change in the world economic system can be attributed to factors such as the advent of new global markets in services, increase of mergers and take-overs, weakening of anti-monopoly laws and the rise of global consumer markets and consumer brands. Economies that were previously cushioned from external shocks, are now subject to the fluctuations of global markets (Hyman, 1999). Norms such as privatisation, liberalisation and de-regulation are no longer issues of debate. Portes (2000) states that in order avoid economic and political marginalisation, the less developed countries (LDCs) have opened up their economies. In fact, there is a scramble to provide free trade zones, which not only guarantee exemption of taxes and duties, but also grant institutional and legislative conditions for profitable exploitation of the labour force (Lapple, 1985). Multinationals can now shop around for the tax and labour regime that suits them best. Multinational corporations and the World Trade Organisation (WTO) seek to outlaw national laws which restrict free trade. In short, the economic environment has become much harsher than earlier and global competition has put new pressures on national industrial relations regimes (Hyman, 1999).

Further, Portes (2000) states that the lifting of state labour protection and the advent of free markets gives rise to exploitative practices at the work place. Wages are driven to the minimum. In the neo-liberal era, the informal economy is seen as a refuge against the depredation of the free market. Some sections of the primary working class have put up a defence but the threat of re-location and plant closure has kept the reduced workforce in line. A majority of the citizens and poorer classes find their protection thrown away in order to participate in the world market (McMichael, 2000). In fact today, organisations are relying on downsizing as a way of achieving 'numerical' flexibility. Organisations maintain a much smaller 'core' of key workers

* Assistant Professor, Indian Institute of Management, Kozhikode, Calicut, Kerala, India.

who are indispensable for meeting their goals and a peripheral labour force of temporary or part-time workers. Downsizing has also been used as a way of reducing labour costs by offering lower wages, and reduced rights to sick pay, holiday entitlements, contribution to pension schemes and medical insurance (Brown and Lauder, 2001). In this regard, Rodrik (2000) states that globalisation transforms the employment relationship and makes it exceedingly difficult for governments to provide social insurance. Increased substitutability results in workers paying a large share of the cost of improvements in work conditions and benefits, greater instability in earnings and hours of work, and erosion of their bargaining power. Esping-Andersen (1996) states that the neo-liberals consider de-regulation and flexibility as roads to growth and prosperity. Heavy taxes, high and rigid wages, and extensive job rights make hiring expensive and the labour market inflexible, besides also impeding job growth. The goals of the welfare state such as equality, prosperity and full employment are at odds with advanced post-industrial capitalism.

There is a strong plea for doing away with most, if not all, of the regulations that provide protection to the formal sector. The future prospects of the workers can be bright only if they forego most forms of security and protection. Therefore the privileged treatment enjoyed by the formal sector should be abolished and replaced by casual employment, fluctuating wages and variable hours of work. Thus, the days of welfare as an ideology are slowly drawing to a close and the neo-liberal philosophy of free markets is taking over. The conditions of work that existed during the pre-Independence period gradually seem to have resurfaced. A semblance of this has also begun to emerge in the docks as has been seen in the other sectors (see Noronha, 1996; Noronha and Sharma,1999).

I. CHANGES IN THE PORT SECTOR IN INDIA AND LABOUR

1. Privatisation and Labour

The Infrastructure Development Finance Company (IDFC) (1999) states that the primary focus should be on privatising the provision of all port services. New capacity addition should come entirely through the private sector. The government should refrain from deciding on the nature and extent of new capacity addition. This also implies that the government would progressively exit from its position of being a "service provider" and pave the way for private players to take over the operation and management of port-related services. The "landlord port" model, however, allows the government to retain the ownership of land occupied by port and certain other custodial functions. The Government of India (2002a) Estimates Committee agreed that ports need to be equipped with more financial and operational autonomy so as to enable them to be competitive not only between themselves but also with similar ports in other countries which have hitherto been attracting shipments that ought to accrue to India. In keeping with this, the Major Port Trusts Act, 1963 was amended in 1997 when chapter 5A on TAMP (Tariff Authority for Major Ports) was introduced. Subsequently, it was once again amended in June, 2000 when sub-section 3A was added to section 42, authorising the Board to enter into agreement or other arrangements, whether by way of partnership or joint venture with anybody or any person to perform any other service or function assigned to the Board with the prior sanction of the Central Government.

The Government of India has also adopted policies that open up ports to private investors and operators. These policies have been made explicit by the issuance in October 1996 of official guidelines on privatisation that provide a more precise framework for private participation in major ports. The objectives set forth in the preamble to the guidelines include improving efficiency, productivity, and quality of service and management techniques while reducing project gestation periods and bringing in new technologies. Private sector participation in the development and operation of port infrastructure is the key feature of these documents. The port policy identified the areas for private investment and established procedures for inviting private participation as well as the criteria for evaluating various bids. For the major ports, the areas identified include leasing out existing assets of the ports, construction/creation of additional assets such as container terminals, specialised cargo berths, warehousing and storage facilities, cranage/handling equipment, setting up captive power plants and dry docking/ship repair facilities, as well as leasing of equipment for port handling (Indian Ports Association, 2003). State governments have also undertaken the development of minor ports. Most of them have thrown open the development of such ports to the private sector. Several port sector development projects involving private sector participation are already underway or are in the advanced stages of preparation or negotiation. Container terminals have been handed over to the Port of Singapore Authority (PSA) at Tuticorin and P&O Ports at Chennai, and a consortium consisting of the Dubai Ports Authority at Visakhapatnam. Twenty-nine projects amounting to Rs. 6,554 crore for adding a port capacity of 94.05 million tonnes have been identified, of which 17 projects have already been approved by the government (Government of India, 2002a).

Further, IDFC (1999) states that inter-port and intra-port competition needs to be fostered by improving the land transport network and linking it to the existing major ports. In the absence of competitive pressure, the management of the ports has remained complacent since they have no incentive for improving performance. In addition, this has resulted in different agents associated with a port seeking excessive rent. In this situation, mere corporatisation or even privatisation without the introduction of competition, would not be sufficient. However, in the case of Mumbai, its ability to face competition is itself under question. The decline in container traffic at Mumbai Port in 1999 was about 42,311 TEUs (twenty foot equivalent unit). As against this, at JNPT, there had been an increase of 93,879 TEUs during the same time. Thus, the decline in container traffic at Mumbai Port can be attributed to the establishment of Jawaharlal Nehru Port Trust (JNPT) as a modern port across the harbour with adequate open storage area. In comparison, Mumbai Port is over a century old with navigational constraints due to its lock gate and restricted draft. These factors have caused the container traffic to move to JNPT. The Government of India (2000) stated that while developing and modernising the JNPT, proper attention was not given to the development and modernisation of the Mumbai Port to enable the latter to compete effectively.

However, the present port policy clearly states that there will be no adverse effects on port labour. No retrenchment will be performed without the concurrence of labour and will be only in accordance with the Industrial Disputes Act and relevant labour laws. All the labour laws will bind the lessee of the country (Indian Ports Association, 2003). Nonetheless, the very process of privatisation has affected labour. The World Bank (2003) states that competition is a principal motivating force behind labour reforms. When several ports serve the same hinterland, the propensity to undertake reform is higher. For instance, JNPT uses gangs of fourworkers for container handling while the Mumbai Port uses 15 workers. Kolkata, on the other hand, use gangs of 28 workers with no competing port. Moreover, the JNPT did not envisage dock labour and shore labour handling systems attached to existing main ports, making it more attractive to private developers. For instance, there was no Dock Labour Board

(DLB) for the JNPT. The work of stuffing and de-stuffing containers, normally done by the port trust workers elsewhere, was sub-contracted to the Central Warehousing Corporation, which in turn sub-contracted it to private contractors or labour co-operatives (Vaidya and Arora, 1992). Thus, not only were the Mumbai port workers deprived of work, (as JNPT was originally planned as a satellite port to divert sea cargo traffic outside the city limit and thus reduce the congestion in Mumbai, but later it came to be treated as an independent port), but their work was also transferred to the informal sector. For instance, in 1992, in spite of the Mumbai Port Trust (MBPT) deciding to prevent unregistered workers from entering the docks, the ban on fresh recruitment imposed by the government created a situation wherein the depleted workforce could not cope with the volume of work and in the name of shortage of regular dock workers, port authorities freely gave 'No Objection Certificates' to consignees of cargo to employ contract labour. In order to get their work done faster, the stevedores and C&F agents employed contract workers, in addition to, or even in the place of, regular workers. Thus even jobs that were perennial and essential parts of the work of the port were sub-contracted outside the port. Although some contract workers have been unionised, the wages received by these workers are about 40-50 per cent lower than the wages of regular workers (Tulpule and Gupte, 1997).

Competition in other sectors of the economy has also put pressure on the feasibility of ports. In this instance, the Kochi Refinery Ltd. (KRL) had a proposal for augmenting their capacity from 7.5 MTPA to 13.5 MTPA. They mooted a proposal for installing a Single Buoy Mooring (SBM) in the open sea outside the port limit for handling the crude oil without utilising the Cochin Port Facilities. However, Cochin Port Trust opposed the proposal on the ground that in the event of setting up of the SBM by the KRL in the open sea, there would be non-utilisation of the existing infrastructure created by the port exclusively for the KRL for handling POL products for their refineries. Presently, the crude oil is received in tankers at specially constructed jetties at the Cochin Port Trust and pumped to the storage tanks of the refineries through pipelines. Once the POL handling operations are shifted to the proposed SBM, it will jeopardise the very survival of the Port as the future of the Cochin Port Trust totally depends on POL products. Further, two tanker berths were developed by the officials of the Cochin Port Trust way back in the 1950s. The Port Trust also developed an exclusive oil terminal in 1984 for handling POL products for KRL. Other allied infrastructure including flotilla, fire float, fire-fighting facilities and also especially skilled manpower was created by the Port Trust exclusively for the refinery. The channel, which was 9.75 metres in depth, was also dredged to 12.9 metres for handling bigger size vessels with a draft of 11.7 metres at the Cochin Oil Terminal, at a cost of around Rs. 50 crore. The total investment on the entire infrastructure created for the KRL would come to Rs. 100 crore.

The KRL representatives, on the other hand, state that the service being provided by the Cochin Port Trust was not considered economical in the de-regulated scenario and any delay in its implementation would entail cost escalation. According to them, until March 1998, the Administered Pricing Mechanism (APM) was in force and the cost incurred by the refineries in receiving crude oil and processing it into products was reimbursed completely by the Oil Co-ordination Committee (OCC). Since April 1998, the APM has been dismantled and the entire cost has to be borne by individual refineries. In this de-regulated scenario, KRL has to face competition from private sector refineries within India as well as from imports. The present transportation cost of crude oil which contributes more than 50 per cent of the total operating cost (excluding the cost of crude oil), was identified as the most important area for cost reduction. The only way to reduce cost was to receive crude oil in large ships. Moreover, Cochin Port has limitations in terms of receiving large oil tankers. It is against this background that KRL thought of setting up an off-shore (i.e. 12 kms. away from the sea-shore and 6 kms. away from the Port limits) Single Buoy Mooring (SBM) and connected facilities which would be the cheapest option for operating the refineries even at the existing level of 7.5 million tonnes.

In response to this, the union leaders of Cochin Port decided to submit a memorandum to the Chief Minister and the Opposition leader to withdraw the notification issued by the Government granting Manakkodam area the status of a minor port, which would enable KRL to set up the SBM project. The union leaders also threatened to impose a blockade against oil tankers carrying crude oil to KRL. The leaders of the trade union also organised various seminars and awareness campaigns about the threat to the Port on account of the setting up of SBM and extended all support and co-operation to the Cochin Port Trust Management in its efforts to sort out the impasse. Moreover, they claimed to be not against the privatisation of minor ports. In Kochi, all the seven workers' unions under the banner of Thuramukha Samrakshana Samity (TSS) went on a strike in protest against the proposed move to privatise the existing Rajiv Gandhi Container Terminal (RGCT). According to the TSS, the privatisation of the existing terminal would adversely affect the workers. The TSS was opposing only the RGCT's privatisation and not the proposed setting up of a trans-shipment terminal at Vallarpadam with private participation. According to the TSS, the RGCT project involves transfer of publicly-funded and newly created infrastructure to the private sector for operation and development. The major share of income of the port would accrue to the private entrepreneurs, while the liabilities of repayment of loan, payment of staff salary and maintenance of welfare measures would remain vested with the port.

At the national level, all the five recognised unions of port and dock workers, viz. the All-India Port and Dock Workers Federation (AIPDWF) (HMS), All-India Port and Dock Workers Federation-Workers (AIPDWF-W) (HMS), Water Transport Workers Federation of India (WTWFI) (CITU), Indian National Port and Dock Workers Federation (INPWF) (INTUC), and Port and Dock Waterfront Workers Federation (PDWWF) (AITUC), under the banner of the National Platform of Mass Organisations, demanded that the government abandon the policy of privatisation and the proposed amendments to the Major Port Trusts Act. They also demanded that the government recognise the full functional autonomy of the major ports and set up a suitable authority to prevent unhealthy competition among the ports. They stated that due to privatisation, the number of dock workers in India has declined from 1.5 lakh in 1994 to less than a lakh in 1998 in spite of an increase in the total turnover by Rs. 700 crore. The unions also criticised the leasing of one berth in New Mangalore port to Larsen and Toubro, which has deprived hundreds of workers of employment (Sharma, 1999).

2. Corporatisation and Labour

Despite the protests by trade unions, however, the government is in favour of corporatising the ports. According to the government, corporatisation would enable the major ports to become companies under the Companies Act, 1956. The ports will become more independent and less subject to the direct control of the government. They will also become more commercial and more financially savvy. The Major Port Trusts (Amendment) Bill, 2001 seeks to enable corporatisation of the existing major ports in the country. Corporatisation of major ports would involve abolition of the present system of trustees by de-notification of major ports from the purview of the Major Port Trusts Act, 1963, and after sorting out several related aspects, convert the Port Trusts into a company under the Companies Act, 1956. This structural re-organisation of Major Port Trusts is called for to: (i) provide the necessary independence of authority and decision-making; (ii) coagulate investment; (iii) execute projects speedily; and (iv) manage operations with professional finesse. The other advantages of commercial activities to be carried out by corporate bodies are expected to be an increase in operational freedom and flexibility enjoyed by the management in taking commercial and investment decisions, and facilitating their quick response to the market conditions or the need of the trade.

Responding to the above changes, the representatives of different port unions/federations opposed the Bill and stated that there was no justification and necessity for amending the Major Port Trusts Act, 1963. It is a unique legislation through which various interests are directly represented. The unions argued that corporatisation would jeopardise national security. The proposed amendment stipulates that the service of the port employees would be transferred to the new company that would be formed after corporatisation. At the same time, the amendment states that under the new provisions of the proposed bill, the new company will be at liberty to terminate the services of labourers whenever they would like to do so. Moreover, the bill does not mention anything about the representation of labour. The Government of India's (2003b) Parliamentary Standing Committee, which was appointed to look into the matter, stated that the intention of the Government of India's policy of involving labour in management decision making, was not reflected in the Bill. A specific provision was thus required in the present Bill to ensure the representation of labour of the port. The Committee also took note of the apprehensions expressed by different employees' unions/federations with regard to the likely effect on the terms and conditions of services of the employees after the ports are corporatised and converted into the successor companies. The Committee was also of the view that the involvement and co-operation of the workers was essential for the successful operation of any organisation. The Committee, therefore, recommended that before corporatisation of the major ports, as envisaged in the Bill, the employees should be taken into confidence.

3. Containerisation and Labour

Until the beginning of containerisation, liner shipping retained the traditional labour-intensive form of production. Ramakrishnan (1999) states that container traffic has undergone an upsurge. In the year 1980-81 it was only 1.3 lakh TEU, but by 1998-99, it had reached 19.2 lakh TEU. This increased further to 2.8 lakh TEU in 2001-2002 (Indian Ports Association, 2003). According to the IDFC (1999), the composition of trade has undergone a significant change. The share of the once-dominant break-bulk cargo has steadily declined to less than 10 per cent. This can be mainly attributed to containerisation, which came to India after being imposed by overseas suppliers, who no longer found it convenient to send goods in the old-fashioned way. Containers have become an integral part of transport systems in the developed world and their adoption in India is inevitable, if Indian exporters are to succeed in expanding their commercial relations. Even traditional goods like tea or jute, which have always been well-packed in chests or in bales, are now exported in containers. With the increasing globalisation of domestic production, the import demand for semi-processed and industrial goods, which are shipped in containers by overseas suppliers, is also growing. Containerisation now enables general cargo ships to spend hours or days in ports rather than the weeks or months that were hitherto customary. The reduction of idle port time and the increase in the income generating time at sea has led to the substitution of previous multi-purpose general cargo ships with container vessels of substantially larger dimensions (ILO, 1997).

This certainly has grave implications for workers, especially with regard to port employment. Capital has substituted labour and resulted in a substantial reduction in port employment. The ever-increasing use of containers and the introduction of new cargo-handling techniques has led to a spectacular drop in the number of port employees around the world in recent years, with job losses ranging from 40 to 60 per cent in many countries. The through transport concept and door-to-door possibilities that the new system facilitates has also shifted a considerable part of what was considered dock work to areas outside the port. This development particularly has to do with stuffing and striping of containers that could now be formed at the consignor's/consignee's premises by their own staff. Containerisation also allows for the detachment of stuffing and stripping activities away from the congested waterfront towards inland container depots where cheap space is available (ILO 1997).

In India, at the Technical Committees on Unitisation in 1969, trade unions stated that the co-operation of labour would be forthcoming, provided that workers were ensured their present employment opportunities. They desired that all packing and unpacking work should be handled by port and dock labour, irrespective of whether this was done inside or outside the docks and that it was also important that the existing size of labour gangs should not be reduced. The committee agreed that the introduction of the container system should not cause unemployment, loss of earnings and social distress (Indian Ports, 1969).

However, in 1987, the Government decided to allow private contractors to carry out stuffing and de-stuffing of containers outside the port area. Arrangements were also made to give the necessary customs clearance at the work-sites. Besides this, inland container stations also came into existence in Bangalore, Ahmedabad, Pune and Coimbatore, where cargo from nearby states was collected, stuffed in containers, and sent by railways to various ports (Vaidya and Arora, 1992). Nonetheless, the strong unions in the port worked out manning levels and negotiated with the management, and protected both the employment levels as well as wage levels. Besides this, they also negotiated an amount to be paid to the workers due to loss of employment on account of containerisation. However, since the manning pattern was not rationalised to the desired extent, a large number of workers had to remain idle, especially with the advent of containerisation. As the DLB had to ensure minimum guaranteed wages for the workers, the idle workforce had a vitiating effect on the overall costing of DLB charges. The five unions of major ports had earlier rejected uniform manning levels suggested by the Indian Ports Association on the ground that the number of workers per gang handling cargo differs from port to port. They also pointed out that some of the ports were fully mechanised.

According to the ILO (1997), manning levels in state-owned ports is a major issue. This is not only because of the government's employment creation policy but also due to the fact that jobs in the public sector are arduously sought because of the permanency of employment, fringe benefits and stability of income that they guarantee. Over-manning may lead to situations wherein only a small proportion of the registered workforce is actually working. And a sign of over-manning may be found in their failure to adjust gang sizes. The failure to adjust the level of employment in time would result in a situation wherein the low wage developing countries would be confronted with total labour costs well above those prevalent in the ports of developed countries. Similarly, IDFC (1999) also stated that the modernisation of labour practices was a critical issue in port reform. The change in cargo handling technology has had the greatest effect on labour. Although the new practices have increased employment in a number of other cargo processing activities, including tasks involving higher skills, it has undoubtedly reduced the need for manpower in ports. Changes in cargo handling techniques have made many of the workers redundant. Given the age and experience of port labourers, it is usually difficult for them to re-locate and avail of the newer job opportunities, which are closer to the cargo generation sites rather than the ports. According to the ILO (1996), supervisors, foremen and equipment operators are the groups most in need of training, followed by checkers, tallymen and clerical staff. Job profiles have changed radically calling for new management techniques and working skills. Multi-task workers are becoming more common in ports. Workers now have more individual responsibility and work according to instructions received through radio communications, computer printouts or information displayed on a computer screens. All these developments have increased the need for better educated and trained port personnel. However, the economic and social costs of redundancies should figure prominently in structural adjustment strategy.

The IDFC (1999) states that since port labour is often well-organised, the usual solution in port reform strategies across the globe has been to 'buy-out' the labour in view of the benefits of the expected increases in productivity resulting from the change in work practices. This burden may also be quite affordable even in the case of India when compared to the gains from efficiency. Today, a 600,000 TEU capacity terminal can function with less than 600 workers. The sheer size of the gap between the amount of labour needed and the current payroll deters investment from flowing into existing facilities, especially since current policy requires private operators to take on the labour attached to a berth. In addition to the amount of labour, the other deterrents are the lack of flexibility in deployment of the existing labour both in terms of quantity, which are determined by fixed gang sizes and manning scales, and their interchangeability across different operations. Apart from the low levels of productivity during operations, this also leads to delay in the commencement and completion of operations, and longer berthing times. Workforce reductions have therefore been managed most of the time through a combination of redundancy schemes and early retirement (ILO, 1996).

In India, the government lowered the retiring age to 58 years and also introduced a Voluntary Retirement Scheme (VRS) to reduce the number of employees in various government organisations. This has brought down the manpower at major ports and dock labour board from 1,02,055 to 79,950. The posts lying vacant since June 1, 2001 due to the above action were to be abolished and the work-load was to be rationalised amongst the existing staff. Further, the manning scales of various ports are being examined by a National Tribunal set up in January 2001. Until the award of Tribunal is received, it is being considered imprudent to fill up vacancies (Government of India, 2002b). Further, the merger of the Chennai DLB (Dock Labour Board) with the Chennai ports has resulted in s reduction in the handling cost by approximately Rs. 25 crore annually. The DLBs of Mumbai, Cochin and Goa had earlier merged with their respective port trusts (Government of India, 2002a).

In fact, another important reason for the need to adjust manning levels is that many developing countries have an inadequate social legislation (ILO, 1997). For instance, the Government of India report (2003a) took strong exception to the fact that CDLB has not implemented the revision of pension and liberalisation of post-retirement benefits in terms of wage settlement and that the pensioners/retired employees had not been paid pension and other post-retirement benefits including gratuity, PF settlement, etc., for the past several months. The report stated that after their retirement, pensioners fully depended on their retirement benefits and if the same were not disbursed to them in time, it was not only tantamount to harassment but was also against the law. The report recommended that the Ministry of Shipping should take responsibility in the matter and ensure the payment of pen`sion benefits to the employee of CDLB who retired prior to January 1, 1998, as also implementation of the revision on pension and payment of arrears at the earliest (Government of India, 2003a).

In India, the unions had initially rejected some of the port management proposals for uniform manning scales across all major ports, and argued that the number of workers per gang handling the cargo at each point varies from port to port. Some ports are totally mechanised, others such as Mumbai are not, and hence uniformity in the scales across the ports is not feasible. Unions also opposed the proposal for interchangeability, which implies that workers working at different points would be interchangeably deployed depending on circumstances. The workers also objected to a ceiling being imposed on over-time wages as over-time was based on a number of factors contributing to port efficiency. On the other hand, unions demanded that productivity be evaluated on an all-India basis, as profitability differed from port to port depending on the size and traffic. Port specific bonuses would bring disparity among workers in various ports, and was against workers' interests (Sharma, 1999). However, recently, a national tribunal was set up by the Ministry of Labour to adjudicate on certain issues relating to rationalisation and reduction in manning of scales in cargo handling and manning of crafts (Government of India, 2002a).

4. Trans-shipment

Lately, there has been renewed interest in the setting up of a trans-shipment hub. The ILO (1997) states that a number of countries see port containerisation as an export industry in its own right. Trans-shipment traffic would allow the development of feeder service networks for the regional distribution of containers and this would enable the country in question to become profitably involved in shipping. And in value added distribution of activities that would otherwise be lost to competing regional ports. Moreover, developing countries have realised that if such possibilities did not exist, the likelihood of their being selected as major "hubs" would be remote, no matter how efficiently they may like to develop their ports.

In India, the absence of trans-shipment facilities causes not only delays in the import and export of goods thereby making our importers and exporters less competitive vis-à-vis their counterparts in other countries, but also a loss to the tune of 1,000 crores to Indian economy. With no trans-shipment facilities available in India, other countries, like Dubai and Sri Lanka are strengthening their economies at the cost of Indian cargo. Thus it is imperative to develop JNPT and Chennai Ports as "hub" ports of the West Coast and East Coast respectively so that all domestic and international cargo from these regions can aggregate at these ports and go through the mother vessel to their respective destinations. It is also planned to develop Cochin Port as a trans-shipment port in order to attract Indian and international cargo (Government of India, 2002b). There is also a need to develop and modernise our ports so as to equip them to receive fourth generation vessels. The scheme drawn up by the Ministry in this regard will definitely boost the development of JNPT and help in attracting new clients along with their former mainliners who have diverted to Colombo Port (Government of India, 2000).

However, IDFC (1999) states that even though India does not have a hub port, not all its cargo is trans-shipped. The trade to and from Europe and the country's Western coast is carried directly in mid-size container vessels, and only cargo from the Eastern coast and that destined for the United States is trans-shipped in foreign ports such as Colombo, Dubai and Singapore. The decision to hub out of a specific port is based upon the needs of liners, the efficiency of the port, the originating traffic, proximity to main routes, etc. It is also important to note that a hub-port is a high-risk investment. In a region with a number of competitors for hub-port status such as Colombo, Dubai and Singapore, liners can stop hub activities at a port almost at whim, leaving the discarded port to carry the burden of stranded investments. Until such time that an Indian hub port emerges, India could continue to be a feeder country, without a port that caters to large mother vessels. There has been no reaction with regard to the proposed trans-shipment projects from the unions in India; probably, they would like to wait and watch in the hope that these investments create employment.

II. CONCLUSION

By the 1970s, countries all over the world had started reviewing their policies that stressed on demand-driven economic growth and state-led import substitution. In order to avoid economic and political marginalisation, the less developed countries (LDCs) opened up their economies. Plant closure, re-locations abroad, and removal of subsidies and tariffs were considered as prescriptions required to get the prices right and to benefit the consumers. A secure and well-paid working class ceased to be the norm, giving way to a flexible production arrangement.

In keeping with these global changes, the Indian economy introduced massive changes in the name of being more competitive. These developments have had profound implications on the workers of ports and docks. Recently, there has been a move to re-organise the port trusts. This, in effect, means corporatising the major ports over the next few years, with the ultimate aim of the government being to divest its stake in the port trusts. Corporatisation is seen as a first step towards privatising ports and improving their efficiency and profitability. The government is pushing for amendments to the Major Port Trusts Act, 1963, in order to facilitate the transfer of assets and liabilities of the Central Government from the port trust board to the new corporate entity. Steps have also been taken to reduce the retirement age and to introduce voluntary retirement.

Unions have been trying to grapple with the issues of privatisation, sub-contracting of stuffing and de-stuffing, containerisation, a ban on permanent employment, increase in the use of contract workers and rampant use of casual labour. All the five recognised unions of port and dock workers have come under the banner of the National Platform of Mass Organisations, demanding that the government abandon the policy of privatisation and the proposed amendments to the Major Port Trusts Act, 1963. Unions have also been demanding that the government recognise the full functional autonomy of the major ports and set up a suitable authority to prevent unhealthy competition among ports. The unions have rejected some of the Indian Ports Association's (IPA) recommendations with respect to the manning scales, interchangeability, over-time, and productivity-linked bonuses. Port-specific bonuses, according to the unions, would bring disparity among workers in various ports, and is against workers' interests. Nonetheless, it remains to be seen whether the proposed trans-shipment hubs will improve the situation for labour.

References

Brown, P. and Lauder, H. (2001), *Capitalism and Social Progress: The Future of Society in a Global Economy.* Palgrave, New York.

CDLB, *http://business.vsnl.com/cdlb/Introduction.htm*

Esping-Andersen, G. (1996), "After the Golden Age? Welfare State Dilemmas in a Global Economy," in Esping-Andersen, G. (ed.), *Welfare State in Transition: National Adaptations in Global Economies*, Sage Publication, New Delhi.

Government of India (2000), *Demands for Grants (2000-2001) of the Ministry of Surface Transpor,t http://rajyasabha.nic.in/book2/reports/t_and_t/43rdreport.htm.*

—— (2001), *Demands for Grants (2001-2002) of the Ministry of Shipping, http://rajyasabha.nic.in/book2/reports/t_and_t/52ndreport.htm.*

—— (2002b), *Port Sector, .http://pib.nic.in/archieve/ppinti/milestones 2002/ milestones_02_ shipping.html.*

—— (2002a), *Estimates Committee (2001-2002) Ninth Report (Thirteenth Lok Sabha), Ministry of Shipping Expansion and Modernisation of Ports with Special Reference to Mormugao Port Trust Presented to Lok Sabha on 30.04.2002,* Lok Sabha Secretariat New Delhi April 30, */Vaisakha 10, 1924 (S),* http://164.100.24.208/ls/CommitteeR/Estimates/9th/9th.html

—— (2003a), *Seventieth Report on Demands for Grants (2003-2004) (Demand No. 83) of Ministry of Shipping (Presented to the Rajya Sabha on 25.4.2003) (Laid on the Table of the Lok Sabha On 25.4.2003)* Rajya Sabha Secretariat, New Delhi April, _http://Rajyasabha.Nic.In/Book2/Reports/T_And_T 70threport.Htm.

—— (2003b), *Department-Related Parliamentary Standing Committee on Transport, Tourism and Culture. Sixty-Second R*eport on the Major Port Trusts (Amendment) Bill, 2001 (Presented to the Rajya Sabha on 19.02.2003) (Laid on the Table of the Lok Sabha on 19.02.2003), *http://rajyasabha.nic.in/book2/reports/t_and_t/62ndreport.htm.*

Hyman, R. (1999), "An Emerging Agenda for Trade unions?", *http://www.ilo.org/public/english/bureau/inst/papers/1999/dp98/.*

IDFC (1999), "Port Sector Reform: Converting Capacity to Comply with Cargo Composition", Prepared by the Policy Advisory Group of Infrastructure Development Finance Company Ltd. (IDFC), November, http://www.idfc.com/pages/Policy/writings/Transport/Ports/PortSectorReform_PAG_Nov99.pdf.

ILO (1996), "ILO Meeting Focuses on Social and Labour Problems in Ports-Monday 2", *(ILO/96/14), http://www.Ilo.Org/Public/English/Bureau/Inf/Pr/96-14.Htm.*

—— (1997), *Social and Labour Effects of Structural Adjustment in the Port Industry of Selected Asian and Pacific Region*, ILO, New Delhi.

Indian Ports (1969), "Unitisation: The Shippers' Point of View", *Indian Ports*, Vol. I, No. 3.

Indian Ports Association (2003), *http://www.ipa.nic.in/.*

Lapple, D. (1985), "Internationalisation of Capital and the Regional Problem", in Walton, J. (eds.), *Capital and Labour in the Urbanised World*, Sage Publication, London.

McMichael, P. (2000), "Globalisation: Myths and Realities" in Roberts, and Hite (eds.) (2000).

Noronha, E. (1996), "Liberalisation and Industrial Relations", *Economic and Political Weekly,* Labour Special, Vol. 31, No. 8.

Noronha, E. and Sharma, R.N. (1999), "Displaced Workers and the Withering of Welfare State", *Economic and Political Weekly,* Vol. 34, No. 23.

Portes, A. (2000), "Neo-liberalism and the Sociology of Development: Emerging Trends and Unanticipated Facts", in Roberts and Hite (eds.).

Ramakrishnan, R. (1999), "Containerisation of Traffic and Developments in Indian Ports", *Indian Ports,* Vol. 31, No. 2.

Rodrik, D. (2000), "Has Globalisation Gone too Far?", in Roberts and Hite (eds.).

Roberts, J.T. and Hite, A. (eds.) (2000), *From Moderisation to Globalisation: Perspectives on Social Development and Social Charge,* Blackwell Publications, Oxford.

Sharma, D.P. (1999), "Port and Dock Workers: Left High and Dry", *http://www.labourfile.org/Lab99/Port%20and%20Dock%20Workers.htm.*

Tulpule, B. and Gupte, V. (1997), *Study of Contract Labour in the Public Sector in India Sponsored,* Maniben Kara Institute, Mumbai (Unpublished document).

Vaidya, S. and Arora, A.K. (1992), "Ports and Docks", in Davla, S. (eds.), *Employment and Unionisation in Indian Industry*, Friedrich Ebert Stifting, New Delhi.

World Bank (2003), "Reform Toolkit Module 7 Labour Reforms and Social Issues", *http://rru.worldbank.org/Toolkits/Documents/Ports/mod7.pdf.*