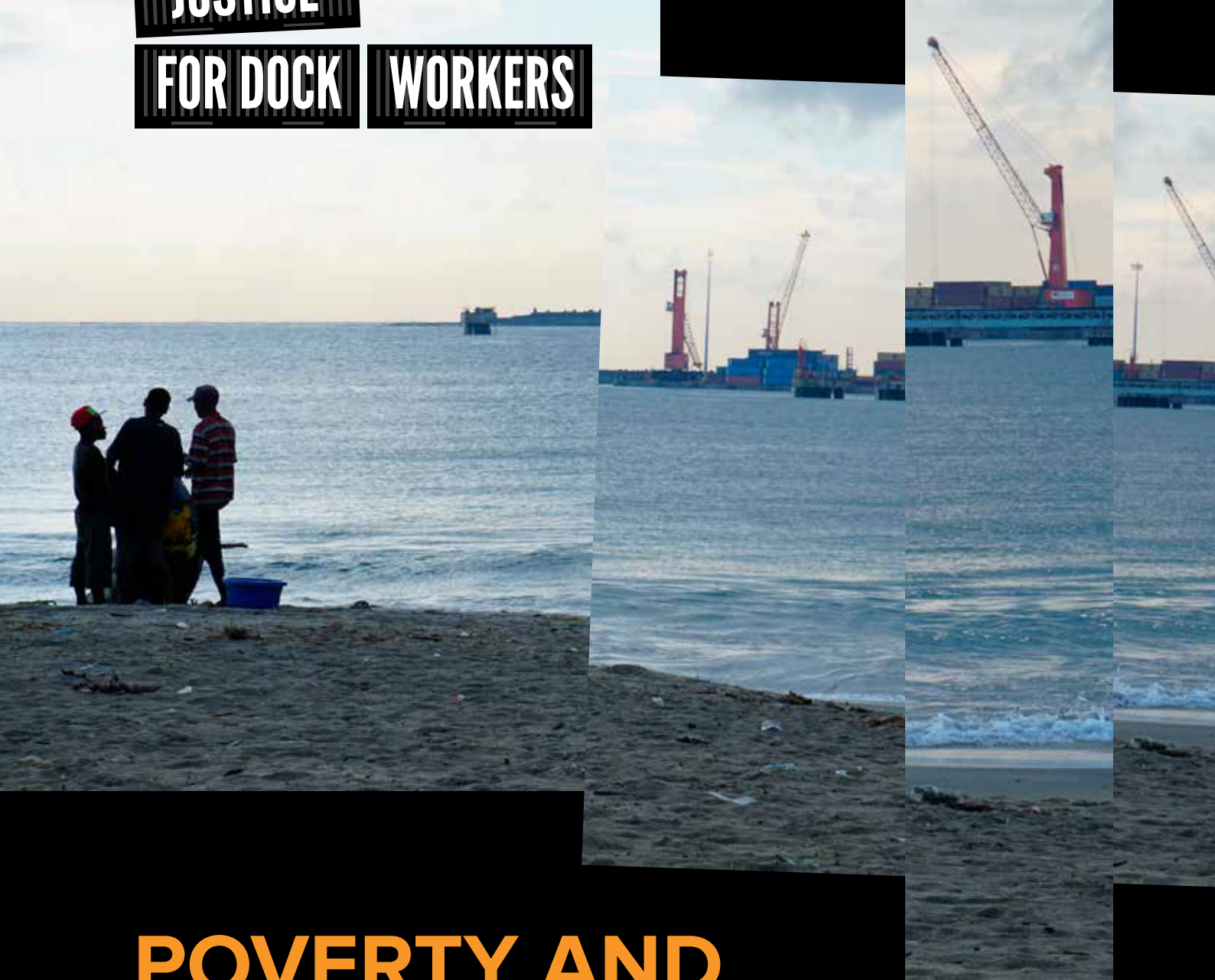




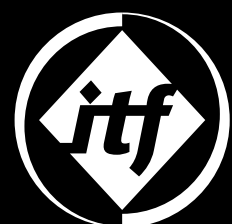
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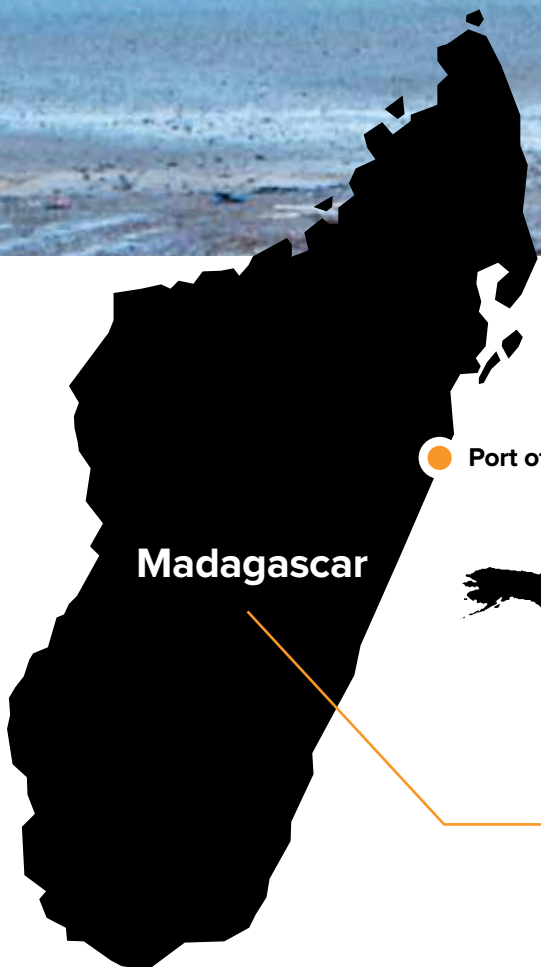
FOR DOCK WORKERS



POVERTY AND INTIMIDATION AT THE GATEWAY TO MADAGASCAR:

**PRECARIOUS WORK, INJURIES
AND SACKINGS AT THE PORT
OF TOAMASINA, MADAGASCAR**





Madagascar

● Port of Toamasina



MADAGASCAN DOCK WORKERS ARE SOME OF THE LOWEST PAID IN THE WORLD.



Madagascar is famous for its splendid nature and exotic animals. But this beauty hides a reality of severe, endemic poverty and labour rights violations. Poverty in Madagascar was exacerbated by a coup in 2009. In response to the overthrow of the elected President, international aid donors withdrew all but emergency aid, and multinational companies – like Levi’s – pulled out of the country.

Despite steps to return the country to democracy, the International Transport Workers’ Federation (ITF) and International Trade Union Confederation (ITUC) remain concerned about labour rights violations in the country.

Madagascan dock workers are some of the lowest paid in the world. A casual dock worker may take home less than US\$40 per month, and will struggle

to support themselves and their families despite long hours doing difficult, dangerous work. In 2012, many of these workers joined the *Syndicat Général Maritime de Madagascar* (SYGMMA) to fight for an end to precarious, low-paid, and unsafe working conditions at the port. These workers faced intimidation and threats to their employment, with 43 dock workers unfairly dismissed for union activity in 2012.

SYGMMA, the **ITF** and the **ITUC** are supporting these workers in their fight to improve working conditions, and to have SYGMMA recognised as the representative of these workers.

This report outlines the background to their case, and the ongoing exploitation of workers and unacceptable safety standards at the Port of Toamasina.

Africa is a very good place for us. There is very little competition and they need the investment badly. Bottom line: Returns are best there with high yields in the handling business. To handle a box in our terminal in Yantai, [China], we charge about \$45-\$50. The same container in Africa easily goes for \$200-\$250.

Enrique K. Razon - Chairman and President of ICTSI¹

Dockworkers struggling to survive while Port operator records significant profits

The Port of Toamasina (Tamatave) handles 90 per cent of Madagascar's container traffic.² The concession to operate the terminal was awarded to Filipino port company, International Container Terminal Services, Inc. (ICTSI) in May 2005. ICTSI operates 30 container terminals globally. Local ICTSI subsidiary MICTSL directly employs permanent and casual workers to work the Toamasina container terminal. They also employ workers through labour-hire firm *Société de Manutention des Marchandises Conventionnelles* (SMMC), a state-owned enterprise.

In 2013 and 2014, the maritime research and advisory firm Drewry reported that ICTSI had the highest earnings per standard container unit (TEU) of all container operators globally, with all but one other operator reporting less than half their earnings per TEU (see Table 1). Despite this, many workers on ICTSI's container terminal in Toamasina struggle to survive.

FINANCIAL PERFORMANCE OF SELECTED GLOBAL/INTERNATIONAL TERMINAL OPERATORS, 2013 & 2014³

Terminal operator	Year	Margin %age	Revenue per TEU	Earnings per TEU
Eurogate	2014	23.6%	41.1	9.7
	2013	23.9%	51.7	12.4
HPH	2014	34.1%	57.3	19.5
	2013	33.6%	56.2	18.9
ICTSI	2014	41.2%	142.7	58.8
	2013	44.3%	135.1	59.8
PSA	2014	41.3%	44.2	18.2
	2013	43.3%	47.7	20.7
APMT	2014	22.7%	57.4	13.0
	2013	20.6%	59.0	12.2
Cosco Pacific	2014	42.7%	45.6	19.5
	2013	41.7%	41.3	17.2
DPW	2014	44.3%	120.4	53.3
	2013	43.3%	117.8	51.0

1. JM Watts, 'Razon moves Quickly, From Ports to Resorts', The Wall Street Journal, 23 November, 2014, <https://goo.gl/eO7HWV>.

2. IFC and DEVCO, "Madagascar: Port of Toamasina."

3. Drewry, Global Container Terminal Operators: Annual Report 2015, p. 35.



AN UNFAIR BALANCE



**1 CONTAINER
WILL EARN**

\$200
for ICTSI



**1 CONTAINER
WILL EARN**

0.02c
for a dock
worker

Permanent workers are typically the more highly skilled on the docks, and perform roles such as vessel planners, gate checkers and engineers. These workers start on a base rate of US\$112/month. The more dangerous and dirty work - like lashing - is undertaken by casual workers. All but a handful of these casual workers are employed on a piece rate basis. The rate per 20-foot container is 1600 Malagasy Ariary (MGA) (US\$0.50), which is split between the 24 workers working on a shift. The maximum number of containers that can be moved in a single eight-hour shift is 440. In other words, the maximum that each dock worker can earn in a single shift is 29,333 MGA (US\$9.15), before deductions.

However, these workers often earn significantly less, and may even return home from a shift without being paid if a ship is delayed or fails to arrive. Casual dock workers report that they are frequently rostered to work when there are no ships to unload, and they must wait around until the ship arrives to begin unloading. If the ship does not arrive before the next shift is rostered on to start, these dock workers will return home without payment.

Some casual workers report only being paid for four shifts a month, taking home less than US\$40 a month. Although they struggle to meet basic living costs on this salary, their ability to supplement their income is curtailed by the requirement that they wait at the docks until the ship arrives to be unloaded. Dock workers report that it is not uncommon for them to stay at the terminal overnight, sleeping at the edges of the dock, and waiting for the next ship to arrive.

Dock workers are struggling to survive. One married dock worker with two children states that his wage is only enough to cover food. His wife meets additional expenses such as rent and electricity. If their children are sick, they must borrow money so that they can see a doctor, and they cannot afford to send their children to school.

This experience contradicts ICTSI's claims to support education in the countries where it operates. While local subsidiary MICSTL may have donated three classrooms to the Analamboanio Primary School in Toamasina, to allow more than 180 students to attend school each year, this does not address the issue of wage rates being too low to afford school fees, uniforms and material expenses.⁴

With Madagascan dock workers some of the lowest paid in the world, it is not difficult to see how the Port of Toamasina has become one of the primary contributors to ICTSI's revenue.⁵

If you go to the markets like Italy, France ... labor cost is just too high, and even though you have a lot of volume, margin is simply too low ... We could be in any place in the world ... but we stay away from these markets because they don't have growth.⁶

4. ICTSI, 2015, Annual Report.

5. MR Camus, 'ICTSI tempers overseas expansion plans', Inquirer.net, 22 April 2016, <https://goo.gl/2fSIHP>;

ICTSI, 'ICTSI 1H 2015 net income down 1% to US\$100.4 million', 10 August 2015, <https://goo.gl/5941UN>.

6. LA Nguyen, 'Enrique Razon's Shipping Play', Forbes, 22 June 2011, <https://goo.gl/hanjqO>



“I want to return to SMMC, and continue to fight with the union. Now that we have started, we can’t stop. We must do it for the future – for our children.”

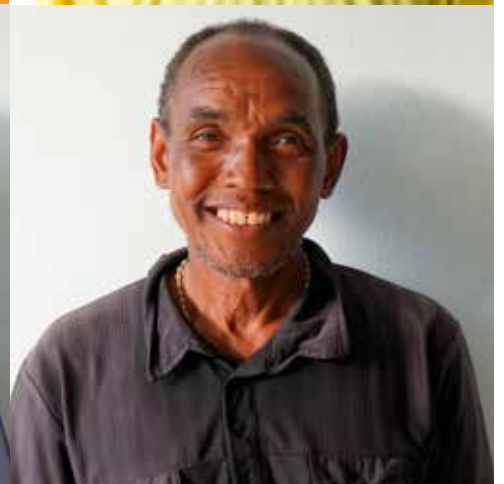


“I take small jobs now. I work as a gardener, cleaning houses. There is a huge difference between what I earn now and what I was earning before. But I take whatever I can get so that I can get a bit of money to feed my family. And I continue to fight with SYGMMA.”





“Management came to us and told us that if we didn’t leave the union we would lose our jobs. But we wanted to stay with SYGMMA to fight for better work.”



“I am 52 years old – no one will hire me now. I try to arrange small jobs each day ... Sometimes I don’t have enough food to eat. My children don’t go to school. I don’t know what I’m going to do.”



Unacceptable safety standards at the Port of Toamasina

Dock work is dangerous work. Every day workers face hazards like: crush injuries, death from heavy vehicles and containers, falls from heights, suspended loads, and exposure to hazardous chemicals. The ITF has long advocated for minimum safety standards at container port facilities internationally. It is the ITF's view that conditions in the ICTSI terminal fall alarmingly short of global minimum standards, including the ILO Code of Practice *Health and Safety in Ports*, and the global benchmark BSI standard *Occupational Health and Safety Management System OHSAS 18001:2007*.

The ITF has seen evidence that dock workers regularly work at heights without fall protection or safety equipment. While management may provide harnesses for workers who work at heights, these harnesses are often not secured to a tether line, and dock workers are routinely working unsecured.



These hazards, routine at the Port of Toamasina, are some of the most serious safety hazards any worker can face, responsible for the deaths of thousands of dockworkers worldwide every year.

A months' work for a pair of boots

All dock workers should be provided with protective equipment when working on container terminals – including safety shoes and boots. Casual workers on the ICTSI terminal report that safety equipment is insufficient, and the need to purchase their own boots in order to avoid injury, as boots provided by ICTSI are in disrepair. A new pair of boots costs 160,000 MGA (USD\$50) in Madagascar. The equivalent of a month's wages for the average casual docker.



A pair of boots is equal to a month's wages





Although Madagascar has ratified both ILO Conventions protecting freedom of association and the right to collective bargaining, the fundamental trade union rights pertaining to these conventions are not applied in practice. [...] The right to strike is guaranteed by law, but is not respected in practice.⁷

Workers intimidated and dismissed for joining the union

On the 1st of March 2012, SYGMMA appointed three delegates to represent workers employed by the SMMC at the Port of Toamasina. Management's response to their new role was swift. Less than two weeks later, on the 13th of March 2012, SMMC management ordered the delegates representatives to sign a letter stating that they would resign from the union and agree not to hold union meetings. The delegates refused and were subsequently dismissed. In July 2012, SYGMMA held a strike in support of the dismissed dock workers. Following the strike, a further 34 workers were dismissed. This is in addition to six workers who were denied shifts for union activity in May 2012.

This has been a five year fight. SYGMMA has exhausted all attempts to have the union recognised at the Port of Toamasina, and the workers reinstated. SMMC has repeatedly refused to meet with the union and the regional Labour Inspectorate to discuss their case. SMMC has failed to enforce a 2014 court ruling recognising the right of SYGMMA to organise at the

Port of Toamasina. None of the 43 workers who were dismissed for union activity have been reinstated. Most have struggled to find regular work, and subsist from traditional fishing, driving rickshaws, helping their wives sell vegetables at the markets, and intermittent work as gardeners and cleaners.

SYGMMA, the ITF and the ITUC are calling on the Madagascar Government to respect its commitment to the ILO Conventions by ensuring that these workers are reinstated immediately and that SYGMMA is allowed to organise workers at the Port of Toamasina.

The failure of SMMC to reinstate these workers, and to recognise the right of SYGMMA to organise workers at the Port of Toamasina, contravenes workers' rights to freedom of association as enshrined in the Madagascar Labour code (LOI N° 2003-044). It also contravenes ILO Conventions 87 and 98, regarding Freedom of Association, Protection of the Right to Organise and the Right to Collectively Bargain, to which the Madagascar government is a signatory.

7. ITUC, Internationally Recognised Core Labour Standards in Madagascar: Report for the WTO General Council Review of the Trade Policies of Madagascar.



“I work every day. Every single day. Each night, when I sleep, I feel very tired. I ache all over my body ... Some days, we don’t have anything to eat. No lunch, no dinner. We don’t have enough money, even though I wash clothes every day.”

Dismissed workers missing meals and struggling to survive

The sacking of these workers has significantly impacted their families, particularly on their wives who have had to intensify their own work to make up for their husband’s lost income. The majority of women in Madagascar are employed in the informal economy – selling food at the markets, washing clothes and cleaning houses – and earn substantially below the legal minimum wage.

Nantenaina, the wife of one of the sacked dock workers, must wash clothes every day to support her family. Despite back-breaking labour that leaves her body aching every night, sometimes her and her

husband do not have money to buy food, skipping meals or even going without for whole days. They will often resort to borrowing money from friends to buy food, and there is no way of paying this money back unless she works longer, more intensive days, washing additional clothes to meet the costs of their debt. Wherever possible her husband supplements her income, taking odd jobs as a gardener or helping her to wash clothes, but this work is not consistent, and they struggle to get by.

Despite their struggle to survive, both her and her husband are determined to keep up the fight to have him reinstated, and to return to work as a member of his union.

SYGMMA, ITF and the ITUC

Syndicat Général Maritime de Madagascar (SYGMMA) is the union representing seafarers, dock workers and fishers in Madagascar. SYGMMA is an affiliate of the International Transport Workers' Federation.

The International Transport Workers' Federation (ITF) is a global union federation of approximately 700 transport workers' trade unions, representing more than 4.5 million transport workers from 150 countries. The ITF is allied with the International Trade Union Confederation (ITUC). Any independent trade union with members in the transport industry is eligible for membership of the organisation. The ITF represents the interests of transport workers' unions in bodies such as the International Labour Organization (ILO), the International Maritime Organization (IMO) and the International Civil Aviation Organization (ICAO). The organisation also informs and advises unions about developments in the transport industry in other countries or regions of the world, and organises international solidarity actions when member unions in one country are in conflict with employers or government.

The International Trade Union Confederation (ITUC) is the global voice of the world's working people. The ITUC's primary mission is the promotion and defence of workers' rights and interests, through international cooperation between trade unions, global campaigning and advocacy within major global institutions. The ITUC represents 170 million workers in 312 affiliated national organisations from 157 countries and territories.

Port of Toamasina

The International Finance Corporation (IFC) advised the Government of Madagascar on the privatisation of the Port of Toamasina, with the process receiving additional funding from the Dutch Ministry of Foreign Affairs, the Private Infrastructure Development Group, the Swedish International Development Cooperation Agency, and the United Kingdom's Department for International Development. The Japanese Investment Cooperation Agency (JICA) is funding the redevelopment and expansion of the port which is due to commence in 2017.

www.justicefordockworkers.org

