

# Container Ports, Local Benefits and Transportation Worker Earnings

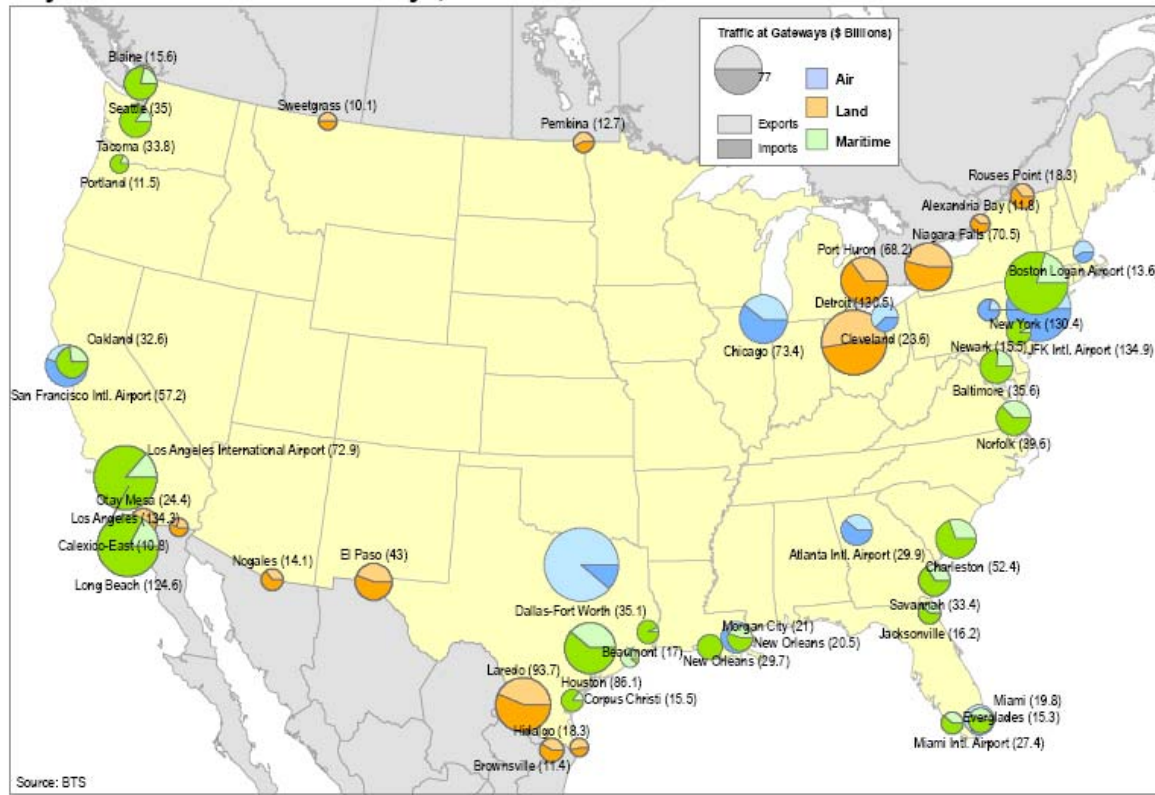
[Hall, PV. 2009 “Container ports, local benefits and transportation worker earnings”, *GeoJournal*. 74(1): 67-83.]

*Peter V. Hall*  
*Simon Fraser*  
*University*  
*Vancouver, Canada*



Source: <http://aapa.files.cms-plus.com/PDFs/Awareness/AAPAUSEconomyFactSheet.pdf>

**Major American Modal Gateways, 2005**



Dr. Jean-Paul Rodrigue, Dept. of Economics & Geography, Hofstra University

# Concentration of containers in US Ports

	Loaded import-export TEUs		All TEUs handled	
	1995	2004	1984	2004
Share of top 3 ports	41.4%	59.2%	40,2%	45.5%
Share of top 10 ports	76.5%	81.4%	73.8%	77.1%
Thousands of TEUs handled by US Ports	13,328	23,851	11,771	38,655

Source: BTS (2006) and AAPA (2007)

# Ports and city-regions

- **Disconnection: multi-dimensional and multi-scale change in the relationship between ports and port-cities**
  - Infrastructure – containerization, scale and the urban interface
  - Networks – scale, load centers and logistics
  - Economies – delocalization of benefits
  - Institutions – landlords and global terminal operators
- **Consequences of economic disconnection**
  - The political-economy of freight and the relative earnings of logistics workers in gateway port-cities

# Better at the hubs?



- Higher aggregate demand
- Newest technology
- Corporate control functions
- More skills required
- Disruption threat
- Hence ... better wages and working conditions?

- High fixed costs of securing hub location
- Resistance to setting standards
- By-pass threat
- Search to deunionise, casualise and racialise
- Hence ... intense conflict over wages and working conditions?



# RELATIVE EARNINGS OF LOGISTICS WORKERS IN MAJOR US PORT CITIES

- Analysis of earnings of...
  - Truck drivers
  - Dockworkers
  - Warehouse workers
  - Relative to non-transport operators in the same region, controlling for demographic characteristics
- Current Population Survey, March files
  - Annual earnings
  - Sector and occupation
  - Metropolitan region of residence
  - Various demographic controls

# BIGGEST US SEAPORTS

## EAST AND GULF COAST PORTS

- New York-New Jersey
- Houston-Galveston
- Miami
- Norfolk
- Charleston
- Savannah

## WEST COAST PORTS

- Los Angeles
- Long Beach
- Oakland (and San Francisco)
- Seattle-Tacoma

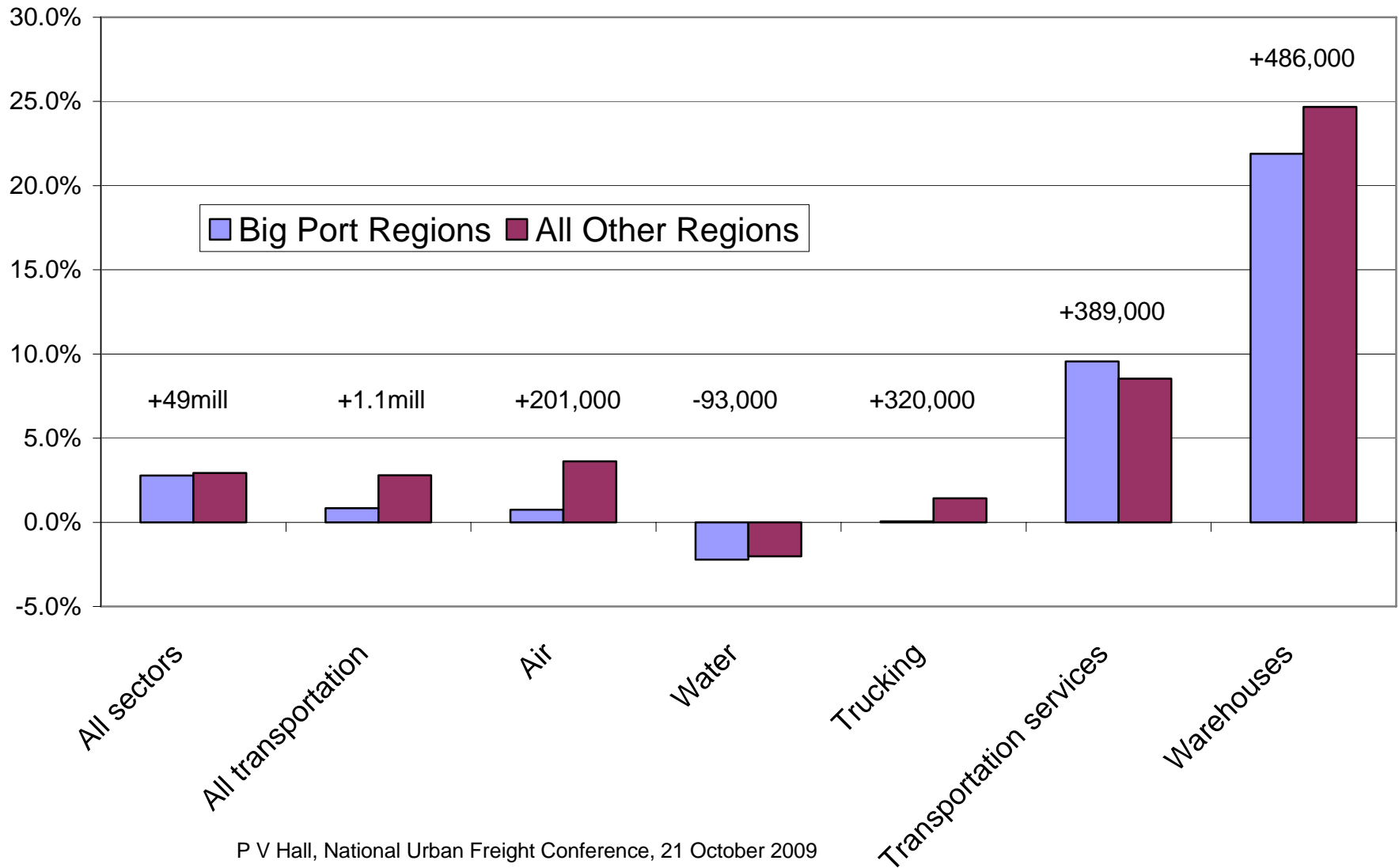
Also...

- San Diego
- Portland

(Top container ports 2005, 1m TEU + ports in the contiguous states)



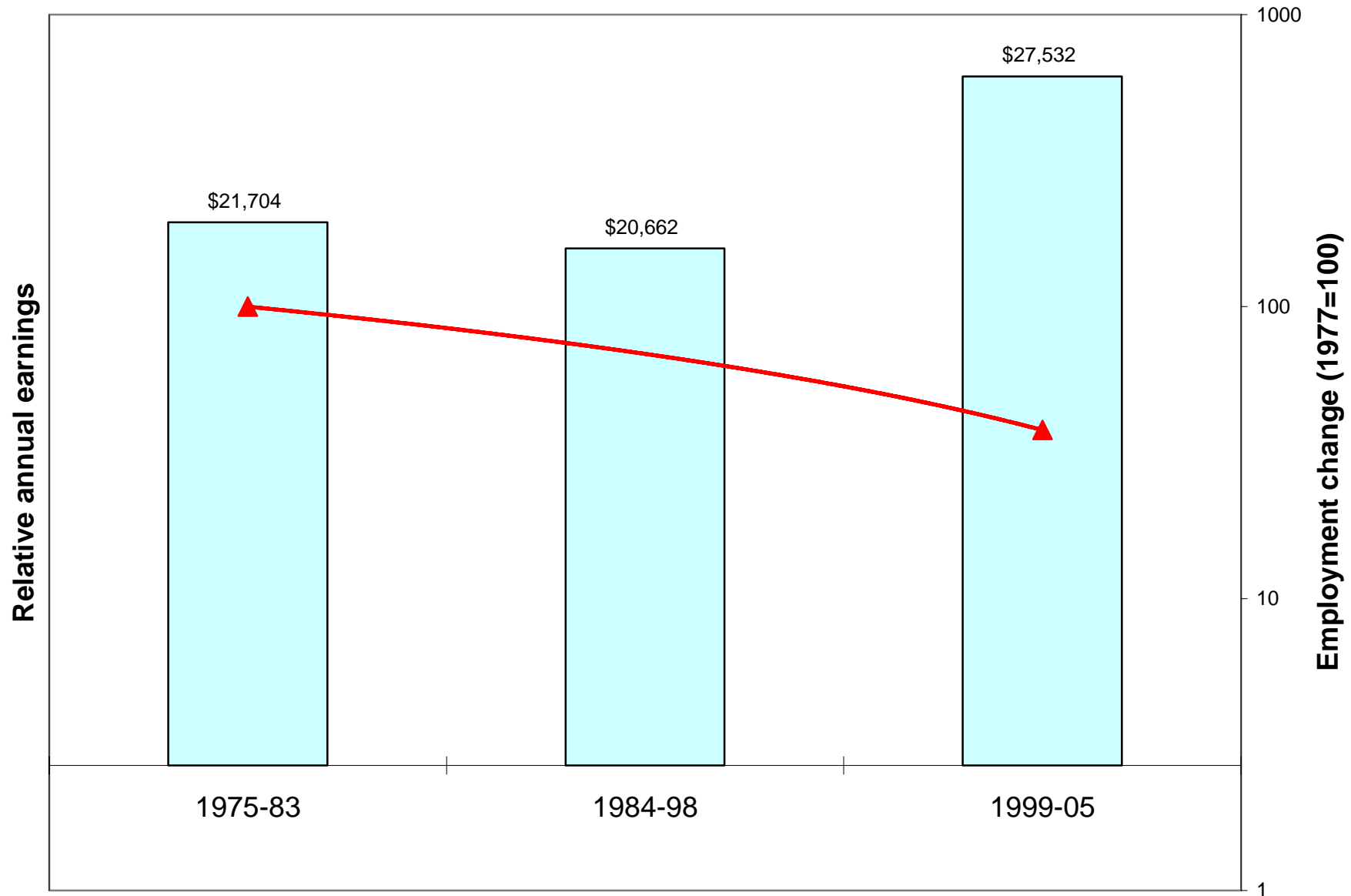
# Average annual growth in transportation employment, United States 1977-2005



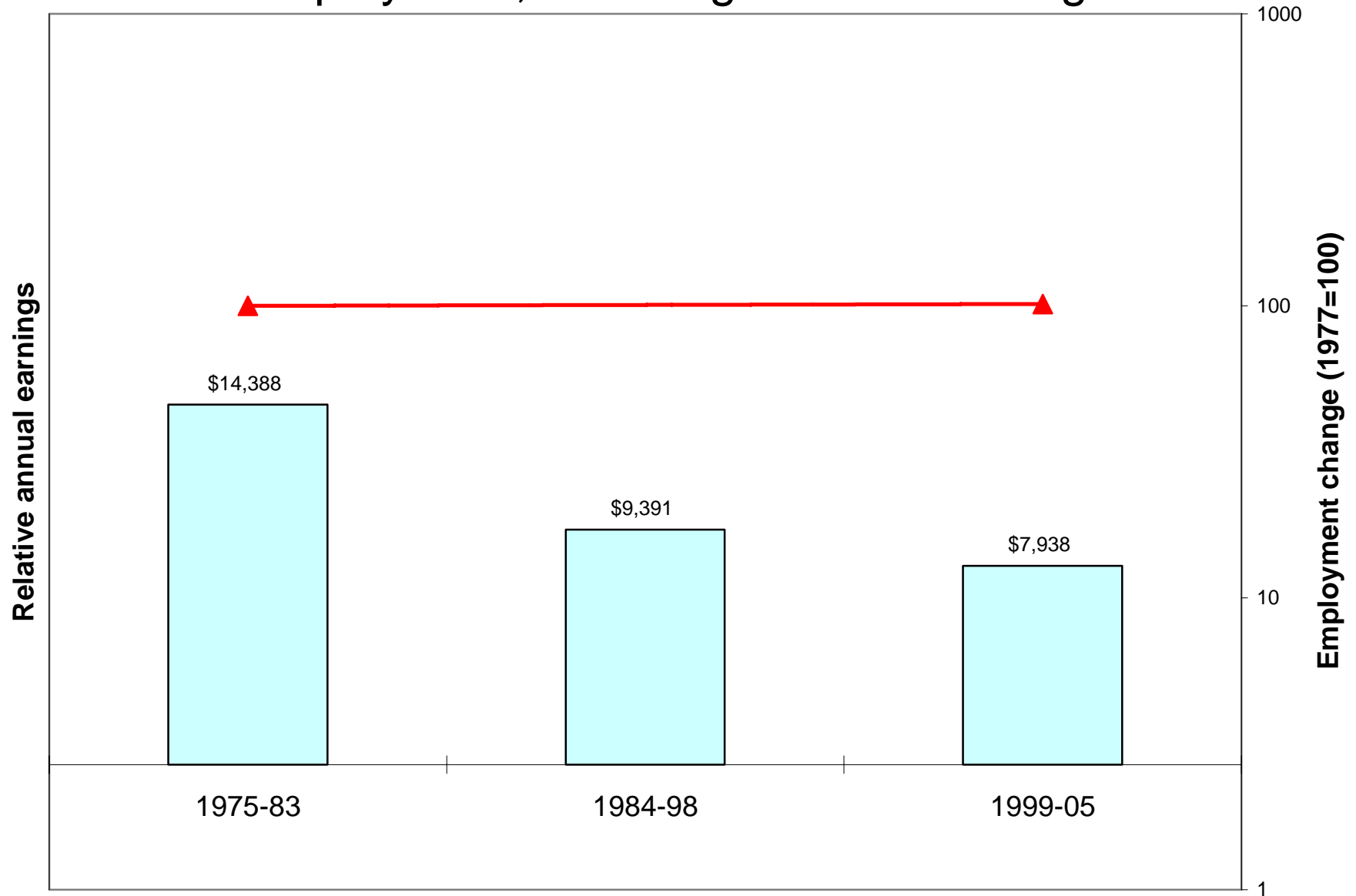
# TIME PERIODS

- **Deregulation (1975-1983)**
  - Railroad Revitalization and Regulatory Act (of 1976)
  - Staggers Act (of 1980)
  - Motor Carrier Act (of 1980)
  - Shipping Act (of 1984)
- **Consolidation (1984-1998)**
  - Maturity of the intermodal land-bridge
  - Ocean Shipping Reform Act (of 1998)
- **Expansion (1999-2005)**
  - China in WTO 2001
  - ILWU-PMA agreements, 1999 and 2002

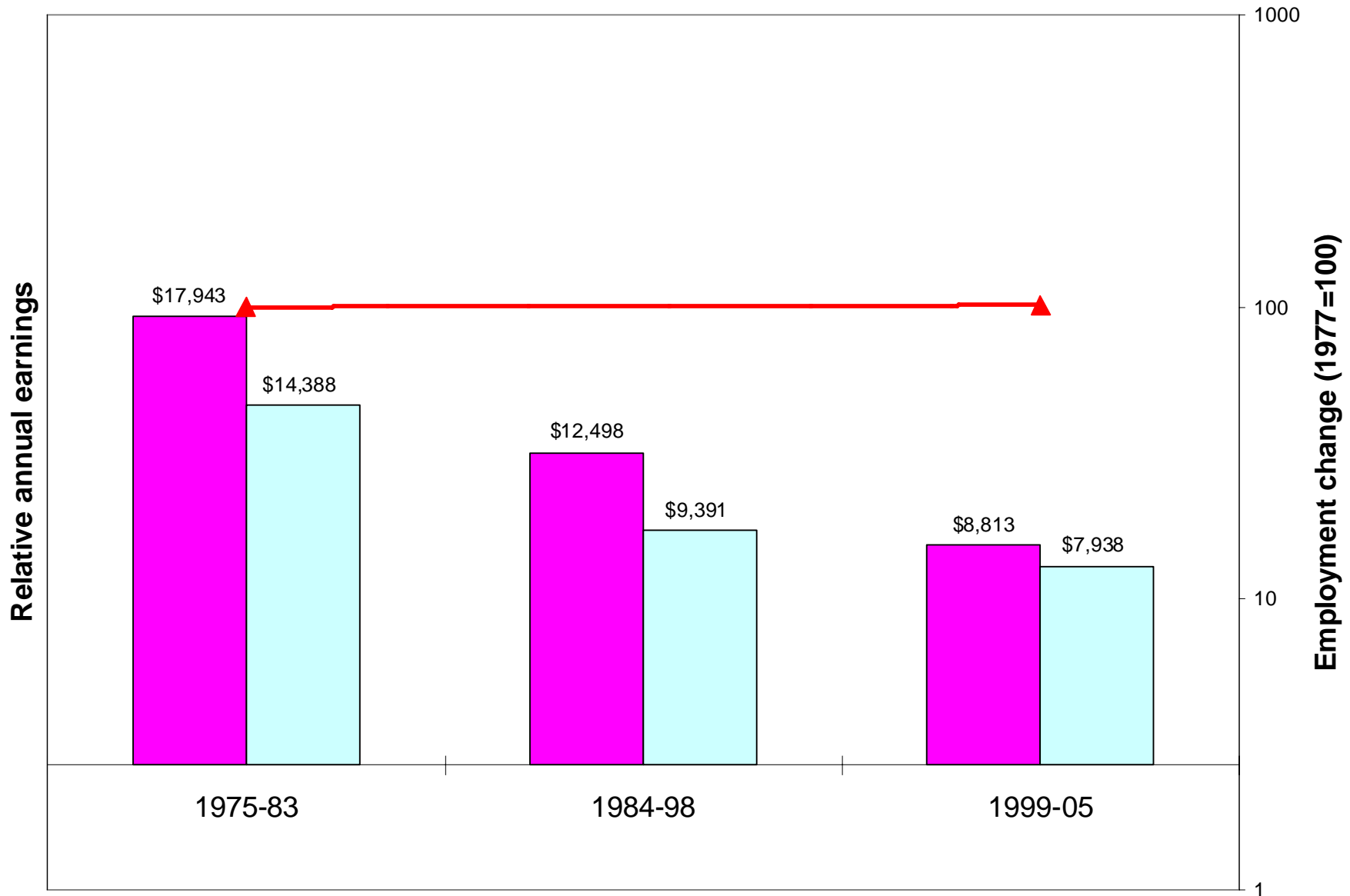
# Dock-workers in big port regions: high relative earnings, declining employment



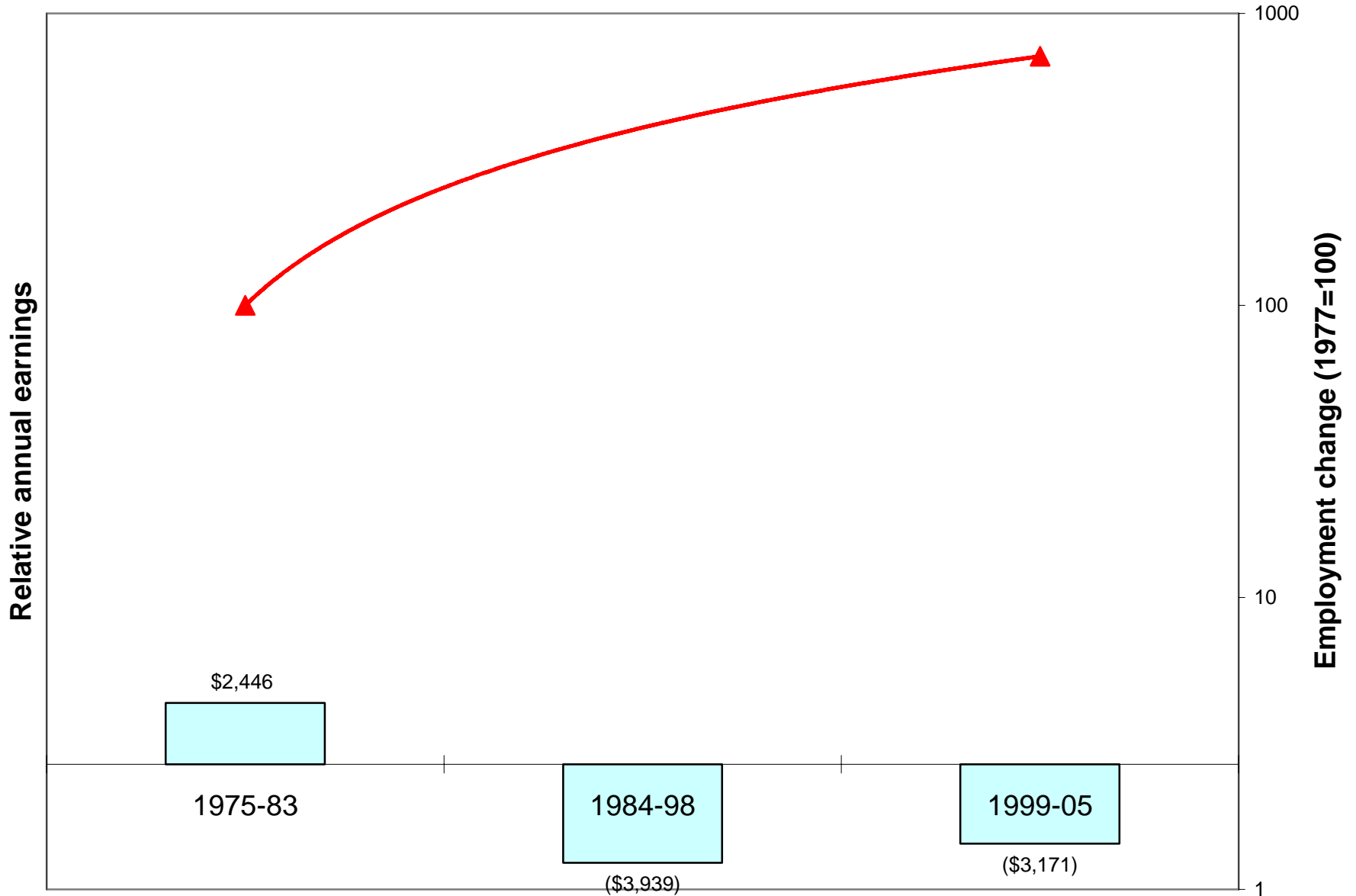
# Truck-drivers in big port regions: flat employment, declining relative earnings



# Los Angeles truck-drivers: declining relative earnings



# Warehouse-workers in big port regions: employment growth, lower relative earnings



# REGRESSION RESULTS:

## relative earnings, 1975-83 to 1999-05

- Truck-driver \* Big Port Cities • 0.121\*\* to 0.165\*\*
- Truck-driver \* West Coast • 0.082\*\* to 0.092\*\*
- Truck-driver \* LA Region • 0.206\*\* to 0.199\*\*
- Dockworker \* Big Port Cities • 0.273\*\* to 0.557\*\*
- Dockworker \* West Coast • 0.206\* to 0.480\*\*
- Warehouse \* Big Port Cities • 0.116 to -0.098
- Warehouse \* West Coast • 0.122 to 0.067
- Warehouse \* East Coast • 0.121 to -0.229\*

\*\* 99% sig. \* 95% sig.

# Earnings summary

- Dock-workers in big ports on all three coasts are net beneficiaries, especially on the US West Coast
  - high throughput volumes and aggregate demand,
  - technological and capital intensification, and
  - strong union bargaining power.
- Truckers: gross earnings of truckers did fall, and this fall was greater in big port cities:
  - truckers in big port cities receive an earnings premium, but
  - changing social structure and characteristics of workers in the industry results in lower aggregate earnings.
- Warehouse-workers in big East and Gulf Coast port-cities experienced decline in relative earnings

# Conclusions

- **Caveat:**
  - There is more to the relationship between ports and city-regions than the economy
  - There is more to the economic relationship than worker earnings
  - Earnings don't fully describe employment outcomes
- **But it is clear that host city-regions have...**
  - No advantage in employment numbers
  - Only a very selected advantage in earnings
  - [non-local shippers]
- **Result:**
  - Challenges to the 'social license to operate'
  - Demand for other forms of compensation to host city-regions
  - Contest over the zone of regulated employment