



**Joint response of the IMF and the EMF
to the European Commission public consultation on the options for new
initiative regarding dismantling of ships.**

1. Background

The International Metalworkers' Federation (IMF) represents 25 million metalworkers in 200 trade unions in over 100 countries. The IMF is working globally to improve the conditions of workers in the ship breaking industry. It has focused in particular on Alang and Mumbai in India, both significant ship breaking areas where the IMF has developed two successful organising projects. The IMF also leads the workers group in the International Labour Organisation/ Basel Convention/International Maritime Organisation special committee and so are major stakeholders in the industry.

The European Metalworkers' Federation (EMF) is a European trade union organization representing the interests of 5,5 million members in the metal industries in 34 European countries. The EMF develops its strategies for the European shipbuilding sector within the context of an overall European maritime policy in order to ensure a competitive industry with high levels of high quality employment. The EMF shipbuilding committee has contributed to the development of the new EU Maritime Policy and in this context has issued its demands for safer and 'greener' ships and the development of a European ship breaking sector.

IMF and EMF have close cooperation links and work together on issues of mutual concern.

The present consultation provides strong grounds for cooperation between EMF and IMF as ship breaking is an issue of European and international concern. Through early adoption of the IMO Convention, by extending its scope and making more of its provisions binding, EMF and IMF are of the



opinion that the EU is in a strong position to play a leading and exemplary role in promoting adequate environmental and occupational health and safety conditions for workers in the ship breaking industry globally.

Question 1 what could be the possible positive and negative consequences of an early transposition of these measures notably in terms environmental, social and economic impacts?

IMF/EMF Position:

Ship breaking is recognised as one of the world's most hazardous occupations. It is concentrated in a few developing countries (mainly in Asia) on account of the low wages and lack of compliance with international standards on safety, health and lack of environmental controls offered in these nations. Both IMF and EMF would welcome an early adoption into Community law of the measures proposed in the Commission consultation. Waiting for implementation of the new international instrument until 2015 is unacceptable whilst ship breaking workers continue to be killed or injured at work.

Establishing an inventory of hazardous materials present on board a ship should be the first step in a process which sees a competent authority match the requirements to safely recycle the vessel, taking into account the identified hazards with the capacity of the given recycling facility. The Commission must also consider how it can ensure that the inventory is factually accurate given that many of the vessels due to be recycled were built over twenty years ago. An inventory of hazardous materials should not be seen as a substitute for a highly skilled trained workforce with the ability to identify unforeseen hazards and react to the, but as a measure to help reduce risk.

Three international organisations (The International Labour Organisation, Basel Convention, and International Maritime Organisation) have already issued or provided guidelines to improve the current situation. Yet in the main these have been ignored and the situation in many ship breaking facilities has remained the same. Many ship breaking countries such as India



possess national laws that should also provide for minimum standards in health and safety and human rights. However these are widely ignored or not applied due to a lack of enforcement. Therefore the Commission will need to consider who should carry out inspections of ship breaking facilities when assessing compliance. Local trade unions can play a major role in giving a true picture of the conditions in a ship breaking facility and the way in which workers are being treated. Where possible the Commission should look at ways to involve them in the auditing process and encouraging social dialogue between all stakeholders.

IMF and EMF are warning however, that the potential economic impact from a new binding international agreement that enforces standards unachievable in countries such as India would be dramatic. In Alang, India, over 60,000 workers depend directly on the ship breaking industry and an estimated additional 25, 000 workers work in the downstream industries. These workers face a stark choice between exploitation and starvation. Many are living below the poverty line and their family's livelihood is dependant on their ability to work in the ship breaking yards. The majority of workers have migrated from other states in order to ensure their survival; the situation is similar in many of the Asian ship breaking countries and arguably worse in Pakistan and Bangladesh. The Commission must therefore adopt a socially responsible role that regulates to improve environmental and safety conditions in the industry, but does not lead to the closure of a vitally important industry in developing countries. IMF and EMF believe the way to achieve this is to develop an international directory of ship breakers who comply to a set of minimum standards that cover issues such as health and safety, working conditions, and environmental protection.

Question 2 which factors will play a crucial role in ensuring that control and enforcement mechanisms are effective?

IMF/EMF Position:

In order to ensure that control and enforcement mechanisms are effective it will be necessary for clear regulation of the entire process from cradle to grave in the ship's life, including the better enforcement of waste shipment rules and more checks at EU ports. The Commission will need to establish a



competent authority who can act as an independent inspectorate to ensure compliance with this regulation. The IMF and EMF do not believe that it will be enough to rely on the International Maritime Organisation as this is not the competent authority on issues such as workplace health and safety in the ship breaking yards.

The introduction of a process at European level to monitor ship scrapping based on building a register of current global ship stock and new registrations would contribute to an effective control and enforcement mechanism.

Question 3 what would be the advantages and disadvantages of the extension, at EU level, of the draft Convention's requirements to the clean dismantling of warships and other government vessels?

IMF/EMF position:

IMF and EMF believe that all military and government vessels should be dismantled within the European Union. In order to do this it will be important to develop a European sector for dismantling military and civilian decommissioned ships that is ecologically and socially responsible as well as economically, industrially and socially innovative. Such world class facilities could act as a training ground to developing countries and also allow for exchange of best practice. The development of European ship breaking activities would also generate demand and employment within the European Union. We believe that it is the responsibility of national governments to ensure that adequate funds are available to recycle warships at the highest standards possible. In general, all relevant players (shipbuilders, ship owners, recycling professionals, national governments and the EU) should engage in the establishment of such a sector, share its funding and design innovative technologies. An ambitious European research and development policy in the field of dismantling technology and decontamination techniques would be a requirement.

IMF and EMF believe that the promotion of environmentally sound and socially responsible ship breaking facilities across the globe should also be



the subject of the ongoing OECD negotiations for a global shipbuilding agreement.

Question 4 what would be the advantages and disadvantages of the extension, at EU level, of the draft conventions requirements to the clean dismantling of ships less than 500 GT?

IMF/EMF position:

In order to improve the global situation it is important that all vessels are recycled to the highest standards and the only way to achieve this is by extending the draft convention requirements. The draft convention itself is not as strong as the IMF believes it should be. IMF and EMF argue that the IMO is not the competent authority to deal with work place safety issues; this role is better placed with the ILO. The draft convention has weaknesses in the way it deals with workplace safety. It is a compromise between needs of industry and Governments. The draft convention is only a minimum standard so we believe it is not unreasonable to apply to all vessels.

Question 5 what could be the possible and negative impacts of the introduction of such a measure?

IMF/EMF position:

The IMF believes the only way to improve standards is for the Commission to develop its own mandatory certification and audit system for individual facilities. Any voluntary system would not improve the current situation. As mentioned before the ILO/IMO/ Basel Convention have all produced voluntary guidelines and codes which all have been widely ignored. IMF and EMF see no evidence to suggest that a business to business system would contribute to improvements. In fact it would increase the lack of transparency within the industry.

Questions 6 which organisations and actors do you foresee playing a key role in such audit and certification system?

IMF/EMF position:

In addition to a mandatory EU certification and audit system, IMF and EMF believe that local trade unions should also play a key role in auditing and improving standards and giving a voice to workers. As mentioned above IMF



and EMF do not believe any voluntary system would make a positive contribution. The IMF is in the process of developing its own list of minimum standards for ship breaking facilities and would be willing to discuss this with the Commission and industry.

Question 7 which criteria would you consider as relevant and practical to define ships ready for recycling? Please detail the advantages and disadvantages of each of these criteria in particular improving enforcement.

IMF/EMF Position:

IMF and EMF would agree with all of the criteria listed in the document. We would also add that it would encourage transparency if a market observatory was established. This could provide information to stakeholders on market trends, volumes in ship breaking facilities and compliance with standards.

Question 8 what measures do you consider effective to ensure that the ships present on the list are treated in a safe and environmentally sound facilities? Please provide details about the economical, social and environmental impacts.

IMF/EMF position:

Defining what constitutes an environmentally sound facility is the first step in the process. Many of the ship breaking facilities in Asia cannot operate to the highest of environmental standards as they rely on the beaching of vessels. In its last consultation the Commission estimated that it costs on average 250 Euros an hour to break a ship in Europe due to the health and safety costs. In India it costs just 1 euro due to the lack of any safety requirements and facilities. The question is whether the Commission believes that European vessels should be broken in Asia and if so what steps is the Commission prepared to take to improve facilities? There is no question that a significant investment will be required.

It is entirely possible for the Commission to establish a mentoring process between European recycling yards and Asian facilities. As mentioned before the IMF is developing a list of minimum standards regarding human rights that we believe ship breaking employers must comply with in order to be a



recognised ship breaker. IMF and EMF believe this list could be used as a basis to establish a directory of socially responsible ship breakers that could take part in an exchange program with European facilities in order to develop best practice. Also we urge the Commission to ensure European vessels that are broken outside Europe only go to those employers that agree to comply with basic human rights and respect minimum standards.

Question 9 which of the three options or combinations of the three options described above would be the most appropriate in terms of economical, environmental and social impacts?

IMF/EMF position:

IMF and EMF do not have a position on this question. However we believe that whatever option or combinations of options are applied they should be applied evenly and transparency ensured.

Question 10 what criteria do you consider necessary to be fulfilled for a vessel to be eligible to take out funds for recycling from the fund?

IMF/EMF position:

IMF and EMF believe that in order for any vessel to be eligible to take out funds for recycling, the receiving recycling facility must comply with the standards set out in the relevant ILO ship recycling guidelines. The recycling facility must also comply with the ILO core labour standards as a minimum.

Question 11 Should the EU develop a list of green ship recycling facilities and on which criteria should this list be based?

IMF/EMF position:

It is vitally important that a list of preferred facilities is prepared. The IMF is in the process of putting together its own list. Compliance with the ILO guidelines for Asian ship recycling countries would form a good basis. Social dialogue with local unions is also an important element when considering transparency.



Question 12 In your opinion are there any other additional measures that should be regulated at EU level?

IMF/EMF position:

The Commission should promote decent wages for ship breaking workers. There are no wage standards in many of the ship breaking regions and many of the workers in Asia are paid wages at rates which are below the poverty line.

Question 13 what sort of non-legislative interim measures do you consider to be currently effective in encouraging sound ship dismantling practices?

IMF/EMF position:

IMF and EMF do not consider non-legislative approaches to be effective.

Brussels/Geneva, 26th May 2009