



## Ports

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### What is the issue?

Ports are critical junctions between cities and international commerce, and their operations entail a whole community of workers, logistics networks, and the local communities they are embedded into. As the size, extent and complexity of ports grow to cope with economic expansion/transformation demands, the potential risks to workers, people and the environment grow as well. Port-city relations are becoming more contested, with **social conflicts** between cities and ports becoming more frequent. Beyond measuring the economic or infrastructural impact of a port, its presence in the societal and cultural context of its larger region is an important dimension of its value added – creating maritime cultural identities of port cities.

Many port workers e.g. seafarers, dockworkers, are migrant workers under temporary contracts, and due to this and the international nature of the work (especially seafarers) they are more vulnerable and often prone to labour abuses. These include but are not limited to intimidation, threats, retention of identity documents, withholding wages, lack of union representation, debt bondage, abusive working and living conditions, excessive overtime. Through Port State Control (PSC) functions, Port Authorities are required to carry out inspections under the ILO Maritime Labour Convention (MLC), including handling of onshore complaints by seafarers. Port States can exercise jurisdiction and intervene **to address human rights abuses that started when the vessel entered its port.**

More widely, as ports are **actors in the energy transition**, their decarbonisation actions and those of the shipping supply chain can bring tremendous benefits. However, these benefits (and on the other hand, the associated costs) might not be spread equally throughout the local community or to all parties. This can make the energy transition unjust, specially to those most vulnerable who usually end up paying a high cost with little to no benefit from climate action.

#### ABOUT THE OCEAN AND HUMAN RIGHTS PLATFORM

Led by the **Institute for Human Rights and Business** and the **Rafto Foundation**, the Ocean and Human Rights Platform is a collaborative movement to raise awareness to prevent and address adverse human rights impacts across the ocean's industries. The Ocean Platform works with a global network of business, government, human rights defenders, civil society partners, academia and national human rights institutions.

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#### 🗣️ CASE STUDY

In 2013, 7,300 homes were **demolished** to make way for the expansion of Tanzania's Dar Es Salaam port, **funded in part** by a loan from the World Bank. It is interesting to note that the local community **came together** to buy land and build homes for the 36,000 displaced citizens.

## Whose human rights are impacted?

**Seafarers** are at risk in and around ports due to the very nature of maritime work. Complex and opaque supply chains and employment practices, the practice of flags of convenience, lack of national jurisdiction on international waters, inadequate implementation of the MLC, and movement between many countries, all place seafarers in a potentially vulnerable position. Poor working conditions encompass everything from lack of shore leave and limited connectivity, during long contractual terms, to discrimination and harassment, recruitment fees, abandonment, and often limited ability to unionise. And if there are not sufficient safeguards – from shipping companies (owners and operators), crewing agencies, and regulation by governments and international institutions (e.g. IMO, ILO) then the risks to seafarers' rights are further exacerbated.

The shipping industry is moving inexorably towards **automation** and **digitalisation** in the quest for efficiency and competitiveness. However, these commonly desired processes can impact seafarers and dockworkers, in particular by undermining job stability and livelihoods. Further, both seafarers and dockworkers are frequently exposed to decreasing wages and increased hours and work demands.

Besides the effects on workers, port-city dynamics also impact – positively or negatively – surrounding local communities. For example, port operations sometimes bring pollution and displacement, while being limited in the benefits they provide, such as job creation (which can often be minimal). Also, port development and expansion can be carried out using aggressive methods such as expropriation, without proper compensation, consultation or participation of the local population (especially indigenous communities).

## Which businesses should pay attention?

There have been **major changes in the ownership and operating structure of many ports**, with an increasingly prominent role for the private sector, both as a source of finance and provider of services. Ports operators have also consolidated – a relatively small number of companies have been acquiring terminals in ports in all areas of the world. There has been **substantial consolidation** in the ocean shipping sector and some of these carriers want to own and manage their own ports and inland terminals which has impacts on ports and ultimately, workers and local communities.

The entire port system should pay attention to social risks. Each actor has a different role, and therefore is one part of the whole. Businesses that should consider these issues include:

- port/terminal owners and operators;
- shipping lines, shipping agents, barge operators;
- crewing and employment agencies;
- stevedoring companies;
- transport & logistics companies – logistics functions (e.g. transport, terminal handling, warehousing and storage activities) freight forwarders, rail operators, trucking companies, and depots;
- companies involved in providing goods & services to ports – equipment, energy service, construction, etc.;
- customers of shipping and port services; and
- construction service providers.

### CASE STUDY

The Maritime Anti-Corruption Network (MACN) has **successfully partnered with Customs authorities in Nigeria and Indonesia** to target corruption risks at ports during cargo clearance processes and to set up safeguards to ensure greater integrity at ports, including through training for customs officials and the establishment of grievance mechanisms.

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## What should businesses do?

International responsible business conduct standards – the [UN Guiding Principles on Business and Human Rights](#) and the [OECD Guidelines for Multinational Enterprises](#) – set out widely agreed expectations for the conduct of port industry actors relating to human rights due diligence. Additionally, more specifically, companies should:

### Land-related actions for port authorities

- Ensure port development and expansion strategies enable sustainable waterfront development.
- Respect human rights and social considerations in all stages of port infrastructure (built environment) lifecycle including by adhering to the [‘Dignity by Design’ Framework](#).
- Acquire or lease land responsibly, especially in places where local communities rely on land and local resources, but are unprotected by local laws, and where land registries do not function properly.
- Engage local communities and labour unions early in the port development process, and maintain engagement throughout operations.
- Be transparent on contractual arrangements and procurement process.
- Incorporate the protection of human rights at sea into ports’ maritime security procedures – in addition to Port State Control (PSC).
- Respect dockworkers’ rights by paying decent salaries, have transparent and fair employment agreements, plan workload effectively to not strain workers, and invest in technologies that facilitate port operations: in terms of productivity and safety.

### Worker-related actions for port authorities, shipping companies and crewing agencies

- Ensure respect for labour rights and occupational health and safety, including contractors and sub-contractors.
- Support seafarers’ and dockworkers’ digital skills development.
- Improve diversity, equity, and inclusion in the workforce.
- Host workers’ welfare facilities at the port and/or vessel to improve workers’ mental and physical health, and their quality of life<sup>1</sup>.
- Use IHRB & SSI’s [‘Delivering on Seafarers’ Rights’ Code of Conduct](#) and [self-assessment questionnaire](#) to understand the extent to which current operations meet seafarers’ rights and welfare responsibilities, and take action to improve performance.
- Train the workforce to recognise and respond to human trafficking and other ‘blue crimes’<sup>2</sup>.

<sup>2</sup> See the *Businesses Ending Slavery and Trafficking (BEST) programme’s specialised training for maritime ports on human trafficking*

<sup>1</sup> *The International Port Welfare Partnership (iPWP) programme supports the establishment of Welfare Boards, “which provide the forum for maritime organisations with a vested interest in the welfare of seafarers, to regularly meet and support welfare services”*

## FINANCE

The port industry is increasingly shifting from labour-intensive operations to capital-demanding innovations. This raises the financial stakes of port investments and the need for a highly specialised workforce. Environmental, safety, and security concerns also demand further investments. Port infrastructure has traditionally been publicly financed, however, the private sector, especially container shipping companies, have increasingly assumed a dominant role in owning and developing port infrastructure. This is observed in privatisation processes, including short and long-term concessions.

Investment requirements and finance regulations are progressively starting to demand more attention to sustainability and to human rights. Some examples are:

- [EU Taxonomy](#): requires that projects have a positive contribution to climate change mitigation while also respecting human rights.
- Environmental, Social and Governance (ESG) frameworks and guidances.
- The Equator Principles – a standard for environmental and social risk management used by over 100 major commercial banks – was [revised](#) in 2020 to incorporate new human rights requirements.
- Development Finance Institutions (DFIs) and Export Credit Agencies (ECAs) are also increasingly incorporating human rights into their lending requirements.

It remains key that investors and financiers perform [human rights due diligence](#) (HRDD) in the businesses and/or port developments in which they are involved. This would allow them to identify, foresee, and proactively manage the potential and actual human rights impacts that can arise from their investments.

- Address bribery and corruption in operations at land and sea<sup>3</sup>.
- Shipping companies should pay attention to the social risks of their business strategies and decision-making. For example, the [current acceleration](#) towards green hydrogen might be going too fast to allow for proper environmental and social risks assessments.

### Supply chain-related actions for cargo owners

Cargo owners are the financial engine of shipping companies. By providing cargo volumes, they fuel and maintain the ocean shipping and ports industries. Therefore, they have an implied co-responsibility (along with ports, shipping companies and local governments) to ensure the social and environmental sustainability of the industry that takes their products to various world markets. Therefore, cargo owners should:

- Introduce human rights requirements, specifically on the working conditions of all parts of their supply chain.
- Make use of IHRB & SSI's 'Delivering on Seafarers' Rights' [Code of Conduct](#) to strengthen due diligence and inform business decision-making. In particular cargo owners should encourage their shipping suppliers to complete and disclose the [self-assessment questionnaire](#) and map progress. The self-assessment is also available via [RightShip's Crew Welfare Self-Assessment Tool](#).

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#### RESOURCES: International standards & guidance

- [UN Guiding Principles on Business and Human Rights](#) (2011)
- Organisation for Economic Cooperation and Development (OECD)'s [Guidelines for Multinational Enterprises](#) (2011)
- UN Global Compact, Action Platform for Sustainable Ocean Business, [Sustainable Ocean Principles](#)
- [UN Sustainable Development Goals](#) (SDGs), in particular SDG 14 (see separate [SDG 14 Life Below Water](#) briefing)
- U.S. Environmental Protection Agency (EPA), [Environmental Justice Primer for Ports](#)
- European Sea Ports Organisation (ESPO)'s [Code of Practice on Societal Integration of Ports and EcoPorts](#)
- Institute for Human Rights and Business (IHRB) and Sustainable Shipping Initiative (SSI)'s 'Delivering on Seafarers' Rights' [Code of Conduct & Self-Assessment Questionnaire](#) (2021)
- Institute for Human Rights and Business (IHRB)'s [Dhaka Principles for migration with dignity](#) (adaptable and applicable to all industry workers)
- Institute for Human Rights and Business (IHRB)'s 'Dignity by Design' Framework for human rights throughout the entire built environment lifecycle

#### RESOURCES: Some useful existing work/initiatives

- [International Association of Ports and Harbours](#) (IAPH) works on three main pillars: Climate and Energy, Data Collaboration, and Risk and Resilience; and in 2017 set up the World Ports Sustainability Program (WPSP) which seeks to enhance and coordinate ports' efforts on sustainability.
- [Association Internationale de Ville et Ports](#) (AIVP) supports sustainable city-port development strategies
- [DocksTheFuture](#): a voluntary ports cooperative 'Network of Excellence' seeking to advance the Sustainable Development Goals (SDGs)
- U.S. Department of Transport – [Transportation Leaders Against Human Trafficking Pledge](#) and training resources
- Businesses Ending Slavery and Trafficking (BEST) – [Ports to Freedom Maritime Training Programme](#)
- [Maritime Anti-Corruption Network](#)
- [World Association for Waterborne Transport Infrastructure](#) (PIANC) provides expert guidance including on environmental management

<sup>3</sup> See the [Maritime Anti-Corruption Network \(MACN\)](#)