

Call for Papers

CSR in the International Shipping Industry

Special Issue of the Journal of Sustainable Mobility

Guest editors:

Peter Lund-Thomsen; Nottingham Business School

René Taudal Poulsen, Copenhagen Business School

Rob Ackrill, Nottingham Business School

The international shipping industry and its role in the promotion of corporate social (ir)responsibility has become a subject of increasing debate in the last decade (Yliskylä-Peuralahti and Gritsenko, 2014). CSR is here defined as the integration of economic, social, and environmental activities into the core business practices of firms (Lund-Thomsen, 2004). Other industries such as garments, footwear manufacturing, and electronics, that are more directly consumer facing, have traditionally been more targeted by international advocacy groups for their alleged involvement in socially and environmentally destructive activities (Lund-Thomsen and Lindgreen, 2014). Yet in terms of its benefits for society, the international shipping industry, at least in the words of its corporate and intergovernmental advocates, has been recognised for its potential to ensure trade expansion and access to global markets, which is thought to stimulate economic development, enhance job creation, increase incomes, and boost living standards around the world (Wilhelmsen, 2014; NYK, 2014; WEF, 2013, WTO/OECD 2013; Maersk, 2015).

Although large shipping companies have recently begun to pay more attention to CSR issues, for instance through the publication of sustainability reports, the industry appears to be under-regulated in terms of air, water, and other environmental impacts (Lister et al., 2015). To the extent that shipping industry actors do engage in CSR activities, these appear to be driven by a variety of motives (Lister, 2015). First, natural resource extraction industries, manufacturing companies and large retailers tend to rely heavily on the international shipping industry to move commodities, semi-manufactured products and consumer goods from the point of extraction, to different points of production, and finally to consumer outlet stores. The pressures that these two types of "cargo-owners" exert on shipping are fundamentally different, however. The mining, agriculture and energy industries rely upon bulk shipping, whereas retailers mainly rely upon container shipping (Lister et al., 2015). International shipping companies have also been pressurised by their customers to adopt social and environmental guidelines for their corporate behaviour (Coady et al., 2013).

In addition, internal cost pressures may push shipping companies to adopt new practices and innovate in the area of environmental management. For example, in times of high fuel prices, environmental engineering solutions such as slow steaming, that saves fuel, may make an important contribution towards ensuring the financial profitability and competitiveness of shipping companies, while reducing the environmental footprint of shipping (Poulsen and Johnson, 2015). Some institutional investors have also begun to demand the disclosure of information regarding the social and environmental risks related to their investments (Coady et al., 2013). In the shipping industry, this acts as a driver for greater attention to be paid to CSR. Furthermore, complex challenges such as climate change, marine and air pollution, corruption, the work conditions of seafarers, and piracy have increased the need for multi-sectoral approaches and partnerships that can address these challenges in a meaningful way. Here the shipping industry is a key stakeholder, reflecting the increasing number of cross-sector collaborations such as the Clean Cargo Working Group, World Port Climate Initiative, Maritime Anti-Corruption Network and the NGO-led Sustainable Shipping Initiative that shipping companies are involved in (Progoulaki and Roe, 2011; Johansen et al., 2013; Yliskylä-Peuralahti and Gritsenko, 2014; Lister et al., 2015).

Nevertheless, the institutionalisation of CSR within the international shipping industry appears to be uneven (Fafaliou, et al., 2006). Whereas some large companies tend to be leaders in the industry, the involvement of small and medium-sized companies seems to be more marginal. There are also differences across geographies. Ship-owners with vessels registered under certain open registers (e.g., Mongolia or Tuvalu) tend to be less interested in CSR issues than, for instance, Norwegian or Danish ship-owners (Skovgaard, 2014). Industry associations that often coordinate and take on a leadership role in the development of industry-wide CSR initiatives appear to be less active in the shipping industry (Coady et al., 2013). In addition, the focus on the environmental aspects of CSR in the shipping industry appears to dominate over social issues such as workers' rights (Lim et al., 2014; Lun et al., 2014)). For instance, DeSombre (2008) argues that oil spills are more evident to the general public than working conditions for Filipino seafarers onboard.

That said, the proliferation of private, voluntary multi-stakeholder initiatives has been significant in this industry in the last decade (Lister et al., 2015). However, some of these appear to be overlapping, and questions are being raised about their compatibility with regulation promulgated by organisations such as the International Labour Organization in the area of labour standards, International Maritime Organization

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in the area of safety and environmental issues, and national government agencies that deal with both issue realms (Yliskylä-Peuralahti and Gritsenko, 2014).

In general, it thus appears as if the global shipping industry has been relatively slow in defining and implementing CSR policies (Lister et al., 2015). Nevertheless, in 2018 the European Union will launch a Monitoring, Reporting and Verification system regarding CO2-emissions. To a very large extent, shipping companies seem to be unprepared for these new transparency demands (Poulsen and Johnson, 2015). At the same time, the development and implementation of CSR policies are likely to be fraught with dilemmas. For example, some shipping companies have now adopted a "no-corruption" policy. However, it may be very difficult for ships to arrive and leave many ports around the world on time without paying 'facilitation money'. This could place the crew onboard in a difficult position. On the one hand, their headquarters may require them not to pay any facilitation money. On the other hand, the headquarters also require their ships to arrive on time and follow their pre-ordained schedule. Successfully navigating such CSR dilemmas is likely to be central in relation to the formulation, implementation of CSR policies in this industry.

Against this background, this special issue of the Journal of Sustainable Mobility seeks to shed light on recent trends, the potential, limitations, and actual impacts of CSR initiatives to date in the global shipping industry. Possible topics of interest for the special issue include, but are not limited to:

- Economic, social, and environmental reporting and measurement in the industry
- Case studies of CSR best and worst practice in shipping
- Multi-stakeholder initiatives in shipping: potential and limitations
- International organisations and CSR in the shipping industry
- Industry associations and CSR in the shipping industry
- Sustainable supply chain management in the shipping industry
- Impact studies of CSR and sustainability initiatives related to shipping

Timeline:

Papers are to be submitted to Peter Lund-Thomsen (<u>plt.ikl@cbs.dk</u>) or René Taudal Poulsen (<u>rtp.ino@cbs.dk</u>) by **1 April 2016**. Manuscripts should be formatted according to the journal guidelines for authors which can be found here: <u>www.greenleaf-publishing.com/jsm</u>

This is the preliminary timeline for the special issue:

Initial Desk Review, May 2016

Double Blind Review: June 2016

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Editor-in-Chief

Dr Michael Zhang, Nottingham Business School, Nottingham Trent University, UK

Email: michael.zhang@ntu.ac.uk

General enquiries

Email: jsm@greenleaf-publishing.com

Greenleaf Publishing, WIRA House, Leeds, LS16 6EB, UK

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