

BUYER-DRIVEN GREENING? CARGO-OWNERS AND ENVIRONMENTAL UPGRADING IN MARITIME SHIPPING



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This study explores the relationship between global value chain governance and environmental upgrading in maritime shipping.

APPROACH:

This study attempts to fill gaps in the current state of shipping CSR by specifically examining the role that cargo-owners play in driving environmental upgrading. The research in this study was primarily conducted through a series of interviews from 2012-2014 with 45 members of various cargo owners and shipping companies. Data collected from these interviews was triangulated with in-depth secondary literature review and analysis of CSR and/or sustainability reports of shipping companies and cargo-owners, as well as current material on transnational environmental rating schemes in maritime shipping.

MAIN FINDINGS:

- Environmental upgrading is most likely to occur in global value chains characterized by unipolar governance and where the lead firms are consumer-facing companies with reputational risks.
- Upgrading is also more likely to happen where international regulation is clearly defined and enforced, and where mutual recognition, benchmarking and similar measurement systems characterize industry and multi-stakeholder sustainability initiatives.
- This study suggests that environmental upgrading in shipping is unlikely to materialize without clear and enforceable global regulation and stronger alignment between regulation and voluntary sustainability initiatives.