



Maritime economy: Insights on corporate visions and strategies towards sustainability

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ABSTRACT

As the ocean has moved into the focus of the political discourse on the “blue economy“, ocean industry plays a key role in shaping “blue growth” as sustainable. However, little is known about the meaning of sustainability and the status of its implementation by corporations invested in the maritime economy. The present paper addresses this gap. Drawing on the discourse theory of Laclau and Mouffe (2001 [1985]), the study explores the discourse on corporate sustainability. It was found that of 396 surveyed companies only 61 provide commitments to and reporting on the issue of sustainability. A detailed analysis of these companies showed that there has been a shift from a voluntary to a mandatory commitment to the concept as a direct consequence of being exposed to massive pressures to meet the expectations of their employees, customers and shareholders to prevent any harm to the environment, to save resources, and follow international regulations. It is argued that Laclau and Mouffe's discourse theory provides an approach to help to explain the practice of corporations in re-framing these challenges as an entrepreneurial opportunity to save costs, i.e. by avoiding fines, lawsuits, and clean-up costs, to optimize efficiency in all business sectors, to stay competitive, and to gain a better public image. The paper concludes that it is likely that the current efforts of companies with regard to the anticipated increases in the exploitation of marine resources will not be sufficient to preserve ocean health in the long run. However, there are corporate opportunities for strengthening the SDGs and contributing to a “sustainable blue growth”.

1. Introduction

The ocean is of vital importance for the wealth and the well-being of present and future generations. With its richness of resources it provides humankind with food, minerals, energy, fresh water and oxygen. It regulates the climate, emission absorption and shoreline protection and supports livelihoods as well as job creation. It can be said that the ocean is our life support system (Sullivan, 2016). Currently, it is assumed that more than three billion people depend on marine and coastal resources for their livelihoods.¹ For over 3.1 billion people fish constitutes almost 20 percent of the average per capita intake of animal protein (FAO, 2016). At least 90 percent of the volume of global trade depends on shipping and the value of the global maritime economy is estimated at between USD 3–6 trillions per year (United Nations, 2015). In particular, the emerging ocean industries – offshore wind, oil and gas exploration in ultra-deep water, offshore aquaculture, seabed mining, cruise tourism and maritime surveillance technologies – attract attention and promise employment creation and economic growth in the future (OECD, 2016). It is expected that the industrialization of the

ocean will further expand in the decades to come driven by the increasing demands of a rapidly growing world population.

The ocean is increasingly moving into the focus of the discourse on growth and sustainable development both at national and international levels (The Economist, 2015). New concepts such as “blue growth” or the “blue economy” have appeared. Currently, these terms are being used with a broad spectrum of different meanings and a common understanding of them is largely absent. The European Commission's Blue Growth strategy, for example, has been conceived in order “to steer the EU out of its current economic crisis” by creating jobs, contributing to the EU's international competitiveness, resource efficiency, and new sources of growth whilst safeguarding biodiversity and protecting the marine environment (Communication from the Commission to the European Parliament, 2012). This gives rise to the fear that the unsustainable exploitation of marine resources and the degradation of marine ecosystems will progress further.

Given the experiences of the last 30 years with the concept of sustainability and its rise in international policy – from its definition provided by the World Commission on Environment and Development

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¹ Cf. <https://www.unenvironment.org/explore-topics/sustainable-development-goals/why-do-sustainable-development-goals-matter/goal-14>.

(WCED, 1987),² the adoption of the concept by the so-called Rio Conferences in 1992, 2002 and 2012, the acceptance of it as the seventh of eight UN Millennium Development Goals and the 2015 agreed United Nations 2030 Agenda for Sustainable Development with its 17 Sustainable Development Goals (SDGs) – too little progress at a too slow pace have been made to stop the decline of ecosystems, global warming and unsustainable practices. Even now, economic activities from the past such as overfishing, resource extraction and alterations to coastal zones that often cause the degradation of marine ecosystems, have put strong pressure on the ocean (Visbeck et al., 2014) and it is assumed that 60% of the major marine ecosystems worldwide have already been damaged (IOC/UNESCO et al., 2011). Driving forces behind the environmental degradation include climate change and ocean acidification, unsustainable fishing practices, pollution and waste, a loss of habitats and biodiversity and invasive species (e.g. Bijma et al., 2013; Doney et al., 2012; Maribus, 2010; Pitcher and Cheung, 2013; Rogers and Laffoley, 2011; Worm and Branch, 2012).

As “blue growth” will strongly depend on a productive and healthy ocean, the question arises how this already existing damage to marine ecosystems will be taken into account and how a further degradation of the ocean and its ecosystems can be avoided. Extraordinary and common action by all major stakeholders – from the public and private sectors – will be necessary to achieve a more sustainable course for the ocean, as time is running out in view of global warming, resource degradation, and marine pollution. There is new hope with the 2015 adopted SDG14 “Life Below Water” and the activities included in the framework of the recent Ocean Conference in New York in June 2017 that put the ocean crisis in the spotlight (United Nations, 2017). But in view of the scale of the ocean and the variety of issues and stakeholders affecting it, it remains a considerable challenge to shape “blue growth” in a sustainable manner.

There is also the fact that ocean governance, which can be articulated as a common effort of numerous institutions and different stakeholders pursuing diverse and overlapping programmes and goals, is highly complex. Referred to as “multilevel governance” within political science, ocean governance needs to have the ability to deal with “interactions among biophysical and human drivers” and “to monitor changes of the marine environment closely, adjust existing practices to changing circumstances, and cope with relatively high levels of uncertainty” (Young et al., 2007). While various policies and legislation for marine protection have been taken on an international level, there is still a lack of governance structures regarding the high seas. Since 1982, the United Nations Convention on the Law of the Sea (UNCLOS) supplemented by a large number of protocols, conventions, binding and non-binding multilateral agreements and guidelines governs the use of the ocean and marine resources. However, the existing framework for further regulating activities at sea is “weak, fragmented and poorly implemented” (Global Ocean Commission, 2014). Main criticisms are for example:

- UNCLOS contains a number of unresolved issues, e.g. it does not include the protection of the water column with respect to the sustainable use of marine biodiversity in areas beyond national jurisdiction (BBJN) (European Commission, 2016). New scientific findings or issues, e.g., relating to geoengineering or the exploitation of marine genetic resources, are missing or not fully addressed (UNGA, 2015).
- The implementation and compliance of the treaty and existing environmental regulations are insufficient. For example, conserving 10% of coastal and marine areas by 2020 (SDG 14.5). Responsible authorities are ill-equipped to sanction misconduct or non-compliance by contracting parties. (Global Ocean Commission, 2014).
- There is a considerable need for better coordination of different

areas of ocean policy, and more cooperation and networking between international institutions and initiatives to avoid parallel and uncoordinated activities e.g. in the framework of UNCLOS, the Rio process and IMO conventions (Ardron et al., 2013).

These deficits suggest that the current system of ocean governance is not sufficient to cope with the rapid pace of technological progress in maritime economy. Nor does the current system provide the necessary conditions to ensure long-term sustainability and to regulate future economic activities on the high seas for the benefit of all.

This study focuses on ocean industry,³ that is seen as a key player in the process of implementing sustainability: *First*, their business activities exert some pressure on marine ecosystems, i.e. destruction of benthic habitats by bottom-trawling or aggregate removal, overfishing, the discard of dead fish from the by-catch, noise and others. They have a strong responsibility to ensure that their business operations do not adversely affect human health or the environment. *Second*, there is an increasing pressure from shareholders and customers to prevent all risks and to protect the environment (Technip, 2015). *Third*, ocean industry is operating worldwide and large companies can transfer ideas, visions and technologies in many parts of the world – an advantage that countries, political parties or many other players don't have (Eriksen, 2015). Thus, ocean industry and the private sector play a major role in shaping blue growth. But what is the current state of companies operating in ocean-related affairs with regard to the implementation of sustainability? What are their visions and goals towards their future business development and how does this fit together with the principles of a sustainable “blue economy”?

The present study provides new insights to help answer these questions. It is structured as follows: Starting with the introduction of various concepts associated with ocean industry activities which are currently under discussion (Section 2), Section 3 presents the underlying theory for this analysis that is based on the poststructuralist discourse theory of Laclau and Mouffe. The subsequent Section 4, based on an evaluation of 396 companies and their commitments to and reporting on the environment and sustainability, yields new knowledge about corporate visions, missions and strategies towards sustainability in the challenging environment of generating a maximum turnover, competition, regulation, increased public pressure, and other risks associated with working under the adverse conditions of the high seas. Section 5 concludes with a discussion of the results and assesses what role ocean industry can play to support the SDGs and how it can contribute to ocean health and a blue sustainable-oriented economy.

2. Background and literature review

2.1. “Maritime economy” – definitions and concepts

In the debate on economic activities related to ocean affairs, different terminologies are used such as “ocean(s) industry”, “marine industry”, “ocean(s) economy”, “marine economy”, “maritime economy”, “blue economy”, or “maritime sector”. While “ocean” preceding “industry” or “economy” is usually used in Ireland and the United States, the European Union prefers “maritime”, whereas the use of “marine” is more common in Australia, Canada, France, New Zealand and the United Kingdom (OECD, 2016). There is also a slight difference in the use of “marine” and “maritime”. The first term is understood more in

³ Ocean industry is defined here as the total of all industries engaged in traditional sectors such as shipping, fishing and offshore oil and gas, as well as industries emerging from new activities in the areas of offshore wind, tidal and wave energy, oil and gas exploration and production in ultra-deep and exceptionally harsh environments, offshore aquaculture, seabed mining, cruise tourism, maritime surveillance and marine biotechnology (OECD, 2016).

² Also referred to as The Brundtland Commission.

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