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# Governance in the Maritime Industry

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## Editorial

# Governance in the Maritime Industry



Selected papers from

*The Conference of International Association of Maritime Economists*  
Theme: "Maritime Economics in a Post-Expansion Panama Canal Era"  
July 15-18, 2014

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The 2014 Conference of International Association of Maritime Economists (IAME) was jointly organized by Maritime Institute of Old Dominion University, Department of Maritime Administration at Texas A&M University and Centre for International Trade and Transportation at Dalhousie University. Many high quality papers were presented and also a number of special sessions were performed for attracting the transportation industry as well as discussing some emerging topics in academic society such as how to review scientific papers.

The purpose of this special issue is to present some of outstanding papers while many others are also selected for other journals in the field. Our selection of papers in this special issue emphasize the governance debate and managerial decision making in common while focusing on variety of topics in the maritime industry. This issue covers four major topics: *Public-private partnership for port infrastructure, Port investment and Leadership behavior of master mariners.*

*Geoffrey AERTS, Thies GRAGE, Michael DOOMS and Elvira HAEZENDONCK* investigate reasons for sustainability and success of public-private partnerships (PPPs) at North-Western European ports as well as factors may lead failures. The PPPs survey clarifies a number of

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critical factors which ensure good performing collaboration between relevant parties. According to this study, clarity and measurable (i.e. tangible) content of agreements play a significant role on the future of partnership. Indefinite statements may cause conflicts and agency problem in the practice. Risk allocation is another critical problem. In the PPP model, governments usually bear little of no asset based risk while a reduced penalty regime is proposed in case of a project default or inability to fulfill all required standards of operation and service. Therefore, the structure of contracts and the mechanism for handling risks usually define the progress of the collaboration. An ill-defined partnership may rise big challenges. Technical and financial prospects are among other important drivers of successful PPPs.

*Ioannis N. Lagoudis, James B. Rice (Jr.) and Jason B. Salminen* deal with another aspect of port governance. In their study, authors investigate the port investment appraisals particularly from the point of uncertainty management through alternative strategies. An empirical work presents how flexible strategies can be developed and interpreted for a port investment. This study aims at resilient asset management and feasibility assessment for port projects. Under the cyclic nature of global economics and sporadic factors (game-changers), modern investor is expected to be more flexible to ever-changing rules of trade, competition, growth and transport geography. The suggested approach may help decision makers as well as economic actors to ensure sustainability and common sense with good reasoning through the range of uncertainties.

The last paper in this special issue is about the sentiments and tendencies of master mariners for on-board governance. *Ioannis Theotokas, Ioannis N. Lagoudis and Neilos Kotsiopoulos* present a thought-provoking survey on master mariners about their managerial perspective, leadership styles and perception of power. Authors also emphasize the theory of bases for power (i.e. French and Raven's bases of power) and integrate the theory with their approach. Survey results highlight the perceived prominence of hierarchical and expert power while the role of representativeness (i.e. referent power) is not thought to be important task. Another question confirms the argument and subjects overvalue the option related with the ruling and directive functions of master mariners which actually conflicts with results put emphasis on team work. This paper implicitly indicates the gap between traditional perspectives of master

mariners and the modern theories of management science. With the growing shortage of seafarers, hierarchical power is expected to have little importance in the future of maritime culture.

December, 2014

### **Acknowledgement**

The Guest Editors of this Special Issue would like to thank the reviewers who have volunteered their time to provide valuable feedback to the authors. They would also like to thank the contributors for making this issue an important asset to the existing literature in the field and also the *Asian Journal of Shipping and Logistics* editorial support for their help during the preparation of this issue.

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