

# Port Co-operation

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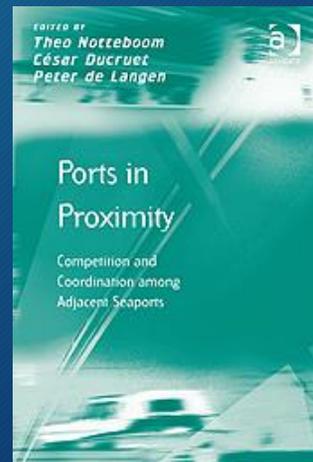
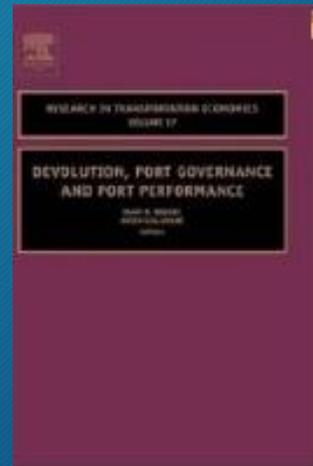
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PPRN Workshop  
Kyoto, Japan  
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# Background

- Co-operation, integration and co-ordination are much researched themes in mainstream economic and management literature
- Bibliometric studies on port research show that port co-operation/integration is an emerging theme, but number of published papers is still quite limited.
- Some edited volumes touch upon the theme of port authority co-operation/integration and (national) port coordination in quite a few country-focused chapters.
  - RTE Special Issue on “*Devolution, port governance and port performance*” (Brooks & Cullinane, 2007)
  - “*Ports in proximity*” (Notteboom, Ducruet and De Langen, Ashgate 2009)
  - RTBM Special Issue on “*Revisiting Port Governance and Port Reform*” (Brooks, Cullinane & Pallis, 2017)
  - Etc..



# Some observations

- Multiplication of port co-operation/integration schemes in various forms: port authority mergers (Ningbo-Zhoushan), (cross) participations, port alliances (Seattle/Tacoma), far-reaching regional coordination (top-down or bottom up), etc..
- Triggers/enablers/barriers: market changes, political forces, port reform schemes, etc..
- Focus is mostly on implemented co-operation schemes, not failed attempts
- Few “detailed” studies on best practices and the role of regional context
- Lack of comparative studies
- Mostly case-based descriptive studies; room for other methodological approaches

# Upcoming Special Issue in RTBM

- Aim: SI in RTBM on port (authority) co-operation/integration which complements earlier edited volumes
- Timeline:
  - April 15, 2017 - Deadline for author commitments to Volume Editors
  - September 15, 2017 - Deadline for original paper submissions to EVISE
  - January 15, 2018 - Deadline for revised paper submissions to EVISE
  - March 15, 2018 - Deadline for final, formatted paper submissions to EVISE
  - April 30, 2018 - Editorial and order of papers from volume editors to journal manager
  - June 15, 2018 - final versions of all author-approved proofs submitted to production
  - September, 2018 - hard-copy volume published and papers available online

# Current status SI in RTBM

- About 20 paper contributions in the pipeline
- Three types of papers:
  1. Papers presenting novel methodological approaches to port (authority) co-operation: game theory / OR / strategic management / etc..
  2. Papers presenting a specific case study
  3. Papers which combine 1. and 2.

# Port co-operation is a complex and multi-faceted topic

## 1. The types/forms of port co-operation/integration and the related choice problem

	Model	Degree of coordination	Promoter	Major drivers	Potentially shared functions/activities	Examples
I	Cooperation on single projects or functions	Low	Port Authority	Mainly Public (environment, security/safety, marketing, infrastructures)	Marketing, infrastructures development	San Pedro Bay Ports, Algeciras - Tangier Med, Ligurian Ports
II	Ad-hoc body in charge of specific and limited functions	Medium	Municipality / Region	Public / Private	Lobbying for getting public financing, marketing and research studies, logistics and infrastructures development	Flemish Port Commission, Malta Maritime Authority, BremenPorts
III	Extension of the Port Authority jurisdiction on some minor ports	Full integration	State	Public / Private	all	Civitavecchia, Valenciaport
IV	Amalgamation among Port Authorities	Full integration	State	Mainly Private / Commercial (enhance competitiveness, traffic growth)	all	PA of New York-New Jersey, Vancouver Fraser PA, Malmo & Copenhagen

# Port co-operation is a complex and multi-faceted topic

2. The triggers/drivers of port co-operation/integration schemes: e.g. political (compulsory versus voluntary nature), inter-firm ties (global terminal networks, vertically integrated carriers), financial, etc..
3. The institutional, political and market/commercial dynamics behind successful and failed port co-operation schemes
4. The 'regionalism' of port co-operation schemes

# Port co-operation is a complex and multi-faceted topic

6. Port co-operation/integration with an adjacent port vs. a distant port (cf. internationalisation of port authorities)
7. Stakeholder perspective on port co-operation/integration
  - (Expectations on) benefits/costs for port authority, users, government agencies, etc..
  - Distribution of benefits/costs
  - The problems of implementation and the potential conflicts (power, prestige, social, economic, environmental, etc.) with internal and external stakeholders
8. Port performance and port co-operation (including impact on supply chain performance and commercial and financial outcomes)
9. Strategic port planning and port co-operation (including specialisation/differentiation)

# PPRN workshop: two discussion themes

1. **Sharing of regional or country-specific experiences on port co-operation:**
  - Forms and drivers?
  - Factors leading to success or failure?
  - Link with governance/institutional setting?
2. **The specificity/uniqueness of co-operation schemes in the port sector:**
  - Can port co-operation be treated the same way as co-operation in other industries?
  - How does the hybrid nature of most port authorities affect co-operation schemes?

# Introduction to theme 1: PA mergers: A country-wise approach

10

- **Institutional background** (devolution vs. centralization, role of ports, etc.)
- **Maritime background** of the country (embeddedness and resistant to changes)
- **General port governance rules & context** (reform, bottom-up vs. top-down, compulsory vs. discretionary, ad-hoc vs. comprehensive approach)
- **Emphasis on labour issues** (social perception, monopolistic rentals, wage privileges, resistance to innovation & organizational changes, etc.)
- **Expected benefits of the merger** (economies of scale, social benefits, green benefits, rationalization effects, commercial bargaining power, etc.)
- **Potential treats / conflicts** (organizational challenges, political disputes, harmonization of regulations / practices, convergence of interests and objectives, reframing of the portfolio of business activities, management of internal competition, etc.).

# Introduction to theme 1: Italy: a case of compulsory mergers

11

## The newly merged PAs

1. PA of Western Ligurian Sea
2. PA of Eastern Ligurian Sea
3. PA of Northern Tyrrhenian Sea
4. PA of Central-Northern Tyrrhenian Sea
5. PA of Central Tyrrhenian Sea
6. PA of Central Southern Sea and Strait
7. PA of the Sea of Sardinia
8. PA of Western Sicilian Sea
9. PA of Eastern Sicilian Sea
10. PA of Southern Adriatic Sea
11. PA of Ionian Sea
12. PA of Central Adriatic Sea
13. PA of Central-Northern Adriatic Sea
14. PA of Northern Adriatic Sea
15. PA of Eastern Adriatic Sea

## Legend

- PAs of the core network
- PAs of the comprehensive network
- other ports
- merged Port Authorities

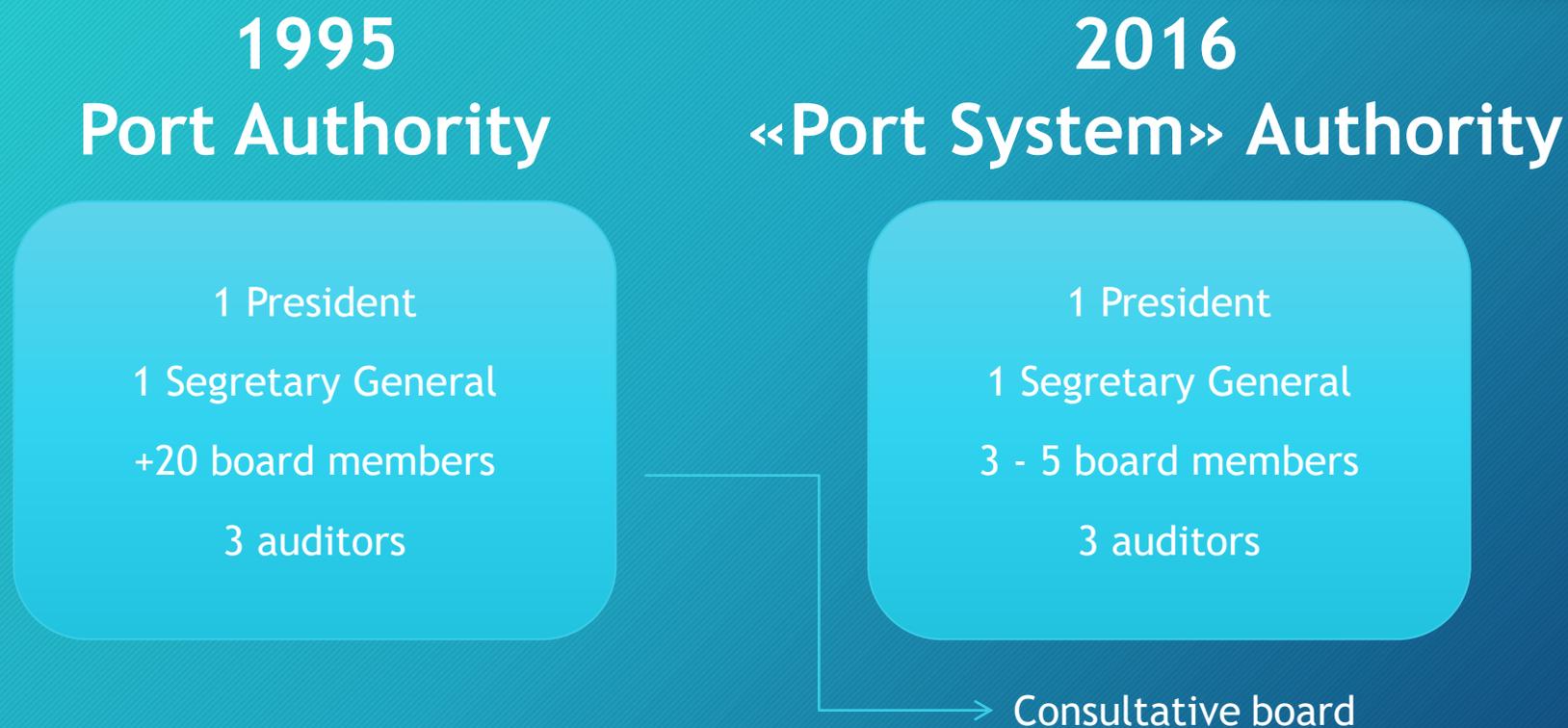
Note: labels indicates ports that are currently managed by a Port Authority.



- Which benefits from the merger? General expenses, rationale planning, financing, etc.
- Can merger be implemented by using a «replicable», non-adaptive format?
- Can a «temporary regime» be beneficial for smoothing conflicts and safeguarding benefits?

# Introduction to theme 1: Does merger really generate economies of scale?

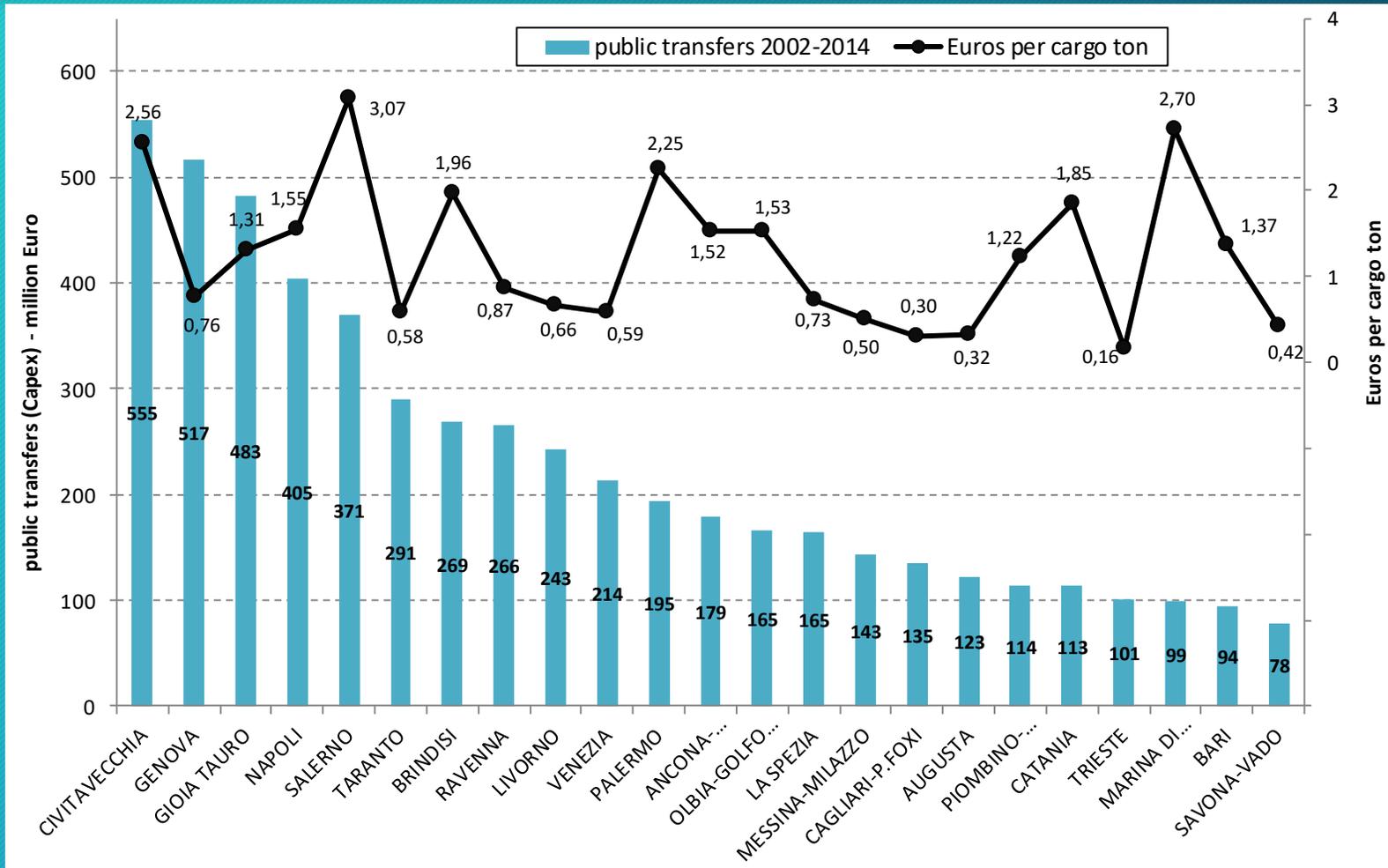
12



from +330 to 70 board members (- 79%)  
from 144 to 75 auditors (- 48%)

# Introduction to theme 1:

Mergers and need for a differentiated governance: rewarding mechanisms in public funding



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