

Why should we talk about a “just and equitable” transition for shipping?

Christiaan De Beukelaer

University of Melbourne & Durham University

Based on:

Aly Shaw and Christiaan De Beukelaer. 2022. “Why Should We Talk about a Just and Equitable Transition for Shipping?” *UNCTAD Transport and Trade Facilitation Newsletter*, 96(93).

REVIEW OF MARITIME TRANSPORT

2021



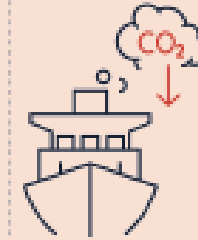
GHG emissions from shipping must be phased out to avoid the costs of not acting in the face of climate change

Decarbonization measures will have a greater impact on some countries than others, notably on SIDS or LDCs, which may need support to mitigate the increased maritime logistics costs



The energy transition in maritime transport implies a major transformation of the industry

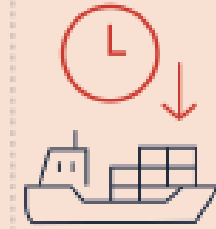
In the process of decarbonizing shipping,



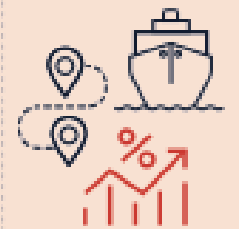
maritime transport costs will increase,



and average shipping speeds will decrease



as a result, maritime logistics costs will go up



CARBON DIOXIDE EMISSIONS

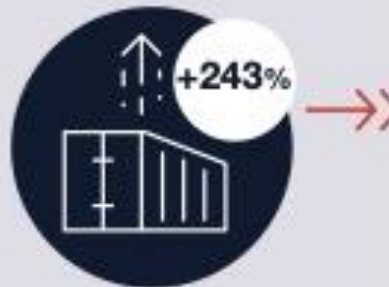
(UNCTAD 2021)

SIMULATED IMPACT OF CONTAINER FREIGHT RATE SURGES

(UNCTAD 2021)

Hardest hit will be SIDS

Simulation assumption:
Sustained increase in container freight rates



Simulation results:

Increase in global import price levels



Increase in consumer price levels by country groupings



Shipping Decarbonisation as Opportunity

- Shipping made both *unequal* and *mutually beneficial* trade possible; though the latter has not yet undone the damage of the former
- While the shipping industry is not – and should not – be expected to solve *all* the world's problems, the energy transition is an opportunity to improve lives
- However, the shipping industry can decarbonise while ensuring no one is left behind by focusing on policy and action that prioritises a transition that is **environmentally effective, procedurally fair, socially just, globally equitable, and technologically inclusive**

Not Every Transition is “Just and Equitable”

1 – Unjust and Inequitable

disparities could widen and inequalities worsen;
which is unacceptable, because the least responsible for the climate crisis are most affected

2 – More or Less Just and Equitable

disparities and inequalities remain static;
which is a low bar

3 – Genuinely Just and Equitable

disparities and inequalities diminish;
which means that the energy transition is an opportunity to protect the climate vulnerable and improve the lives of all, while insisting the polluter pays

The two largest circles, *environmental effectiveness* and *procedural fairness*, are non-negotiable, as they are grounded in climate science and good governance principles, respectively.

More importantly, the three smaller circles that focus on *social justice*, *global equity*, and *technological inclusiveness*, are the conduits that both rely on and strengthen the connection between what is environmentally effective and procedurally fair.

These elements are interdependent and mutually reinforcing. Making them work requires concerted action towards meeting the UN SDGs.

