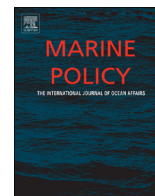




ELSEVIER

Contents lists available at ScienceDirect

Marine Policy

journal homepage: www.elsevier.com/locate/marpol

Upgrading or unhelpful? Defiant corporate support for a marine protected area

Brent Burmester

Department of Management and International Business, The University of Auckland, Private Bag 92019, Auckland, New Zealand

ARTICLE INFO

Keywords:

Antarctic toothfish
Ross Sea
CCAMLR
Corporate political strategy
Global production network
Sanford

ABSTRACT

Fishing firms sometimes give political support to marine conservation measures that seem contrary to their commercial interest. To explain this apparent paradox, an analysis is made of the stance taken by a New Zealand company in response to a proposed marine protected area in the Ross Sea. The firm defected from its industry's opposition to the proposal, choosing to support the reserve. The analysis uses concepts from corporate political strategy to identify why such support might be forthcoming, and under what conditions. The article argues that a firm endorsing a conservation initiative in defiance of its industry intends to engineer a redistribution of profit and control within its global production network, regardless of any public benefit. While there was in this instance a public benefit in the form of potential environmental upgrading, the firm's strategy risks compromising the effectiveness and impartiality of marine governance organizations.

© 2015 Elsevier Ltd. All rights reserved.

1. Introduction

Marine conservation is promoted by increasing the efficiency and sustainability of a fishery, which may entail an immediate reduction in the value extracted by a fishing industry. Predictably, industry members unite in opposition, their collaboration generating the political advantages of pooled resources, issue prioritisation, concentrated effort, and enhanced democratic legitimacy [1]. However, interventions from business are not confined to industry-level lobbying to counter environmental upgrading. A lone firm might independently seek to promote more stringent regulation, differentiating itself from its industry rivals and undercutting their collective efforts. The marine policy literature acknowledges the defensive strategies of marine resource industries organised as lobby groups (e.g. [2]), but it is less familiar with individual firms breaking ranks to endorse external regulation in the interests of environmental upgrading. Using a global production network (GPN) framework, augmented by insights from the corporate political strategy (CPS) literature, this article explores the motives and methods of such a firm.

A GPN maps inter-industry linkages created by firm-level production decisions and market interactions. It reveals economic relationships between production nodes, representing industries concentrated in particular places. Within GPNs, inputs are transformed into outputs and exchanged within and between firms occupying different nodes as they seek to create and appropriate economic value [3]. Throughout, the terms of value-addition and exchange are subject to multiple sources of external regulation from governments and both

intergovernmental and non-governmental organisations [4,5]. Powerful 'lead' firms within GPNs shape and co-ordinate activities across nodes to appropriate value [6]. A lead firm can manipulate the rules governing GPN participation through CPS—a pattern of actions designed to influence policy and legislation to that firm's particular advantage [7,8].

The present study considers New Zealand's toothfishing industry, one primary node in a GPN often terminating at high-end restaurants in the northern hemisphere. The focal subject is a fishing company confronting the issue of a marine protected area (MPA) in Antarctica's Ross Sea—a territory claimed by New Zealand. Conservation initiatives such as MPAs can stimulate economic, social, or environmental forms of upgrading to a GPN (cf. [9,10]), by incentivising more sustainable forms of fishing and greater environmental sensitivity, stimulating innovations in catching, processing, distribution, and marketing [11]. However, such potential benefits do not guarantee cooperation between, or even within, affected industries. As detailed below, Sanford (the focal firm of this case study) initially worked alongside its industry peers in a lobby group against the MPA but then, crucially, defected. The case reveals how a firm's drive to maximise competitive advantage and extend control over GPN activities can generate an unexpected alignment between private objectives and public policy promoting environmental upgrading.

2. Research method

Strategy is discerned in how a firm conducts its interaction with GPN participants and stakeholders, particularly in unstructured or

E-mail address: b.burmester@auckland.ac.nz

<http://dx.doi.org/10.1016/j.marpol.2015.03.019>
0308-597X/© 2015 Elsevier Ltd. All rights reserved.

non-routine decision contexts where risk is high. Sometimes strategy follows a careful plan, but often it is expressed in the absence of specific organisational preparation [12] as a firm spontaneously addresses unforeseen opportunities and threats with resources at its disposal, including innovativeness, learning capabilities, and stakeholder relationships [13].

In determining Sanford's political strategy regarding the Ross Sea MPA, written source materials in the public domain were used to construct a reliable factual narrative. Main sources were news media reports, mostly from New Zealand. These were supplemented by website content from companies and governing organisations, official documents, and academic articles. The author did not communicate directly with company officers, politicians, or civil servants, because CPS and the policy processes it targets are commercially and politically sensitive, and individuals formulating and implementing CPS cannot divulge privileged information. In this case, however, most of the relevant corporate conduct is of sufficient public interest to merit intensive press coverage, providing an adequate basis for analysis.

3. Sanford's support for a Ross Sea Marine reserve

3.1. The threat to Antarctic toothfish

At issue in this case is the conservation of the slow-maturing Antarctic toothfish (*Dissostichus mawsoni*) that lives south of the 65th parallel [14]. Marketed as Chilean seabass in the USA, consumer demand for toothfish surged during the 1980s, where Patagonian toothfish (*Dissostichus eleginoides*), caught at higher latitudes than the Antarctic variety since the 1950s, have sold for as much as US\$1000 each. Illegal, unreported, and unregulated (IUU) fishing now poses a serious threat to the survival of both species [15].

IUU toothfish harvesting undermines the work of the Commission on Conservation of Antarctic Marine Living Resources (CCAMLR) [14]. CCAMLR was established in 1982 and is responsible for managing fisheries south of the Antarctic Convergence and administering the Convention on Conservation of Antarctic Marine Living Resources. The organisation currently represents 36 states, including New Zealand, one of its 25 founding members. The threat of overfishing the Antarctic toothfish prompted CCAMLR to undertake stock assessment in the 1990s [16]. Its findings suggested that fishing might go ahead on a limited basis, and member states were tasked to ensure that vessels flying their flags did not overfish the region. To many in the conservation community, however, commercial exploitation of the Ross Sea stocks constitutes "the conservation crime of the century" (Peter Young quoted in [17]).

3.2. Opening the Ross Sea

New Zealand companies were not routinely active in the Southern Ocean when CCAMLR was created. The largely unexploited Antarctic waters south of New Zealand stood in sharp contrast to the highly trafficked seas around South Georgia, the Kerguelen Islands, and the South Orkneys where foreign vessels made lucrative toothfish hauls. In 1996 New Zealand, with CCAMLR's sanction, initiated a programme of exploratory and scientific fishing for Antarctic toothfish in the Ross Sea that would let the population halve over the next three decades [18]. New Zealand fishing companies had persuaded their Government to seek access on their behalf, by promising to fish at small scale on a precautionary basis, volunteering to facilitate tag-and-release to monitor the stock and arguing that the presence of legitimate producers would deter IUU fishing [17]. The CEO of Sealord, one of New Zealand's largest fishing companies, remarked that "New Zealand

has led the way in getting these very stringent measures adopted by CCAMLR" [17].

In May 1997, the Ministry of Fisheries granted Sealord the first permit to fish by longline in the CCAMLR Area 88, incorporating the Ross Sea [19]. Sealord commented: "It [has been] a hugely long drawn-out process... (but) it is in our best interest to protect the resource, the investment we have made in it is millions" [20]. Indeed, the highly specialised longline ships required for harvesting a deep-dwelling fish in seas only briefly free of ice constituted a significant capital outlay. The risk was such that Sealord formed a subsidiary company in cooperation with Sanford, its chief rival and New Zealand's oldest and largest fishing company. Their joint venture, SS Fishing (SS), undertook the first experimental fishing for toothfish in the Ross Sea in February 1998, unloading a catch of 41 t at Dunedin on its return [21,14]. Observers from the Ministry of Fisheries and CCAMLR continue to accompany crews on all voyages to the Ross Sea for research and monitoring purposes.

3.3. Shifting strategies in New Zealand's fishing industry

SS remained the only permitted company to make the annual sailing to the Ross Sea for the next four years. In 2000 the ownership of SS Fishing was complicated by the acquisition of a share by Amaltal Corporation Limited (Amaltal). Amaltal was owned in half-shares by Amalgamated Marketing and Talley's Fisheries. The former is a subsidiary of Amalgamated Dairies Limited—a large dairy producer and Sanford's controlling shareholder. Talley's is a large agribusiness, and is the third of New Zealand's Big Three fishing enterprises after Sealord and Sanford. The introduction of Amaltal reflects the close proximity among New Zealand producers, often necessitating simultaneous competitive and collaborative interactions and exchanges of control of major fishing assets.

Beer et al. [22] argue that within four years the scale of New Zealand's fishing programme in the Ross Sea had become industrial, no longer exploratory. Commercial arrangements reflected this change. By 2002 a modest increase in the allowed total catch, and a cooling of relations after a failed attempt by Sanford and Amaltal to acquire a 50 per cent stake in Sealord, had induced the former partners to separate. Thereafter they sailed every summer to the Ross Sea as competitors.

3.4. Sanford's environmental proactivity

In CCAMLR's 'Olympic' system, permitted producers race to catch toothfish until an annually-set overall quota is reached. An influx of competitors ensued. CCAMLR members worried about their conservation responsibilities nevertheless found it hard to stem the growing number of ships (20 in 2004). As Griggs [24] quoted the Head of the Antarctic Policy Unit at New Zealand's Ministry of Foreign Affairs as saying, "The problem is that CCAMLR operates by consensus and so there's always a danger if someone says, "well I think that's too many vessels", someone else will say, "well, take yours out"."

Sanford and Sealord felt their high-risk exploratory sailings had proved the commercial viability of the area, only to be crowded out by latecomers [24]. Indeed, the growing number of vessels and new longline methods caused the fishing season in the Ross Sea fishery to contract, as the allowed catch was taken ever more rapidly. Having once lasted from January until even May, fishing has more recently run from December until only January or February [25].

In 2004, foreseeing this trend, Sanford, Sealord, and Talley's formed the Industry Toothfish Committee (ITC) to speak for their shared interests with respect to industry regulation. Sanford Division Manager, Greg Johansson, clarified the ITC mission: "We're looking to get

Download English Version:

<https://daneshyari.com/en/article/7489763>

Download Persian Version:

<https://daneshyari.com/article/7489763>

[Daneshyari.com](https://daneshyari.com)