What Is the Role of the Market in Contemporary Fisheries Governance?

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With the United Nations Convention on the Law of the Sea and the declaration of extended jurisdiction, the nation state became the main focus of fisheries management interventions, and subsequent critiques, in the 1980s and 1990s. But it wasn’t long before practitioners and scholars turned their attention to the role of the market in governing fisheries practices. Using the market is part of a larger business-led approach to sustainability: corporate social responsibility (CSR). CSR is dynamic and relational, in that it is continually redefined based on the relationship between business and society, and the role and responsibility that society chooses to place on businesses in pursuit of environmental and social justice.¹ This means that the market and what is sustainable seafood are always changing. The theory of change here is that by providing a market signal, for example a price premium for a certified product, fish harvesters and seafood processors will be incentivized to voluntarily alter their production practices to comply with that certification. We now have about thirty years of experience trying to operationalize market-based governance through the sustainable seafood movement. What and how have we done? What is likely to be the role of the market in contemporary fisheries management?

The sustainable seafood movement began with the launch of Earth Island Institute’s Dolphin Safe certification as a response to high levels of dolphin mortality in the eastern Pacific Ocean tuna purse seine fishery. The Dolphin Safe logo communicated to consumers that their canned tuna was not sourced from a fishery that set nets on dolphins. The impact was huge. Dolphin mortalities dropped by about 98 percent, but in recent years the credibility of the

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¹ M. Bailey et al., “The Role of CSR in Creating a Seussian Approach to Seafood Sustainability,” *Fish and Fisheries* (2018) 001–9 https://doi.org/10.1111/faf.12289.

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certification has been called into question, and in the intervening years, other standards, recommendations, and certifications have followed. In 1997, Unilever and the World Wildlife Fund for Nature joined forces to create the Marine Stewardship Council (MSC), which today is by far the most pervasive capture fisheries certification and eco-label in the world.

The MSC is based on three ecological principles with the first pertaining to the target fish stock, the second pertaining to ecosystems, non-target species, and habitats, and the third pertaining to fisheries management and governance systems. About 12 percent of global wild capture fisheries production is currently MSC-certified. When the MSC’s self-declared ‘best environmental choice’ slogan became recognizable to major retailers in Europe and the United States, environmental non-governmental organizations (ENGOs) campaigned hard to influence retailers to make sourcing commitments. In 2010, Walmart famously committed to sourcing only MSC seafood by 2015, but demand far outstripped supply, and commitment dates came and went. To increase the supply of ‘sustainable seafood’, two major things happened. The first was that Monterey Bay’s Seafood Watch Program changed their categorization of yellow seafood from ‘avoid’ to ‘good alternative’, freeing up a plethora of fish and seafood that could now be argued to be sustainable. Second, fisheries improvement projects (FIPs) became normalized. Fisheries that cannot meet the MSC standard, but are committed to improving production practices toward sustainability, can become recognized as a FIP, again freeing up more supply of ‘sustainable’ products. For example, Walmart has now committed that by 2025 they will source all of their fish and seafood from certified fisheries or from improvement projects.

The sustainable seafood movement has by and large not facilitated large-scale transformational changes for myriad reasons, including its lack of accessibility to developing world fisheries, questionable credibility, corporate agendas, and an exclusively ecological focus. Central to all of the criticisms and challenges is the assertion that certifications like the MSC have not led to continual improvement, in part because they have only created a market for sustainable fish and not sustainable fisheries.

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2 A.M.M. Miller and S.R. Bush, “Authority Without Credibility? Competition and Conflict between Ecolabels in Tuna Fisheries,” Journal of Cleaner Production (2014): doi:10.1016/j.jclepro.2014.02.047.

3 See “Walmart Policies and Guidelines, Seafood Policy,” Walmart, https://corporate.walmart.com/policies.

4 M.F. Tlusty and Ø. Thorsen, “Claiming Seafood is ‘Sustainable’ Risks Limiting Improvements,” Fish and Fisheries (2016): doi:10.1111/faf.12170; S. Ponte, “The Marine Stewardship Council
of the continual improvement challenge, and thus are major barriers to achieving seafood sustainability.

The entire raison d'être for market-based governance, and CSR more broadly, is that it is supposed to be voluntary. It goes above and beyond regulation to allow a business to choose to do more. Fishing businesses and fish harvesters are supposed to be incentivized (or ‘nudged’ as 2017 Nobel Prize winner in economics, Robert Thaler, calls it) into adopting market-based approaches. Yet increasingly, we hear talk of fish harvesters being bullied into applying for MSC certification, being blindly led into the assessment process by downstream actors, or ultimately coerced into it by buyers who demand that they become certified in order to remain a client. This immediately taints the transformative potential of a voluntary program. Second, the sustainability attribute has been commodified, and only becomes a business goal if there is market value attached to it. This links sustainability to profit, and brings about questions about the extent to which CSR more broadly should be marketized, and the role that we afford corporations in defining sustainability. Third, consumers are offered an overwhelming quantity of labels and certifications on food products generally, but in seafood, these choices actually all conform to one sustainability norm, ecological sustainability, ignoring other issues.

To move away from coercion, commodification, and conformity we have to prioritize provenance, pre-competitiveness, and people in our pursuit of seafood sustainability. The next generation of market-based tools needs to encourage and allow fish harvesters to be part of the process of developing place-based sustainability criteria, and of designing market-based incentives that actually bring benefit to their operation. Second, there is talk of moving sustainability away from a commoditized attribute, i.e., something that is bought and sold on the market. Instead, groups like Sea Pact, an amalgamation of mid-supply chain seafood companies, are postulating that sustainability should be pre-competitive, something that you don’t try to use to one-up your competitors. And finally, a conversation about what sustainability really means needs to be forthcoming. While we must recognize the boundaries of our ecological system, so too must we recognize human rights, and make sure we operate in a space where the needs and rights of fish harvesters and others

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5 Personal communication with fish harvesters in Alaska, fishing associations in Canada, and with processors and traders in Indonesia.
6 H. Packer et al., “Corporate Social Responsibility in the Seafood Industry: A Review of the Top 150 Grossing Companies and Outlook on Future Research,” *Fish and Fisheries* (In press).
7 See Sea Pact website, http://www.seapact.org/.
operating in seafood supply chains are respected. For decades, students have been told that fisheries management is not about managing fish, but about managing people. Let us then put people back into it, by focusing on market-based tools that ensure fishing as a livelihood opportunity is maintained and is safe.

So what does the next generation of market-based approaches look like? Seafood provenance, seafood transparency, and socially-responsible fish are good places to start. In Alaska, the salmon fishery went through extensive consultation regarding recertification, with industry asserting that the brand ‘Alaskan salmon’ with or without the MSC should be good enough. The same conversation has been happening in Iceland, and even in Nova Scotia, Canada, where the province is starting to brand itself as a source for high quality seafood.8 Focusing on provenance, i.e., where the seafood is coming from, could help to facilitate participation by fish harvesters and companies themselves. In promoting all fish from a certain place, the benefits of sustainability may be shared by all producing in that locale, not just those who have signed up for a private certification, meaning coercion toward certifications would not be needed.

An issue with provenance becomes verification: How do you know your fish comes from Nova Scotia? This leads us to our second interesting trend: the move towards transparency. Seafood traceability is a current buzzword in seafood sustainability, but traceability is only a tool to verify claims made. It is not information, but a system to help information flow.9 So my suggestion is that it should not be sustainability that is the tradeable attribute, but rather information or transparency. No matter what you are doing, whether it is sustainable or not, you should be rewarded for credibly informing the market about your practices. By committing to transparency, companies can support a race to the top where all production practices, ecological, social, etc., are communicated.10 The market then moves away from demanding verification of certain sustainability attributes, getting away from sustainability as a tradeable commodity, to demanding and rewarding transparency more broadly.

Finally, the development of socially responsible fisheries, like that operationalized through Fair Trade USA, Naturland, and the Responsible Fishing Scheme, is an interesting evolution in certifications. It will likely face the same

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8 See Iceland Sustainable Fisheries website, http://www.icelandsustainable.is and Nova Scotia Seafood, https://nsseafood.com.
9 M. Bailey et al., “The Role of Traceability in Transforming Seafood Governance in the Global South,” Current Opinion in Environmental Sustainability 18 (2016): 25–32.
10 M. Bailey and N. Egels-Zandén, “Transparency for Just Seafood Systems,” Solutions 7 (2016) 66–73.
challenges that the MSC has in terms of ensuring it is used where it is needed most, and not just where good things are already happening. Additionally, it faces the challenge of trying to use the market to address the very issues of inequity that the market has brought to bear on fisheries producers in the global South. But these certifications move us away from conforming to one sustainability norm, and rather focus on people as much, if not more than, the ecological basis of sustainability. Additionally, it has the benefit of aligning better with the guidelines of the Food and Agriculture Organization of the United Nations for securing small-scale fisheries.\textsuperscript{11}

The sustainable seafood movement has certainly brought to light less than ideal fisheries practices, and has worked to reward those whose practices are considered sustainable, at least sustainable by some standards. Some of the potential ideas reviewed here may help us to do a bit better, but what is becoming increasingly clear is that the market on its own cannot save our seas or our seafood. By trying to work at the business or company level, the sustainable seafood movement has forgotten where fisheries governance all started: the nation state. Sustainability issues in seafood value chains may have more to do with the country of origin than any one company or one product type. If we do not try to improve the capabilities of all countries to internally govern their fisheries production practices towards sustainability, we will remain in an era of transactional, not transformational, change. The markets and certifications are no replacement for good state governance, and assuming so risks ignoring the entire cultural politics of the sustainable seafood movement.\textsuperscript{12} The role of the market in contemporary fisheries governance then needs to address its challenges of coercion, commodification, and constriction, by prioritizing provenance, pre-competitiveness, and people in accordance with larger international and national frameworks.

\textsuperscript{11} M. Borland and M. Bailey, "A Tale of Two Standards: A Case Study of the Fair Trade Certified Maluku Handline Caught Tuna (\textit{Thunnus albacares}) Fishery," \textit{Marine Policy} (forthcoming).

\textsuperscript{12} L.H. Gulbrandsen, "The Emergence and Effectiveness of the Marine Stewardship Council," \textit{Marine Policy} 33 (2009): 654–660; P.A. Shelton, "Eco-certification of Sustainably Managed Fisheries: Redundancy or Synergy?," \textit{Fisheries Research} 100 (2009): 185–190; J.J. Silver and R. Hawkins, "I'm Not Trying to Save Fish, I'm Trying to Save Dinner": Media, Celebrity and Sustainable Seafood as a Solution to Environmental Limits," \textit{Geoforum} 84 (2017): 218–227.