

Marine Stewardship Council: Who should join and why?

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1. ABSTRACT

There is significant interest in self-regulation as an alternative to command and control techniques. (Black 1996) Self-regulation is thought to be more efficient and expert and hence more effective than traditional approaches. Interest in alternative fishing regulatory styles such as self-regulation has been fuelled by the perception that command and control approaches to fishery management have proved ineffective. (Lane and Stephenson 2000) However, three commonly suggested weaknesses counter the perceived strengths of self-regulation. While the literature suggests a range of possible responses to these weaknesses, there has been little examination of their effect in practice. Through examination of a case study, the Marine Stewardship Council (MSC), these and other strategies to improve the design and implementation of self-regulation are reviewed.

2. INTRODUCTION

The Marine Stewardship Council (MSC) is a self-regulatory regime established in 1997 as a joint initiative of The World Wide Fund for Nature and Unilever. The MSC is designed to harness the purchasing power of consumers and that of major fish distributors, processors and retailers through ecolabelling and self-regulation to create incentives for healthy and well-managed fisheries. The paper examines, firstly, how the design and procedures of the MSC incorporate transparency and third party involvement to increase accountability and legitimacy and address the weaknesses of self regulation while unfortunately creating principal-agent problems and deepening information asymmetry. Secondly, assumptions about who joins self regulatory regimes and why are challenged by an examination of member's demonstrated commitment and the motivations and the experiences of certified fisheries. This discussion demonstrates that the commitment and membership problems of self-regulation may be less significant than expected. Examination of the case study is limited to the development and implementation of key procedures of the regime and to the experiences of the fish harvest sector of the six certified fisheries. This limitation in scope reflects the availability of information about this relatively new regime and the fact that only a small number of MSC products have reached the retail market, preventing assessment of the post-harvester sector.

3. ADDRESSING THE WEAKNESSES OF SELF REGULATION

Three main weaknesses of self-regulation have been identified. The literature suggests third party involvement, dispute resolution and transparency procedures as strategies to address the accountability weaknesses of self-regulation. It suggests third party involvement and dispute resolution procedures to address legitimacy problems. The MSC regime incorporates all three of these strategies. The success of these strategies is particularly important where the control of a self-regulatory regime affect non-members. In the case of the MSC, its rules only affect members. The case study examines the MSC's application of these strategies and identifies principal-agent and information asymmetry problems created by the suggested transparency and third party involvement strategies.

i. Third party involvement

The first device suggested in the literature to address both legitimacy and accountability deficits of self-regulation is third party involvement. Third parties are entities other than the regulator and regulated. The capacity and effectiveness of third parties to reduce this deficit is limited by their access to resources and information as other problems compete for attention. (Gunningham, Grabosky et al. 1998) I suggest that third party effectiveness is also limited by the extent to which they are involved in the regime process. Arnstein's eight-step ladder of participation demonstrates the different ways in which citizens, as third parties, can be involved in governmental decision-making. (Arnstein 1969) I predict that the effectiveness of third party

involvement in addressing legitimacy and accountability deficits is a function of where that involvement is located on Arnstein's ladder. However, it should not be assumed that in every situation the optimal level of third party involvement is that of 'citizen control' or the top of the hierarchy. Rather the optimal choice involves a trade-off between participation costs such as time-taken and uncertainty costs and the benefits of participation.

Degree of citizen power	Citizen Control	Local citizens handle the entire job of planning, policy-making and managing. No intermediaries between these citizens and their source of funds.
	Delegated power	Citizens hold a clear majority of seats on committees with delegated powers to make decisions with power to assure accountability themselves.
	Partnership	Power is redistributed through negotiation between citizens and power-holders. Planning and decision-making responsibilities are shared.
Degree of tokenism	Placation	The inclusion of local citizens in forums that allow them to advise or plan, but power-holders retain the right to judge the feasibility of that advice.
	Consultation	Includes activities such as surveys, public meetings, public inquiries etc.
	Informing	A first step to participation, but with the emphasis on a one-way flow of information. No mechanism for feedback.
Non-participation	Therapy	Non-participative, aimed at 'educating' the participants. The job of participation is to achieve public support for the authority's plans.
	Manipulation	

Diagram 1: Arnstein's Ladder of participation

Third party involvement is central to various MSC procedures. The different ways in which the MSC involves third parties would be located at different points on Arnstein's ladder. For example, fish harvesters, fishery scientists, academics and other experts were 'consulted' in the development of the MSC principals. A sub-set of these participants, who were present at the final 'Airlie' meeting of this development process, were 'partners' in the finalisation of the principles. Other selected fishery experts are 'partners' in the individual fishery MSC certification through their peer review of the certifier's report. Anyone interested in the MSC can take part in policy development through Internet discussions, a form of 'placation'. NGOs, MSC supporters and fishery leaders are involved in 'placation' about MSC procedures and proposed certified fisheries. This suggests that the effect of this strategy on accountability and legitimacy may vary, if my proposition is correct that the type of involvement matters. However, the involvement of World Wide Fund for Nature (WWF) in the MSC would consistently be placed high on Arnstein's ladder and its role should be examined in more detail.

WWF plays an important role in the MSC regime as a 'detector' and 'enforcer' of the system. WWF is involved in the regime through 'placation' in individual fishery certification assessment and held 'delegated power' together with Unilever in the formation of the MSC. For example, until the Board was formally established, WWF and Unilever representatives and an independent chair were the only members. (Heap 2000) WWF is a highly respected moderate transnational environmental NGO that has allocated significant staff and financial resources to ensuring the development, legitimacy and accountability of the MSC regime. I suggest that WWF's participation and international network provides a strong legitimising force to the self-regulatory regime. Further, by linking its reputation to the MSC, WWF has a vested interest in ensuring the accountability and legitimacy of the regime and that of MSC supporters. The threat of third party shaming by an entity as powerful as WWF and consequential loss of reputation and shareholder value provides credible incentives for Unilever to honour its commitment to purchase only sustainably managed fish from 2005. (Hutter 1997) However, it should be noted that the greatest restraint on market development of MSC and Unilever's commitment is not demand but supply. To date, only a very small number of fisheries have been certified and it is unclear whether the MSC will be able to generate the supply of sustainably managed fish necessary for Unilever to honour its commitment by 2005. The experience of the Forest Stewardship Council offers insight as to how this shortfall could be dealt with to avoid damaging a key incentive of the regime. In that case, buyer-supplier commitments were re-negotiated in conjunction with WWF and publicly announced prior to the deadline in order to maintain system credibility. (Elad 2001)

While WWF's involvement may serve to strengthen public support for the MSC, it has led some in the fishing industry to distrust and dismiss the MSC. (Anon 1999) As Gray et al note, there is a significant history of antagonism between the fishing industry and environmentalists. This antagonism spills over into negative attitudes towards the MSC. Equally, WWF's support for the MSC has been criticised by some in the green movement who are critical of alliances with business in general or MSC actions specifically. (Wallace 2001) To understand these criticisms, it is important to recognise that the environment movement is far from homogenous and not all groups have adopted or consistently employ partnership tactics. (Heap 2000) There has been some fragmented NGO opposition largely associated with MSC certification of fisheries with icon species by-catch. (Anon 2001) (World Catch News Network 2001) While icon species have a powerful emotive appeal that could harness more effective opposition to the MSC and threaten the reputation of WWF, such a campaign appears an unlikely outcome. This conclusion reflects the fact that MSC certification may in fact increase the protection of icon species as demonstrated by the certifier's recommendations and foreshadowed implementation by the NZ Hoki fishery. (Marine Stewardship Council 2001)

ii. Dispute resolution

The second set of major devices to address the legitimacy and accountability deficits of self-regulatory regimes is dispute resolution and other fairness procedures. Page suggests these are the strongest of the three strategies as it can restrict the activities of the self-regulatory organisation. (Page 1987) The need for such procedures was identified during consultation about the MSC principles and procedures were developed by the MSC. Following the recent governance review, the MSC has now formalised and updated its objection procedure. (Marine Stewardship Council 2002) These procedures enable third parties to request both procedural and merit review of the certifier's and MSC Executive's actions. An independent panel appointed by the MSC Board undertakes the review.

One dispute has been notified to the MSC. The Forest and Bird Association made this objection at the time of NZ Hoki certification. (Wallace 2001) Around 12-months later, the report of the panel appointed to review the objection has not yet been released. While perhaps a 'teething problem', more timely responses are needed to enable this procedure to contribute to the accountability and legitimacy of the MSC.

iii. Transparency

Thirdly, the provision of information about the operation of the self-regulatory regime and other transparency strategies are suggested as another way of improving accountability. (Page 1987) The MSC employs procedures that ensure public disclosure of the decision-making process and decision outcomes. For example, as discussed above, the MSC rules were developed through an international public consultative process. This process was open to the fish harvester organisations, academics, environmental non-government organisations and government stakeholders and outcomes reported. This process met the eight transparency criteria for ecolabelling regimes identified by the OECD. (OECD 1996). Despite this, the process has been criticised for failing to include consultation with fishers in developing countries until prompted by stakeholders. (O'Riordan 1998) Other MSC accountability critiques challenge whether a private body should fulfil a regulatory role and despite transparency, opportunities for third party involvement and dispute resolution procedures, critics suggest the presence of covert agenda. (Belliveau 1996) Namely, that the MSC is a tool of either multi-national corporations or NGOs. (Blichfeldt 1998) (Purves 1996) Such criticisms demonstrate that transparency, like legitimacy and accountability, is a sliding scale and relative performance is a function of perspective. Thus, while accountability improvements may flow from these three devices, success is relative and will remain a cause for criticism for those concerned about the regime.

Of more ongoing relevance for the accountability of the regime is the MSC process for the certification of fisheries and the extent to which it integrates transparency. An independent certifier manages the certification process. The approved certifier is an expert auditor whose methods have been approved by the MSC Executive. (Marine Stewardship Council 2002) To retain approved status the certifier must employ transparent processes and follow the agreed procedures. These procedures and distance from the MSC and the fishery enables transparent and expert assessment thereby reducing the potential for conflicts of interest and ensures reasons for decision-making outcomes are disclosed. That said, the degree of transparency in this process is not uniform. For example, pre-assessment reports are kept confidential to help encourage fisheries to investigate whether their

fishery is likely to meet the MSC criteria without fear of reprisals. This illustrates the trade-offs that must be made between transparency and other factors in regime design.

One important regime design trade-off is the relationship between transparency and problems associated with information asymmetry and principal-agent relations. The MSC certification process appears to give priority to transparency over these issues. Independent from the fishery, the certifier faces information asymmetry as they don't have day-to-day knowledge of fishery operations and must rely largely on information from the fishery client and government regulator. Both of these parties have an interest in demonstrating that the fishery is well managed and are sometimes the same entity. Elad demonstrates that information asymmetry in the certification process can undermine the integrity of certification, using an example drawn from the comparable Forest Stewardship Council process. (Elad 2001) In addition, the certifier faces multiple principal-agent problems. The certifier has discretion and is the agent of both the MSC Executive and the fishery under review. These principals may attempt to control the discretion of the certifier, while the certifier must find a balance between the interests of these two principals. The MSC design appears to recognise the problems of information asymmetry and agent discretion employing tools identified by Horn. (Horn 1996) The principal's information asymmetry and the discretion of the certifier and other agency costs are controlled by the involvement of third parties in the certification process and Horn's 'fire alarm' procedures that enable 'constituents' and other third parties to object to the certification decision or process, if required.

iv. Accountability and legitimacy conclusions

The MSC case study illustrates how transparency, third party involvement and dispute resolution procedures can be effectively deployed to reduce the size of self regulation's accountability and legitimacy deficits. However, the MSC should move more quickly to resolve disputes to maintain credibility. Further MSC's experience of the control of the discretion of certifiers serve to remind regulatory designers that while the deployment of transparency and third party involvement strategies will strengthen self regulation they generate high agency transaction costs that must also be addressed in design.

4. MEMBERSHIP MOTIVATION AND COMMITMENT IN SELF-REGULATORY REGIMES: WHO JOINS THE MSC AND WHY?

The effectiveness of self-regulation is questioned by the literature's prediction that membership will be limited to those actors least in need of regulation and that commitment will be poor. Strategies to overcome this weakness are not apparent in the literature. However, the experience of the MSC demonstrates that this problem may be less significant than the literature predicts. MSC members have proved willing to commit to the regime, invest significant amounts in certification assessment and to undertake actions requested by the certifier despite the risk of free riding. Actions have been required of all six certified fisheries as part of the certification process. These actions have financial, reputation and other cost implications. Acceptance of these recommendations evidences a level of commitment that theory does not associate with self-regulatory regimes. For example, South West mackerel fishers with vessels under 10m will now keep logbooks. (Moody Marine Ltd 2001) While other fisheries have agreed to undertake ecological risk assessments or develop plans to reduce by-catch. (Scientific Certification Systems 2002) (SGS Group 2001) (SGS Group 2002) Recognising the importance of understanding these outcomes, patterns are sought in the diversity of members' reasons for joining the MSC to help to understand why members can commit to this self-regulatory regime.

In the absence of pre-certification documentary evidence, the primary objectives of certification client's or member's decision to seek MSC certification have been identified through a small number of interviews with regulators or fishery leaders and press reports. I acknowledge that this method will have a tendency towards positive re-enforcement as leaders have the benefit of hindsight when describing their objectives for seeking certification. While every fishery faces different challenges, some patterns are observable in the experiences of the six certified fisheries. To help in the identification and explanations of these patterns I have applied Nielsen and Vedsmand's typing of fish harvester organisations to the certified fisheries. (Nielsen and Vedsmand 1997) Fish harvester organisations have been chosen as a unit of comparison as these organisations were certification clients in three of the six certified fisheries and in recognition of their relative importance to other fishery regulatory approaches. (Jentoft 2000) (Couper and Smith 1997)

i. Characterising the fish harvester organisations of the certified fisheries

Nielsen and Vedsmand divide harvester organisations into four types to help predict fish harvesters' responses to regulatory change and their capacity to learn. This framework incorporate features of the fishing industry that influence transaction and collective action costs associated with obtaining organisational agreement on change. Their fisher organisation types are described in Table 1.

	Reactive strategy eg politically powerful or surviving livelihood	Efficiency-orientated, pro-active strategy
Heterogeneous fleet (multi gear, small and large gear)	Type 1: Potential conflicts inherent, passive attitude towards regulation, traditional function to assist with administrative matters, significant lack of dynamic professional leadership and only vague capability to formulate market initiative	Type 2: Generally smaller organisations which helps minimise conflicts, clear objectives based on local entrepreneurship, tend to be flexible learning organisations
Homogeneous fleet	Type 4: Very small organisations, marginal areas, strategy protect traditional livelihood	Type 3: Well-resourced, small, specialist organisations for fishers with large scale gear, professional, business-orientated organisations, clear objectives, undertake lobbying

Table 1: Extract of Nielsen and Vedsmand framework

Thames-Blackwater Herring, South West Mackerel handline and Burry Inlet fisheries fish harvester organisations could be characterised as Type 4. These small in-shore fisheries utilise relatively homogenous; low mechanised gear to support local traditional livelihoods. Nielsen and Vedsmand's suggest that Type 4 fisheries have little motivation to advocate change and seek to protect fishery interests through strategies that advocate protection or privileges for traditional small scale fisheries. As such, Type 4 fisheries could be predicted to seek MSC certification where certification provides additional protection of traditional livelihood of fish harvesters. As demonstrated below, this motivation contributed to the decision of two Type 4 fisheries to join the MSC.

The harvester organisations of NZ Hoki and Western Rock Lobster fisheries could be characterised as Type 3. Members largely utilise corporate structures, quality management systems. Professional fish harvester industry associations support these fisheries. Nielsen and Vedsmand's suggest that Type 3 organisations have a pro-active and strategic approach to change and learning. As such, Type 3 fisheries could be predicted to seek MSC certification if it was expected to increase their market power. This motivation played a significant role in the decision of both of these fisheries to seek certification.

The Alaskan Salmon fishery uses heterogenous gear and is supported by a number of national and local pro-active fisher organisations and a very professional marketing organisation, the Alaskan Salmon Marketing Institute. As such, it could be characterised as a Type 2 fishery but does not fit neatly into this framework. The decision to certify was based on an objective, that is shared across all these fisher bodies, to improve the market position of wild salmon, an outcome that supports Nielsen and Vedsmand's thesis of Type 2 fisheries.

ii. Members objectives for seeking Marine Stewardship Council certification and their experience to date

Through interviews with members of the six fisheries, three types of key objectives for seeking certification were identified. Firstly, some fisheries sought certification in order to increase sales to MSC supporters. Secondly, some fisheries believed that other customers and stakeholders would value certification. For members, value reflects economic measures and, in some instances, the less tangible measures of respect and recognition. Thirdly, some fisheries sought certification as a pro-active strategy to address state-led regulatory challenges. Each of these three objectives and the relationship between the objective and fish harvesters' experience of certification are discussed below.

a) Membership objective to increase sales to Marine Stewardship Council supporters

The OECD review of the effectiveness of ecolabels suggests that where government or others in the supply chain actively support the ecolabel through their purchasing preferences the label is more likely to be effective and have greater value. (OECD 1996) Through good fortune or good design, post-harvest MSC supporters such as Unilever and Sainsbury's hold relative bargaining power in the market. Yet, the opportunity to increase sales to MSC supporters was cited as an objective for seeking membership by only two of the certified six fisheries. The

NZ Hoki Management Company's was the only fishery whose decision to seek certification was largely motivated by a desire to increase sales to Unilever. (MacFarlane 2002) In the case of Alaskan Salmon, Unilever's support of the MSC "encouraged participation" but was not a primary motivation. Four of the six certified fisheries produce products that are not inputs to Unilever's range, namely lobster, cockles, mackerel and herring so this commitment did not form part of their motivation. While it is still very early in the life of the MSC, the relative absence of the desire to better position products with Unilever raises interesting questions about the fishery industry's perception of Unilever's commitment or alternatively the flexibility of the industry to respond to such challenges. However, the relative ineffectiveness of this membership incentive is explained through Nielsen and Vedsmand's typing of fish harvester organisations. They would hypothesise that Type 3 and Type 2 organisations, with their pro-active and strategic approach to change, would readily see and obtain first-mover advantage of MSC certification to lock in advantageous relationships with Unilever and other MSC supporters. Three MSC members are either Type 3 or Type 2. Of these, both NZ Hoki and Alaskan Salmon were to some extent motivated by Unilever's commitment, demonstrating some support for this hypothesis.

b) Membership objective that Marine Stewardship Council would be valued by customers and stakeholders

Some fish harvester organisations sought membership to MSC regime based on a belief that stakeholders and customers, other than MSC supporters, would value MSC certification and the MSC ecolabel. Pro-active type 3 organisations like the NZ Hoki and Alaskan Salmon fisheries, in part, initiated MSC certification based on the expectation that it could be used to distinguish their products in European and other OECD country markets. (Belknap 2002) (MacFarlane 2002) The South West Mackerel Handline Association, a type 4 organisation, also sought certification partly to help secure better markets and prices for mackerel. (Muirhead 2002) Such motivations are consistent with Nielsen and Vedsmand's hypothesis for type 3 organisations but not of type 4. While few MSC ecolabelled products have reached the market to enable econometric assessment of whether customers value the MSC label, customer research has been undertaken in Europe and United States to help predict responses. (Wessells 2000) (Wessells, Donath et al. 1999) This data suggests that a percentage of customers will value ecolabels and MSC labelled product. However, these generalised results may not adequately represent the affects of customer preferences for different fishery products or trust in the labelling authority amongst different demographic groups. (Deere 1999) Other work indicates that certification will reduce market volatility and uncertainty costs. (Z/yen 2001) Early reports provide support to fish harvester organisations' perceptions that targeted customers will value certification. (Anon 2001) (Worral 2001) (Chapman 2001) However, this information is anecdotal and requires cautious interpretation given the seasonal nature of fisheries and the high volatility of the fishery market.

c) Membership objective to prepare the fishery for new regulation through certification

To some extent, four members of the MSC acted in belief that voluntarily seeking membership to an international self-regulatory regime would signal that the fishery is healthy and well-managed to regulators and stakeholders. Self-regulatory literature suggests that a primary motivation for the emergence of this form of regulation is a pro-active response to state-based regulation. (Baggott 1989) Pro-active positioning contributed to the decision to certify the Western Rock Lobster Fishery, South West Mackerel, Thames Herring, and Burry Inlet fisheries. One of these fisheries was proposed for certification by a Type 4 organisation, one by a Type 3 organisation and two by government entities both with Type 4 harvester organisations. I suggest that it is significant to the future development of the MSC that half the certification clients are government entities. This is significant overt support by regulators' for the value of MSC certification. As a Type 3 organisation, such pro-active positioning could be predicted by Nielsen and Vedsmand of the Western Rock Lobster Fishery Council but not of Type 4 South West Mackerel Handline Association.

The success of this strategy has been mixed. The Western Rock Lobster's objective for seeking certification appears to have been realised. Following foreshadowed legislative changes, the West Rock fishery is moving quickly to meet new requirements to demonstrate ecological sustainable development as a condition of export permits. (France 2002) While the experience of the South West Mackerel fishery has been less positive. In part, the decision to seek certification was motivated by an expectation that independent demonstration of sustainable fishery management could assist in the renegotiation of the quota allocation for fish harvesters. Unfortunately, this argument has not been accepted. (Muirhead 2002) This proactivism would be predicted by Nielsen and Vedsmand's framework of Type 3 organisations but not Type 4. The South Wales Fishery Committee's request to certify the Burry Inlet Cockle fishery was motivated, in part, by the opportunity to demonstrate the

effectiveness of resource management of this traditional livelihood fishery within a sensitive Ramsar listed wetland to other government entities and a belief that such a demonstration could assist in future funding applications. (Coates 2002) It is too early to tell if this will be successful. The Colchester Borough Council sought certification on behalf of Thames Herring fishery as part of a multi-stakeholder requirement to develop a Natura 2000 plan to meet European Union habitat management requirements. (Midlen 2002) At the local level this strategy is thought to have encouraged fish harvesters to buy-into the plan and planning process. As the regulators rather than the fish harvester organisation requested certification, these actions fall outside the scope of Nielson and Vedsmand's hypothesis.

iii. Commitment and self-selected membership concerns

I suggest that there is some ambiguity about the composition of the membership of the MSC; particularly whether fish harvesters of certified fisheries are members of the regime or alternatively the agents of a more limited class of members, the proponents of certified fisheries. This ambiguity has several implications. Firstly, uncertainty can undermine compliance incentives and commitment structures where interpretation is not shared. (Black 1997) Secondly, if the limited definition of members is adopted, then the MSC must rely on certification proponents and their undertakings to influence the behaviour of fish harvesters, creating additional principal agent problems. That said, this reliance does not necessarily undermine regime effectiveness as the principals, except in the case of the Thames Herring fishery, have the information and capacity to exercise some control over harvesters. Thirdly, where membership is limited to the proponent and it is governmental, additional commitment problems are raised. While three governmental agencies have voluntarily joined the MSC, there are issues about the extent to which the state can be bound by the rules of a self-regulatory regime. At this stage these three concerns are merely academic, given that where fish harvesters are not the proponents of certification they do not incur certification assessment costs and yet they receive the potential rewards described earlier in return for commitment to the MSC, which provides incentives to participate.

Some have criticised the costs of certification and the MSC criteria for its potential to exclude the fisheries of developing countries from joining the MSC and accessing MSC supporters given the costs of certification assessment and preparing data needed for assessment. (O'Riordan 1998) (Belliveau 1996) (Deere 2000) If true, this exclusion affects the long-term usefulness of the regime as around half of the world's fish trade originates in developing countries. However, the World Bank and European Union have expressed support for providing funding assistance to developing countries for the MSC certification. (Constance and Bonanno 2000) In addition, several community fisheries seeking to participate in the MSC have received financial and other assistance from WWF.

iv. Membership and commitment conclusions

The MSC case study demonstrates that self-regulation's membership and commitment problems are not necessarily as significant as the literature predicts. Members of the MSC have demonstrated strong commitment to this regime. Members have been willing to pay significant certification costs, despite the risk of free-riders, and make required modifications to behaviour. Member's modifications include significant improvements not required by command and control regulation. This willingness to commit has been motivated by three different reasons. To some extent, patterns in the motivations of the limited membership group support Nielsen and Vedsmand's fish harvester organisation thesis, suggesting that Type 3 and Type 4 organisations along with regulators are most likely to join the MSC. Further work is needed to unravel the perceptions of the value of MSC certification by different regulators. I argue that regulator of fisheries should take note of member's commitment to the MSC and their responsiveness to MSC requirements and provide greater recognition of MSC-certified status. By encouraging MSC certification, fishery regulators may facilitate market rewards for good practice and support ensuring continuous improvement in fishery practice while freeing-up scarce government regulatory resources for the management of other issues.

5. CONCLUSIONS

The MSC case study challenges aspects of self-regulatory theory. The case study provides evidence that self-regulation regimes can arise in diverse markets, challenging Graham's conclusion the costs of agreement and collective action will be too high to support self-regulation. Despite the fragmented and deeply divided constituencies of the fishing industry, a unique partnership has worked to establish a self-regulatory regime that attracts significant commitment from members. The strength of member commitment to the MSC regime also

challenges the literature's predictions of self-regulation. Member commitment to the MSC regime is supported by a combination of transparency and third party dispute procedures to strengthen self-regulatory enforcement and ecolabelling, an information strategy. Deployed together, the MSC provides evidence of the usefulness of Gunningham et al's approach for mixing regulatory tools. Finally, the case study contains important messages for the designers of other self-regulatory regimes highlighting negative by-products associated with the implementation of transparency strategies. To better understand, this unexpected divergence between the MSC's experience and self-regulatory theory more work is required. However, I suggest that the origins of this divergence lie in the completeness of the MSC system and the incompleteness of other self-regulatory regimes.

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