Policy Learning and Policy Change in a Context of Industry Crisis
The Case of Chilean Salmon Farming Industry

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Outline

• Case study
• Research questions
• Theoretical framework and context of application
• Research methodology
• Contribution to the knowledge
• Generalisation from this research
Case Study
The Chilean Salmon Farming Industry

Features of the Industry

• Fast growth, high competitiveness and successful performance → to rapid insertion into the global economy.
• In a short time (20 years aprox.) it became the second largest producer and exporter at global level.
• This condition was achieved through a range of factors, highlighting the commercial and technological upgrading, the development of capabilities in the supply-base and support institutions as well as export orientation of this industry.
• The historical production model for this industry has been characterised by high concentration and density which mean overcrowding of fish in farming cages as well as farming centres in a territory.
Industry Crisis

• Between 2007 and 2009 the Chilean Salmon Farming industry faced a sanitary crisis produced by the infectious salmon anaemia (ISA) virus.

• The ISA virus is a disease that affects salmon. It exists mainly in the stage of sea development cycle. The virus is contagious between fishes from an infected fish to others and also for contact with contaminated equipment or equipment of people handling infected fish.

• This virus has been present in all global salmon producers (e.g. Norway in 1984, Canada in 1996, Scotland in 1998, Faroe Islands in 1999) and the disease is internationally recognised and standardized by the World Organisation for Animal Health.

Case Study
The Chilean Salmon Farming Industry

Industry Crisis

• The sanitary crisis revealed the fragilities of the Chilean salmon industry which include structural problems from the regulatory system but also some weaknesses in the private sector.

• At regulatory level → reactive rather than preventive perspective prevails on sanitary and environmental issues as well as a lack of control and inadequate monitoring from the authority and a weak penal system.

• In the private sector → an individual view to solve sanitary problems is accepted which considers a little consideration of the contamination of neighbour’s production.
Research Questions

1. How has the process of regulatory reform been stimulated by the industrial crisis in the Chilean salmon farming industry?

2. How has the policy learning process triggered by the crisis in the Chilean salmon farming industry led to new policies?
Theoretical Framework and Context of Application

First phase of the thesis: Characterization and Diagnosis of the System
Second phase of the thesis: Analysis of Proposals for Government Intervention
Third phase of the thesis: Policy Evaluation

Policy Learning as a Bounded Rationality process
System Failures
Unexpected Factors (e.g. God and Devil Actions, Natural Disasters)

Implemented Policy
System Failures
Behavior of Actors and Conflict of Interests

Problem Stream
Policy Stream

Negotiation of reform
Approved Policy
Implemented Policy (early experience)

First phase of the thesis:
Characterization and Diagnosis of the System

Second phase of the thesis:
Analysis of Proposals for Government Intervention

Third phase of the thesis:
Policy Evaluation

Policy Learning as a Bounded Rationality process

Unexpected Factors (e.g. God and Devil Actions, Natural Disasters)

Time
1991 2007 2008 2009 2010
April 8th 2011 - onwards

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Research Methodology

A. Characterisation and Diagnosis of the System (1° phase of the thesis)
   • Corresponds to a preliminary investigation of the origins of the industrial crisis.
   • Two analyses will be undertaken: a policy analysis and system failure analysis.
   • This phase of the research will be based mainly on system failure analysis (Johnson and Gregersen, 1994; Malerba, 1997; Smith, 1997, 2000; Carlsson and Jacobsson, 1997; Edquist et al., 1998; Woolthuis et al., 2005)

B. Analysis of Proposals for Government Intervention (2° phase of the thesis)
   • Will conduct an analysis of the negotiation and decision making process within the policy learning process.
   • The policy stream approach developed by Kingdon (1984) is the basis for understanding policy change in the policy learning framework of analysis.
   • This phase of the research will be based mainly on policy learning as a bounded rationality process (Kingdon, 1984; Braun and Benninghoff, 2003).

C. Policy Evaluation (3° phase of the thesis)
   • A policy evaluation of the proposals and the resolution of the policy will be conducted.
   • This evaluation considers the process of policy implementation and the early experience of the new implemented policy.
   • Elements to be considered are for example whether i) the outcome (policy) represents a consensus to the interests of actors, ii) there are ambiguities in the policy with regard to implementation, iii) it will lead to a new structure in the industry, iv) it will incentive factors that will provoke other crisis in the future and v) the areas addressed by the policy.
Contribution to the Knowledge

A. Theoretical contribution

• To better understand how policy learning and decision making process occur as well as the situations that stimulate those processes.
• To better understand how the behaviour and interest of different actors influence the policy making process.
• To improve our understanding about why industries fail and fall into crisis.

B. Empirical contribution

• In the literature on Chilean Salmon Industry the importance of addressing industry sustainability has become a more relevant and vital issue since the sanitary crisis.
• The intensification of natural resource use as well as the rate of expansion of the industry put the environment at risk, therefore threatening the long-term development of the industry.

→ The understanding of the reform of the regulation and the policy making and decision process triggered by the crisis becomes important.
Generalisation from this Research

Generalisation from this research is related to

1. Intensive exploitation of a biological system rather than a sustainable one.

2. Priorities and interests of the industries to preserve their exports and maintain standards at global level.

3. The use of scientific knowledge in search of an effective institutional solution.

4. Criteria for the design and implementation of policies in terms of a proactive (i.e. preventive) versus a reactive perspective.
Some References

Thank you!!

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