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# Nature-Made Economy

## Cod, Capital, and the Great Economization of the Ocean

By: Kristin Asdal, Tone Huse

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## 7 THE ARCHITECTURE OF MEGA MARKETS

The 2018 China Fisheries & Seafood Expo is about to open, and buyers and sellers of seafood from around the world swarm the front of the expo area. Ten stories tall and made from glass, with a red roof shading the entrance, it welcomes exhibitors and spectators with music and a fountain spurting tall streams of water into the air. Mounted to the glass wall are large banners advertising not only seafood companies, but also seafood nations: “See you at Korea,” “Russia,” and “Come Visit Canada.” This is a place where market and state actors come together, sometimes by way of hybrid agencies and valuation arrangements that build, shift and expand *market architectures* and *market designs*.

Behind the glass facade and past the checkpoints of the registration hall, escalators deliver the visitors to the expo grounds. Wide concrete streets are spread out in a neat system, dividing one expo hall from the next. This year’s event is the twenty-third annual China Fisheries & Seafood Expo, and the organizers report that interest is record-high (Redmayne and Sea Fare Expositions 2018). The show spaces in all ten expo halls of the expo center are sold out. Divided over 45,000 square meters of exhibit space, there are over 1,500 companies from fifty-one countries exhibiting their goods to almost 30,000 visitors from 100 countries. No longer just the largest seafood trade show in Asia, the China Fisheries & Seafood Expo is now the largest in the world. The scale of the expo is also a good fit for the stated Norwegian aim of achieving a six-fold growth in the national ocean economy by 2030 (Reinertsen and Asdal 2019)—a “mega” ambition that will be hard to accomplish without taking significant shares of “mega” seafood markets.

Inside the expo halls, an overwhelming diversity of foods from the sea has been put on display: tiny fish and huge fish, round fish and flat fish, bright red and yellow, or pastel green and silvery fish. There is prawn and king prawn; crab and lobster of various sizes, species, and origin; mussels, scallops, and other mollusks; sea cucumbers, sea urchins, and seaweed; roe in all the colors of the rainbow; octopus and oysters. Here, the cod is a foreigner among strangers, the cod, too, looking unfamiliar. Having been put inside a dome-shaped display case, it is here truly domesticated as an object of the marketplace. Neatly adorned on a bed of ice, it is furthermore equipped with a label telling us that it belongs to the export company Lerøy and to the species of *Gadus morhua*, the Atlantic cod. Gutted but with its head still attached to its neck, the cod's dead eyes give the onlookers a glassy stare.

Still, it is perhaps not the cod "in the flesh" that is the most interesting thing here. What makes the 2018 China Fisheries & Seafood Expo an interesting cod site to explore is rather its architecture, an architecture that is closely connected to a market design that both responds to and enacts, in its own ways, the qualities of the mega-sized Chinese markets. This chapter starts out to examine such market architectures and designs by considering the built structures of the 2018 China Fisheries & Seafood Expo and the placement of the "Norway" pavilion within this. Key to understanding these architectures, we argue, is the work of the Norwegian Seafood Council, a valuation arrangement that works by bringing together a wide assortment of tools of valuation. These include what we identify as a form of state-mandated, yet business-driven "seafood diplomacy," as well other tools of valuation such as a consumer survey described as "the largest made for cod ever," a consultancy report forecasting a growth in consumer markets that "made everyone look to China," and various branding and promotional schemes made in response to these. Notably, these are tools of valuation whose capacities are drawn from both the state and market actors, the organizational set-up of the Norwegian Seafood Council being, we will show, key to the hybrid nature of its work. Before going into the details of this state-market valuation arrangement and how it has worked both within and beyond the Qingdao expo grounds, we consider how the social sciences and, most prominently, social studies of markets so far have dealt with market architectures and designs, as well as with the role of the state in market work.

## MARKET ARCHITECTURES AND DESIGNS

The social sciences have done much to describe how nations provide a legal and regulatory framework for economic activities, including an extensive body of critical research on the relationship between neoliberalism, markets, and governance (see, e.g., Harvey 2007; Peck 2010; Cahill et al. 2018). What this chapter demonstrates is how the work of government agencies toward the building of markets does not stop at providing legal and regulatory frameworks. Governments also engage in concrete and direct market activities, such as product development, branding, and promotion. They build market architectures and designs. As argued by Neil Fligstein in the book titled, exactly, *The Architecture of Markets*, the relationship between modern state building and modern economy building is key to understanding how economies are built (Fligstein 2001, 8). And so, where Fligstein does much to put the state into the study of market institutions and formations, but without discussing what he takes his title—"the architecture of markets"—to mean more concretely, we demonstrate the coming into being and the workings of such market architectures. In order to do this, we move away from the approach that is largely oriented toward a study of social "structures" and the production of "general rules" (Fligstein 2001, 97) for a more open-ended, empirical examination of economy.

Recent contributions within social studies of markets have drawn attention to how economists have moved away from approaching markets as operating simply through "market mechanisms" and, further, from considering government as the only institution that can correct the possible failures of such a mechanism (Nik-Khah and Mirowski 2019). Previously, the idea was that such "market failures" could be corrected by way of taxes that, for instance, take environmental concerns into account by establishing a tax on pollutants. In this way, so-called externalities—concerns that the market did not "capture"—could be taken into the economic frame and handled (Asdal 1998). By way of economic thinking rooted in neoliberal thought, Edward Nik-Khah and Philip Mirowski (2019) show, this idea was challenged and replaced by the notion that markets needed to be *designed* to work well. Economists, not governments, were moreover put forward as the experts qualified to make such market designs. With this, an understanding emerged where markets were considered both as already very well-equipped and as entities that could be improved by changes to their design.

Such improvements, moreover, were not only considered to manage and solve the best or optimal allocation of resources, but also collective concerns. The climate issue, for instance, was put forward as one that could be managed by markets designed for the buying and selling of carbon quotes.

This shift in economic thinking is captured by the title of the editorial “The Organization of Markets for Collective Concerns and Their Failures,” written by Christian Frankel, José Ossandon, and Trine Pallesen (2019) for a special issue of the journal *Economy and Society*. We drew on this work also in chapter 6, though with a somewhat different focus. With the notion of “prices for collective concerns” we demonstrated how the so-called minimum price system generated prices that were intended to serve a collective concern: to make fishing a viable way of living and thereby sustain local coastal communities. We also emphasized that, initially, minimum prices were not organized or modeled on the market. They were the outcome of political struggle and negotiation and relied on the tools and procedures of politics. This valuation arrangement was in no way the outcome of neoliberal reasoning or economics. Instead, it was the result of protracted political struggle, strikes, and the organizational power to make politics adapt and respond to economic demands made by the fishers.

This chapter takes the problematic of market design further, now in a direction closer to the discussions initially introduced by the authors of the special issue of *Economy and Society* (Frankel, Ossandon, and Pallesen 2019). Our analysis furthermore explores the issue of market design as a response to the question of how the architecture of markets comes into place. Yet as alerted to above, the chapter does not consider the architecture of markets as a form of infrastructure enabled by the state. Nor is our focus, as in Nik-Khan and Mirowski’s (2019) analysis, the origins of economic thought, from where and whom the ideas of economists came from, or which groups or specific actors introduced and sometimes realized them. Rather, we describe how market architectures and designs come into place and the new valuation arrangements this produces. We consider how the valuation arrangements and tools of valuation used to build them move *across* the public and the private, but also work to transform what the public and the private, a state and a market actor, are. What this chapter follows, therefore, is how market design is made to become a collective concern and, further, is manufactured by way of tools of valuation where the “little tools” of the state, such as its capacity for diplomacy, become major assets for growing

a mega market and export-oriented seafood industry. In other words, the state becomes a site *for* the design of markets and for manufacturing this into a collective public concern.

#### A MARKET ARCHITECTURE OF FRUGAL PROPERTIES

The China Fisheries & Seafood Expo is a place for business-to-business—or so-called B2B—trade. It caters exclusively to buyers and sellers and offers few amenities (say, benches to rest on) to the mere spectator. The expo halls are cold, which is favorable to bringing down the smell of fish but unforgiving to the thinly dressed expo participant. The floors of the exhibition halls are made of concrete, and only in the most extravagant expo areas is there a thin carpet to cushion one's step. Inside the gates of the expo center there are two main "streets," E-street and S-street, which meet in front of the main registration hall. Along each of these lie four exhibition halls, E1–E4 along one street, S1–S4 along the other. Angled so that it intersects with S-street, between halls S2 and S4 is W-street, where halls W1 and W2 are situated. The most central halls—S1, S2, E1, and E2—are clearly the most attractive, as it is here that one finds the largest and most extravagant exhibitions; this is also where there are carpeted floors.

Booming with music, gigantic flat-screen TVs blasting commercials, huge banners hanging from the roof, with little parades of mascots occasionally walking through, these center halls are occupied by the multi-billion-dollar seafood companies, many of them belonging to the Qingdao region. In the marketplace, the architecture of this expo reminds us, not all participants are equal. At the very edge of the expo, at the end of S- and E-streets, are what must be the cheap spots, as the stalls here are small and comparably unimpressive. No business occupies more than one lot, or square, of the hall; there are no flat screens or loudspeakers; and business seems remarkably slower than in the central halls. In W-street, fish are few and far between, as these are the halls of the hardware, showing engines and production line systems, the buzz and the business of these W1 and W2 halls being far less busy than those of the central seafood halls.

Compared to department stores or shopping malls, which are carefully designed to entice visitors to both extend and repeat their shopping experience, the Qingdao International Expo Center comes across as a rather cold and hard marketplace, ripped down to the minimum. There are food courts,

but they are not inviting; there are public restrooms, but they do not evoke a sense of comfort. This is a marketplace of rather frugal architectural properties, and it is a strictly bounded place. It has gates and fences, and to get in you need to pay a rather high entrance fee. And still, it is also very much a connected site as it brings together, from around the world, buyers and sellers under the roofs of its halls. This bringing-together of market actors does not come about easily, however. In the case of the cod, it depends upon the Norwegian Seafood Council, a valuation arrangement that works by use of several tools of valuation, for example by what we suggest thinking of as a form of “seafood diplomacy”—diplomat bodies and state agencies working on behalf of the seafood nation and its seafood companies to increase export volumes and values. As signaled by the banners hanging from the expo facade, both seafood companies and seafood nations are at work here. The architecture of this marketplace is tightly woven together with state machineries, the expo and its rich assortment of seafood being inextricably political-economic. This is also the case of the “Norway” pavilion, where the political-economic materializes under the slogan “origin matters.”

#### “ORIGIN MATTERS”

When entering the 2018 China Fisheries & Seafood Expo, visitors receive a tote bag containing a pile of printed advertisements and a show directory, a thick book with maps of the expo grounds and an overview of the exhibitors. The maps show the floor plan of each hall and where to find the exhibitors, while the overview details the names of the exhibiting companies, their categories of trade, and where on the expo grounds they are to be found. The designation of the Norwegian companies shows that most of them are not at the very center of the expo grounds, but right next to it, in Hall E2. Like E1, this hall is reserved for foreign seafood exporters. Individual companies occupy some of the lots, but it is predominantly organized through so-called pavilions, which are occupied by the companies of one nation. The “Norway” pavilion is situated toward the middle of the hall and is among the largest, but it is still considerably smaller than the pavilions branded “USA” and “Russia.”

Lodged in between the “USA” and “Korea” pavilions, the “Norway” pavilion is demarcated by large posters hanging from the ceiling. On the ground level it is compartmentalized into different areas belonging to different



FIGURE 7.1

“Norway” pavilion, at the 2018 China Fisheries & Seafood Expo. Photograph by Tone Huse, November 7, 2018.

companies. Most of the companies are from the salmon farming industry, but the fisheries are also well represented. One of the companies, Lerøy, has exhibited what looks like the entire Norwegian seafood menu, including the cod resting inside the dome-shaped display case. Others have opted to display their goods not in the flesh, but by way of videos and graphic renderings of the different species that they are there to promote. Thin walls separate one compartment of the pavilion from the next and company logos are inscribed upon the walls, demarcating which company the different areas belong to: “Lerøy,” “Coast,” “Domstein,” “Seaborn,” “Nordlaks,” “Norway Royal Salmon,” “Norwegian Seafood,” “Ocean Supreme,” “Sekkingstad,” “Polar Seafood,” “Global Fish,” “Bravo Seafood,” “Kuehne + Nagel,” “Pelagia,” and “Ocean Quality.” In between the many logos, potential Chinese buyers mingle with Norwegians from the different export



businesses and their Chinese interpreters. The pavilion posters feature photographs of Norwegian ocean landscapes. The photographs are dominated by the color of blue, its different nuances reflected in images of the ocean, skies, and snow-clad mountains. Some of the posters are inscribed with “Norway,” others with the slogan “Origin matters,” printed in both English and Mandarin.

The “Origin matters” slogan has not been made specifically for the expo but is used globally by the Norwegian Seafood Council as part of a promotion strategy of associating seafood from Norway as having an origin in cold, clean waters. Here, then, we encounter an “origin story” (Haraway 1989, 1997) that is similar to, but also different from that explored in chapter 5. The “Origin matters” slogan may well allude to the “proud” traditions or current capacities of the Norwegian seafood industry, but it is the place and the natural environment from which the seafood originates that are being emphasized. In the context of this 2018 event, with frozen seafood being displayed in abundance, there is also a certain irony to the use of this slogan. For at the time, only a year had passed since Norway was itself let out of what journalists termed the “Chinese freezer,” a diplomatic chill spot it was promptly put in when the Norwegian Nobel Committee awarded the 2010 Nobel Peace Prize to the Chinese dissident Liu Xiaobo. The Chinese government blamed the Norwegian government for this, and relations soured despite the Norwegian government’s efforts to explain that the Nobel Committee is an independent body. In 2017, diplomatic connections were reopened, which also created expectations that the Chinese embargo on certain Norwegian goods—the salmon being among the most important—would soon be lifted.

Not only fish, however, but also high-ranking officials were now set up to pass the border: in the time between the 2017 thaw and the 2018 China Fisheries & Seafood Expo, official visits to China were made by King Harald V and Queen Sonja, who are the formal heads of state in Norway, and by the Norwegian Prime Minister, the Minister of Foreign Affairs, the Minister of Finance, the Minister of Culture, the Minister of Petroleum and Energy, the Minister of Climate and Environment, the Minister of Health and Care Services, the Minister of Research and Higher Education, the Minister of Trade and Industry, and the Minister of Fisheries.<sup>1</sup> The Minister of Trade and Commerce visited twice, as did the Minister of Fisheries. “I love China!” he proclaimed from a stage in Beijing (Stanghelle 2017).

In tow during the Minister of Trade and Commerce and the Minister of Fisheries' visits were 348 "accompanying" businesses, institutions, and organizations. Of these, sixty-two can be directly linked to the seafood industry. It was, in other words, beyond doubt that in selling fish to China, "origin matters" not only with respect to the waters from which the seafood comes, but also with respect to its nationality. That the Norwegian government had been quite eager to improve the status of this nationality furthermore came to view in how it did very little to press China on sensitive political issues, such as human rights violations. This omission was repeatedly criticized in Norwegian public debate, and by the Chinese dissident Hu Jia. "Who is it that comes to visit?" he asked rhetorically (Svaar, Hotvedt, and Hirsti 2017). "Is it Norway's Prime Minister or is it a fish seller?"

Jia's question is straightforward, but the distinction between the public and the private can be quite hard to make. In many cases, government organizations and officials represent the economic interests of the nation, a role that is at odds with being "purely" political. More so, the market ambitions that were being pursued at the 2018 China Fisheries & Seafood Expo—by way of the Norwegian Seafood Council—is of a thoroughly hybrid nature. This an ambiguous status to the market architectures and designs that it is both a part of and seeks to build. The Norwegian Seafood Council was in fact the main designer of the "Norway" pavilion and had, in preparation for the expo, assisted the participating companies in various ways. It gave advice on how to acquire an entry visa to China, on which smartphone app to download to keep in touch with new Chinese contacts, and it arranged various pre-expo warm-up events. If we are to consider the "Norway" pavilion as a particular marketplace within the 2018 China Fisheries & Seafood Expo and, further, assess which type of market architecture and design is here being made, we must therefore take a closer look at the Norwegian Seafood Council and how it works, precisely, as a hybrid agency and valuation arrangement.

#### A HYBRID VALUATION ARRANGEMENT

Formally, the Norwegian Seafood Council came into being by the passing of the 1990 Fishery Export Law.<sup>2</sup> The law was the outcome of a decade-long legal revision process and led to the dismantling of a complex export control system organized through a myriad of so-called export associations

and mandated sales organizations (Holm 1995). For cod, there were eight such mandated sales organizations, which by 1991 were replaced by the one export council, today known as the Norwegian Seafood Council.<sup>3</sup> The ownership of the Norwegian Seafood Council was placed within the Ministry of Fisheries,<sup>4</sup> but it was to be funded, exclusively, by obligatory fees paid by the seafood export businesses. It was further decided that the head office of the Norwegian Seafood Council was to be in the North-Norwegian city of Tromsø. Its primary tasks would be to grant export licenses to Norwegian seafood companies and to oversee that the quality of the seafood exported from Norway was satisfactory, the fear being that the export of low-quality seafood could damage the reputation of the entire industry.

In the paper trail of policy documents leading up to the Fishery Export Law of 1990, as well as in the minutes from the parliamentary debate on its passing, this new way of organizing is repeatedly characterized as a “liberalization” and “deregulation” of fish exports.<sup>5</sup> According to fishery scientist Petter Holm (1995, 414), the dismantling of the system of multiple mandated sales organizations allowed exporters to escape from a “fine-meshed system of regulation” where the sales organizations acted as both interest organizations and cartels. Still, when reading more closely the policy documents and the expectations they chart for the Norwegian Seafood Council, it becomes clear that while this new way of organizing the licensing of seafood exports was far less bureaucratic than the system it replaced, it also entailed the placement of a new type of economic work within and as part of the state apparatus. Most importantly, in specifying the tasks of the new export council, the Ministry of Fisheries established that it was to be market-oriented and lead the way in executing “common domestic and foreign market measures and other export promotion work.”<sup>6</sup> Still, and due to how the Norwegian Seafood Council is funded by a fee paid by the export businesses, the priorities of this work should be set not by the Ministry of Fisheries but by the industry itself, so as to ensure that this taxation is always to their benefit. As put by one of the market analysts employed at the head office in Tromsø: “If we don’t create value for the industry in some way or other, we do not have a purpose.”<sup>7</sup>

The Norwegian Seafood Council’s industry affinity is reflected in its formal organization, where industry representatives dominate both the board of directors and the so-called market groups that advise the council’s different departments. The board of directors decides how the income from the

export taxation is to be spent, and currently about a third is set aside for shared tasks, such as administration, market research, and the running of foreign offices.<sup>8</sup> The remaining two-thirds are used for species-specific work, and this is indeed species-specific: if income from cod exports amounts to 10 percent of the Norwegian Seafood Council's income, this "cod-income" will cover 10 percent of the shared expenses. The remaining 90 percent of the income from cod exports will be spent on cod-specific promotions, such as cod market surveys or cod promotion events. The species-specific financial structure is further reflected in the Norwegian Seafood Council's organizational structure, where its market groups are organized around "white fish" (which includes fresh and frozen cod), "conventional" (which includes dried and salted cod), "salmon and trout," "pelagic fish," and "shrimp and shellfish."<sup>9</sup> For each of these market groups there is a board where a majority of representatives are from the industry, and it is this board that makes all the strategic decisions regarding future market work. It was therefore the white fish market group that in 2014 decided that the Norwegian Seafood Council should, first, pursue a strategy of building new markets for cod and, second, do so by exploring opportunities for building a domestic market for cod in China.

#### TEAM NORWAY AND THE GENERIC ART OF SEAFOOD DIPLOMACY

When considering the Norwegian Seafood Council as a valuation arrangement, an important aspect to note is how it is tasked to represent and enhance market values for the entire seafood industry, and not particular companies—a premise that is key to the status of its so-called delegates, who are employees stationed in foreign offices. In addition to the Tromsø head office, which employs about sixty-five people, about fifteen Norwegian Seafood Council offices have been established in what is considered as strategically important markets around the world:<sup>10</sup> Brazil, China, France, Germany, Italy, Japan, Poland, Portugal, South Korea, Spain, Sweden, Thailand, the United Kingdom, the United States, and West and Central Africa. The delegates at these sites are responsible for carrying out the Norwegian Seafood Council's work and do so by being part of the Norwegian diplomatic corps. Following the Foreign Service Act,<sup>11</sup> the delegates have the diplomatic status of so-called other delegates, which is reserved for persons employed by independent legal entities and who often act as vice consuls

of either a Norwegian embassy or a consulate. When feasible, the Norwegian Seafood Council's delegates share offices with the embassy or a consulate, and are then part of the so-called Team Norway, a network-based collaboration between different public and private actors working internationally to advance Norwegian business interests.<sup>12</sup> In compliance with the Vienna Convention on Diplomatic Relations, the Norwegian Seafood Council cannot engage in direct commercial activity<sup>13</sup>—buying and selling seafood—and must limit itself to advancing *general* Norwegian interests. These activities are *not* to benefit select businesses, and any marketing activity carried out by the Norwegian Seafood Council must therefore be generic: its number-one brand is “Seafood from Norway”; its number-one slogan is “Origin matters.” It is further committed to promoting the values of “quality,” “sustainability,” and “health” as specific to Norwegian seafood products. As with the Skrei quality brand discussed in chapter 6, the Norwegian Seafood Council polices its image carefully. It makes sure that the image is not used to market non-Norwegian seafood, and has a stand-by division that, in the case of negative attention in foreign media, can mobilize and work on improving public relations. Additionally, the delegates stationed abroad are very important to the various campaigns initiated by the different market groups and are thereby responsible for carrying out a wide assortment of market work.

In sum, the Norwegian Seafood Council is a state-initiated valuation arrangement that draws on the apparatus of the state to build market architectures and designs and perform its market work. Most notably, this comes to view in how it is part of the Norwegian diplomatic corps. This equips the Norwegian Seafood Council with the capacity to bolster the seafood industry's position as an export economy at large, while aiding the individual companies in pursuing increased export volumes and values. In doing this, the Norwegian Seafood Council is actively designing markets, while simultaneously drawing on the state and its capacities to act “diplomatically.” It acts as a valuation arrangement that works toward enhancing market values by letting market work extend to equipping seafood with diplomatic associations and thereby the ability to move more smoothly. It is from this, then, that our notion of seafood diplomacy comes from.

The notion of diplomacy should not, however, be taken to mean that the hybrid operations of the Norwegian Seafood Council are tension-free,

not even “internally,” among the very companies that are supposed to benefit from its work. Indeed, the role of the Norwegian Seafood Council is regularly debated and criticized, something that also came to be expressed at the 2018 China Fisheries & Seafood Expo. For while most of the Norwegian export companies gathered under the banner of the Norwegian Seafood Council, Marine Harvest, one of the largest producers of salmon and trout in the world, did not. Instead, it set up a separate exhibition right next to the “Norway” pavilion, the area it occupied being larger and more extravagant than any other area occupied by an individual Norwegian company.

By being one of the major Norwegian export companies, Marine Harvest funds a major share of the Norwegian Seafood Council’s “salmon and trout” work but has objected to this on several occasions. Instead of funding what the company sees as a disproportionately large share of marketing that benefits the entire industry, and therefore also its competitors, Marine Harvest would prefer to spend the funds on marketing that benefits its own products (Nodland 2016). As explained by one of the company’s representatives in the newspaper *Nordlys*, the Norwegian Seafood Council occupies a position that the company wants to take for itself: “When they pour out ads, they take a position in the head of the consumer, and then they supplant our position. The Norwegian Seafood Council promotes ‘Norway’ as a brand. When, for instance, Lerøy wants to get into a market, they get competition from ‘Norway’; all the while they themselves are part of financing ‘Norway’” (Alexandersen 2014). Also, as Marine Harvest has production facilities not only in Norway but also in Canada, Chile, the Faroe Islands, Ireland, and Scotland, not all of its products will in fact benefit from the “origin matters” strategy. Consequently, the valuation arrangement of the Norwegian Seafood Council, with its focus on the value of Norwegian products, is not considered as serving all market actors equally well. This internal competition can be also read as a sign of the growth that is expected from the Chinese seafood market in the years to come, and how Marine Harvest and other large seafood actors are preparing and situating themselves to be able to profit from it. As we now move to exactly this—the prospect of China as a future mega market—we address how the enactment of such future markets can be considered as a way of creating a market architecture and design.

## “CHINA’S NEXT CHAPTER”: A MEGA CONSUMER ON THE RISE

There were mainly two reasons why China was selected as a new market for Norwegian cod.<sup>14</sup> The first has to do with the supply of fish. Cod quotas had for quite some time been relatively high and concerns were being voiced that existing markets were soon to be saturated. The second reason is related to the idea of increasing market robustness for the white fish trade by diversifying its market positions through emerging consumer markets. By acquiring positions in more markets, one assumed, the export companies would become less vulnerable to local variations in, for instance, fluctuating purchasing power or, as was the case with China, being put in the diplomatic freezer. In 2014, the white fish market group of the Norwegian Seafood Council therefore decided to pursue what they called a “New Markets Strategy.”<sup>15</sup> Several countries were surveyed as potential targets, and China was selected as the first trial market for the new strategy, a decision that was largely influenced by the forecasting report “China’s Next Chapter,” published by the international consultancy McKinsey & Company in 2013.<sup>16</sup>

“China’s Next Chapter” starts out by stating that the Chinese economy is about to undergo fundamental change and needs “rebalancing.” To maintain economic growth, the report argues, China must reduce its reliance on investments in a production-oriented economy and instead increase its domestic consumption (McKinsey & Company 2013, 35–36). Following up on this, the report presents an analysis of what it calls “the explosive growth of China’s new middle class” (McKinsey & Company 2013, 54), citing forecasts produced by McKinsey & Company that by 2022 more than 75 percent of Chinese consumers will earn an annual income between 60,000 and 229,000 renminbi, equivalent to about \$9,000 and \$34,000. In contrast, only 4 percent of the country’s population belonged to this income class in 2000; by 2012 this share had grown to 68 percent. Importantly, the report continues, the consumption of this new middle class will be dominated by “the ‘upper cut’” consisting of “sophisticated and seasoned shoppers” who have not only the means but also the willingness to pay “a premium for quality” (McKinsey & Company 2013, 55). Notably, divides in consumption are expected to follow along generational lines, as a new culture of consumption is seen as being on the rise within the so-called Generation 2 (G2) of China’s new middle class:

These G2 consumers today are typically teenagers and people in their early 20s, born after the mid-1980s and raised in a period of relative abundance. Their parents, who lived through years of shortage, focused primarily on building economic security. But many G2 consumers were born after Deng Xiaoping's visit to the southern region—the beginning of a new era of economic reform and of China's opening up to the world. They are confident, independent minded, and determined to display that independence through their consumption. . . . McKinsey research has shown that this generation of Chinese consumers is the most Westernized to date. . . . These consumers seek emotional satisfaction through better taste or higher status, are loyal to the brands they trust, and prefer niche over mass brands. (McKinsey & Company 2013, 57)

As stated by the Norwegian Seafood Council's delegate to China at the time, the effect of the McKinsey & Company report was to make "everyone" look to China. "It was one of the first reports that considered the Chinese consumer," he explains. "Before that most had considered China as a country to produce things in, that we could buy things from. It was quite novel, that one considered China as a consumer." When in 2014 the Norwegian Seafood Council decided to pursue a strategy of exploring new markets for cod, China was therefore selected as a test market. Since then, the domestic consumer market of China has indeed risen to become one of the world's most coveted markets. Considered to be a still-growing mega market—and a seafood-loving one at that—it is highly attractive to Norwegian seafood exporters. But how, exactly, does one go about taking a share of such a market? Which tools to use? In other words, how to revalue China from being a producer to becoming a consumer, and how to design a market toward that end?

Unlike salmon, which was embargoed during the seven-year-long diplomatic freeze between Norway and China, the import of cod products went on unhindered. A reason for this differentiation was never given, but one could speculate that it was connected to the different market positions of the two species. The salmon trade generates a much higher profit than the cod, which means that embargoing it would harm the Norwegian economy more. Salmon is moreover mainly imported for consumption at sushi restaurants, while the cod is used by the Chinese seafood processing industry. In fact, roughly 50 percent of the frozen cod exported from Norway is sold to Chinese importers.<sup>17</sup> This frozen cod is largely captured by the oceangoing fleet, which consists of trawlers, long-liners, and Danish seine boats. The fish is frozen upon capture and stored in large onboard freezers, before



it is landed at so-called neutral freezer hotels—that is, facilities that consist of huge freezer halls with storage for thousands of tons of frozen fish.<sup>18</sup>

Like the cod that is landed fresh (see chapter 6), there is a minimum price system in place for cod that is landed frozen. If the owner of the fish has not already made an agreement with a fish trader, the fish is sold by way of a digital auction that takes place on the website of the Norwegian Fishermen's Sales Organization (see chapter 6). The fish traders buy and sell cod with low margins, earning only a few cents per kilogram of fish bought and sold. They therefore rely on trading in large volumes, which makes the large Chinese factories attractive buyers. It is not unusual, however, that ownership of the fish changes hands several times before it is shipped out. For contrary to fresh fish, which must be rushed to markets, the frozen fish can last longer in storage, giving it a commodity status closer to more inert objects. This opens up the frozen cod trade for speculation and drives prices up. Consequently, while frozen cod is generally considered to be of a lower quality than fresh cod, it is nonetheless sold at a higher price per kilogram. This price difference, however, could also be related to how it more easily enters other forms of production than the fresh cod sold at restaurants and supermarkets. For once the cod arrives in China as a raw material, the frozen cod has traditionally been processed and re-exported. In fact, almost all of the seafood that China imports, about 99 percent, is re-exported to markets abroad, the EU and the United States being large importers.<sup>19</sup> If you are a European or North American consumer of products made of cod captured in Norway—for example, portion-size fillets or battered fish fingers—there is a good chance that this product is made *not* in Norway, but in China (Lysvold 2019).

The position of the cod as a raw material in the Chinese seafood industry could well have protected it from the import restrictions that affected the salmon industry. However, from the point of view of the New Markets Strategy launched in 2014, it was also a challenge. How was one to go about shifting the cod's status from being a raw material of the export industries to becoming a preferred item on Chinese dinner tables? How, in other words, to change its commodity propensities? As we will see below, this was approached through several of the tools of valuation that the Norwegian Seafood Council had at its disposal. This centered, first, on identifying a cod desirable to Chinese consumers and, second, on lending the cod and its producers the authority of the state, equipping it with diplomatic associations on top of its commodity value. Throughout this work, the "Origin

matters” slogan and “Norway” branding—were put to work, underscoring how nationhood and economy can come together in the practices of building a market architecture and design.

### VALUING WITH A SURVEY

How to build a market architecture and design that caters to a market expected to grow huge and assume “mega” qualities when not knowing much about the terrain on which the market is to be built? Not unlike how companies operate, the Norwegian Seafood Council started off this work by conducting a market analysis.<sup>20</sup> Over the course of six months, thirty-four focus group interviews were held, and 500 restaurants and 250 shops were surveyed. The Norwegian Seafood Council’s delegate to China led the work, describing it as “probably the largest market survey done for cod anytime and anywhere”<sup>21</sup>—a mega survey for a mega market—and a tool of valuation that was to revalue what kind of market was about to emerge in China and how to cater to it.

Surveys are performative, John Law (2009) argues in the article “Seeing like a Survey.” They *do* things to the objects and subjects they are targeting. In the case studied by Law, a Eurobarometer survey of people’s attitudes to animal welfare, the survey enacted a specific form of consumer—a neoliberal consumer with the capacity to choose. Likewise, the McKinsey & Company report above enacts “the Chinese” as, exactly, a consumer. It thereby partakes in a quite strong move, away from that of capturing China as a mega producer, and toward casting it as a mega consumer. Yet, reports and surveys like the ones in question here do more. They do valuation work and act as tools of valuation. Considering how valuations are performed we can furthermore detect an interesting difference between the report of McKinsey & Company and the ensuing Norwegian Seafood Council survey. The McKinsey & Company report seems to work very much along the lines of what can be described as a standard Western approach in and for business. It addresses how Chinese manufacturing “moves up the value chain,” while also underlining how the Chinese middle-class consumer is up for “higher-value products” (McKinsey & Company 2013, 1). The report thereby enacts a specific value ordering, where value is considered within a more or less given system and as being situated lower or higher up a “value chain,” these positions giving value to “lower-” and “higher-value” products.

The market survey of the Norwegian Seafood Council complicates this value ordering by bringing in another consumer altogether—a consumer who values differently. For what they learned from the survey, the Norwegian Seafood Council delegate explains, is that Chinese consumers, however “Westernized,” are also quite different from those in Norway:

Take chicken in China. I have a dog, a small poodle. His snack is chicken breast. So the part of the chicken that is priced the highest and valued the most in the West and in Norway, that is the one that is priced the lowest in China. What the Chinese like is the wing; chicken feet are very popular; the throat; chicken with bone. If you take the skin off, and the bones out, what you are left with is a shoe sole. The same goes for fish. Therefore, my most important message to the cod industry, since we got the results of the market research that we did in 2014, is that the largest volume will be cod cutlets. The cutlet format had few negatives in China. That it comes with the skin on is no problem. Or, put differently, fish without the skin is seen as ridiculous in China. To take the skin off is to ruin the fish. So why take the skin off—they love it. It has a lot of nutrients, it is where the collagen is, which makes *our* skin nice. And the skin keeps the fish fresh. Therefore, fish should have skin. And bone. Bones also had many positive associations. They find that when they prepare the cod, steam it or something, it keeps fresher if it has the bone attached. And like the skin there are a lot of nutrients in the bone. So, there are no negatives with cutlets. And it is more efficient to produce, so you get a lower price.<sup>22</sup>

What emerged from the Norwegian Seafood Council’s survey, then, was a wholly different mode of value ordering. Here, values are not *given* in a pre-defined value chain system, nor are they simply values moving smoothly along axes of “lower-” versus “higher-value” products. Rather, what the survey performed was a revaluing of, first, the seafood commodity in question and, second, a consumer who was valuing cod for completely different reasons and in completely different formats than what the Western taste and gaze expected. Interestingly, then, when the Norwegian Seafood Council’s market survey came to “see” its market differently, this was due to its ways of drawing the consumer and the cod together, enacting a consumer-commodity assembly and performing a co-modification of consumers and the products presented to them. What we see here, then, are the contours of a valuation arrangement in formation, an arrangement, moreover, that would be decisive to how the Norwegian Seafood Council approached the challenge of creating a market architecture and design that could align the cod and the Chinese consumer.

By way of the market survey, four other revaluations were furthermore added to this emergent valuation arrangement. First, a revaluation of cod, which was considered not as an input to factory productions of seafood products, nor a luxury fish like salmon, but rather an everyday fish to be prepared and consumed at home. The pricing of cod commodities, the Norwegian Seafood Council therefore concluded, had to be done accordingly. Second, the taste of cod was of a different value than assumed, as it was taken to not have much taste, and instead be a carrier of taste enhancers. This meant that it could be promoted as a meat that blends quite easily with the many and quite different kitchen traditions of China. Third, the cod's origin was taken to be of much higher value than so far imagined, as the market survey showed that perhaps the largest product advantage of the cod did not have anything to do with the fish itself, but rather with its Norwegian origin. Origin *did* matter and was highly valued, or so it seemed. The Chinese, the market survey stated, associated Norwegian seafood with the deep sea, a place where the fish would need to struggle for its survival and that therefore would deliver strong and healthy fish. Future promotions were consequently to build on these positive associations of the cod's origin as "safe and healthy," while being a "do-it-yourself" fish that was both "delicious and easy to prepare." The fourth revaluation brought on by the survey, however, was more challenging. The Norwegian cod, it turned out, did not have a Chinese name. To inscribe and imprint on it specific qualities and associations—quite literally, branding the cod—gave little meaning if not having a name meant that it also did not exist, at least not as a discernible market commodity. Rather, the cod was referred to as *shuǐ zú* (水族), a collective term for aquatic animals which was problematic for different reasons. On the one hand, *shuǐ zú* brought forth negative associations with previous food scandals caused by cheap *shuǐ zú*; on the other hand, it could be associated with very exclusive products that cost up to NOK 8,000 per kilogram and which are also described as *shuǐ zú*. The Norwegian Seafood Council therefore opted to convince the Chinese factories that were to produce cod cutlets for the domestic market that the cod should be branded as "*běi jí shuǐ zú*—Norwegian Arctic Cod," *běi jí* meaning "from the Arctic Pole." By way of the market survey, a revaluation process was being shaped, where, in our own words, the new Chinese consumer was to be carefully co-modified with the invention of a whole new consumer-commodity assembly.

## MEGA MARKETS FOR A “MEGA” ECONOMY

A tool of valuation, the Norwegian Seafood Council’s market survey became key to the ordering of value in the cod market. Through this, it paved the way for what we can recognize as a valuation arrangement that is still under formation but carries the potential of carving out a market architecture and design tailored to the *běi jí shuǐ zú*. Still, this does not capture the valuation arrangement of seafood diplomacy in its entirety. The Norwegian Seafood Council’s survey worked to enact a specific version of the consumer and what we capture as a consumer–commodity assembly, but equally important is how the Seafood Council’s delegates make themselves available to the companies, thereby adding to the cod a form of status value. “I have no fish to sell,” the delegate explains, “but the status that being a diplomat gives, and to be associated with the public authorities of Norway, that is the main value. The status it gives them, it cannot be measured in money.”<sup>23</sup> Not aimed directly at consumer markets, this is about enhancing the value that the cod holds in the Chinese seafood industry, making it more attractive to develop and launch as a commodity by adding a particular form of social value to the commodity. Following this, the main activity of delegates is to participate in events initiated by the Chinese industry, which in turn leads to a lot of travel. “It is not unusual that I spend two days getting somewhere and back,” the delegate explains, “and the specific thing I do is to make a ten- to fifteen-minute speech. Perhaps participate at a dinner or cut a ribbon. In a Norwegian context, it sounds ridiculous, but the status of a diplomat in China is very much higher than in Norway. It has enormous value for these actors, which in turn ties them very closely to the Norwegian origin and to suppliers from Norway. I show that I support them; in return I get their loyalty.”<sup>24</sup>

The diplomacy of communicating across cultural barriers also entails working toward the Norwegian exporters, so that they can better understand what types of fish the Chinese consumer would want to buy. The desired product format of cutlets, for instance, was not something they could provide, as most Norwegian companies were focused on Western markets and their preference for either whole head-cut fish or boneless and skinless cuts, the loin being valued the highest. The Chinese demand for skin and bone, for cutlets and cod heads, was hard to meet. It therefore fell to the Chinese factories to process the cod intended for the new home

market, but they also had difficulty adopting the cod to Chinese preferences. For as much as the fish captured by the deep-sea fleet is frozen in blocks—the fish squashed together in neatly formed, rectangular blocks of about twenty kilograms apiece—they would have to defrost the blocks to separate the fish and cut it into portion pieces. Freezing it again led to a lowered quality, and so, as the domestic market for cod began to pick up, the factories began to demand single frozen fish. Again, the demand was difficult to meet, as the entire production line onboard the fishing vessels would need to be rebuilt. “There are language barriers, cultural barriers,” the delegate concludes. “The Norwegians don’t really get why the Chinese are so difficult. Why can’t they just buy that block of frozen cod? Still, there are some that are beginning to adapt. Things will slowly begin to turn in the right direction.”<sup>25</sup>

One of the main events organized by the Norwegian Seafood Council in conjunction with the 2018 China Fisheries & Seafood Expo was a seminar that gathered Norwegian export businesses to a crash course in Chinese markets and trade. Branded as a “Norway–China Seafood Summit Seminar,” this event took place not within the stripped-down properties of the expo grounds, but in the luxurious surroundings of the five-star Hyatt Regency hotel in Qingdao. The take-home message delivered by the Norwegian Seafood Council’s market analyst, flown in from the Tromsø headquarters for the occasion, was also fitting of the surroundings. Giving a presentation titled “Big Picture, Demand and Trade Flow,” the analyst gave a presentation that could not be misunderstood: the consumer power of the Chinese domestic market is growing, its consumption of high-end seafood is growing, and there should therefore be ample opportunity for Norwegian seafood exporters to gain market shares. Pulling up a slide showing a pie chart on the giant screens of the seminar room—the slice of “Asia Pacific” colored in dark blue—the analyst furthermore introduced a forecast produced by the World Bank (see figure 7.2). By 2030, she told the audience, Asian consumers are expected to make up 66 percent of the world’s middle class. The consumers of Europe and North America will no longer dominate markets.

As presented at the Hyatt Regency, the numbers on the analyst’s pie chart come across as quite neutral descriptions of where to concentrate future marketing efforts. When looked at in view of consumer history, however, another, rather striking feature can be added to them. For if these World Bank forecasts come true, Asian markets will no longer represent

**The market potential is “unlimited”**

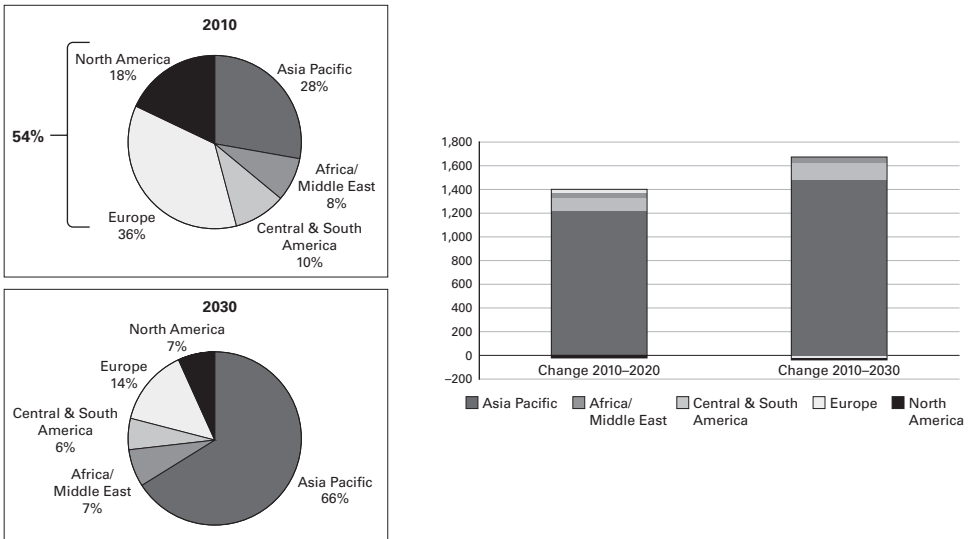


FIGURE 7.2

Norwegian Seafood Council presentation at Norway–China Seafood Summit Seminar, Morning Session, November 6, 2018.

“just” growth opportunities. They will also become the hegemonic driver in defining consumer preferences and put an end to a Western dominance as old as consumerism itself. Such concerns, however, were not present in Qingdao. Here, markets were markets, and as the Norwegian Seafood Council analyst assured the audience: “There will be more Chinese seafood mouths to feed.” Stressing the need for seafood exporters to be proactive and get ahead, her slide said it all: “The market potential is ‘unlimited.’”

**BUILDING MARKETS, EXTENDING THE STATE**

In this chapter, we have described the meeting between, on the one hand, the ambitions of Norway in growing its seafood economy and, on the other, the expectations of China becoming a mega consumer market able to absorb much of this growth. The 2018 China Fisheries & Seafood Expo can in that respect be considered as one of the sites where the great economization of the ocean unfolds—not in the form of oil wells piercing the seabed or aquaculture installations crowding coastal waters, but

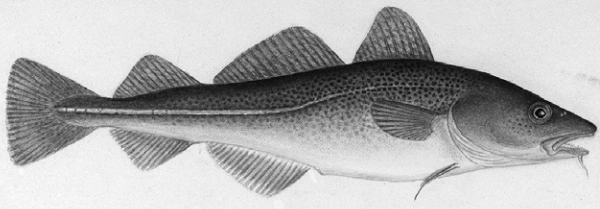
through efforts to create a market for growth to come. And yet, as we have emphasized throughout this book, to understand how such “great” change comes about, we must also consider the “little tools” involved in this. How are these tools and the apparatuses of which they are a part ordering and reordering value, enhancing, assessing, and enacting the value of goods and commodities? The chapter has examined this by focusing on market architectures and designs, approaching markets not in the abstract, but as situated and tangible, material, and semiotic. We have moreover focused on the work of one organization in particular—the Norwegian Seafood Council—which we identify as a valuation arrangement. Characterized by its distinctly hybrid properties and tools of valuation, the Norwegian Seafood Council operates by drawing on the capacities of both market and state. Following up on how chapter 6 discussed what we there call “prices for collective concerns,” we have explored in this chapter what social studies of markets have identified as “markets for collective concerns.” Whereas studies have connected this notion to a neoliberal mode of rectifying market failure, “market design” being the key tool for doing so, we have in this chapter sought to pin down what such practices of market design can be in the context of a market work that also involves the agencies and operations of the state. And furthermore, that do not have market failure, but market growth as their main concern and aim. In doing so, we have taken on the challenge issued by Fligstein (2001) to examine how modern economy building is also about modern state building, but by way of a much more practice-oriented and, indeed, literal, approach to what Fligstein identifies but does not describe—the architecture of markets. Through this, we have emphasized how market architectures and designs come about not simply by the agencies of market actors or interests, or by way of transforming the state in the image of the market. They are also made by putting to work tools of valuation that can work across state and market agencies, and across the boundaries usually seen to separate the state and the private.

By focusing on markets as a physical, situated reality in which specific valuation arrangements and tools of valuation are put to work—the Norwegian Seafood Council and its seafood diplomacy, market surveys, events, and activities—the chapter has identified how the state extends its capacities and lends its authority to such arrangements and tools. These are tools of valuation that, characteristically, are market tools and state instruments simultaneously. And while they blur the boundaries between these spheres,

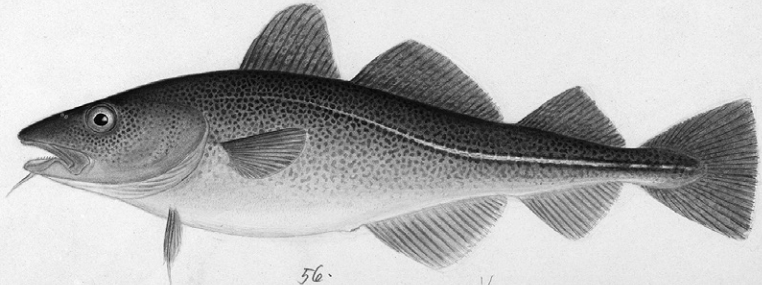


they do not simply reduce or weaken the state by making it more “market-like” or market-oriented. The valuation arrangements and tools of valuation that this chapter examines build markets, *and* they build the state. In this way, we find, the notion of markets for collective concerns should also be taken as an opening to exploring how state involvement in market architectures and designs can work to grow the state, giving it a corpus and reach beyond the political and deep into the marketing work commonly seen as private. As so precisely captured by the Chinese dissident Hu Jia, in asking whether it was Norway’s Prime Minister or a fish seller who came to visit (Svaar, Hotvedt, and Hirsti 2017), the very hybridity of the Norwegian Seafood Council lends itself not only to marketing purposes but also to the purposes of a state eagerly seeking to repair its relations with the Chinese superpower and thereby grasp a share in what is forecasted as “unlimited” market growth. This suggests that future studies of both states and markets should be open to this interchangeability of growing markets and growing the state, including how the “long arms” of the state can extend themselves and reach further by lending themselves to and drawing on hybrid valuation arrangements and tools of valuation. As the many pavilions at the 2018 China Fisheries & Seafood Expo show, not only Norway, but other states also—most prominently Russia, the United States, Canada, and Korea—were here in play, suggesting that this is not only a Norwegian phenomenon. Whether these nations’ seafood diplomacy is like that of Norway or not remains to be examined, but both similarities and differences are likely to exist.





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246. 2. 5. 69.  
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*Günther*

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