



Focus Group on Equal Opportunities

The succession of the fishing enterprise

Economic diversification activities and electronic sales



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Succession of the fishing enterprise

- Family businesses are the most common form of entrepreneurial organization in the fishing industry.
 - They seem to be the invisible infrastructure responsible for the sector to produce and move forward.
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Succession of the fishing enterprise

- Family firms are important, not only because they make an essential contribution to the economy, but also because of the long-term stability they bring, the responsibility they feel and the values they stand for.
 - When compared with non-family businesses, family-owned businesses appear to have certain strengths and weaknesses.
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Succession of the fishing enterprise

□ Strengths (1/2):

- Lower recruitment and human resources costs than non-family businesses.
 - More efficient communication and greater privacy in the exchange of information, due to the use of a common “family language”.
 - Increased motivation, loyalty and trust resulting from family relationships.
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□ Strengths (1/2):

- Minimized agency costs, since the owner and the management are the same persons.
- Long-term perspective and commitment by the family members.

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□ Weaknesses:

- Poor governance and internal organization.
- Inappropriate and inadequate risk management systems and accounting practices.
- Lack of modern organizational structures.
- Confusion between family and business matters.
- Communication problems between family members of different generations.



Succession of the fishing enterprise

The basic obstacles in the development of small sized family businesses are human resources issues, bureaucracy and often instability of tax laws, as well as family conflicts and **lack of succession planning**.

Succession is arguably the most important hurdle to intergenerational longevity for family businesses. It involves the passing of business ownership and management from a “senior” to a “junior” generation so that the enterprise continues.



Succession of the fishing enterprise

It is often noted that just one third of family businesses continue beyond the first generation, and only about 10% to 15% go beyond the second generation



Succession of the fishing enterprise

Given the significance of succession, it is reasonable to expect that the successor selection process should involve an objective assessment of all possible candidates and their potential to lead the business.

However, successor selection in families is very much biased by gender. In most societies, boys are generally favored over girls and in family businesses, this bias means that females—notably daughters—are almost always overlooked as succession candidates.

Source: Kubiček, A., Machek, O. Gender-related factors in family business succession: a systematic literature review (2018)

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- There has been relatively little research on women and their role in family business succession. In the past, women in family firms were seen as family members rather than as potential successors. Although they are seemingly “invisible”, women have always played irreplaceable roles in family businesses, often only serving as regular employees or supportive mothers or daughters.



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It must be said that the research on the role of gender in family business is fragmented and there is no specific of the fishing industry. It must be noted as well that country differences in family businesses' succession, especially cultural differences between countries, have not been that much studied either. All this said, though, several studies identify existing gender-related factors affecting family business succession.

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What factors affect the succession process from a gender perspective?

- Primogeniture
- Gender stereotypes
- Industry affiliation
- Incumbent-successor relationship

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□ Primogeniture

Historically, in patriarchal societies, the oldest son has been predestined to take the reins of a family business. As birth right (primogeniture) has long been a tradition in various cultures, incumbents have typically determined their successors based on gender and age. Firstborn daughters were rarely considered for succession, even if it meant that the owners had to sell the business.



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Primogeniture is on the decline nowadays and successor selection is becoming driven by more objective criteria.

However, studies suggest that, to date, the preference for male successors over female successors is still a fact. The wishes of parents influence succession criteria and eventually the whole succession.

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Gender stereotypes

This refers to the existence and perception of gender norms and discrimination within both the family and the society.

There are studies that suggest that daughters perceive gender discrimination more from outsiders than from employees. Such outsiders can include teachers, friends or other relatives.



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Also, the perception of gender norms by incumbents and successors seems to be different. For instance, there have been differences identified between the beliefs of fathers and daughters concerning gender discrimination in the society. Apparently, fathers believe more than daughters do that there is far less discrimination.



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The studies that have attempted to explain the way daughters deal with gender norms and expectations show that daughters may tend to challenge gender roles in external aspects (such as education or professional career) outside the family business, but they also tend to accept gender norms in family businesses.

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□ Industry affiliation

The industries in which individual family business operate may play important roles in daughters' decisions to not work in family business, even if they have their own entrepreneurial intentions

Females may perceive a lack of interest or welcome in male-dominated industries. Together with young age, daughters may have difficulties in building legitimacy in the eyes of family business stakeholders

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□ Incumbent-successor relationship

Evidence suggests that fathers tend to be overprotective of their daughters. A father may see his daughter as a business partner, but at the same time, as his child that needs protection, thus unconsciously indicating the belief that his daughter has limited managerial skills.



Succession of the fishing enterprise

This ambivalent perception may generate tension between both parties, making it difficult for the daughter to establish authority in the eyes of family members, but also in the eyes of other stakeholders



Succession of the fishing enterprise

There is a need to raise awareness on these matters among the fishing family businesses.

Succession processes are critical for business- and family-related objectives. It would be important to support the development of effective public policies regarding this aspect of the fishing industry in order to drive their family business success and sustainability.

The role of women in intra-family succession certainly deserves further academic attention.

Economic diversification

Diversification can be defined as the search for new products, or the increase in value of a product already in place. In other words, within this process, we can include complementary activities (value-adding activities, food processing, provision of services, non-phishing activities such as restaurants and stores)

Economic diversification

Diversification of fisheries activities can be defined as complementary activities to production, but linked with the product, the job or the business that fishers practice to get an additional income but also to promote their products, job or port

Diversification constitutes a new strategy for the fisher to practice fishing activities (capture or extraction) simultaneously with other activities in continuation with the production activity or based on the fishing business.

Economic diversification

- Diversification activities:
 - Related to sea product promotion: Joining labels or creating collective brands; direct selling to consumers (harbour, local open markets); processing and packaging...
 - Related to tourism and culture (tourists chartering, ship visit, tasting...
 - Related to the sea environment: waste collection at sea; watch over sea environment activities; experts boarding...
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Economic diversification

- Constraints and obstacles for implementing diversification can be:
 - Internal: related to business operations, lack of time, brakes in link with individual behaviour (individualism of fishers), etc.
 - external: laws and regulations, administrative constraints, local context, lack of information, etc.

Economic diversification

Obstacles to the emergence of diversification, more in detail are:

Lack of a defined status for such activities

Constraints imposed by new regulation on safety on board and health restrictions

Difficulties for fishers to cope with non-stop change in rules.

Lack of time: fishing activities (working at sea) is often decoupled of diversification activities that are mainly based on land.

Economic diversification

Diversification can be a solution for fishers to cope with new constraints by introducing innovations.

Diversification is not a solution in itself but it represents a way to resist in front of a real or perceived degrading economic and environmental context.

Economic diversification

Diversification of fisheries activities contribute to maintain fisheries activities because:

- New sources of revenues are developed
- Additional values and employments are created (sellers, guides, etc.)
- New roles are endorsed (stakeholders who contribute to the promotion of the coastal zone)

Economic diversification

Diversification of fisheries activities improve the image of fishers:

- Participation in maritime festivals, tourists chartering and direct selling make them visible on the coast
- Greater interaction with other individuals (tourists, local population, etc.)



Economic diversification

BLUEfasma INTERREG MED Project

Montenegro BLUEfasma Living Lab

Development of a method of making jewelry and souvenirs from shellfish.

Obtention of a mixture from processing mussel shells and oysters that is then used for manufacturing added-value products.

Implementation of circular economy in the blue growth, fisheries and aquaculture sectors.

Economic diversification

Diversification of fisheries activities is a way to:

- make the know-how acquired by family members profitable.
 - empower the role of women in the family business
 - comply with the equality laws that are progressively coming into force in the different EU Member States.
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Electronic sales

- ❑ It goes beyond economic diversification
 - ❑ Structures such as producer organisations and inter-branch organisations allow for an optimum development of these initiatives.
 - ❑ In the recent experience of the closure of activities to fight the pandemic, it has been the way par excellence to preserve business by providing an outlet for the caught.
 - ❑ It is a challenge for a sector where usually individualistic attitudes are displayed as it requires a collective approach.
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**Thank you for your
attention**
