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Te Whare Wānanga o Tāmaki Makaurau
NEW ZEALAND

Market emergence shaped by the Bioenergy Association of New Zealand

Joel Allen, PhD Candidate, University of Auckland

Key Areas

1. Bioenergy Market Emergence
2. Bioenergy implementation
3. Reflection – Bioenergy Association and Bioenergy
4. Summary and conclusion

Bioenergy Market Emergence



Market Emergence

- Shaped by the interdependencies and interplays amongst its creator(s) and their publics.
- Markets are traditionally created by individual firms or a few firms (e.g. market alliances).



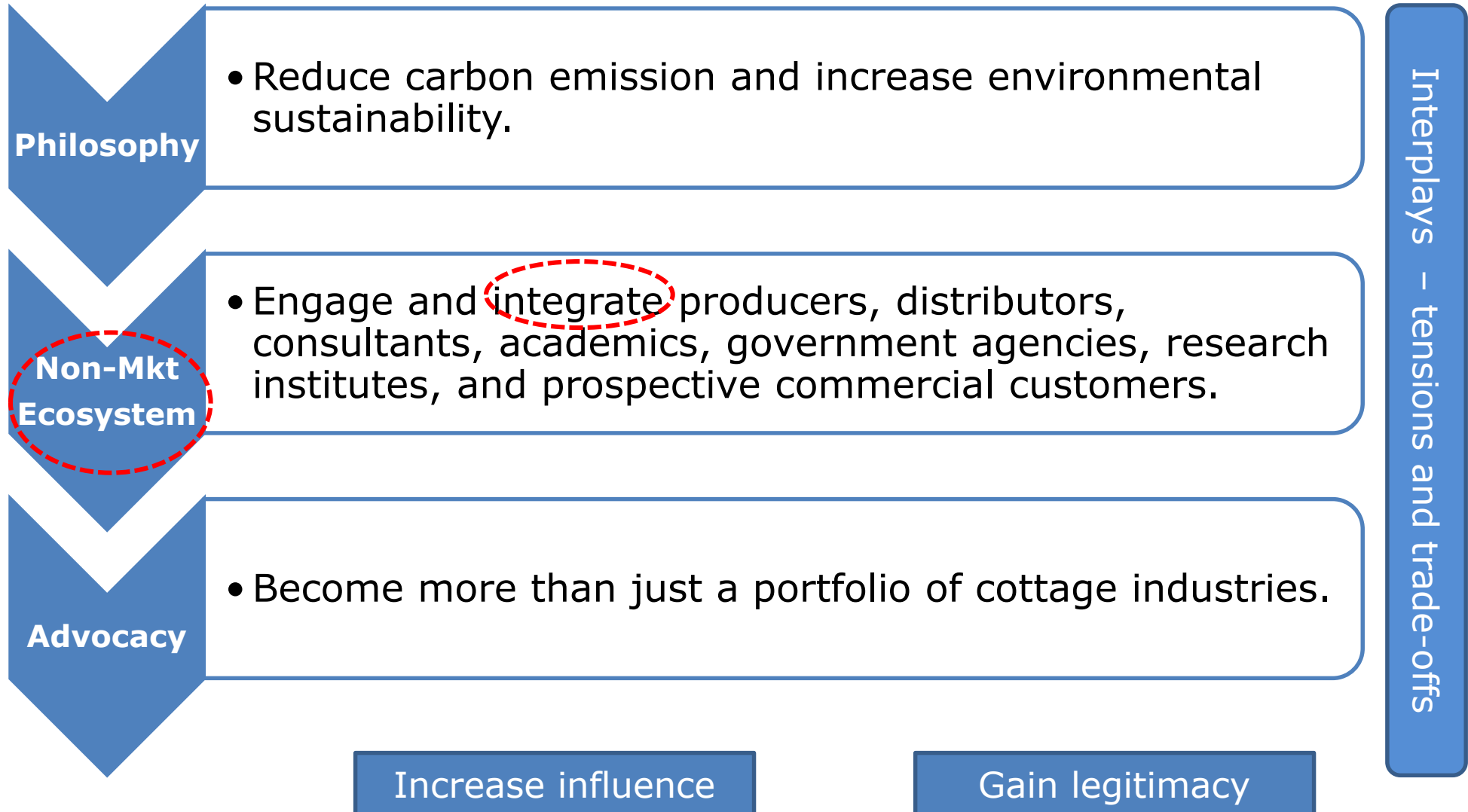
Industry Associations

- Influential nonmarket bodies which, in some contexts, can shape nascent and formative markets.

RQ: How is market emergence shaped by competing firms through industry association?

Bioenergy Market Emergence

- Market creation is largely shaped by Bioenergy Association of New Zealand's (BANZ's) philosophy, ecosystem and advocacy (P.E.A.):



Bioenergy Market Emergence

- **Philosophy as a driver:** Climate change and environmental sustainability agenda - central to the new economy:

Philosophy

- *"I think the main one would be climate change, I think that would be the predominant driver. Climate change, and sustainability, I guess make it wider than just climate change"* – Brad

Tensions & trade-offs

- *"One of the challenges we've had is making ourselves relevant to industry, larger industry. And that's where some of the enthusiasts probably are not so happy with the direction of BANZ, where we support a kowhai pathway for coal, coal biomass... Some members would prefer that we were like on the green side of the ledger entirely"* – Kyle

Tensions & trade-offs – prerequisites to economic integration

Bioenergy Market Emergence

- **Ecosystem as a driver** (diverse stakeholders): Institutional and organisational features:

Non-Mkt Ecosystem

- *"In New Zealand these sectors are small, so you want everyone in. And particularly if you break it down into interest groups you can cope with that... I think the big message about all this stuff is you've gotta look at the whole value chain. So you need to be... a forum where you can actually talk across boundaries that might not otherwise be possible" – Ken*

Tensions & trade-offs

- *"Brian has done a pretty good job at sort of softening and integrating all those interests and getting a pretty fair overall perspective" – Will*

Tensions & trade-offs – central to the management of the ecosystem

Bioenergy Market Emergence

- **Advocacy as a driver** (multilevel – Wellington, state agencies, and councils): Largely direct approaches:

Advocacy

- *"In terms of advocacy ... you've gotta be multi-level... It is hard to demonstrate that you are more than just cottage industries. You do that by behaviour. For instance, we have never been to see the Minister of Economic Development. We know you get one shot and if you haven't got all your ducks in a row you are wasting your time" – Allan*





Tensions & trade-offs

- *"If you went to Joe Public and said what's BANZ they'd probably go, who are they? ... There isn't ... something catchy like Bioenergy Association's going to help New Zealand reduce its carbon emissions. And then oh, how are you going to do that" – Vaughn*

Tensions & trade-offs – influence advocacy choices & outcomes

Bioenergy Implementation

- Critical factors to bioenergy implementation – country comparison

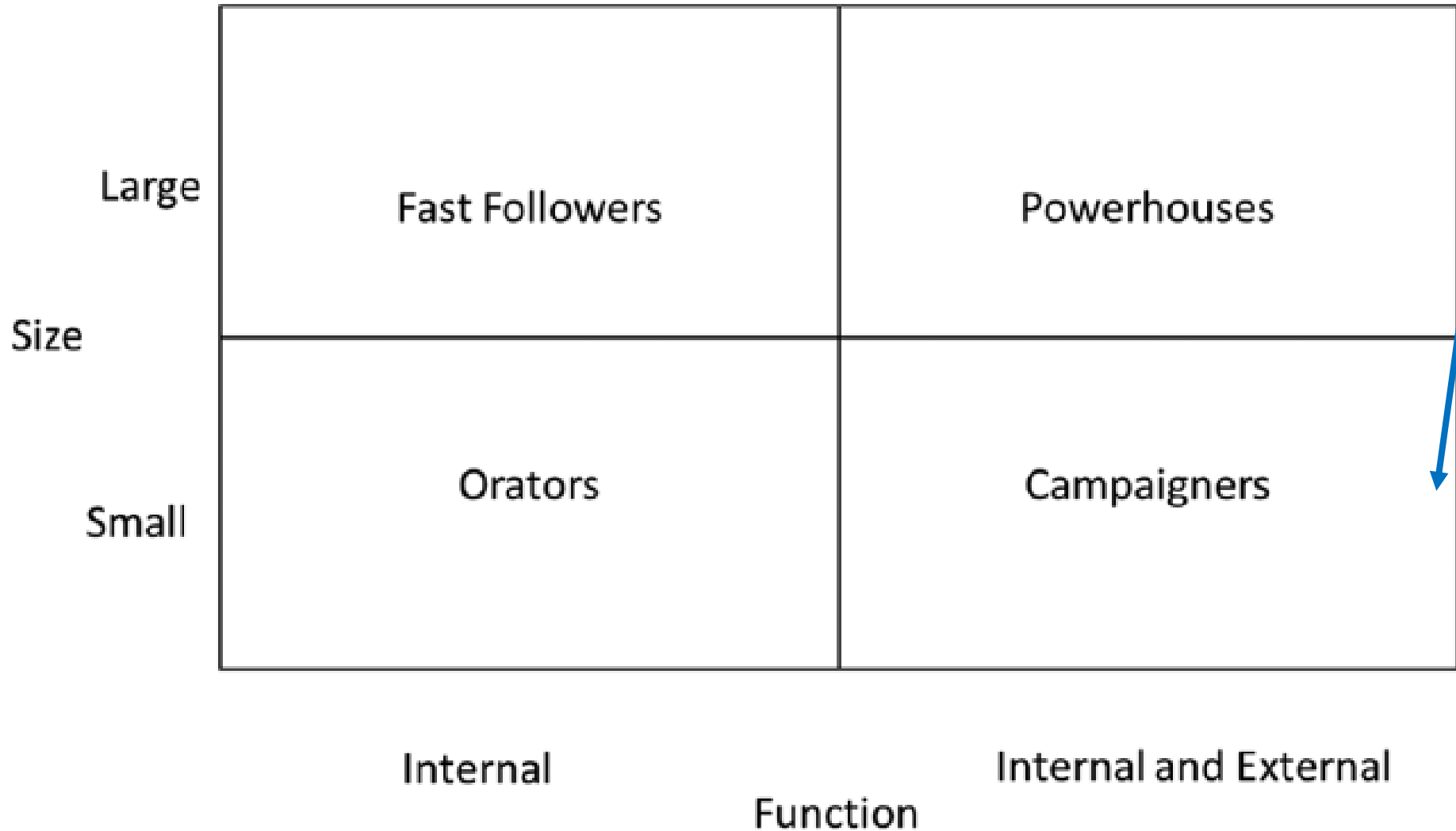
Factor	Sweden	Austria	New Zealand
Integration and infrastructure	Integrated with other economic activity – developed infrastructure	Largely integrated in village community activities	Partially integrated (some regions) 
Scale effects on bioenergy markets	Strong scale effects	Limited scale effects – largely small scale	Limited scale effects – largely small scale 
Competition in bioenergy market	Competition in all sub-markets	Competition exists but it hasn't reduced cost	Competition in all sub-markets
Competition with other businesses	Moderate competition	Moderate – bioenergy and tough competition elsewhere	Moderate – bioenergy and tough competition elsewhere
National policy and policy influence	Taxes on fossil fuels	National and state subsidies	Work-in-progress 
Local policy and opinion	Supported by local policy makers and citizenry	Supported by local policy makers and citizenry	Some council support, but citizens barely engaged 

Adapted from Roos et al., 1999

Bioenergy Implementation

- What type of industry association is BANZ?

BANZ's
Current Position



Reflection – BANZ and Bioenergy

- Moving from cottage industry to developed market requires BANZ to transition from campaigner to powerhouse.

**Collaborate
more**

- **Collaborate more** with other nonmarket ecosystems with similar philosophies and goals (e.g. forestry association).

**Engage
more**

- **Engage more and differently** within and outside the ecosystem (e.g. with the general public)

**Convert
more**

- **Convert more** throughout the nonmarket ecosystem to increase influence, legitimacy and economic integration.

There will be new tensions & trade-offs, but more influence and legitimacy as well.

Summary and Conclusion

- The emergence of the local bioenergy market has been largely shaped by the Bioenergy Association via its philosophy, ecosystem and advocacy (P.E.A.).
- The PEA approach is characterised by interplays which may restrict and enable the further development of the bioenergy market in New Zealand.
- The further development of the bioenergy market is wedded to the Bioenergy Association's ability to move from campaigner to powerhouse:

"The purpose of the association is to grow the size of the market rather than who's going to take what slice of the pie. And I think there is such a great growth potential, that there's plenty of space for everyone to play" – Sam

Collaborate
more

Engage more

Convert more



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Thank you for your time.

Questions & Answers

Email address: joel.allen@auckland.ac.nz