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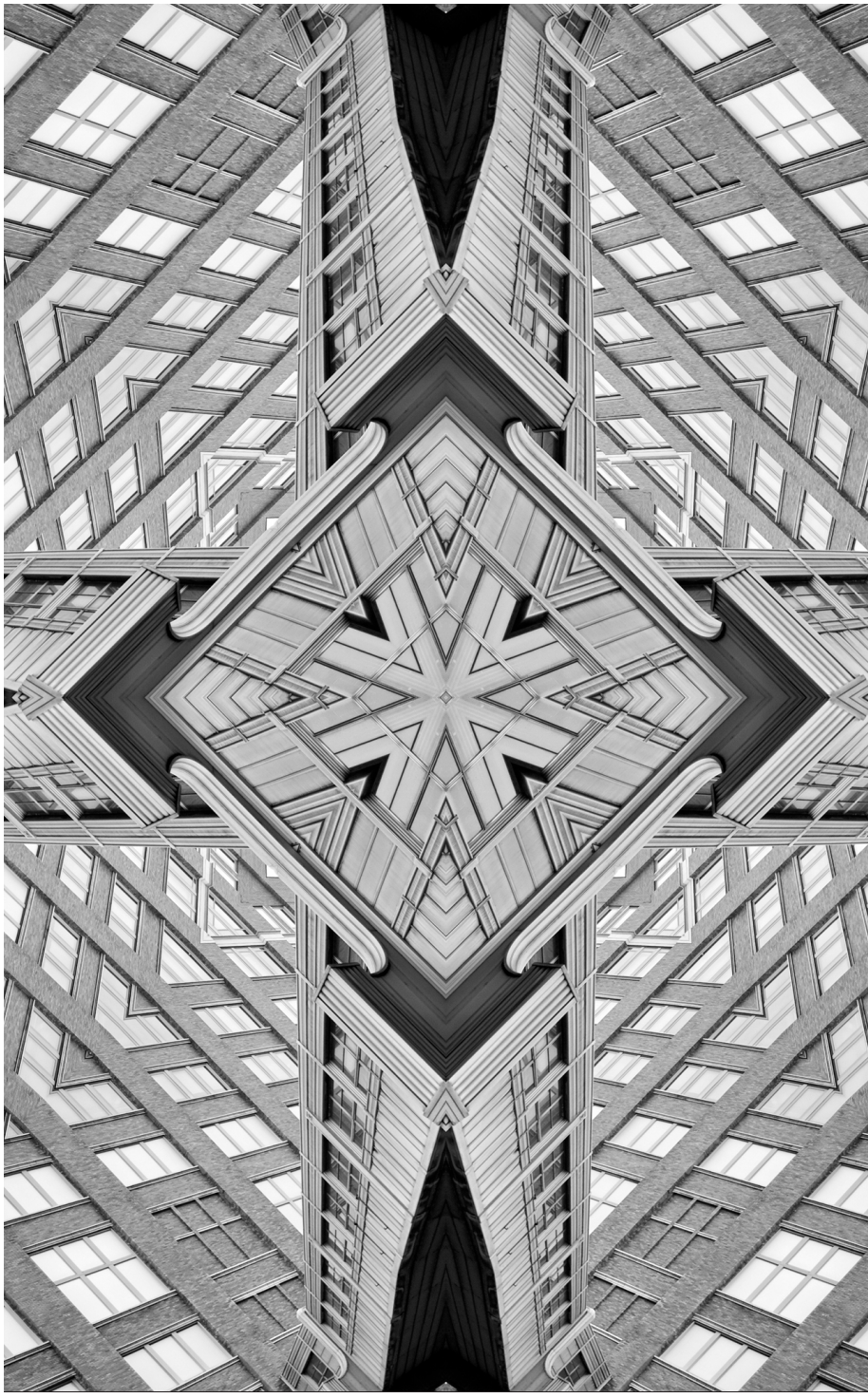

Blue Economy in the Indo-Pacific: Navigating Between Growth and Conservation

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Abstract

Once a niche term, Blue Economy (BE) has matured into a popular concept in marine governance discussions in the Indo-Pacific region. As land resources reach their limits, governments in the region are keen to harness the ocean's wealth for economic projects. Policymakers widely believe the blue paradigm allows marine activities to be earth-friendly and sustainable, and thereby guaranteeing a more equitable future. Recent developments, however, raise doubts about the viability of BE. Global warming and the impacts of climate change are causing Asia's and Africa's best-laid 'blue' plans to run off-track. This brief finds that a constant tension between growth and conservation impedes the blue enterprise in the Indo-Pacific region.

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Introduction

The Blue Economy (BE) is a recent field of study that encompasses economic activities that depend on the sea. A new paradigm for coastal management and development of marine resources, the concept has become a popular theme in the recent years. It is premised on the idea that a healthy ocean can support productive ecosystems, helping integrate economics with environmental sustainability, innovation, and dynamic business models.[1] BE's central proposition is that the ecological well-being of marine and coastal ecosystems can be increased by shifting to a more sustainable economic model, spurring a range of developmental activity—from generating renewable energy and promoting ecotourism, to sustainable fisheries and transport.[2]

Across the Asian and African littorals, there is growing agreement that the oceans should not be an arena of perpetual contestation between nations; rather, the vast sea bodies must be put to use in service of humankind to generate economic growth. Policymakers and practitioners emphasise the need for pragmatism vis-à-vis the oceans, stressing on economic growth, human security, and national development. To be sure, there are different definitions of BE: institutions like the World Bank stress on the concept of "sustainable use of ocean resources"; others, such as the European Commission and the Commonwealth of Nations, emphasise "economic activity". There is, however, wide-ranging consensus on the need for BE approaches to both boost economic activity and preserve the oceans.[3]

Still, countries of the Indo-Pacific must contend with the reality that BE projects are facing problems in implementation.[4] Despite an avowed commitment to blue growth, the region's governments have struggled to navigate the tension between conservation and economics. It is more common for policymakers to seek to prioritise growth—which they consider to be the driver of national development. For their part, those who work in the areas of social and environmental issues contend that the emphasis on economic growth has enabled "power-grabs" or the appropriation of public resources for private ends. Environmentalists claim that private players have leveraged flawed BE policies to their advantage, aligning the needs of the poor with profit interests. Consequently, a form of 'antipolitics' has sought to exclude environmental and social issues from the purview of BE.[5]

Meanwhile, there are experts and advocates who call for the delinking of growth from the concept of Blue Economy[6] —in other words, to aim for 'de-growth'. These proponents argue that attempts to maintain current levels of economic growth are proving to be costly to the natural ecosystems. Not only has rapid growth harmed the cause of conservation, environmentalists claim, an obsession with profits and prosperity is undermining the integrity of ocean systems. The rush to equate consumerism with modernity has compromised attempts to bridge the chasm between development and conservation.

> "Some are calling for delinking economic growth from the concept of Blue Economy—in other words, to aim for 'de-growth'."

Indeed, a recent study of blue projects in Africa concluded that even as local governments sought to pursue marine development projects, coastal communities were largely excluded.[7] Many governments, the same report noted, were seized of the enormity of environmental costs. The development of infrastructure at Kenya's Lamu port, for instance, resulted in large-scale destruction of the habitat that the Kenyan government chose, seemingly, to overlook.[8] In Tanzania, Sudan, South Africa and Mozambique, too, governments have failed to incorporate ecological and socio-cultural concerns into BE plans. The study found that while they initially engaged with local communities, many African governments had failed to follow through on their promises.[9]

This is not to say that there have not been any success stories vis-à-vis BE. Small island developing states (SIDS) in the Indian Ocean have shown promise in sustainably using ocean resources while generating economic growth, jobs and social and financial inclusion, and preserving and restoring ocean ecosystems. The Seychelles, for example, has launched a pioneering sovereign blue bond and secured the first-ever climate adaptation debt restructuring.[10] Mauritius, too, has unveiled a roadmap to consolidate the tourism, seaports, and fishing sectors while building up aquaculture, marine biotechnology, and renewable energy.[11] Yet, for the vast majority of Indian Ocean and Pacific states, 'Blue Economy' remains an unfulfilled aspiration.

Overfishing

The key problem with BE is resources regulation – in particular, of ocean fisheries, wildlife, and seabed resources. In many parts of the African coast, South Asia and in the Western Pacific, governments have given fishing communities much leeway in exploiting fisheries, leading to an increase in licensed and unlicensed fishing. With countries incentivising artisanal fisherfolk to switch to mechanised fishing, there has been a sharp decline in fish stocks.[12] This has also led to a rise in harmful fishing practices like bottom trawling and seine net fishing that has damaged the marine ecology. [13]

Indonesia offers lessons about the potential negative consequences of fishing subsidies. Jakarta has for years given significant subsidies to its fishers. In October 2020, the Indonesian parliament passed a law seeking to deregulate fishing: for one, it changed the definition of "small fisher" to include large operators, making them equally qualified to receive subsidies. Indonesian environmental activists claim that the new law gives foreign fishing vessels full access to the country's waters, potentially opening the door to the large-scale reclamation of marine ecosystems.[14] By allowing big industrial fishers to amass profits, it could irreparably harm the livelihoods of smaller, subsistence fisherfolk.

Elsewhere In Southeast Asia, similarly flawed regulation and inadequate governance have resulted in a rapid decline of fish stocks.[15] Across the region, 64 percent of the fisheries' resource base is reportedly at medium to high risk from overfishing, with Cambodia and the Philippines among the most heavily affected.[16] Destructive fishing methods such as poison fishing, blast fishing, and bottom trawling have caused extensive destruction of fish stock and reefs. Increased levels of competition and conflict among fishers has adversely impacted economic and food security, reducing environmental sustainability.[17]

For its part, India has drafted a fisheries bill that has also been criticised for its emphasis on resource exploitation, deep-sea fishing, and privatisation of open-access water bodies.[18] Fishers' unions have opposed the draft policy, calling it "export-oriented, production-driven, and based on capital investments."[19] There is apprehension that the fisheries bill, if passed into law, could strip small-scale fishers of their rights of access to commons, and in the long run, damage the environment. Rather than enable smaller fishers to increase their catch in sustainable ways, conservationists say, the law could end

up hurting their interests. [20] Not only does the draft mistakenly assume that capital investment and intensive technology (in areas such as mariculture) will be affordable for smaller fisherfolk, it is also excessively focused on resource extraction and profit, neglecting the reality that poor fishers operate in a socio-economic system where livelihoods are not dependent on the cycle of investment and extraction. Already, there are reports that the quantity of landings of once abundant fish varieties, is rapidly declining.[21]

Marine Pollution

Another problem affecting the ecology of sensitive spaces is marine pollution.[22] Shipping activity along the coastline and in the busy Sea Lanes of Communications (SLOCs) frequently contaminates the marine environment. It is not only the oil and residue discharge from cargo and feeder ships that pollutes the surroundings; an enormous load of synthetic trash generated on land is disposed of at sea, causing massive damage to the environment.[23] Unfortunately, the region's countries have been unable to arrest the decline in marine health. Notwithstanding nascent efforts to partner with international organisations such as the Global Environment Facility, the Asian Development Bank, and the Food and Agriculture Organization, countries have yet to come around to effectively addressing the challenge of marine pollution and destruction of the habitat.[24] The environmental neglect has been exacerbated by COVID-19. The pandemic has caused the dumping of thousands of tonnes of medical waste (in particular, face masks) into the sea. The release of large amounts of micro-plastics into the marine environment threatens to adversely impact marine fauna and flora.[25]

Ocean Governance

A third area of concern is ocean governance. As coastal communities expand and dependence on marine resources grows, governments have sought to put a comprehensive system in place to govern marine resources. Yet in vast swathes of the western and eastern Indian Ocean littorals, ocean governance has been inadequate. If South Asia has struggled with regulation and ocean finance, in larger parts of sub-Saharan and coastal Africa, countries lack the financial and technological capacity to harvest ocean assets. [26] Coastal African states, in particular, have been plagued by the corrupt tendencies of the political elite.

An illustrative example of the neglect of marine governance is the inability of the region's states to deal with the issue of marine litter.[27] One of the least discussed subjects on the BE agenda, marine debris has in recent years emerged as a vexing challenge, compounded by climate change. Having to cope with increasing uses from a variety of sources such as extractive industries, together with climate change, acidification, hypoxia, and chemical pollution, the oceans have had to absorb ever-increasing volumes of marine trash; by some estimates, for instance, 8 million tonnes of plastic every year end up in the oceans. Yet, the focus of Asian governments continues to be on connectivity, port building, transport corridors and resource exploitation. India's own Sagarmala project, the centrepiece of New Delhi's BE initiative, prioritises port building and infrastructure construction over sustainable development.[28] A recently announced "deep sea mission" seems intended at spurring deep-sea mining at the expense of marine conservation.[29]

This is not to deny the existence of competing factors in the policy drafting process. On the one hand, blue legislation must seek investments in new areas of the ocean economy, creating economic lines of business, jobs and companies. On the other hand, BE endeavours must seek to conserve and nurture existing marine ecosystems, and reduce pollution, overfishing, and habitat loss. The Maldives offers an instructive example of the dilemma policymakers must contend with. In 2016, as the Maldivian government began expanding economic opportunities through a much publicised 'Blue Model', it decided to invest in high-end beach tourism, reclaiming land to build hotels on some of the country's many coral atolls.[30] This coincided with a period of severe coral bleaching caused by an El Niño phenomenon that spread warm water across oceans.[31] After criticism from local groups, the government of Maldives reversed course to prioritise conservation, even managing to salvage some damaged corals.

Ocean governance is also fundamental to maintaining the health of the marine habitat, and a vital prerequisite for the achievement of the Sustainable Development Goals (SDGs).[32] Experts say that a comprehensive ocean governance framework can balance sustainable economic activity and marine conservation, creating a positive impact on the lives of coastal communities.[33] One way to boost conservation is to incorporate spatial zoning and Marine Spatial Planning (MSP) in ecologically sensitive zones. The Australian government's efforts at preserving the Great Barrier Reef is an interesting example. The GBR is internationally recognised for its natural and heritage

value, and the Australian Government established a Marine Park under a special Act in 1975 to provide a legal regime for the protection of the natural and heritage values of the Reef. The law provided many safeguards, but not enough to protect against the impact of climate change.[34] In July 2021, when UNESCO's World Heritage Committee considered classifying the Great Barrier Reef as an endangered natural site, committee members noted the Australian government's inability to prevent mass coral bleaching events caused by rising ocean temperatures and global warming. Following an appeal by Canberra, however, the committee suspended its decision until next year's meeting.[35]

In part, the failure to protect the marine environment can be attributed to the absence of a cadre of trained personnel. Many Asian and African states have not invested in a skilled workforce to implement BE projects. Innovation and technological development in critical sectors has been lacking, and rarely have BE models been tested in field conditions. With limited ocean literacy, marine conservation has yet to receive the attention it truly deserves.

> "In India, there is apprehension that if the draft fisheries bill is passed, it could strip small fishers of their rights of access to the commons."

Imperatives in Implementing BE

Blue Economy can only be expected to deliver results if it is implemented in ways that truly balance economic growth and sustainability. The countries of the Indo-Pacific need to harmonise their BE approaches to develop an integrated strategy. Beyond agreeing upon a common definition, syncing procedures and operating principles, countries must collectively invest in technology and innovation that would enable blue sectors to develop technologies to boost productivity. Whilst unlocking the seas' latent potential, blue policies must outline measures for the regeneration of the natural habitat.

The first need is to create a knowledge economy to power the blue movement. Asian and African states need a strong scientific research and adequate ocean observations to deliver a sustainable ocean. By widening the participation of stakeholders in marine spatial planning, the region's governments can better organise ocean space across activities and time. Frameworks need to be evolved to device policy for the sustainable harnessing of ocean resources.

Second, Indo-Pacific states must collaborate to create a more operational kind of ocean science to support sustainable economic goals. The application of ocean science to fisheries management can be used to protect and preserve endangered fish species. To respond to the challenges and demands of the blue economy, ocean technocrats must focus on development of knowhow, transfer of technology, and capacity development. Beyond supporting evaluation and monitoring of fishing activity, ocean science can lay the foundation for a genuine ocean sustainability framework. Through new inter-state contracts between governments and their populations, between researchers and policymakers, these countries can ensure that the best efforts and investments are channeled to developing a sustainable ocean-based economy.

Third, governments must collectively focus on marine spatial planning, bringing together public and private stakeholders to analyse and allocate ocean space for competing human activities (i.e., tourism, renewable energy, fisheries, and conservation) in coastal and marine areas. This is an invaluable tool to facilitate sustainable uses of marine resources by de-conflicting activities in the maritime commons, mitigating adverse environmental impacts, and facilitating reasonable utilisation of marine resources. Of particular utility is the participatory approach, involving fishing communities and local self-governance institutions. The United Nations has undertaken to support a new cooperative framework in the Ocean Decade (2021-2030) to ensure that

Imperatives in Implementing BE

global ocean science provides greater benefits for ocean ecosystems and wider society. The initiative is aimed at rallying ocean stakeholders behind a common framework to ensure safeguarding healthy, productive and resilient oceans through science-informed policy responses.[36]

> The first need is to create a knowledge economy to power the blue movement.

Fourth is the need for partnerships between littoral states that render fishing activity sustainable. Like European Union countries that have signed sustainable fisheries partnership agreements (SFPAs) with African and Western Indian Ocean countries,[37] Indo-Pacific states must enter into legal arrangements for the fishing of surplus stocks in the exclusive economic zone (EEZ) of third countries. Fisheries management must be characterised by equal rules, scientific management, and social empowerment. Environmental levies, catered for in fisheries agreements (such as in European pacts with Indian Ocean states) could enable conservation efforts on the Indo Pacific region.

Fifth is the need to involve private enterprise in blue initiatives beyond activities aimed at resource exploitation. Private players must play a more significant role in supporting nascent projects in the region. Governments must provide incentives to catalyse private investment in green infrastructure, technology, and innovative practices to reduce environmental risks and ecological stress, enhance sustainable development and human well-being, and sustainably manage coasts and oceans. The framework for ocean governance must comprise of institutional processes and production and management systems that create new asset classes in ways that reduce investment risk, and help transition to a genuine blue economy.

Finally, the region's governments must clearly define BE priorities, making it easier to accept inevitable trade-offs between missions and time-frames. Stakeholders must set realistic targets, seeking to optimise use of green-friendly knowhow, processes, and raw materials. Revenue streams must be identified to drive BE activities, and to develop technology that integrates viable forms of marine activity, including renewable energy, ecotourism, sustainable fisheries, and transport. The ultimate aim of BE must be to achieve a 'circular economy' that is regenerative by design and decouples growth from the consumption of finite resources.

Conclusion

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Blue Economy must be implemented in ways that preserve and nurture marine ecosystems. Indo-Pacific states must go beyond agreeing on common terms and the syncing of procedures and principles. Each must move to harmonise BE approaches to develop an integrated strategy that would harvest technology and innovation, boost BE productivity, and preserve marine ecosystems. While unlocking the seas' latent potential, BE policies should aim to regenerate the marine habitat.

The greater goal of BE, however, must be the integration of oceans with human society. Through the careful management of material and human resources, BE must seek to achieve the de-commodification of labour and the recovery of the common goods to protect diversity. Indo-Pacific states must aspire for a viable mix of growth and sustainability, promote an equitable reduction in production and consumption, pursuing a socially transformative vision. Only a balanced approach will create the capacities needed to sustain the ocean and its resources.

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