

Towards a Sustainable Blue Economy Initiative: Discussing Actions for Cooperative Ocean Governance in the Region

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The term blue economy has been consistently invoked to connect oceans with many international and regional governance priorities and goals; however different stakeholders have been working to further define the term in ways that prioritise specific oceans problems and solutions. To date, it is still not clear whether the term will be eventually understood singularly. This piece reviews the present understanding, issues, and challenges in moving towards a blue economy for achieving sustainable development objectives, and provides some options for countries in this region, including Malaysia and Bangladesh to sustainably progress on environmental and resources aspects.

Introducing the Terminology

There is no single definition of blue economy. An Economist Intelligence Unit briefing paper for the World Ocean Summit 2015 for instance described it as a sustainable ocean economy which

emerges when economic activity is in balance with the long-term capacity of ocean ecosystems to support this activity and remain resilient and healthy. At the regional level, the Changwon Declaration adopted in Korea in 2012 at the East Asian Seas Congress describes it as a practical ocean-based economic model using green infrastructure and technologies, innovative financing mechanisms, and proactive institutional arrangements for meeting the twin goals of protecting the oceans and coasts whilst enhancing their potential contributions to sustainable development, including improving human well-being, and reducing environmental risks and ecological scarcities. At the national level in Malaysia, some work involving national blue economy assessment have been carried out by MIMA under the Partnerships in Environmental Management for the Seas of East Asia (PEMSEA) initiative since 2015, with specific emphasis on accounting environmental-related industries and resources values as well

as potential investment opportunities in related ocean sectors. Despite the above, a general understanding and awareness of what constitutes a blue economy is presently lacking not only in Malaysia but in most of the countries in the Asian region.

The blue economy concept has essentially evolved from the broader green movements and in a growing awareness of the threats imposed on ocean ecosystems by human activities such as overfishing, habitats destruction, pollution, and the impact of climate change. It is increasingly gaining importance as governments adopt and implement a more sustainable balance between economic growth and maintaining ocean health. In a broader sense, the concept should be able to show the critical role and contribution of ocean economic activities and coastal and marine ecosystems to the national economies, provide evidence base for a region-wide ocean policy and decision-making on related areas, and examines the benefits, costs and impacts at the different levels. These have brought about opportunities to transit to more environmentally sustainable practices, or for new and innovative investments are focused into promoting and restoring ocean health and balance.

Current status, issues and challenges in developing a sustainable blue economy Overall work on improving understanding and developing a blue economy has only just begun in many regions, including here in this region. A number of aspects need to be put together as enabling factors and promote implementing conditions e.g., managerial, legal, institutional, governance, investments, and financing aspects.

The significant economic contributions of the oceans have been largely undervalued. With population growth and changes in associated consumption patterns, demand is being placed increasingly on new sources of food, energy and minerals leading to the creation of large scale developments in

ocean spaces in many parts of the world. In many instances, the prevalent decline in ocean health due mainly to human activities is also a cause of concern. A sustainable and strategic approach on the development of ocean resources will be an important driver and enabler of blue economy, whilst fuelling national policies and strategic changes to accommodate the growing ocean-related industries. The need for balanced approach to the governance of ocean spaces and industries through a well-developed regulatory framework and institutional support and capacity to fuel the nation's sustainable growth is ever more impressive now than ever.

Better economic data and science are essential elements in assessing and progressing on blue economy by recognizing, demonstrating, and capturing the values of oceans sectors for use in planning and management. In many instances, however, current approaches to valuing the ocean economy could mean that we are either underestimating its contribution, particularly the value of non-market goods and services, or are lacking in this information in the first place. There have however been recent improvements in methodologies and approaches at the international level that could be used as benchmarks and guidance tools.

The UN Statistical Commission's System of Environmental and Economic Accounting (SEEA) in 2012, for instance, provided a framework for integrating ecosystems and the environment in national income accounts. The SEEA includes accounting for natural assets from which many natural resource-based goods are produced. Further, the World Bank's Wealth Accounting and Valuation of Ecosystem Services (WAVES), which adopts the SEEA framework, as well as UNEP's Economics of Ecosystems and Biodiversity (TEEB) project focuses on mainstreaming the values of biodiversity and ecosystem services into decision-making. The development of current accounts for activities based on fishery and coastal resources have generated



significant information on improving related policies and regulatory frameworks at the international level, in support for a sustainable blue economy. in support for a sustainable blue economy.

Sectoral importance within the overall blue economy context

The fisheries sector, as an example, is the most important living resource especially in ensuring food security as well as a source of income, and hence the importance for its long-term sustainable utilization and protection for the benefit of the people and nation is irrefutable. The need to utilize marine living resources to achieve economic growth, human resource development, capacity building within fisheries and agriculture branches, employment creation and sound ecological balance which is consistent with the development objectives of the national government are as such of ultimate importance.

There are however numerous challenges in preserving and maintaining the economic, social and environmental benefits of the oceans that include overfishing and destructive fishing, loss of biodiversity including the depletion of certain fish, ocean acidification, ocean warming, coral reef destruction, watershed-based and marine-based pollution, accidental oil spills, as well as invasive species introduction. Emerging issues identified include marine genetic resources, coral reefs management, marine debris, nutrient over-enrichment and eutrophication, geo-engineering, ocean noise, renewable energy and environmental data exchange.

It is envisaged that the demand for fish will continue to increase, making the task of managing the fisheries resources on a sustainable basis increasingly complex. The threats of over-exploitation and the decrease in recruitment due to degradation and destruction of aquatic habitats are factors of concern. For instance, some mangrove forests, which provide important breeding, nursery and feeding grounds for fish, prawns and a variety of invertebrates, have been cleared for development or decimated by pollution. Coastal areas are increasingly being threatened by erosion along extensive parts of the coastline. Continued economic growth and industrialization are further wielding considerable pressure on the coastal ecosystems. Effluents from industrial and domestic discharges, land reclamation as well as illegal dumping and accidental spills contribute to the degradation of the water quality in the coastal areas. Additionally, the utilization of coastal resources has drastically increased with technological advancements and growing resource needs of the populations. This comes in the form of large-scale extractions of natural resources and intensive exploitation of fisheries, causing conflicts of interests that further endanger the resources.

There is huge potential for the provision of food and livelihoods from aquaculture through improvements through efficiencies in related areas. Aquaculture under the blue economy will largely incorporate the value of the natural capital in its development, respecting ecological parameters throughout the cycle of production, creating sustainability, decent employment and offering high value commodities for export.

Prioritizing efforts and sustainably moving forward

The ocean sector is crucial to the economy of nations through its

resources and other ecosystem services that support the trade and industries, and hence require proper management and conservation strategies to achieve maximum economic, environmental, and social outcomes. Such a process will involve participation by relevant stakeholders and the need to assess the resources required in terms of physical and human assets, investment in research, science, and technology, collaboration, and review and formulation of policies. For countries that are just beginning to understand the term and its sustainable progression, it is important that a number of measures be adopted. These include:

- (i) Developing a blue economy profile and conducting pilot studies of the ocean to help define and refine the national and local conception of a blue economy. This will assist in making applicable assessments of economic growth, ecological sustainability and environmental impacts.

- (ii) Promoting the use of ocean economy data in marine planning at the national level to facilitate further engagement with other countries in the region on related areas.

- (iii) Identifying relevant stakeholders and encouraging their involvement through discussions and consultations for mapping exercises to rationalize better governance efforts, identify interests that need to be safeguarded, and explore further opportunities.

- (iv) Identifying platforms or mechanisms that have under-utilized funding resources as well as emphasizing developing related projects which will benefit the nation.

It is crucial that continuing cooperative efforts are enforced on encouraging a better understanding of issues and challenges, and promoting progress for a sustainable blue economy through related ocean governance initiatives at the regional, national and local levels.