
SUSTAINABLE DEVELOPMENT OF THE BLUE ECONOMY THROUGH PUBLIC PRIVATE PARTNERSHIPS

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ABSTRACT

There has always been a huge imbalance between marine environmental protection and marine economy and we have always talked about growing the marine environment, which now seems like a very far-fetched idea; Because there have been previous attempts to strike a balance between the two but those attempts were not fruitful and the public private partnerships involved in those attempts failed drastically due to lack of equal contribution, which resulted in private entities incurring heavy losses. Hence, now the time is to talk about sustaining what we have rather than growing.

Issues which stand tall in front of us are that there is a reckless exploitation in the fishing industry which will leave no fish stocks for commercial fishing till 2048, plastic accumulation in the oceans with nearly 20 million tons of plastic waste released into oceans in a year. Along with these, problems also lie in the Public Private Partnership schemes as they lack the proper ideology which is required to deal with the issues and there is no strong system to allocate funds so that the issues can be dealt with effectively. Private entities have been seen in a role where they bring financial support.

This research paper aims to shed light on a number of things like the underlying issues related to marine environment and how we can sustainably leverage the marine environment, with possible roles that the private sector can play in the partnership schemes and also the ideology shift that is required for the partnerships to work so that their interests are also safe guarded while we secure the marine environment. In this paper, we will mention the initiatives that have been taken by India and other countries like Australia and European Union to tackle the marine environmental issues and till what extent those initiatives have been successful.

Keywords: blue economy, sustainable development, public private partnerships

Introduction

Oceans of this world are under extreme pressure due to a variety of human influenced threats which also includes climate change. As we are moving forward with time and technology, the climate is being neglected even more and the need for effective measures to be taken has never been more pressing. The human activities in ocean space are taking up more and more space. Earlier the activities which were seen happening in the Exclusive Economic Zone are now seen in the High Seas. This shows nothing but the never ending desires of the human race and how these desires have blinded us that we are slowly killing our own future in order to polish our present.

The history has taught us one thing that we cannot recover what we have lost when it comes to environment, it is not a new thing that we often read about a particular flora or fauna species going extinct. It has become like an everyday deal that we are losing our grip over the environment and soon we will lose it in the black hole of time if we do not stop damaging the marine environment. But why do we need to talk about the oceans alone? The reason is that the oceans are connected to green environment. If we lose our oceans, the forests and all other aspects of green environment will also be lost in no time.

Till now, we know about blue environment and the importance to save it. But now let us understand about blue economy, what is blue economy? It is the economic activities which are carried out in water bodies and marine areas. These economic activities are done by private entities which range from having multimillion turnovers to very micro entities in terms of finance. There are a number of sectors in the marine economy but the sectors of fishing, trade, tourism, oil & gas are the ones where the blue economy majorly lives and thrives. In all these years, the uncontrolled growth of blue economy has led to problems which are now causing dangers to the marine environment. The number of dangers that the seas and oceans are facing are¹:-

- 1) Loss of coral reefs- 50% of the coral reefs have perished in last 30 years and analysis says that 90% of them might perish in the next 20 years.
- 2) Mining waste- 220 million tons of mining waste is thrown into the oceans every year.

¹ Dr. Raghu Dharmapuri Tirumala and Dr. Piyush Tiwari, Innovative Financing Mechanism For Blue Economy Projects, Green Fiscal Policy Network, July 28, 2021, <https://greenfiscalpolicy.org/blog/innovative-financing-mechanism-for-blue-economy-projects/>

- 3) Oil spills- Oil spills and other polluting factors of shipping industry add up to 3% of global carbon dioxide omission.
- 4) Exploitation by fishing industry- There will be no exploitable fish stocks till 2048.
- 5) Plastic waste- Nearly 20 million tons of plastic waste released into oceans in a year.

History and the Need for a Change in Ideology

From the times of 1940s when the nations were in a political turmoil in the aftermath of World War II, the agenda of Sustainable Development took its first breath² and that is when the nations turned their eyes towards oceans and their underlying problems. A number of conferences happened, a number of policies and initiatives surfaced and they all focused on growing the marine environment. One of the earliest initiatives was an exhibition named “The Oceans, A Heritage for the Future” held in 1998 and this exhibition was a result of the United Nations General Assembly, 1982. If we look at this closely, we see that this exhibition launched a report “The Ocean of our Future” which talks about the concept of Sustainable Development but in practice was all about ocean governance, ocean governance is nothing but the trade practices which would be done in the oceans and seas by the ratifying nations. Hence, this initiative ended up becoming the foundation of current age marine trade and how to avoid disputes in the same.

In 2012, United Nations Conference on Sustainable Development was held in Rio De Janeiro and it talked about ocean health and the importance of securing oceans. Authoritative bodies and action plans such as the Global Ocean Commission and the High Panel for a Sustainable Ocean Economy were brought up which included Public Private Partnerships as well. Keeping SDG14 in mind, these initiatives were strategized to be more issue-centric as they all dealt with particular issues such as marine plastics, saving a particular species of aquatic animals or particular species of flora. Consultations were drawn from the private sector and other stakeholders to make the floor-plan more concrete and effective, while there were few practices which brought in results, most of the initiatives failed to bring out any substantial outcomes due to some unresolved problems. The reasons for those problems were³:-

² José Guerreiro, The Blue Growth Challenge to Maritime Governance, *Frontiers in Marine Science*, September 7, 2021, <https://www.frontiersin.org/articles/10.3389/fmars.2021.681546/full>

³ On the difficulty of governing the sea, *world ocean review*, <https://worldoceanreview.com/en/wor-4/politics-and-the-oceans/on-the-difficulty-of-governing-the-sea/>

- 1) No equal participation- Government sector and the private sector involved in the practices were not able to meet on the common ground of purpose. The interests of the private sector were not being addressed. Private entities involved were just seen as a funding machine and were kept away from how the work was being carried out.
- 2) Funds allocation system- There was no strong system for allocating funds and no public records of how the funds were being spent.
- 3) Outdated ideology- The ideology was based on “blue growth” and not “sustainability”. This ideology did not match the deadline that we are facing and hence it hindered the results.
- 4) Late action- The private entities, they may be giant or micro, have always dumped plastic and chemical wastes in the seas in order to save their money. The small scale entities specially choose to throw away wastes in the waters in order to avoid financial loss and even bankruptcy. This problem was never dealt with first hand. The purpose has always been to clear the oceans from plastic waste but not to stop the release of plastic waste in first place.
- 5) Political interest- Stakeholders’ political interests became a roadblock in implementing the plans.

If we look at the bigger picture, it can be noticed that the all the previous initiatives failed due to having outdated ideology behind them. Till now the ideology has been of “blue growth”, where the priority was to help the marine environment to grow and flourish and not just safe guard it. But now a change is required in the ideology, we need to shift from idea of “blue growth” to idea of “sustainable blue economy”, here “sustainable” means to just focusing on securing what we are left with, so that the future generations can use it too.

Role of Private Sector in Public Private Partnership

The true potential of the private sector was not recognized earlier, they remained like a source of fund while government sector took over the work load. This un-equal role does not ideally represent a partnership and hence it led to failure. The same thing happened with the public private partnerships in Western Indian Ocean region. The private sector’s role was not well designed to bring out its full potential and their interests were neglected in the whole process. Moreover it became difficult for the private entity partners to contribute the time and money that was required from them. Lack of common goals and vision added to the issues and collectively it all created friction between the stakeholders. These issues were known to everyone but no one paid attention to them.

Firstly, partnerships must be based on common goal and common vision along with equal participation from all while keeping everyone's interests in account. Secondly, specializing in a sector can be a way to deal with the marine environment issues meaningfully. There are a number of sectors in the blue economy such as fisheries, tourism, trade, oil & gas, undersea cabling, etc.; along with these there are sectors which are emerging and will be a big part of the blue economy in future, sectors such as offshore renewable energy, coastal mining and seabed mining. Private entities which are involved in these sectors have a vast range in terms of finance and there are many entities which serve in a specific sector of blue economy. If these entities are pooled in to work towards sustainable blue economy, the result will be impactful as a sector-specific approach will help us achieve the goal.

In order to take private sector's involvement from just a funding machine to something much more impactful, the framework should include leveraging the technical prowess of the private sector and also bringing in their human and managerial resources which will accelerate the process. Following are the potential roles which can be played by the private sector in partnership schemes⁴:-

- Contribution of staff and equipment
- Information and technology sharing
- Data collection
- Adoption of best practices (e.g. equipment which makes lesser pollution)
- Project management
- Joint implementation of projects
- Providing funds (for example, corporate social investments)
- To contribute in enhancing the answerability of government sector and other stakeholders to make transparency a part of the scheme.
- To strengthen the regulation and enforcement
- To advocate for and market the new policies and to raise global awareness.

Initiatives by India on Sustainable Blue Economy

⁴ Alex Benkenstein, Private Sector Partnerships for a Sustainable Blue Economy in the Western Indian Ocean, South African Institute of International Affairs, June, 2021, <https://saiia.org.za/research/private-sector-partnerships-for-a-sustainable-blue-economy-in-the-western-indian-ocean/>

The Ministry of Earth Sciences introduced a draft blue economy policy and asked for recommendations and ideas from stake holders as a part of GOI Vision by 2030 which mentioned “Blue Economy” as one of its dimensions of growth. This is initiated to improve lives of coastal communities as a part of its vision. Its main objective is to enhance the value added by blue economy to the Gross Domestic Product of India by:-

- 1) Preserving Marine Bio diversity
- 2) Improving lives of coastal communities
- 3) Maintaining National Security of marine areas and resources

The need for this scheme is:-

- 1) To manage the vast coastline existing in our country. India has a unique maritime position with 7.5 thousand kilometers of coastline, along with it, 9 states are coastal having 1,382 islands.
- 2) To manage and govern the 199 ports of India and the tons of cargo that they handle, the need arose to have a draft policy.
- 3) To properly utilize the non-living resources. Our country’s EEZ which consists of over 2 million square kilometers having significant recoverable resources like crude oil and natural gas.

As international participation, Antarctic Treaty System has been signed by India and India has also become a member of Commission of Conservation of Antarctic Marine Living Resources (CCAMLR) for harnessing resources.

Recently in the year 2021, Prime Minister Narendra Modi addressed nation mentioning that Blue Economy is going to be an important source of Atma Nirbhar Bharat focusing on welfare of fishermen. Government has prioritized fast and balanced development of coastal areas. India is also taking an initiative by connecting ports and coastal roads for a multi-modal connectivity. It aims at turning coastal regions into regions with ease of living and performing business activities. It is also addressed that government will take steps to boost coastal infrastructure and to safeguard coastal ecosystem. These steps include, establishing separate fisheries department, providing help to fishermen in deep sea fishing, providing kisan credit cards and affordable loans to the people involved in aqua culture. These steps however act as a savior to both fishermen and entrepreneurs. To this effect government launched Matasya Sampadana Yojna benefiting lakhs of fishermen belonging to Kerala and Karnataka. Along with this,

Indian farmers are encouraged towards seaweed farming, a step towards fulfilling growing demand of sea weed and to turn India into a quality processed sea-food hub.⁵

Sagarmala Project

This is a series of project for country's coastline and inland waters driving towards industrial development which got approved by the Union Cabinet in March 2015. For these projects, Maritime Boards, State Governments and Central Line Ministries will work in synergy by way of Public Private Partnership.

This project is expected to result in cost reduction, time reduction in transportation of goods which is within the welfare of industries and export/import trade. It has the vision to scale back the logistics value for local businesses with least infrastructural expenditure. Under this mission, 500 projects have got the approval with an approximate funding of Rs. 3.55 Lakh Crore. Under this, projects related to Port Modernization are 206 in numbers where as projects related to coastal community development are 59, port led industrialization are 34 and connectivity enhancement are 201 in number. Possible projects which will be undertaken under these projects are ship building, repair, recycling, port based coastal tourism and recreational activities, warehousing, logistic parks, maritime zones, port specialization in certain economic activities energy, coal, agro products, offshore renewable energy projects etc. As part of this project 106 new National Waterways have been declared under National Waterways Act, 2016 to promote inland water transport and at least 40% discount has been provided for vessels.

Ministry of shipping has relaxed the licensing for vessels of other nations to carry products such as empty containers, fertilizers, fisheries, horticulture, agriculture, animal husbandry on coastal routes. National Sagarmala Apex Committee will come into place for policy guidance, to review different aspects of planning and to implement plans. It will be directed by Minister in charge of shipping. Along with this, to assist state level purpose vehicles, at central level, Sagarmala Development Company will be established under Companies Act, 1956. This project will guaranty sustainably develop the communities which live in the Coastal Economic Zone by synergizing with state governments and ministries of central government through

⁵ Mathew Gregory, PM says blue economy important for Atmanirbhar Bharat, Manorama Yearbook, January 6, 2021, <https://www.manoramayearbook.in/current-affairs/india/2021/01/06/pm-says-blue-economy-important-for-atmanirbhar-bharat.html>

existing programs related to community and rural development. Community development fund will be set up in order to provide funding for such projects.⁶

India-Norway Task Force on Blue Economy

Both the countries jointly inaugurated this scheme. This was launched when the Norwegian Prime Minister's visited to India in 2019. Such collaboration has not happened before on Integrated Ocean Management & Research.

Its objectives are:-

- 1) To manage resources in a sustainable manner and a sustainable use of marine resources in the interest of the blue economy.
- 2) To advance scientific R&D in ocean related aspects.
- 3) To sustainably use the ocean resources to grow the economy, improve the livelihoods, health of the ocean ecosystem and ultimately attracting concept of blue economy.

A Joint Venture by India And Australia to Strengthen the Blue Economy

With the increase in environmental risks and climate change, it can affect millions of lives of people in India and Australia. This imposes major concern for both the parties to work together significantly. Both the countries recognized blue economy approach as a potential in solving principal problems and are equally motivated to reach to a common goal. This collaboration will result in international efforts to secure and stabilize the Indian Ocean Region. With the goal of developing sustainable economic security in the Indian Ocean region, it is pertinent to note that Ocean Rim Association is focused in developing the Blue economy as its agenda.

This collaboration also addresses imminent threats and also strengthens their blue economy initiatives in the Indian Ocean region since it holds a greater significance and contribution worldwide in terms of economic growth, natural resources along with sea line communication. The present joint venture widely prioritizes the following aspects:-

- 1) Focusing growth on Aquaculture industry by preparing aqua species which are not prepared by other. Since Australia had always focused to attain strict environmental and food safety guidelines through its National Aquaculture Strategy 2017, on the other hand India is

⁶ Press Information Bureau, Sagarmala Programme, Ministry of Shipping, March 12, 2021, 6:07 pm, <https://pib.gov.in/newsite/PrintRelease.aspx?relid=200158>

working on sustaining its aquaculture through its Draft National Inland Fisheries and Aquaculture Policy 2019. It can be said that, a common platform has surfaced for both the countries to merge their sustainability practices in aquaculture.

- 2) The second aspect of this collaboration consists of fishing which is neither legal nor under control. By establishing knowledge sharing hub and developing capacity building programs, both the countries are in efforts to create few marine protected areas in the Indian Ocean region.
- 3) Illegal and uncontrolled fishing is what Australia is trying to combat through its national plans.

Initiatives by Australia on Sustainable Blue Economy

National Marine Science Plan 2015-2025

A 10 year marine plan was launched on 12th August 2015 by National Marine Science Committee to conserve and sustainably use the marine resources and to safeguard marine health. This ensures certain economic benefits involving 500 people in its development of blue economy which also includes related stakeholders and government agencies.

This plan identified food security as its grand challenge together with environmental health and bio diversity conservation. With this, Australian marine Industries, are predicting to contribute \$100 billion annually to Australia's economy. Ocean and coasts of Australia bring in around \$25 billion from economic activities.

This plan recommends focusing majorly on the blue economy and establishing a national marine baseline and a long term monitoring program for a comprehensive assessment. This approach will enable Australia's government in setting transparent guidelines in managing seas, clarifications in their objectives and focal points and directing the stakeholders towards efficiently using its marine resources.⁷

Initiatives by European Union on Sustainable Blue Economy

The European Union's blue economy comprises all sectors and industries relating to seas, oceans, coasts which consists of living and non-living resources and its conservation,

⁷ Department of housing, National Marine Planning Framework, Local government and heritage, June 30, 2021, <https://www.gov.ie/en/publication/60e57-national-marine-planning-framework/>

sustainable use which results in healthy marine environment. Such resources as mentioned above encompasses sea food, aquaculture, energy generation etc. As per recent blue economy report, sectors of blue economy contribute 4.5 million jobs and generated 650 billion Euros in its turnover.

There is also European Maritime, Fisheries and Aquaculture Fund (EMFAF) which helps in transition towards a sustainable value chain based on the seas, oceans and in other coastal related activities. Member States are urged by European Commission to include investments in their national resilience and recovery plans and in their other national operating programs till 2027 for a sustainable blue economy. Along with this, European Investment Fund and European Investment Bank is increasing their cooperation on a sustainable blue economy. They believe that restoring marine ecosystem will result in new jobs and roaring business in the blue economy.

On 17 May, 2021 European Commission proposed a new path for a sustainable blue economy in European Union which is important to achieve objectives of European green deal. This approach especially applies to all related industries, oceans, seas, coastlines. It mentions that maritime transport, port activities including fisheries must reduce their environmental and climate impact. To overcome all such environmental risks, it is essential for us to maintain healthy maritime environment, sustainable use of maritime resources and to search for alternatives to fossil fuels. This requires innovative technologies, development of innovative fishing gear.

It sets out certain objectives as a detailed agenda to achieve a sustainable blue economy:

1. Switch to renewed standards for ship recycling in an action decrease plastic use.
2. To protect bio diversity. Preserving 30% in European Union Sea area will increase fish stock. Environmental damage caused due to overfishing will be further decreased.
3. To develop green infrastructure in coastal area this protects such coastlines from risk of flooding, erosion.

European Green Deal

This is a European Commission initiative launched in December, 2019 with an aim to reach climate neutral in European Union by 2050. One of its proposals to curb EU deforestation and forest degradation which guarantee that the products used by EU citizens must not contribute

to global deforestation and forest degradation. This regulation also had a mandatory due diligence rule on companies which place the commodities like wood, cocoa, coffee into the market with an aim to make sure that only deforestation free and legit products are allowed into the European Union market. Its policy areas encompass sustainable food system, sustainable agriculture, clean energy, sustainable industry, eliminating pollution and climate action. With the introduction of this deal, European Union almost reviewed more than 50 European laws and re-designed public policies.

Recommendations

The future of the marine world needs to be reshaped. For this change to mirror the actions on the ground level we have to:-

- 1) Give a wider role to the private entities.
- 2) Transform and repair the institutional and legal framework around the policies
- 3) Bring in some new practices and new ideas of the young minds. For example, Ocean Cleanup i.e. a nonprofit environmental organization which has developed a technology to collect plastic waste from the oceans and recycle it to make plastic products, their first product being sunglasses. Ocean Cleanup has also come up with a solution called The Interceptor, which prevents plastic waste from entering the oceans from rivers.
- 4) Building a strong and transparent system for allocation of funds.
- 5) By developing a global cooperation mechanism where the regimes are partially flexible so that they can be applied to different sea regions.

Conclusion

This research paper tells us that the bond of blue economy and blue sustainability has always been under the cloud of political decisions. This has had a dramatic effect on the plans but somewhere it also reshaped how we as a society look at the problems standing tall in front of us. Now it is clear to us that with advancement of blue economy we have to change our approach towards “blue sustainability” and shed the idea of “blue growth”. With the kind of technology that we have now, we can still sustain the marine environment and also bring a long lost balance between marine environment and marine economy. That would be the justice which the marine environment deserves (blue justice).

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