

Preconditions for a Blue Economy

by Hugh Govan

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■ This time it's Blue!

The term Blue Economy has become increasingly used over the past decade, despite its lack of definition, with a multitude of agents and agencies finding the name acceptable to frame their 'economy' strategies, regardless of the hue. There are also many sceptics, given the long succession of let-downs since the 1980s such as when a similarly attractive term, sustainable development, was coined and supposed to meet economic, social and environmental objectives but in practice mainly focused on the economy at the expense of the environment.

Developed and developing economies are now eyeing the oceans. In exploring the limits of 'sustainable' development on land, there

is a clear appetite by the private sector and some governments to pursue the development of the ocean. People are supposed to be reassured by the inclusion of wording on environmental management, social and cultural issues and equity (always after hard civil society lobbying) in the international declarations and conference pronouncements. Sound familiar?

■ Blue peril

Over the past fifty years, there has been a rapid and even exponential growth in a wide variety of ocean industries in a phenomenon recently dubbed Blue acceleration. These industries have joined their land-based brethren in negatively impacting the ocean despite the emergence, over approximately the same period, of evermore sophisticated

global and national legal instruments for environmental protection.

The world's oceans are in serious decline. Not just directly because of what industries take out, such as over-fishing, or what they put in, such as pollution, but indirectly, because of the fundamental link between (over) industrialisation and climate change. The effects of human-induced climate change on the oceans, some of which have only recently begun to be understood, including warming, acidification and oxygen depletion. These drive impacts such as more intense storms, reduced coastal protection and carbon uptake, loss of crucial habitats such as coral reefs, decreased fisheries, sea-level rise and inundation of coastal areas.

■ **Coping with the blues**

While the solutions to the direct industrial impacts on the ocean are self-evident though not simple, it has taken some time for a consensus to emerge on what can best be done about the indirect industrial effects on the ocean of climate change. In this respect, the 2018 IPCC report suggests win-win solutions. While the priority is bringing emissions under control, the most feasible and cost-effective responses, ready for implementation, turn out to be actions which not only mitigate or adapt to climate change but are already required to address the impacts of 'development'. At the top of the list are reducing coastal and ocean pollution, restoration of coastal habitats and eliminating over-exploitation of marine resources.

But none of these urgently required responses and solutions is novel. Not only are they ready for implementation, some progress and investment have also already been made. But unfortunately, not at the scale that the vastness of the oceans of our Blue Planet requires. However, at least enough to know what works and what doesn't.

For a species that depends on a healthy ocean for its very existence, it is incredulous that ever-increasing industrialisation of the ocean could be contemplated, without securing its health and the very resources that the new Blue Economy is built.

“The time has come for a moratorium on all further plans to industrialise the world's oceans until evidence-based strategies to address the decline have resulted in measurable reversals in ocean decline, across multiple sectors and geographies.”

The moratorium will be controversial for many reasons. Measuring a healthier ocean is possible and merits more investment. This, however, does not equate with commonly used proxies, such as numbers of projects, amounts of international development aid, and/or percentages of ocean space defined on paper as protected. The monolithic objection, of course, will be from the (vested) interests of industry arguing that globally, livelihoods and well-being depends on continued economic development and profits – though recent events may fuel robust questioning of this paradigm. Other Blue alternatives may be illustrated by the example of the fisheries sector.

■ **Fisheries and the Blue Economy**

Fisheries contribute more than US\$270 billion to global GDP. Marine life is a vital source of economic and food security, providing livelihoods for the 300 million people involved in the sector and helping meet the nutritional needs of 3 billion people who rely on fish as an essential source of animal protein. But the proportion of fisheries that are fully fished, overfished, depleted, or recovering from overfishing increased from over 60 percent in the mid-1970s to almost 90 percent in 2013. For economists, this is grave news, as it is



estimated that global marine fisheries are incurring an annual loss of approximately US\$83 billion in 2012 prices due to ineffective governance.

The answer is a win-win, wherein fisheries reforms leading to appropriate management could restore fisheries and, according to major studies, nearly triple the biomass of fish in the ocean, increase annual harvests and unit fish prices, and increase the annual net benefits to the fisheries sector by a factor of 30. These metrics get better, given that the estimated costs of fisheries reforms are far outweighed by their interests, in some cases by up to ten times. The most durable and most costly reforms, such as rights-based management, can lead to the highest net economic benefits.

The Pacific Islands have led the way in successfully proving the benefits of this approach in the precious skipjack tuna fish. Through creative reforms and use of UN allocated rights over migratory stocks, eight island countries, the eight Parties to the Nauru Agreement (PNA), have been able to

increase the proportion of benefits accruing from access fees more than fivefold. This has contributed up to 75% of government revenue in some countries, while the increased control afforded allows them to ensure the stocks remain healthy. Significantly, this move has not been popular with many Distant Water Fishing Nations or development partners.

What are the critical barriers to such reforms? Political will and effective governance are vital for improving legal and rights regimes and dealing with fisheries crime, corruption and illegal, unreported and unregulated fishing.

Where to from here – it's not colourful?

The risks involved in increased industrialisation of the oceans do not seem worth taking until we have a handle on restoring the existing damage and ensuring current activities are sustainable. But there is much scope for improving not only the sustainability but also the profitability of many existing ocean 'industries'.

Furthermore, it seems that investing in sustainability will pay off handsomely. So, what is and why the hitch?

Just as reformed rights regimes resulted in enormous gains for Pacific Islands tuna fisheries, securing or enhancing small-scale fishers' rights is increasingly accepted as the best way to achieve the health of coastal resources as well as that of fish dependent communities. These examples offer glimpses of where the real obstacles may lie. Just as strengthening the rights of fish dependent nations or communities reduces the assumed rights of industrial fishers, more equitable distribution of the benefits provided by our oceans affects the allocations of those currently benefitting.

The evidence available of humans' mismanagement of the planet is now overwhelming. Other events of recent months illustrate amply the need to re-examine what we invest in and the things we should value. Can we use this to reboot or reset political will in the real interests of all humankind? The need is greater than ever.

Political will should be directed first to design, invest in and implement effective strategies that measurably recover and secure the functioning of ocean services. In this respect not just for humans but also for the planet itself. Governance reforms should target win-wins, whereby increased sustainability of existing ocean industries afford increased benefits that are even more equitably distributed. The subject of equity will have to become central to the debate, including across humanity and generations. Discussion on investment will need to encompass ocean dependent island states and powerful ocean oblivious states, north and south, to be socially inclusive (gender, class, race) and value those whose relationship with the ocean affords them the status of stewards. Only

based on this successful track record should new Blue economic 'sustainable development' opportunities be seriously contemplated. ■

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