

Blue Economy

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How the concept Blue Economy emerged?

The Blue Economy: 10 years – 100 innovations – 100 million jobs is a book by Gunter Pauli. A blue economy business model is presented in the book, with an ultimate aim to shift the society from scarcity to abundance ‘with what is locally available’, by tackling issues that cause environmental and related problems in new ways. The book highlights potential benefits in connecting and combining apparently unequal environmental problems with open-source scientific solutions based upon physical processes common in the natural world. This will create solutions that are both environmentally beneficial and which have financial and wider social benefits. The author suggests that we can alter the way in which we run our industrial processes and tackle resultant environmental problems, shifting the focus from the use of rare and high-energy cost resources to instead seek solutions based upon simpler and cleaner technologies. He proposes to focus on the generation of more value, instead of blindly cutting costs. The book aims to inspire entrepreneurs to adopt its insights, by demonstrating ways in which this can create economic benefits via job creation, reduced energy use, and more revenue streams from each step of the process, at the same time benefiting the communities involved. The Blue Economy is presented in 14 chapters, each of which investigates an aspect of the world’s economies and offers a series of innovations capable of making aspects of those economies sustainable.

Why Blue Economy ?

The blue economy in brief words can be described as a better version of green economy. The concept of a blue economy is not in competition with the green economy approach, as they are

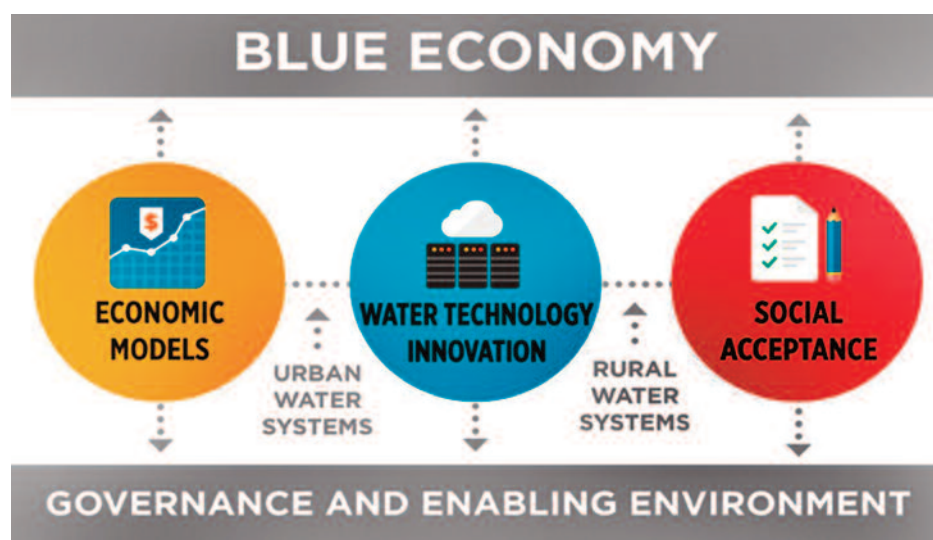
interdependent. Oceans are critical to sustaining Earth’s life support systems and the billions of people who are dependent on oceans for livelihoods, food security, and economic development. The green economy is affordable by a very few and most of us are compelled to use cheaper ways of surviving which is hazardous for our nature. The land based resources are over-exploited and hence we have to find a new alternative way to survive sustainably along with securing the future generations needs. Hence, developed the notion of blue economy- the sky is blue, the oceans are blue and earth seen from the universe is blue, thus BLUE Economy.

The picture above shows how the left coffee can be used for growing mushrooms and then animals could eat it excreting manure which can produce biogas and similar interesting methods to be adopted which will be affordable as well as sustainable creating new jobs. In 2013, Thomas and Pet Soede of the Coral Triangle Programme had already warned against “an emerging train of thought which promotes blue economy as a way of deriving greater revenue from the ocean. The danger of this thinking is the risk of even greater



Picture source – Economia Azul.

over-exploitation of the oceans' limited resources." Thus, the global community must ensure that when advocating for green or blue economy approaches, we promote the right kinds of approaches.



Picture Source- Water Research Conference (Elsevier)

When was Blue Economy recognized?

The blue economy was recognized as a priority focus area at the 14th Indian Ocean Rim Association for Regional Cooperation (IOR-ARC) Ministerial Meeting in Perth, Australia on 9 October 2014. The Blue Economy captured the attention of all IORA member states due to its growing global interest and potential and for being recognized as the top priority for generating employment, food security, poverty alleviation and ensuring sustainability in business and economic models in the Indian Ocean.

Indian Ocean Rim is a region comprising of the states whose shores are washed by the waters of the Indian Ocean. The region is home to about two billion people.

- Since 2014, several capacity building programmes have been carried out covering a wide range of areas including inter alia: fisheries and aquaculture; seafood processing; handling and storage; seafood quality and safety; seaport and

shipping; maritime connectivity; and ocean forecasting. The first IORA Ministerial Blue Economy Conference (BEC) was held in Mauritius on 3 September 2015 where the Blue Economy Declaration was adopted.

- A number of countries have included blue economy in their national strategy and have published white papers and official documents. For instance, China has long followed this idea and has instituted Five-Year Development Plan for

National Marine Economy which monitors progress of various marine sectors. China's State Council has published a White Paper on the subject which notes that the Chinese maritime economy grew at 17 per cent annually in the 1980s, and 20 per cent in the 1990s. In January 2013, the 12th Five-Year Development Plan for National Marine Economy noted that the marine economy is expected to grow at 8 per cent annually up to 2015, generate 2.6 million new jobs, and could be about 10 per cent of the national GDP.

- Likewise, the European Union has announced its 'Blue Growth' strategy for sustainable development of marine and maritime sectors to contribute to the Europe 2020 strategy for smart, sustainable and inclusive growth. According to an estimate it would result in nearly 5.4 million jobs and a gross added value of about €500 billion annually and generate sustainable jobs and growth.

Blue Economy and India's Agenda

Background

“Whoever controls the Indian Ocean will dominate Asia, the destiny of the world will be decided on its waters” these words of Alfred Mahan the maritime strategist signifies the importance of Indian ocean, its resources, minerals and ocean as a passage for trade. Indian Ocean is the 3rd largest ocean and a very strategic region with abundance of resources, minerals and ocean as a passage for trade. Political turmoil, piracy, terrorism and jostle for power have always defined this region. The ocean is a region for nations to demonstrate their political might and gain maritime influence.

The geostrategic sphere has gained more importance in the region recently. This has happened due to the presence of states with varied interests which mostly counter each other. This has resulted in the creation of security architecture to be postponed for long.

Given the current scenario, India — with its large maritime capacity — has attempted to play the role of an axis and a ‘balance of power’ in the region. It created the Indian Ocean Naval Symposium (IONS) in 2008 with enthusiasm from all participating littorals. Unfortunately, the focus of the movement died out soon.

China has increasingly made efforts to tap in the resources in the Indian Ocean Region (IOR) and hence has made forays like never before. It has interests in the resources and security dimension of the region. Ever increasing demand for energy in the region and the sheer volume of trade that passes through it makes it one of the most critical geostrategic locations in the world marked with numerous choke points in the Sea Lines of Communications (SLOCs). After all, at current levels of consumption, India’s oil import dependence is expected to rise to 91.6 per cent by 2020, while in the case of China it will be 76.9 per cent. With large

volumes of energy and trade for China coming from West Asia and Africa, it is inevitable that the Chinese will attempt to ensure Indian Ocean SLOC security.

India has been lately trying to spread its strategic net well beyond the region since the Chinese have made inroads into Pakistan (Gwadar), Sri Lanka, Myanmar, the Indian Ocean Islands and Bangladesh as part of its ‘string of pearls policy’ of encirclement. India was pursuing a multi-pronged response strategy, which seeks to neutralise the influence of China in its immediate neighbourhood while simultaneously courting states on its periphery, many of which are hesitant of the aggressiveness by the Chinese. India was elevating bilateral relations with South Korea to a strategic partnership, a strategic dialogue with Japan and quiet support for the Vietnamese on the South China seas. Attempts at enhancing its political-military relations with Singapore, Indonesia, the Philippines and Myanmar, are all part of this process.

Earlier the goals and ideas for this initiative were vague and unspecified and the then government plagued by policy paralysis and a host of other issues could not focus to evolve a roadmap on this front.

Steps by Shri Modi

“It is not easy to recall the last time when an Indian Prime Minister articulated India’s objectives and policy for the Indian Ocean. Narendra Modi has made up for the lost time today in Mauritius when he outlined a comprehensive framework for India as a maritime power.” – C Raja Mohan, strategic expert and thinker [please specify date of PM visit that is being referred to here]

Shri Narendra Modi aggressively made the maritime security and control over Indian Ocean a

policy and a vision for the government. The researchers and scholars have appreciated Mr. Modi's plan, declaring it to be an apt approach for the growing nation. We never had such clear set of goals for the Indian Ocean despite our growing reliance on the seas. Shri Modi came with national security as a major agenda and clearly articulated India's focus on security of the regions that are significant to us. Security is the foremost action that needs to be initiated for any sustainable exploitation of resources; then comes the cooperation of the other nations to jointly work on the idea of blue economy as acting alone on it would not provide any fruit.

Hence, Mr. Modi initiated both the actions simultaneously i.e. cooperation and security. He handed over a warship, the Barracuda, to the coast guard of Mauritius, declaring that the Indian Ocean littoral is at the very top of India's foreign policy priorities; Mr. Modi also delineated a five-fold policy framework. **[Please specify the five-fold policy framework]**

With its advancement in science and technology, India is in a position to lend expertise in deep-sea bed activities, hydrographic surveys and weather predictions. India has a long record of hydrographic surveys of Seychelles and Mauritius.

The launch of the coastal surveillance radar project, assurances for providing another Dornier aircraft, agreements on hydrographic survey and development of infrastructure on Assumption Island and other development assistance shows the recent initiation of hydro-politics with Seychelles. Mr. Modi invited both Seychelles and Mauritius to join the India-Maldives-Sri Lanka trilateral naval exercise.

The Indian government has set up a joint task force on ocean economy with our immediate neighbours for cooperation in the Indian Ocean rim, apart from other development cooperation and assistance.

We have over exploited the land resources, hence shifting to ocean-based resources has become necessary and critical and it is a good economic and

political strategy. India is progressing on this path, the successful launch of an offshore infrastructure (by creating an ocean-based trans-shipment mechanism) by the ministry of shipping in 2014 for transporting imported coal to the thermal power station at Farakka in West Bengal shows a positive signal. Steps like this pave the way for building the sea based infrastructure brick by brick, where every initiative impacts the vision.

The port-led development for India through the **Sagarmala Port Development Project** which will establish new ports and modernise old ones to link our coastal and island territories with the hinterland is another step to be counted. The Sagarmala Project is based on four pillars: i) Optimising multi-modal transport to reduce cost of domestic cargo by leveraging inland waterways ii) Minimizing time and cost of export-import cargo logistics iii) Lowering costs for bulk industries by locating them closer to the coast iv) Improving export competitiveness by locating discrete manufacturing clusters near ports. The government plans to invest INR 12 lakh crore over the next ten years to develop 27 industrial clusters, and to improve connectivity with ports through new rail and road projects. These are expected to create immense employment opportunities in the ports, roads and shipping sectors over and above the 10 million potential jobs under Sagarmala Project. India can become the master of the region by properly using the ocean based resources at maximum level. And, this initiative will ensure increased and efficient trade in the ocean, spreading our reach in the region.

Thus, Prime Minister Modi has ventured to initiate a new hydro-politics in the Indian Ocean. He expressed his intention to rope in more countries in the region as partners in the existing India-Maldives-Sri Lanka trilateral. The geostrategic position and critical dependence on Indian Ocean has paved our way in leading the Blue Economy discourse at the highest level. The essence of this approach was spelt out by Shri Modi through the acronym SAGAR, seeking "Security And Growth for All in the Region". He said **"To me the Blue Chakra or Wheel in India's national flag represents the**

potential for Blue Revolution or the Ocean Economy. That is how central ocean economy is to us”

Blue Economy: Major Partners and Potential for ASEAN

The IORA, set up in 1997 and based on open regionalism, has only 20 member states. There is a need for all countries in the rim to become members. Even Egypt, situated on the banks of the Suez Canal, is an observer and not a member. The other voluntary organization, the Indian Ocean Naval Symposium (IONS), was launched in 2008 and has 35 member states. Of those countries who are members of IONS, 13 are also members of IORA. Pakistan is a member of IONS, but not a member of IORA. This puts the region at the risk of external interventions specifically China. China's game plan for using the warm waters of the Indian Ocean can be seen through its proposal for the Maritime Silk Route, the One Belt-One Road and the BCIM Corridor. There are attempts by China to extend its 'String of Pearls' in the Indian Ocean. China's aggressive soft power diplomacy has widely been seen as arguably the most important element in shaping the Indian Ocean strategic environment, transforming the entire region's dynamics. By providing large loans on generous repayment terms, investing in major infrastructure projects such as the building of roads, dams, ports, power plants, and railways, and offering military assistance and political support in the UN Security Council through its veto powers, China has secured considerable goodwill and influence among countries in the Indian Ocean region. But Chinese loans, as is being gradually realised, also come with undeclared strings attached to them.

Only a strong centrality and solidarity for IORA can prevent any possibility of poaching by external powers. Recently the development of BIMSTEC-The Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation is focusing on developing the sea links and routes with neighbouring countries for increased trade. Federation of Indian Chambers of Commerce and Industry (FICCI) has taken a new initiative of Blue Economy Vision 2025: Harnessing

Business Potential for India Inc and International Partners to sensitise India Inc about the growing global and regional emphasis on sustainability of harnessing the ocean resources.

At this stage and under such circumstances there is need for India to partner with ASEAN (Association of Southeast Asian Nations) countries- Indonesia, Malaysia, the Philippines, Singapore, Thailand Brunei, Cambodia, Laos, Myanmar, and Vietnam. Economic growth is the major and foremost aim of ASEAN and India is also progressing on sea connectivity. ASEAN's progress is also remarkable. Thus, inviting ASEAN would prove to be a profitable decision for India. Apart from trade and resource extraction, these countries could also help ensure the security in the region. India should take this opportunity to harness Blue Economy together with ASEAN to establish its positive energies and presence in the region. Myanmar, could also benefit India if partnered in our Blue Economy vision.

Centrality of ASEAN in the Asia-Pacific is in the best interest of the region and India should continue supporting it. Shri Modi has initiated a new process of multilateralism in ocean politics by gluing together security and the blue economy. The Indian Ocean is a viable link to the Pacific and efforts should be made to strengthen the IORA and IONS and grab the potential partner ASEAN. It is of utter importance if India wishes to counter the 'Strings of Pearls' concept more smartly.

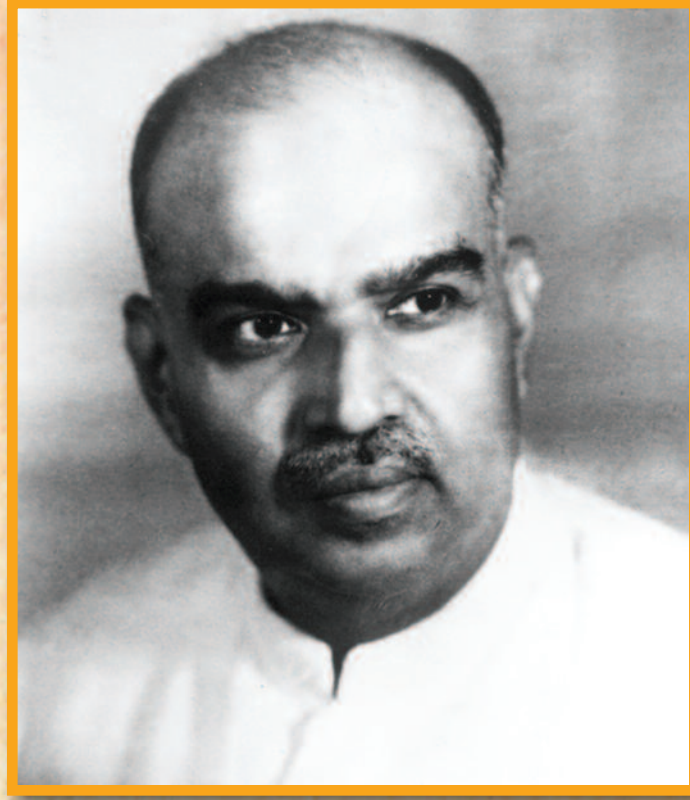
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“The gigantic task of reconstruction, cultural, social, economic and political can be rendered possible through coordinated efforts of bands of trained and disciplined Indians. Armed with the knowledge of Indian’s past glory and greatness, her strength and weakness, it is they who can place before their country a programme of work, which while loyal to the fundamental traditions of India civilisation will be adapted to the changing conditions of the modern world.”

- Dr. Syama Prasad Mookerjee

*Convocation Address delivered at Gurukul Kangri
Viswavidyalaya, Haridwar, 1943*



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