



Blue Economy

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Why in News?

- Recently the first global conference on the **Sustainable Blue Economy** was held on 26-28 November, 2018 in Nairobi Kenya.
- Seychelles recently launched the sovereign **Blue Bonds**.

Blue Bond

- Seychelles became the first country in the world to launch sovereign **Blue Bonds**.
- It is a debt instrument issued by governments, development banks etc to raise capital from investors to finance marine and ocean-based projects.
- It will help in expansion of marine protected areas, improved governance of priority fisheries and the development of the Seychelles' blue economy.
- The blue bond is inspired by the green bond concept.

- The concept was introduced by Gunter Pauli in his 2010 book- "The Blue Economy: 10 years, 100 innovations, 100 million jobs".
- It is the sustainable use of ocean resources for economic growth, improved livelihoods and jobs, and ocean ecosystem health.
- It advocates the greening of ocean development strategies for higher productivity and conservation of ocean's health.

- It encompasses–
 - **Renewable Energy:** Sustainable marine energy can play a vital role in social and economic development.
 - **Fisheries:** Sustainable fisheries can generate more revenue, more fish and help restore fish stocks.
 - **Maritime Transport:** Over 80% of international goods traded are transported by sea.
 - **Tourism:** Ocean and coastal tourism can bring jobs and economic growth.
 - **Climate Change:** Oceans are an important carbon sink (blue carbon) and help mitigate climate change.
 - **Waste Management:** Better waste management on land can help oceans recover.
- Blue Economy emphasizes on integration of development of ocean economy with social inclusion, environmental sustainability, combined with innovative business model.
- This is reflected in **Sustainable Development Goal (SDG 14)**, which calls to conserve and sustainably use the oceans, seas and marine resources for sustainable development.

Need for Blue Economy

- Oceans cover three-quarters of the Earth's surface, contain 97% of the Earth's water, and represent 99% of the living area on the planet.
- Oceans protect biodiversity, keep the planet cool, and absorb about 30% of global CO₂ emissions.
- At least 3-5% of global GDP is derived from oceans.
- Blue economy, through sustainable use of oceans, has great potential for boosting the economic growth by providing opportunities for income generation and jobs etc.
- It can support food security, and diversification to address new resources for energy, new drugs valuable chemicals, protein food, deep sea minerals, security etc.
- It is the next **sunrise sector**.

Note: Sunrise Sector is a sector that is expanding rapidly and is expected to be increasingly important in the future.

Challenges

- **Threat of sea borne terror** – piracy and armed robbery, maritime terrorism, illicit trade in crude oil, arms, drug and human trafficking and smuggling of contraband etc.
- **Natural Disasters** – every year tsunamis, cyclones, hurricanes typhoons etc leave thousands of people stranded and property worth millions destroyed.
- **Man-Made problems** – Oil spills, climate change continue to risk the stability of the maritime domain.

- **Impact of climate change** – changes in sea temperature, acidity, threaten marine life, habitats, and the communities that depend on them.
- **Marine pollution** – in form of excess nutrients from untreated sewerage, agricultural runoff, and marine debris such as plastics
- **Overexploitation of marine resources** – illegal, unreported, and unregulated extraction of marine resources.

Blue Economy for India

- Blue economy presents India with an unprecedented opportunity to meet its national socio-economic objectives as well as strengthen connectivity with neighbors.
- Blue Economy can help in focusing on livelihood generation, achieving energy security, building ecological resilience, and improving health and living standards of coastal communities.
- Blue economy would reinforce and strengthen the efforts of the Indian government as it strives to achieve the SDGs of hunger and poverty eradication along with sustainable use of marine resources by 2030.
- India has a long coastline of 7,517 km covering nine states and two union territories – with an Exclusive Economic Zone (EEZ) of 2.02 mn. sq.km.
- Marine services sector could serve as the backbone of its blue economy and help India become 10 trillion dollar economy by 2022.
- Indian Ocean is a major conduit of trade with as much as 80% of global oil trade happening through it.
- Better connectivity in the region will significantly cut the transport cost and maritime wastage of resources making the trade sustainable and cost effective.

Developments Initiated by India

The Sagarmala project is the strategic initiative for port-led development through the extensive use of IT enabled services for modernization of ports.

Sagarmala Project

- Project aims at developing Inland waterways and coastal shipping which will revolutionize maritime logistics, creating million new jobs, reduce logistics costs etc.
- It focuses on the development of coastal communities and people in the sustainable use of ocean resources, modern fishing techniques and coastal tourism.
- India has an umbrella scheme by the name of **O-SMART** which aims at regulated use of oceans, marine resources for sustainable development.
- **Integrated Coastal Zone Management** focuses on conservation of coastal and marine resources, and improving livelihood opportunities for coastal communities etc.

- Development of **Coastal Economic Zones (CEZ)** under Sagarmala would become a microcosm of the blue economy, wherein industries and townships that depend on the sea will contribute to global trade.
- India has a National Fisheries policy for promoting 'Blue Growth Initiative' which focus on sustainable utilization of fisheries wealth from the marine and other aquatic resources.

Way Forward

- India should look to adopt the **Gandhian approach** of balancing economic benefits with sustainability for meeting the broader goals of growth, employment generation, equity and protection of environment.
- India must focus on marine ICTs, and transport (shipping) and communication services, and the creation of a knowledge hub for marine research and development.
- An effective response mechanism to address humanitarian crises and natural disasters should be made for the evolving Indian Ocean security strategy.
- India should not look at its oceans as just water bodies, but as global stage for continued economic, social, and cultural dialogue.