

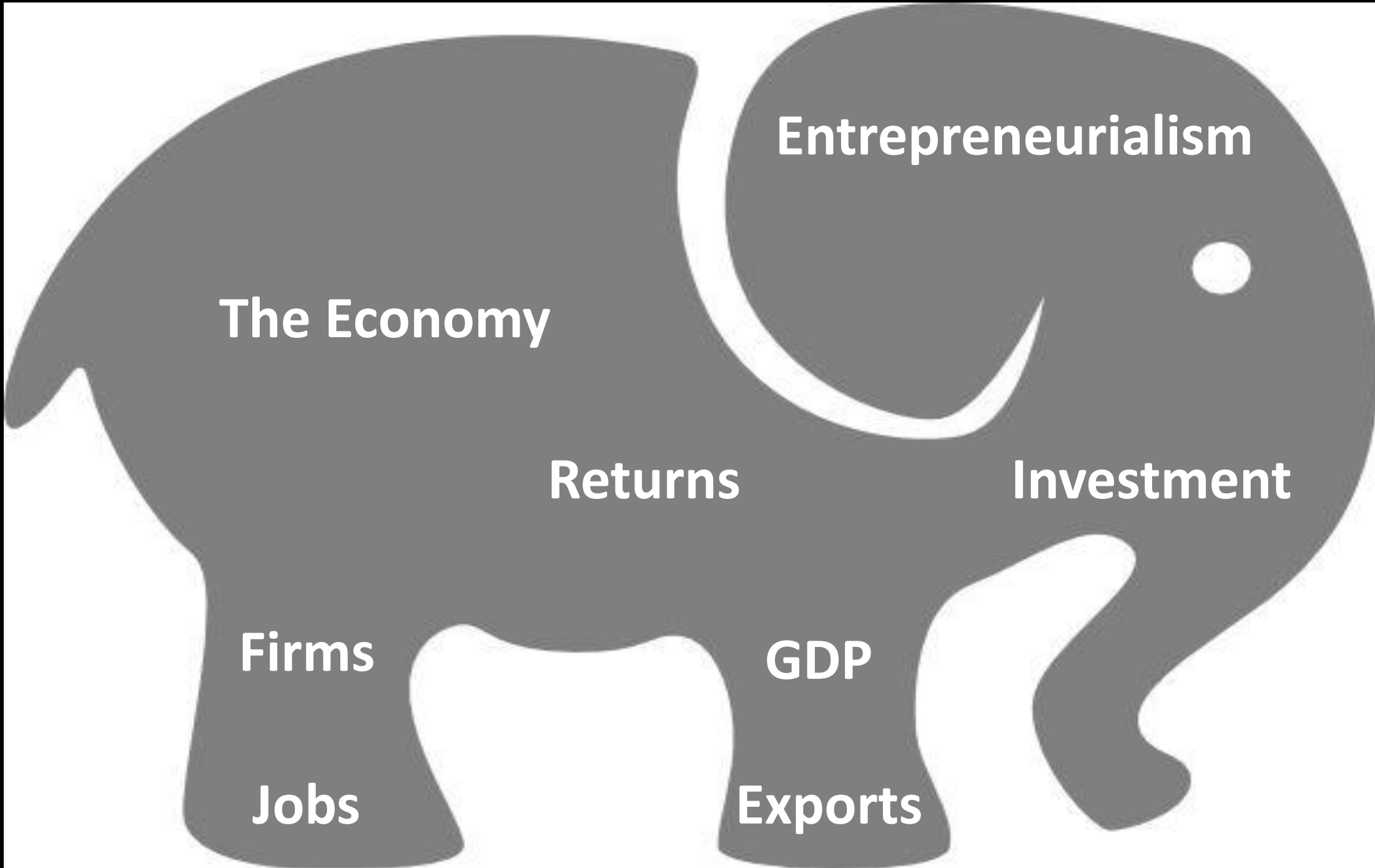
Cultivating value from a 'blue economy'

Sustainable Seas Annual Research Meeting

Wellington

May 2-3 2017





Entrepreneurialism

The Economy

Returns

Investment

Firms

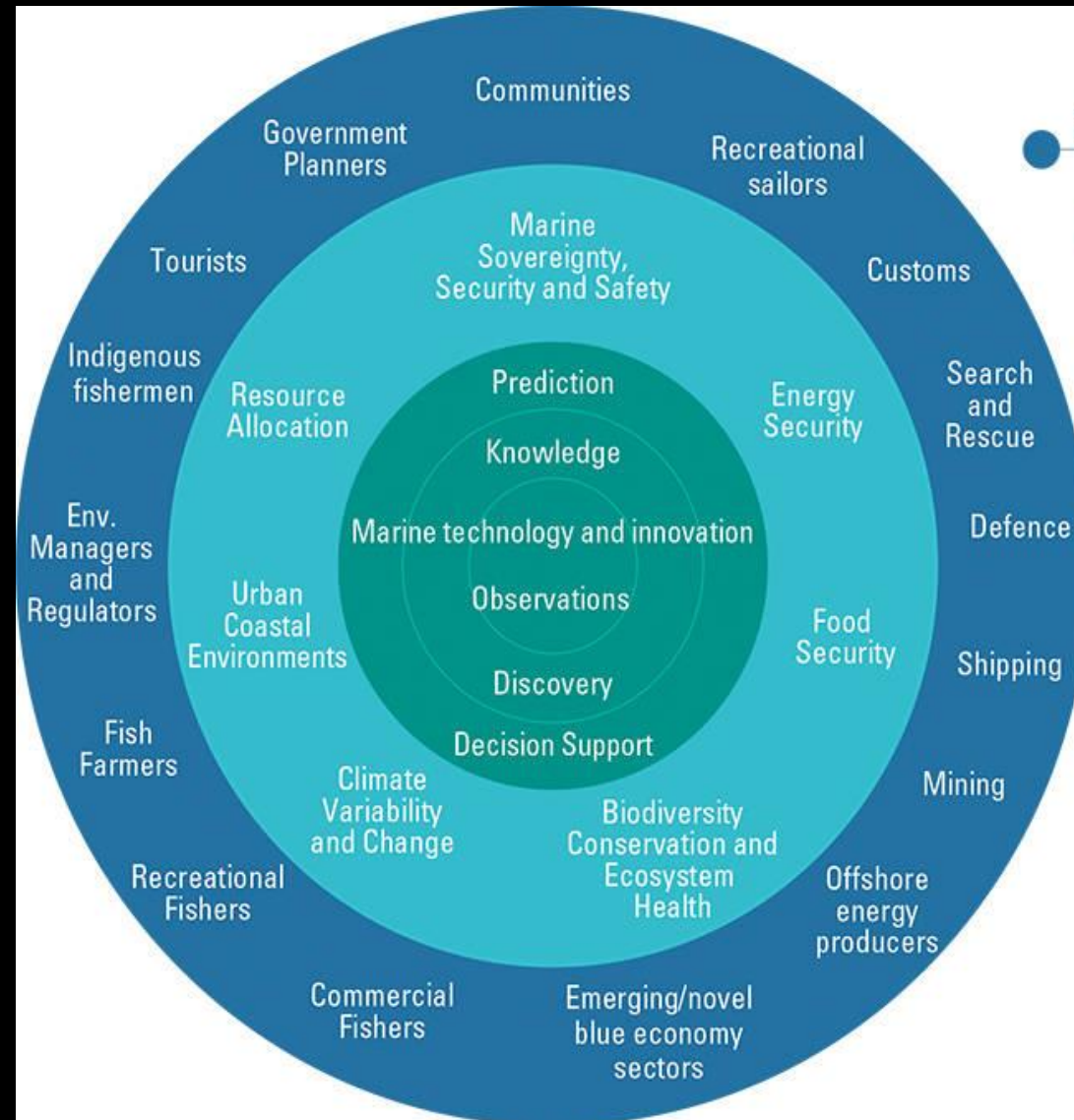
GDP

Jobs

Exports

Blue economy?

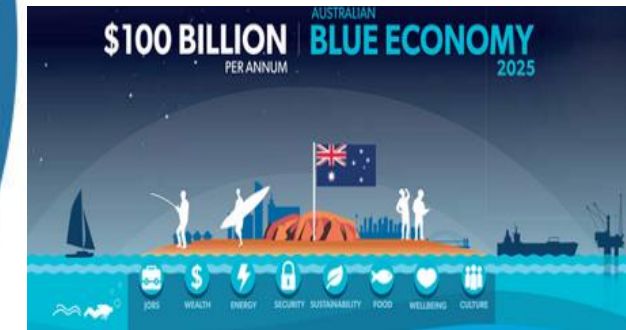
- Problematic term: from radical sustainability to capitalising the oceans as new frontier for growth
- A presumed connectivity – economically, politically, environmentally, socially ... clearly a 'zone' of concern
- Captures diverse practices: from mountain to oceans?
- Proliferating (Winder and Le Heron, DIHG, 2017)
- Untapped opportunities to build upon and enhance national resourcefulness?



BLUE ECONOMY

GRAND CHALLENGES

MARINE SCIENCE



*National Marine Science Plan
2015-2025: Driving the
development of Australia's blue
economy*

Different starting points

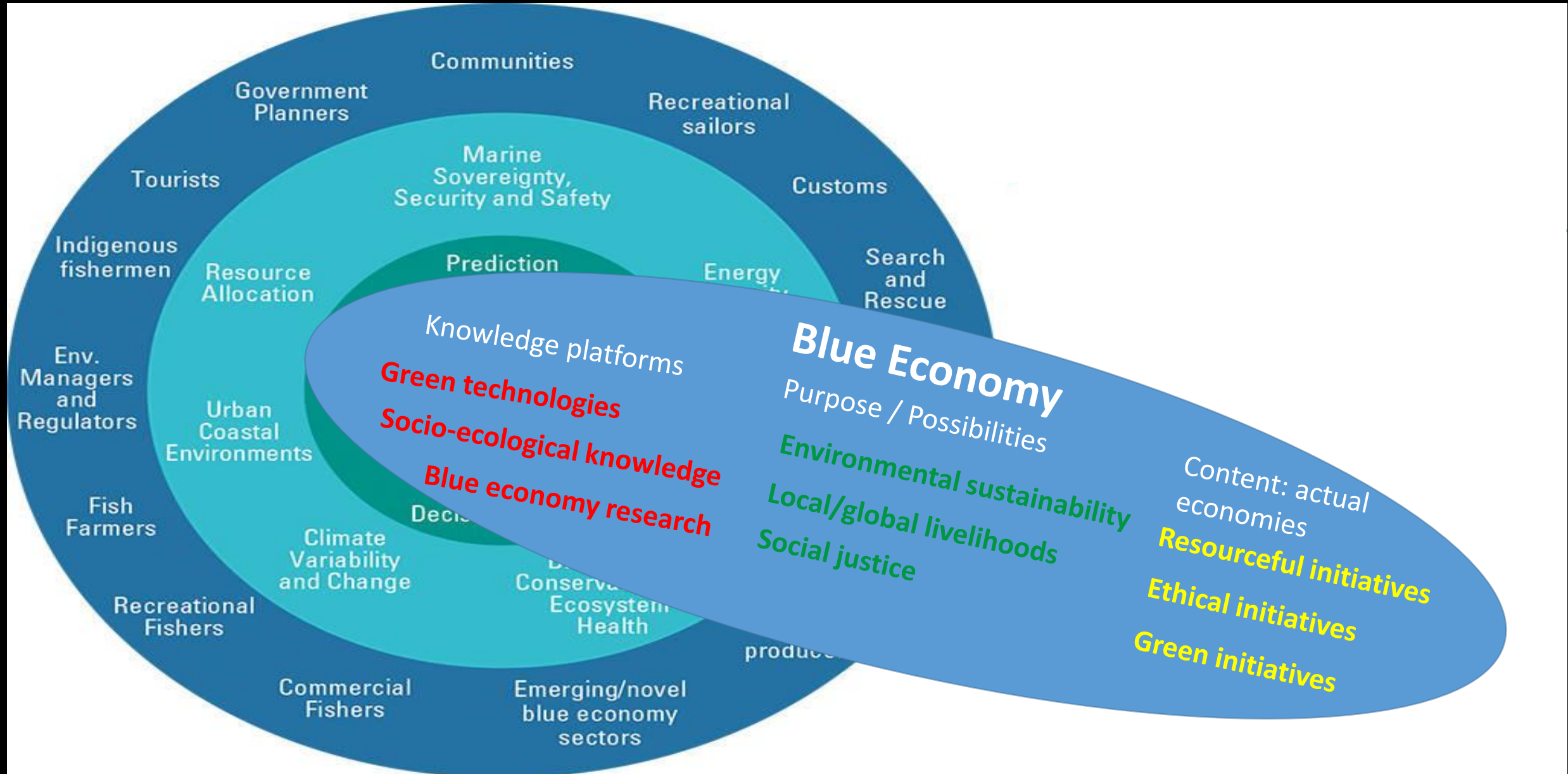
Blue Economy: Doing economy differently

- *Economy* is a set of practices and processes of stewarding resources to make livelihoods ... *an economy* is what emerges
- Blue economy - entrepreneurial, investment and management initiatives that draw on marine environments to create economic and social values that sustain or enhance the resourcefulness of those environments and their communities
 - all about resourcefulness
 - begins with socio-ecological knowledge: ecosystem based management
 - requires innovations in thinking, investment, production and regulation

Economy as process/practice

- What ideas do enterprising New Zealanders have for working with marine resources to create cultural, use and exchange values and thereby making lives and livelihoods?
 - What ideas will allow environments to thrive?
 - What activities do we want in *our* oceans/coasts?
 - What will capital invest in, banks lend on, consumers pay for, competitors do less well?
 - How do we stimulate these activities, and what do we need to know to do so?
 - *A 21st Century* framework for economic research
- Challenge is to stimulate new set of investment rationalities and practices, with altered ethical coordinates

Conceptual (3): From Marine to Blue Economy



Support in unlikely places



- ‘The Economist’ (2015): Sustainability requires:
- Common **(read new)** understanding of the blue economy
 - Institutional support and capacity for **a balanced approach to the governance of ocean space**: a clear policy and planning framework is essential but not sufficient (**read do economy differently**)
 - Reform of governance institutions
 - Better economic data and science (**read different measures / non-measures**)— to give confidence in the metrics
 - Innovative finance to generate investment into activities that will enhance ocean health (**read do economy differently**)



Phase 1: Refining our knowledge of value creation in the marine economy

- \$4.0 billion to NZ economy - 1.9% of GDP (additional \$3.7 billion in indirect value): offshore minerals 48%, Shipping 24%, fisheries and aquaculture 22%
- 102,400 jobs (47% in shipping, 46% in F&A)
- Underestimates marine tourism and recreation (\$43 million to GDP, 960 jobs – ISIC issues); other studies suggest 1 million people p.a. take to water in 900,000 craft, spending \$1b and catching \$180m fish
- Not included
 - education and training (est. \$10.2 million: 1170 students in maritime engineering and technology, and fisheries studies)
 - cruise ship visits (est. \$411.8 million in 2011/12 season)
 - scientific research?
 - sink for urban / rural pollution

RQs: How helpful/complete is current knowledge of marine economies, what is missing, and how is BE represented?

What we do know?

There is a big marine economy that we know little about

Includes multiple activities

Marine economies are diverse and difficult to separate from other economies – the measures are not great

We ought to be interested in different parts of this marine economy for different reasons – jobs, royalties etc

What we ought to know?

Do we really capture these economies with that data?

What about their inter-relationships / connections, why cluster them into marine economy, does it make sense?

Know differently – types of economy, connectivity, dynamics, investment decision frameworks all matter

Is there a better way of framing them that might help us to identify, highlight and stimulate the blue economy?

Phase 2: Knowing blue economy (focus on BE initiatives)



- Identifying, typologising, mapping BE initiatives, their ethical co-ordinates, and connectivities among BE initiatives and with wider economy
- Research Questions:
 - What BE initiatives exist and what new ones are being launched?
 - Where do these initiatives come from, how blue are they, what does it take to make them fly?
 - What drives BE - how are investment decisions made, what investment trajectories exist?
 - What connectivities exist among BE initiatives and between them and wider marine economy?

Objective: Enhancing national resourcefulness

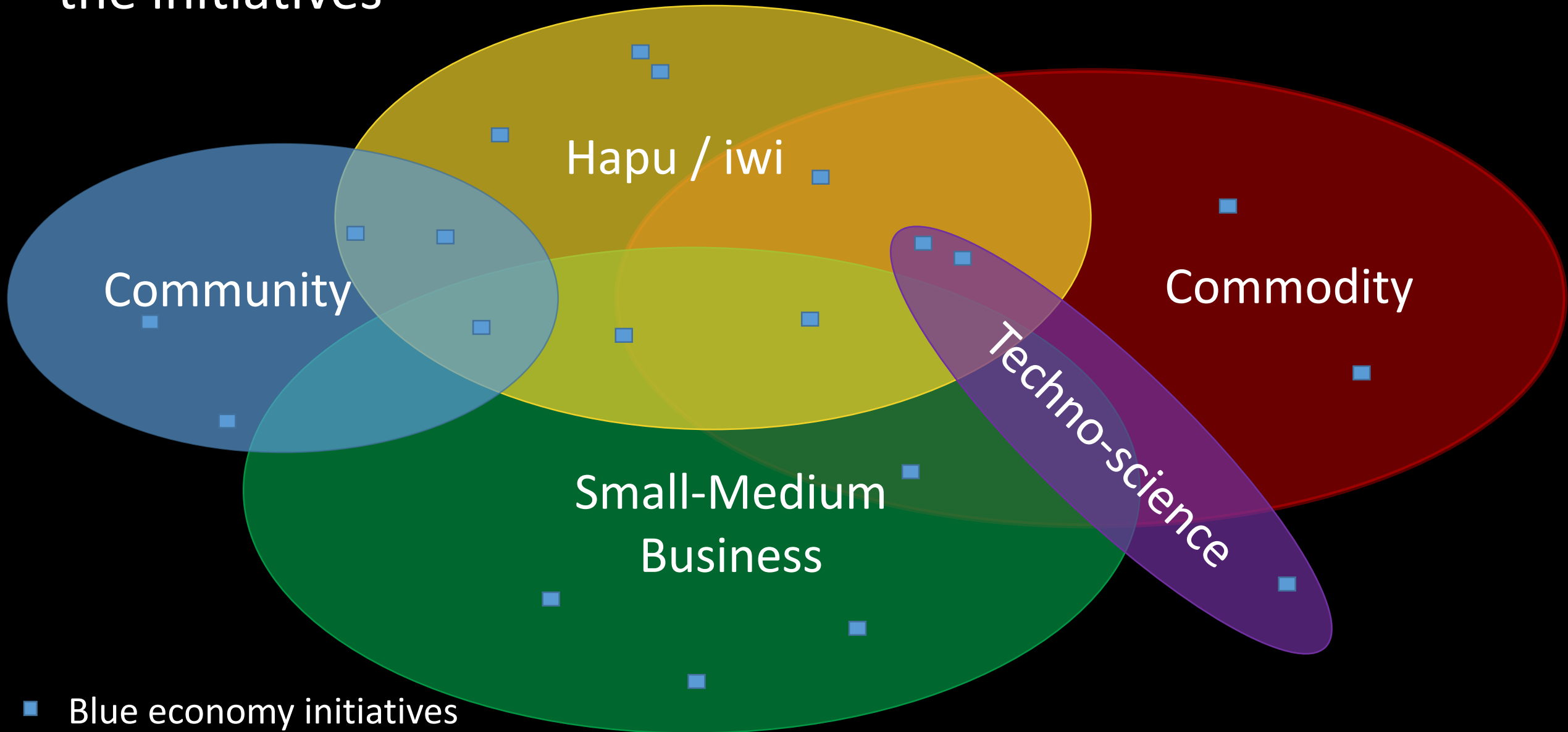
Initial sketch of economies

	Size	Practice	Market Orientation	Ethical Coordinates	Labour relation	Investment structure
Iwi / hapu	From taniwha economy to marae	Extractive to customary	Varied	Kaupapa Maori	Varied: from Iwi-capitalist to customary	Hapu to Iwi Trust Board
Commodity	Large	Extractive	Exports	Accumulation	Fully capitalist	Global corporation
Techno	High capital / low employees	Creative	Export / enabling	Knowledge economy	Relational / immaterial	IP / angels / government
Small-Medium Business	Less than 20 employees	Non-strategic		Survival	Varied	Owner-manager Family
Community	Varied: family-collective	Use values	Non-market	Collective Environmental	Unpaid / cooperative reciprocity	Family / social collective

Promisingly blue initiatives

	Iwi / Hapu	Commodity	Techno	SME	Community
Iwi / Hapu	Kaitiakitanga as practice Taiapure	'500 yr' investment horizons Customary branding Social licence	Traditional medicines	Indigenous firms operating on iwi-capitalist kaupapa Akaroa Taiapure enterprise	Hapu economies Collective / cooperative practice New ethics of recreation
Commodity		Greening Provenancing Forestry replanting accords	Green innovation: mussel oils, nutraceuticals Skretting Finfish research facility	Salmon farming guidelines O'Kains Bay seafood tracing	Community ownership (Opotiki Port)
Techno			Green solutions New products	Specialised green firms (harvesting waste-streams)	
Small-Medium Enterprises				Provenancing Eco-tourism Pacific Harvest: Algae harvesting	Clean-up programmes Seeding the mussel commons
Community					Green collectives Green recreational takes / education

Thinking more hopefully about Blue Economy: Proliferate the initiatives



Phase 2: Knowing blue economy (focus on BE initiatives)

- The team: Nick Lewis, Dan Hikuroa, Erena Le Heron, Richard Le Heron, Stephen FitzHerbert, Kate Davies, Gillian James
- Today's challenge: Three minutes to identify candidates for the blue squares



Phase 3: Stimulating/growing blue economy

Developing tools to encourage new blue economy initiatives
(modelling, workshops, visualisation, hui)

Research Questions:

- How can existing initiatives and connectivity be supported, stimulated, encouraged to proliferate?
- What further BE initiatives are imaginable?
- Are there practical tools that might enhance and grow a resourceful blue economy?