

Blue Economy: A Catalyst for India's 'Neighbourhood First Policy'

Author: Adarsh Vijay*

Date: 18 April 2017

There is an emerging narrative which pushes a green agenda for India's maritime outlook. Blue economy, an idea as conceived by Gunter Pauli, has already received recognition among the Indian Ocean Region (IOR) littoral states. Blue Economy signifies a subset of Economy for marine activities by incorporating the principles of social inclusion, environment sustainability with innovative and dynamic business models. It relies on organic and renewable inputs as catalysts for the sea-based model of development. In short, it seeks to ensure a healthy ocean providing higher productivity.

Despite the awareness of the prospects it offers, India is yet to be enthusiastic to take the 'blue growth' forward. The Maritime Agenda 2010-2020 released by the Ministry of Shipping in 2011 was devoid of even a hint of blue economy. New Delhi's ocean economic activities have invariably been restricted to "port-led development" model. Blue economy renders an unconventional outlook to explore and exploit the maritime domain in manifold ways. Therefore, three questions are worthy of attention. Why should India push for blue economy? What it offers for India to strengthen its strategic edge? How can it meet the needs of India's Neighbourhood First Policy?

Apart from the economic and environment-friendly postulations, blue economy bears serious foreign policy implications for India. New Delhi has been appearing to be in a quandary with the increasing presence of inimical extra-regional players in the IOR. Chinese policy of "string of pearls" continues to gear towards reducing India's influence in the region. Countries like China and Japan are also seeking a deeper engagement in the region, particularly through maritime diplomacy.

Despite India's sincere endeavours, its littoral counterparts are sometimes circumspect about New Delhi's intentions and policies. The Ministry of External Affairs (MEA) is running out of options to regain its eroding amity that once it maintained among these maritime

neighbours. Blue economy can help complement the other channels that brought contradictory results at the end.

The strategic connotation of blue economy is not restricted to the ocean economy and maritime trade. IOR is a rich source of polymetallic sulphides and nodules including iron, copper, zinc, gold, silver and platinum. Untapped oil and natural gas reserves also increase the strategic importance of the seabed in the region. New Delhi had received the exclusive right to explore the Central Indian Oceanic resources in 1987 by the International Seabed Authority (ISA) and two mining sites were consequently established. India had also signed a Memorandum of Understanding (MoU) with ISA in 2016 for exclusive mining rights for polymetallic sulphides in the IOR.

An Ocean Dialogue was initiated in 2015 between the US and India seeking the sustainable development of blue economy. The Maritime Security Dialogue as envisioned in the recent joint statement by Washington and New Delhi in June 2016 can be considered as an add-on to it. The White House is also considering an Indo-Pacific Economic Corridor to bridge the South and South East Asia. It has serious implications when it is read in consonance with the One Belt One Road (OBOR) initiative by Beijing along with New Delhi's Act East Policy and the Washington's interests in the Asia-Pacific.

Considering the pessimistic behaviour from the maritime neighbours, the Indian foreign office will have to work on sharpening its "blue edge" as the next device. Indian Ocean Rim Association (IORA) had organized its first Ministerial Blue Economy Conference in September 2015. Mauritius had come up with its policy on blue economy as early as 2013. It had decisively tabled its short and long terms goals dedicated to marine governance in various regional forums of IORA. Blue economy was insisted as an important component by the Indian Prime Minister Narendra Modi during his visit to Seychelles, Mauritius and Sri Lanka and to the SAARC leaders. A joint statement was also signed with Mauritius which identified the critical areas requiring cooperation.

With a push for blue economy by keeping "Make in India" at the core, MEA can approach its counterparts for remoulding a sufficient market for its commodities. New Delhi's technological edge in the region gives it an edge in facilitating a multilateral resource exploration in the IOR. Offshore infrastructure would be a respite for these geographically dwarfed-states. New Delhi had already pioneered in a similar venture by launching a sea-based trans-ship apparatus in the Bay of Bengal. This mechanism at the Sandheads within the Exclusive Economic Zone (EEZ) is meant to transport the imported coal to the thermal power plant at Farakka in West Bengal. Thus, the ties can also be rejuvenated by pursuing for

receiving ocean infrastructure tenders from these Small Island Developing States (SIDS). Furthermore, blue economy as a unifying factor can help build a consensus among these states with India in a myriad of issues.

The future lies in “blue diplomacy.” PM Narendra Modi called for Security and Growth for All in the Region (SAGAR) during his visit to the three Indian Ocean countries (Seychelles, Mauritius and Sri Lanka) in March 2015. Blue economy holds the key to a committed green agenda for the days ahead. India’s ocean access and maritime know-how renders an opportunity to take a substantial lead in the seabed platform. Despite the flagship “Neighbourhood First” policy, India’s position has not been much promising in keeping the neighbourhood intact. If India does not keep the pace up, it may lose in this “blue race” and will have to witness the enhanced partnership of the neighbours with its strategic rivalries like China. The proposed Maritime Silk Route by China is posing a consistent challenge to India’s interests in the IOR. “Blue pursuits” can subdue the role of external players in the IOR and considerably re-establish New Delhi’s hitherto-enjoyed influence in the region.

In the wake of the International Fleet Review held in Vishakhapatnam in February 2016, the Indian Prime Minister Narendra Modi acknowledged blue economy as a component for the country’s transformation. It is also palpable that countries like Australia, Bangladesh and Germany are keen in actualising their “blue agenda” with India. However, the need of the hour is a pro-active engagement on a priority basis with the immediate neighbourhood. Blue economy, in this regard, is an economic and political strategy. Besides, it can take us closer to achieving the goals seven and fourteen of the UN Sustainable Development Goals (SDGs) which deal with the renewable energy mix and conservation and sustainable use of oceans, seas and marine resources respectively. It strives for the greening of the ocean economy. If fully exhausted, blue economy is a game changer in the due course.

**Adarsh Vijay is a Post Graduate student at the Madras Christian College, Chennai. The views expressed are his own and do not reflect the official position of the NMF. He can be reached at adarshvijay@ymail.com.*