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## **Indonesia's Blue Economy Initiative: Rethinking Maritime Security Challenges**

*By Dedi Dinarto*

### **Synopsis**

*Indonesian officials are eager to harness the blue economy initiative. This notwithstanding, there are numerous other non-traditional maritime security challenges like IUU fishing, piracy, and marine plastic debris that impede on its progress. Good maritime security governance thus plays an important role.*

### **Commentary**

BLUE ECONOMY—a model of sustainable development which emphasises the utilisation of the coastal and marine ecosystem—gained prominence as one of the main priorities of the maritime resource agenda of Joko Widodo's (Jokowi) Global Maritime Fulcrum vision. The president had indicated his commitment in reinvigorating Indonesia's maritime identity, managing the country's marine resources, strengthening its maritime defence capability, intensifying maritime diplomacy, and improving inter-island connectivity.

The United Nations' Food and Agriculture Organisation (FAO) reported that Indonesia is the second largest producer of marine products amounting to six million tonnes in 2014. Indonesia's aquaculture sector yielded more than four million tonnes, constituting 5.7 percent of global aquaculture production in 2014. The archipelago's blue economy contributes roughly 6.7 percent to the national GDP in 2016, absorbing 4.12 percent of Indonesia's total workforce of around 100 million people.

### **Centering Blue Economy Initiative**

The concept and mainstreaming of the blue economy in Indonesia was first announced by President Susilo Bambang Yudhoyono at the United Nations Conference on

Sustainable Development (Rio+20) in 2012. The concept emanated from Indonesia's awareness to develop its own domestic marine and fisheries sector and to support sustainable development that emphasises zero carbon emission with minimal environmental impact.

Previously, Indonesia proposed a sub-regional Coral Triangle Initiative during the Eighth Convention on Biological Diversity in 2006, which involved Indonesia, the Philippines, Malaysia, Timor Leste, Papua New Guinea, and the Solomon Islands, placing emphasis on the marine environment globally.

Indonesia also extended its blue economy projects in East and Central Lombok to the FAO which highlighted an integrated development programme on tuna fisheries, aquacultures, marine tourism, traditional salt industries and pearl industries. The Lombok Blue Economy Implementation Programme alone is expected to create more than 75,000 new jobs, generating around US\$ 115 million annually.

Harnessing marine resources under the blue economy initiative, the Jokowi administration spent tremendous effort at the domestic and international levels to promote it. The recently issued National Ocean Policy 2017, which provided comprehensive roadmaps and policy guidelines to fulfil the maritime vision, had the blue economy included as one of the administration's main agendas.

This continued commitment is further demonstrated by Indonesia's international engagement in regional forums such as the Indian Ocean Rim Association (IORA). Given the chance to host the second IORA Blue Economy Ministerial Conference in 2017, Indonesia urged IORA members to not only exchange views on the blue economy, but also collaborate in a number of blue economy initiatives, namely fisheries and aquaculture, inter-port cooperation, customs cooperation, marine tourism, and marine plastic debris.

### **Persisting Illegal, Unreported, and Unregulated (IUU) Fishing**

Notwithstanding the wherewithal and its commitment to the greater implementation of the blue economy, Indonesia still struggles with the issue of illegal, unreported, and unregulated (IUU) fishing.

According to *Tempo*, an Indonesian investigative magazine, Indonesia had been suffering from a US\$3 billion deficit annually since 2013 due to rampant IUU fishing activities. A research conducted by the ISEAS-Yusof Ishak Institute in 2009 found that the Arafura Sea is one of the most vulnerable regional waters to IUU fishing. The Java Sea and the maritime borders near Borneo are also plagued by illegal fishing incidences.

The Minister for Marine and Fisheries Affairs, Susi Pudjiastuti, has taken a stern stance in combating IUU fishing. Her preferred method was scuttling captured vessels. In June 2017, Indonesia sunk 81 captured vessels involved in IUU fishing. Susi's methods received praise domestically but criticised as draconian internationally.

Even though sinking vessels in a dramatic fashion is believed to be effective in deterring illegal vessels coming into Indonesian waters, Indonesia has also been

pursuing other preventive and monitoring measures through cooperation with Spire Global, an Australian satellite-powered data company that assist in the tracking and monitoring of alleged illegal fishing vessels. The available data and actionable intelligence would ominously assist the Indonesian Navy and maritime security agencies the investigation and seizure of illegal vessels.

### **Piracy and Marine Debris: Upcoming Threats**

Indonesia continues to be weighed down by piracy and armed robberies at sea. Navigating and securing sea-lanes for shipping and transshipment remains a crucial part of the blue economy. The International Maritime Bureau recorded 46 incidents and 108 incidents in 2011 and 2015 respectively, a significant increase of 134 percent.

Contrary to popular belief, most of piracy and armed robbery incidents in Indonesia do not take place on the high seas or open waters but closer to the ports. The percentage of piracy and armed robbery incidents in ports reached 65 percent in 2012 and steadily increased to 82 percent in 2015, indicating an upward trend, followed by a decreased number of incidents in territorial and high seas.

Marine plastic debris also poses a challenge to Indonesia's blue economy as it damages the environment and taints marine products. The Indonesian Minister for Environment and Forestry, Siti Nurbaya Bakar, pointed out that Indonesia is only one of a handful of countries that has put significant effort into addressing the issue.

Nevertheless, Indonesia simultaneously produces about 1.3 million tonnes of debris annually due to a poor recycling and waste management framework. In terms of marine tourism, the vast amount of marine plastic debris could hinder the positive development of Indonesia's fledgling marine tourism industry.

### **Blue Economy at Stake?**

Following the successive international engagements pioneered by cabinet ministers Susi Pudjiastuti and Luhut Pandjaitan in the "Our Ocean Conference" held in Malta, the prospect of whether the blue economy can be implemented successfully comes into question. Susi Pudjiastuti herself delivered a remarkable speech during the Malta conference highlighting the inextricable link between illegal fishing activities and numbers of organised crimes, which potentially hampers the progress of the blue economy.

Furthering the commitment of the Jokowi administration, the conundrum of the economic-security nexus must be taken into account when establishing an integrated marine-oriented economic development. In addition to sinking vessels as a deterrent, Indonesia must forge a path for a greater development of the blue economy by implementing good maritime security governance.

Good maritime security governance means providing guidance in the maritime security outlook where possible threats are defined, with a clear division of functions and tasks, integrated intelligence information sharing, and frequent coordinated maritime patrol among maritime agencies.

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