

SHORT SUMMARY

5.20.002 Integrating Blue Economy Governance Integrity Research

INTRODUCTION

This Scoping Project falls under the BECRC's Research Program #5: Sustainable Offshore Developments (RP5) and addresses key aims of the BECRC including the examination of and advocacy for the regulatory frameworks to promote confidence for aquaculture and renewable energy industry to invest, and that developments in the offshore context are carried out under the highest environmental standards for sustainability and ecosystem integrity.

KEY POINTS

- △ Research Program 5's key activities recognise that Blue Economy industries must not only seek profitability but address broader responsibilities to communities and the environment or put at risk their social licence to operate.
- △ The governance of the Blue Economy involves all levels of government and industry and is affected by a range of normative, regulatory, economic and policy frameworks that are poorly integrated.
- △ This project scoped three mutually supportive values-based general governance projects within Research Program 5, giving the highest priority to values identification of issues and conceptual analysis.
 1. "Ethics, values and social licence in the Blue Economy"
 2. "Blue Economy Integrity System analysis"
 3. "Blue Economy Certification System Project"

- △ The project also examined:
 - » The interactions and synergies between these projects.
 - » The potential synergies with these projects and others in RP5.
 - » Potential synergies with projects in other research programs.
- △ A team of five academics from two universities and three industry collaborators contributed to this project.

THE CHALLENGE

Industry and academic participants are aware of the many benefits the Blue Economy can deliver, but face barriers to achieving sustainable development as a result of the complexity of the ethics and governance issues facing them. This in part reflects the lack of clarity over the values justifying the Blue Economy.

THE OPPORTUNITY

The results of this Scoping Project will inform future CRC projects with the overarching aims through which the Blue Economy may retain its social licence and live up to the values that justify its existence. In doing so, this project and subsequent projects will assist industries operating in the Blue Economy to consider, prioritise and implement the values justifying their operations to the communities in which they operate.

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OUR RESEARCH

Methodology

The scoping project adapted a methodology developed by the Institute for Ethics, Governance and Law (IEGL), and its predecessors, for dealing with complex governance systems. The National Integrity System Assessment (NISA) offers a method for examining the combination of interconnecting norms, institutions and mechanisms to promote the positive goal of good governance rather than the negative goal of limiting corruption. This methodology sought to understand the actual integrity system dynamics, starting with the institutions the studied country had, and looking at the systematic interactions between them.

This methodology has been adopted in the Scoping Project and will directly inform all the scoped projects. The shared approach will provide a method for understanding their inter-relations and situating them in a common conceptual space.

The Scoping Project method involved:

- △ Literature Review, covering academic and 'grey' literature:
- △ Ethics, values, integrity & governance in the Blue Economy.

Interviews

- » 15-20 interviews with stakeholders from a range of perspectives and sectors.
- » Questions on social licence, personal values, codified principles or goals, and (economic, social and environmental) sustainability.

Workshops

- » 2 x virtual (Zoom/Teams) meetings (7th & 8th December 2020)

OUTCOMES

Defining the blue Economy and the Social Licence to Operate

Defining 'Blue Economy'

Using prior research analysis through the literature review, combined with a thematic analysis of the interview results, we developed a working definition of the Blue Economy using three themes:

- △ **Theme 1:** Economic activity on or with the marine environment,
- △ **Theme 2:** that sustains or restores that environment, and,
- △ **Theme 3:** that pays heed to social and cultural priorities.

This definition includes normative elements in Themes 2 and 3. The project also noted another definition, used by some stakeholders, that referred simply to marine economy activities (exclusively Theme 1).

Defining 'Social Licence to Operate' (SLO)

Stakeholders invoked four elements in the SLO.

1. A high standard of practice
2. Community acceptance
3. Stakeholder engagement
4. Social contract

Elements 2 and 4 led to our working definition of the SLO as:

"The acceptance of an activity by stakeholders, where such acceptance is to some degree necessary for its continued uninterrupted operation."

Elements 1 and 3 offered guidance on how the SLO could be achieved and improved, including through aiming for higher levels of acceptance (e.g., 'support'), informed consent, and requirements that stakeholder participation be inclusive and fair.

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Blue Economy Values

Three types of Blue Economy values were identified in the literature and interviews.

1. Governing values (ethical priorities): SDGs, sustainability, biodiversity, blue/de growth, human rights
2. Framework values (decision making practices): Stewardship, equity, balance and mutually benefit
3. Governance values (governance of activities and processes): Transparency and accountability, independence, honesty, inclusive, informed, honest, long-term, verified.

Blue Economy Integrity System Elements

The project produced a preliminary list of integrity system elements drawn from the literature review and interviewee responses. The norms, regulations, institutions, and other governance arrangements (including formal bodies, NGOs, enforcement regimes and certification schemes) were identified at multiple levels including global, regional, national, subnational, professional, and corporate. Results of this initial review point to highly complex interactions, with scope for analysis of how such elements align with the Blue Economy's overarching values and purpose.

Certification

The project produced a preliminary examination of existing approaches to certification including:

- △ What is being certified (process vs performance)?
- △ How is it certified (e.g., public vs private v mixed)?
- △ How the process is governed (regulatory vs multi-stakeholder)?

Preliminary findings identify challenges to certification in general and BE certification schemes in particular.

Challenges

Integrity based challenges were identified to inform future collaborative research opportunities.

The preliminary list of identified challenges include: the challenges of monitoring at sea; misplaced competitiveness; regulatory vacuums and institutional weaknesses as well as jurisdictional complexities; uneven and ambiguous application of the 'social licence to operate'; and challenges of certification.

NEXT STEPS

In this project, we scoped three related projects with priority given to the ethics, values and social licence project. The approved General Project Ethics, values and social licence in the Blue Economy will extend upon the results of this scoping project and develop a strengthened basis on which to articulate the ethical issues and values debates around the BE.

The three scoped projects aim to integrate with each other, and further projects, to deliver an overall picture of the integrity system—including normative, legislative, policy and economic elements.

By strategically employing the results of these three scoped projects, including their governance, ethical, policy and certification outcomes, the sustainability of the BE—and its ongoing social licence to operate—will be supported, ensuring that the good results from other areas of the CRC are not imperilled by unforeseen breakdowns in the project's or the industry's legitimacy.

To be published after confirmation of final report.

- △ Literature Review on ethics and integrity in the Blue Economy.
- △ Preliminary listing of values at stake in the Blue Economy.
- △ Preliminary listing of norms, laws, institutions and governance mechanisms in the Blue Economy integrity system.
- △ Report on the recommended scope of the general projects, their links with each other, and with other RP5 and cross-program projects.
- △ An updated chart mapping the scoped projects with RP5, and planned interactions.

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PROJECT TEAM

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PROJECT REPORTS/PUBLICATIONS

Sampford, C., Breakey, H., Lewis, M. (2020). 5.20.002 Integrating Blue Economy Governance Integrity Research - Final Project Report. Blue Economy Cooperative Research Centre.