

5.20.005 – Ethics, values and social licence in the Blue Economy SHORT SUMMARY

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.
- Led by Griffith University's *Institute for Ethics, Governance & Law*, a team of researchers from two universities and five industry collaborators contributed to this project.
- This project explored three research questions:
 1. What are the key ethical values achieved by the Blue Economy, and how can they promote the social licence to operate?
 2. What are the key ethical values pursued by BECRC industry participants, and how can they promote their 'local' social licence to operate in the communities in which they work?
 3. What are the ethical risks facing the CRC Blue Economy integrity system?
- This project produced four practitioner summaries written for industry, six academic outputs, and supported a PhD candidate researching the relationship between ocean ethical and aesthetic values.

THE CHALLENGE

The Blue Economy has the potential to deliver a range of important benefits. However, there are many potential negative environmental, economic, and social consequences.

Adding to the ethical challenge, marine economy activities are often highly complex, occurring in challenging and dynamic environments, often hidden from the view of communities and regulators, and

undertaken by industries expanding rapidly in scale and technology (Breakey 2022). Navigating the tension between benefits and risks in this complex space, requires a robust understanding of ethical values and principles and the mechanisms by which they may be applied in the Blue Economy.

THE OPPORTUNITY

Understanding the key values in play in the Blue Economy, and the ethical opportunities and risks they create, can help:

- **guide** operations to better achieve benefits while avoiding wrongdoing
- **inform** government policy, law and regulation
- **help justify and explain** decisions and actions
- **shape expectations**, ensuring that government, industry and community have shared standards.

The project aimed to help industry consider, prioritise and implement the values that justify their operations to the communities in which they operate. This is an integral element of maintaining a social licence to operate and operational legitimacy.

OUR RESEARCH

The project employed a series of qualitative and quantitative methodologies, including:

- stakeholder interviews
- systematic quantitative literature review
- academic-practitioner workshops
- integrity systems analysis
- ethical risk analysis and multidimensional legitimacy evaluation.

OUTCOMES

This project provided industry practitioners and other key actors, practical guidance on ethics, values and

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social licence in the Blue Economy. Major research findings were disseminated through four practitioner summaries.

PRACTITIONER SUMMARY I: ETHICS, VALUES AND SOCIAL LICENCE IN THE BLUE ECONOMY

Based on a systematic quantitative review of existing scholarship on the ethics of the Blue Economy and a critical analysis of the results (Cooper et al. 2023), the project identified nineteen values that are invoked in Blue Economy practice and discourse. These were distilled into six Blue Economy ethical principles:

- Environmental Protection
- Stakeholder Participation
- Fairness
- Harm Prevention
- Beneficence
- Trustworthiness and Accountability

PRACTITIONER SUMMARY II: TASMANIAN BLUE ECONOMY: AQUACULTURE

‘Integrity systems’ serve as a mechanism for promoting ethical conduct and maintaining operational legitimacy. This output outlines the integrity system for Tasmanian salmon aquaculture. Exploring the system’s capabilities and vulnerabilities in terms of its capacity to deliver on its values, and secure widespread trust, findings included that:

- Blue Economy ethics extends beyond economic and environment concerns to less ‘tangible’ wellbeing and social values.
- Industry legitimacy is founded on the overall Blue Economy ‘integrity system’. Actions that undermine the perceived independence of governance institutions can impact community trust.
- Effective communication requires the cultivation of trusted experts and close engagement with the

community’s social, cultural and environmental values.

PRACTITIONER SUMMARY III: ETHICAL RISKS IN THE OFFSHORE BLUE ECONOMY

Building on the framework of the six Blue Economy ethical principles, this research examined how a shift further offshore would impact on ethical risk—the risk that ethical wrongdoing will occur. It found:

- Ethical risk is an intrinsically important concern, but it also impacts legal and operational risk.
- Ethical risk profiles shift in different contexts and over time.
- Offshore, exposed Blue Economy industries will face heightened ethical risk in some important areas, including employee safety, operational governance, the risk of catastrophic failure of the structure.
- Many different actors—including scientists and engineers—can work strategically to mitigate ethical risks.

PRACTITIONER SUMMARY IV: UNDERSTANDING THE SOCIAL LICENCE TO OPERATE (‘SLO’)

The social licence to operate (SLO) serves as a mechanism for gauging the legitimacy of industry operations, for promoting positive Blue Economy benefits, and for the industry to meet its broader responsibilities to the community and environment. The output provides practitioners with a practical understanding of SLO, describes the consequences of losing SLO, and the importance of cultivating ‘authentic’ SLO.

NEXT STEPS

The project makes several key recommendations, including:

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1. Ethical values and principles should be translated into positive actions to strengthen ethical standards and practices in the Blue Economy.
2. Blue Economy industries should be strengthened by robust integrity systems comprised of: effective communication and engagement; fit-for-purpose and independent governance and regulatory systems; and scientific engagement and credible information brokers.
3. Industry must be educated on, and supported to build authentic SLO comprised of genuine community engagement, institutional integrity, and ethical practice.

PROJECT TEAM

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PROJECT REPORTS/PUBLICATIONS

Breakey, H 2022, Ethics in the Blue Economy. In *De Gruyter Handbook of Sustainable Development and Finance*. T. Cadman and T. Sarker. Berlin, De Gruyter: 511-542.

Breakey, H 2023 'The Social Licence to Operate: Activist weapon, industry shield, empty buzzword, or vital ethical tool?', in 'Social Licence and Ethical Practice', H Breakey (ed.), *Research in Ethical Issues in Organizations* Vol 26.

* Winner of an Outstanding Author Contribution in the 2023 Emerald Literati Awards

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Breakey, H, Sampford, C, Bossi, L, and Marshallsay, R, 2024 'The Social License to Operate: Ethical Peril and Legitimacy Promise' in G Wood et al. (eds.), *The Palgrave Handbook of Social Licence to Operate and Energy Transitions*, Palgrave Studies in Energy Transitions.

Cooper, K, Breakey, H, Lewis, M, Marshallsay, R, Naraniecki, A, & Sampford, C, 2023 'Aquaculture Ethics: A systematic quantitative review and critical analysis of aquaculture ethics scholarship' *Fish and Fisheries*.

(Practitioner Summaries listed above.)

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