The Influence of the Blue Economy on National Economic Growth

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Abstract: Economic growth is the main focus of the country's development, especially measured through Gross Domestic Product (GDP). In the Indonesian context, the blue economy concept is a promising strategy because of the abundant potential of marine resources. This study aims to analyze the influence of the blue economy on economic growth in Indonesia. Through a literature review, it is revealed that the government has implemented various innovative policies and financial instruments to support the blue economy. The research results show that the blue economy has a significant influence on economic growth. However, the challenge of maximizing the benefits of marine resources while maintaining environmental sustainability remains the main focus. By maintaining the sustainability of marine resources, Indonesia can build a strong and sustainable blue economy, providing long-term economic and social benefits for its people.

Keywords: Economic growth, Gross Domestic Product (GDP), Blue economy, Business model innovation, Human welfare, Environmental sustainability

INTRODUCTION

Economic growth is an increase in national income or production in a country from year to year. To measure economic growth in a country, it can be seen from the level of that country's gross domestic product (GDP). Economic growth is one indicator of the success of a country's development. Recently, many countries have attempted to increase the rate of economic growth by increasing output in a sustainable manner through the availability of capital goods, technology and human resources. (Simanungkalit, 2020) . Sustainable business model innovation can be a growth strategy for business development (Nathaniela, 2022)

The Blue Economy is marine-based economic development that leads to increased human welfare and social justice, while significantly reducing poverty. environmental risks and ecological scarcity. The blue economy is parallel to the green economy (an economy that

aims at sustainable development without destroying the environment). The concept of the "Ocean Economy" or "Blue Economy" only emerged from the UN Conference on Sustainable Development held in Rio de Janeiro in 2012. This concept is the separation of socio-economic development from environmental degradation which is traditionally seen as the global status quo. So this concept can be aligned with economic and trade activities, also arising from the need to integrate conservation and sustainability in the management of maritime areas which can be expanded to include ecology or the marine environment. (Smith-Godfrey, 2016) and the blue economy concept seeks to ensure the sustainability of coastal and marine resources and environments and encourage economic growth in the marine and fisheries industry, considering that Indonesia is a maritime country (Prayuda, 2019)

Indonesia's marine resource potential is very abundant considering that Indonesia is an archipelagic country with the second longest coastline in the world. This shows that the potential for abundant marine resources can be managed by applying the blue economy concept, which is expected to have a positive impact on the sustainability of existing marine products. The blue economy refers to the sustainable use of the ocean and related resources for economic development, while protecting the ecosystem. A blue economy is defined as an ocean-based economic model that uses green infrastructure, technology, innovative financing mechanisms, and proactive institutional regulations to meet the goals of protecting oceans and coasts and increasing their potential contribution to sustainable development, including improving human well-being and reducing environmental risks and scarcity. ecological. (Tirumala and Tiwari, 2022)

The blue economy has become an important issue in recent years because healthy oceans provide jobs and food, sustain economic growth, regulate the climate, and support the well-being of coastal communities. Welfare of coastal communities. Billions of people around the world depend on healthy oceans for jobs and food, thus underscoring the urgent need to utilize, manage and protect these natural resources sustainably. So this research is important to analyze the influence of the blue economy on economic growth in Indonesia.

METHOD

This study uses a quantitative descriptive approach with library research methods. A qualitative approach is carried out by explaining the data obtained from the literature study method. Data from the library study research method is obtained by collecting information from literature in the form of books, reports/documents, research results conducted by various parties published in peer-reviewed journals or working papers, policy briefs, and other forms of publication.

RESULT AND DISCUSSION

Based on the theoretical basis and results of previous research, the hypothesis of this research is that the blue economy has a significant influence on economic growth.
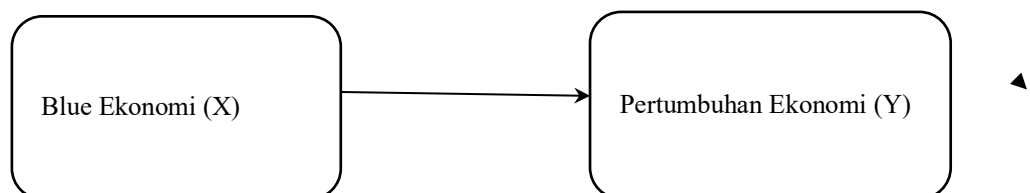

Figure 1. Research conceptual framework

According to Nasution (2022) the relationship between growth and the blue economy is often seen as an exchange between the economy and the environment. Marine resources can

contribute significantly to food, energy and bio-based products, but overexploitation of these resources has placed increasing pressure on marine ecosystems and their sustainability. The link between a sustainable blue economy and global economic growth is clear. However, maximizing economic growth from marine and aquatic resources to increase gross domestic product (GDP) or gross regional domestic product (GRDP) for each region or region in Indonesia has several challenges. It is worth noting that China's blue economy policy mainly focuses on economic growth in the maritime sector without prioritizing environmental protection.

According to Humairoh, Setyaningrum and Tanaya, (2024) that the implementation of sustainable and environmentally sound policies is very important to ensure that the growth of the fisheries sector provides long-term benefits for society, while maintaining a balance between economic growth and environmental conservation.

According to Mulyanie (2023) , the foreign economy is certainly relevant to the objectives of Sustainable Development Goals (SDGs) point 14, namely life below water or marine ecosystems. This is relevant to the seventh mission of the national marine development policy in the 2005–2025 RPJPN, namely to make Indonesia an archipelagic country that is independent, advanced, strong and based on national interests through sustainable and environmentally friendly marine economic development. As of the end of the third quarter of 2021, around 28.4 million hectares of marine protected areas (MPA) have been designated with the central government managing 9.9 million hectares and regional governments managing 18.5 million hectares. The formation of the MPA is expected to ensure that marine resources are utilized in a sustainable manner.

According to Febriana and Paksi (2023), by maintaining the sustainability of marine and coastal resources, Indonesia can build a strong and sustainable blue economy, which can provide long-term economic and social benefits for the Indonesian people. WWF's programs in Indonesia are one of the real efforts to realize this vision by involving various stakeholders in protecting and utilizing marine resources sustainably.

According to Febriana and Paksi (2023) With this, the application of the blue economy model side by side in Indonesia's development planning has had a positive impact on the sustainability of fisheries and marine resources and the environment. Development planning by implementing the blue economy model has the consequence of changing the paradigm of people's behavior to love the environment more, pay more attention to biological resources, and strive to preserve them. In this way, the noble ideals stated in Indonesia's development planning for the welfare of society can be realized through this blue economy policy, bearing in mind that the implementation of the blue economy model has a chain impact on the growth and development of businesses relying on marine and environmental resources.

According to Ilma (2014) , development planning by applying the BGE concept has the consequence of changing the paradigm of people's behavior to love the environment more, love biological resources more, and try to preserve them. In this way, the noble ideals stated in Indonesia's development planning for the welfare of society can be realized through this BGE policy, bearing in mind that the application of the BGE concept has a chain impact on the growth and development of businesses that rely on marine and environmental wealth.

CONCLUSION

It is concluded that the Blue Economy concept is the basis for sustainable economic development in Indonesia, especially in the context of exploiting abundant marine resources. The policy steps taken by the Indonesian government, such as infrastructure development, financing policies and environmental protection, demonstrate a commitment to realizing the vision of a sustainable blue economy.

Implementing the blue economy is not only about increasing economic growth, but also about maintaining the sustainability of marine resources and the environment. This requires a paradigm shift in people's behavior to be more concerned about the environment and biological resources. Thus, the blue economy not only provides short-term economic benefits, but also has a long-term positive impact on community welfare and environmental sustainability.

In a global context, the blue economy also plays an important role in achieving sustainable development goals, as mandated in the UN's Sustainable Development Goals (SDGs). Therefore, efforts to develop a blue economy in Indonesia will not only provide local benefits, but will also have a positive impact globally in maintaining the sustainability of marine resources and the environment.

Thus, the blue economy is not just a concept, but a holistic view of sustainable economic development. Through the implementation of appropriate policies and strategies, Indonesia can become a leader in implementing the blue economy at regional and global levels, while maintaining the sustainability of marine resources which are valuable assets for this country.

Acknowledgment

In developing the blue economy sector, challenges are encountered such as in the capture fisheries sector, where fish resources are increasingly depleting due to overfishing. If this continues, the supply of fish from this industry will decrease further. Likewise for the oil and gas industry. For the marine-based chemical industry sector, there are several challenges including:

a) the industry is dominated by MSMEs;
b) the capacity of marine-based food processing units is generally still low;
c) lack of skills and technical knowledge of human resources regarding production standards, as well as low quality assurance of products and raw materials;
d) risk of unsustainable raw material supply; And
e) dynamic changes in consumer preferences.

In facing these challenges, Indonesia has made several efforts, including implementing marine zoning or MPA to control overfishing; enact regulations in the maritime sector and carry out strict enforcement; implementation of strong coordination and synergy between stakeholders who have duties and functions in the maritime and fisheries sector. Apart from that, opportunities for cooperation with international parties are also continuously being explored. It is hoped that future research will be able to examine in detail the impact of each blue economy industrial sector on the economy quantitatively. This can be done by describing regional and national conditions so that future studies can provide an accurate picture of the impact of the blue economy on the economy. Not only that, the environmental aspects of the blue economy for each sector also need to be studied in order to produce new, sustainable sectors for Indonesia.

Conflict of Interest

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