



OUR COMMON OCEAN: HARMONIC PLAYGROUND OR CHAOTIC BATTLEFIELD

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ABSTRACT

This research explored the concept of the Blue Economy and its potential for sustainable development of ocean resources. It examined four key ideas: the Ignatian principle of “Tantum Quantum” (proper use, not abuse), stakeholder analysis, multidisciplinary approaches, and multiple intelligences theory. The research argued for a shift from shareholder-focused to stakeholder-inclusive models in managing ocean resources. It emphasized the importance of considering all affected parties, including non-human stakeholders like marine life. The multidisciplinary nature of ocean studies was highlighted, calling for collaboration across fields such as marine biology, economics, and ethics. The theory of multiple intelligences was applied to value diverse forms of knowledge, including traditional maritime skills. Major challenges facing the Blue Economy were discussed, including overfishing, pollution, and lack of governance in international waters. Recommendations included supporting fisher cooperatives in developing countries, improving export facilities, increasing plastic recycling, promoting coastal tourism, and recognizing the value of workers in the maritime sector. The research advocated for a balanced approach that promotes economic development while ensuring the long-term sustainability and health of ocean ecosystems.

Keywords: *blue economy, ocean, natural capital*

1. Introduction

This conference is actually a preliminary for the 28th *World Forum of the Association of Jesuit Business School* in Sydney, Australia in July, 2024. The theme of that conference is the *Fourth Apostolic Preference of the Society of Jesus*, namely “Our Common Home”. Hence, we have entitled our Keynote Speech as “Our Common Ocean: Harmonic Playground or Chaotic Battleground”.

More than two thirds of our planet is ocean. Yet ironically, we know more about the surface of the Moon and Mars than we do about the depths of the ocean. Oceans have provided food, income, energy and transport for millennia. The ocean economy supports the livelihoods of almost half of the earth’s population. Economic activities include capture of fish, aquaculture, coastal tourism, marine construction and transport. Huge profits stand to be made for Pharmaceutical, Chemical and Cosmetic companies. The *Blue Economy* is predicted to double from \$1.5 trillion in 2010 to \$3 trillion in 2030. This represents a massive opportunity for mutual benefit for all the stakeholders involved. However, we are currently faced with serious challenges to the sustainability of the oceans caused by overexploitation, extraction, pollution, loss of biodiversity and climate change.

The *Blue Economy* is a new term for an ancient experience. Basically, it is a way of applying a central principle used by St. Ignatius of Loyola – the founder of the Jesuits – in his small book entitled *The Spiritual Exercises of St. Ignatius* written over 500 years ago. His basic principle is called *Tantum Quantum* in Latin. It is best translated as “Use, not Abuse”. He believed that Almighty God had endowed humans with many things when He created the universe. It is up to humankind to properly use them. Hence, the *Blue Economy* aims to reset inclusive and long-lasting economy growth by harnessing sustainable marine resources to

support development and civilization while at the same time preserving and protecting marine resources.

The question is “How do we do that?” Using a reflective methodology that is used in *Ignatian Pedagogy*, we want to combine two activities: *Reflection* and *Action* which is now called *Refraction*. St. Francis de Sales in the 17th century criticized economists. He said “they love to study poverty but the problem is that poor people cannot eat books”. The paralysis of analysis can lock us into the mentality that only likes to talk about the problem, but not to think much about the solution.

Our methodology will combine descriptive as well as exploratory research. It rests on the fact that ideas are very important in human experience and history. From the field of economics alone, ideas like freedom, justice, capitalism, socialism, opportunity cost and the *Law of the Commons* are but a few examples. Hence, we want to focus on just four ideas:

- a. *Tantum Quantum* which basically adopts a positive attitude by emphasizing the proper use rather than abuse of our marine resources. Recent examples include the use of technology such as the Internet, Facebook, Social Media and now Artificial Intelligence [AI]. Initially the source of such optimism, they have also been used by the criminal element. Cybersecurity is now big business. Reflective thinking can help us decide how to use the tools of modern management to face the current challenges to the sustainability of the ocean.
- b. *Stakeholder Analysis rather than Shareholder or Stockholder Analysis*. The latter theory has prevailed in economic circles and produced some unintended and undesirable consequences. Examples are: an overemphasis on production and consumption that has produced serious social costs, especially climate change and pollution. St. Ignatius would call this “*PLUS*” [emphasis on quantity of consumption and production] rather than “*MAGIS*” [emphasis on quality of life]. Many people today prefer to measure the health of a society using the *Happiness Index* rather than the standard *Gross Domestic Product [GDP]*. Stakeholder Analysis opens our eyes to the importance of all parties affected by policy decisions, not just the welfare of owners alone. This concept was developed in the field of *Business Ethics*. It is now a very valuable tool of analysis, especially since some of the stakeholders do not have a voice. In the case of the oceans, they are the fish who live there.
- c. *Multi-Disciplinary Approach vs Narrow Specialization*. In the field of tourism, Jafari-Jafari has created his marvelous interdisciplinary wheel. It shows us how the insights of many different academic disciplines can be applied to the field of *Tourism and Hospitality Studies*. Tourism can be used properly or abused. The oceans depend on cooperation between many academic fields, especially geology, geodesy, geophysics and geography.
- d. *Multiple Intelligence Vs IQ* [which only measures Verbal and Mathematical Skills]. Howard Gardener have given us the concept of *multiple intelligences* beyond these two narrow categories. He started with seven. An appropriate example for oceans is the idea of spatial intelligence. How did sailors in the vast South Pacific ever navigate thousands of nautical miles without the help of electricity, radio communication or GPS? They were geniuses in the field of spatial intelligence. An elite attitude that puts too much emphasis on mental skills alone is not enough. We must take advantage of the skills possessed by millions of little people. They are “street smart” and without a lot of formal education. They study in the *School of Hard Knocks*.

Another key concept is paradigm. In his best-selling books starting with *The Seven Habits of Highly Effective People* [1989], Steve Covey begins with this concept. A paradigm is our way of looking at the world, our blueprint of how the world works. The *International*

Association of Jesuit Business School has produced a concept called the *Inspirational Paradigm of Jesuit Business Education*. It challenges the popular emphasis on greed, ambition, aggression, consumption, etc. that neglects sustainability and ethical considerations.

Perhaps the best example of a change of paradigm is Christopher Columbus. In 1492, the majority of people thought and believed that the world was flat. Based on empirical experience, it made a lot of sense. However, he cleverly convinced one of the major global and naval power at the time – Spain – to test his hypothesis that the world is instead round. He set out looking for the Spice Islands in present day Indonesia but ended up in the Caribbean. His success set off the colonial wars between the then existing naval powers of Spain, Portugal, England and The Netherlands. This has produced the colonial system that has left many developing countries feeling inferior to their European counterparts. Indonesia was called the *Dutch East Indies* for over 350 years. We are now trying to instill a sense of self-esteem and self-confidence needed in our young people to develop modern Indonesia after 78 years of Independence.

Another example of a paradigm shift is vividly illustrated in the Oscar winning film *Oppenheimer*. It portrays the intensive work of the most brilliant minds in the area of physics in the early 1940s. They worked night and day with a team of assistants to produce the atomic bomb. This new invention was designed to destroy millions of people in one swoop. The fear of a nuclear war is the heritage of this great scientific endeavor. On the other hand, we recently witnessed the opposite effect in the work of dedicated scientists who worked together to come up with the Covid-19 vaccine that saved, not destroyed, millions of lives around the world. They were able to enjoy the benefits of the Internet and global communication technology. Normally, it takes 10 years for the approval of a new vaccine by the Federal Drug Administration [FDA] in the USA. Thanks to the pragmatic loosening of some regulations, the vaccine was available in just seven months. While this effort involved the dedicated work of scientists in biotechnology and government officials, the key player was the international pharmaceutical industry. Through their expertise in manufacturing and marketing, they were able to deliver the vaccine globally as quickly as possible. Yet today only 7% of Africans have been vaccinated and there is still controversy over patent rights.

This conference wants to challenge our international network of Jesuit Business Schools to work together in a similar way to resolve the challenges facing the ocean. We need to question the popular views of business and economics. We need to change the mentality that prioritizes consumerism, a blind faith in progress and technology for its own sake and the belief in the efficiency of the “invisible hand” of Adam Smith. This idea produced the belief that a free market system based on perfect competition would automatically solve all of society’s problems. The new emphasis is on

- a. Cooperation instead of unhealthy competition.
- b. Quality of life instead of quantity of consumption and production.
- c. Service Management instead of Industrial Management based on blind efficiency.
- d. The *Happiness Index* instead of *Gross National Product* [GDP].

In essence it is based on *Catholic Social Teaching* that tells us *virtus stat in medio* = all things in moderation. We search for “satisficing behavior”, not just “consumer satisfaction” alone. This moderation searches for a healthy balance in the work - life dimension of modern life. Business and Government leaders can play a decisive role in reversing the negative paradigm. We need to prioritize *Wealth Creation* [positive] more than mere *Poverty Reduction* [negative]. Think of the impact of global companies like Microsoft, Boeing, Amazon and Starbucks that all originated in just one city = Seattle, Washington. They have all created enormous wealth, income and employment for millions of people. They created new forms of work based on the healthy development of technology. Let us now use our talent base to work together on the ocean.

We sincerely hope this conference will help you reexamine your own paradigms. Which ones are correct while others are wrong? Which ones will produce results that are good while others produce bad ones. Our conference takes place in the former *Dutch East Indies* with a population of some 270 million people. It enjoys the comparative advantage of a demographic dividend in the form of young people on the verge of their most productive years in the global market. Let us not waste this golden opportunity. Geographically, Indonesia is a vast country. It is the largest archipelago in the world = 17, 500 islands called the “Pearl of the Orient”. It occupies one eighth of the Equator. It stretches from east to west in an area wider than the continental USA or from London to Kabul. There are some 6 million small scale fishers. They used over 600,00 fishing vessels in 2014. They are a key stakeholder but have a weak voice in the dialogue. The ocean in Indonesia is four times the land area. Yet the level of development of marine resources is only 25% of its potential. Let us get to work and use our talents and energy to help them and other fishers around the world.

Personally, I am reminded of a peak experience in my own life. As a Freshman or First Year student at Boston College, the world was experiencing the exciting independence movements in many colonial countries. The world stage was occupied by great and courageous leaders like Sukarno in Indonesia, Julius Nyerere in Tanzania, Tito in Yugoslavia and Gandhi in India. In January 1961, in his *Inaugural Address* as the new American President, John F. Kennedy, the first Catholic President of America, posed a stimulating question for our reflection. “Ask not what your country can do for you. Instead ask what you can do for your country”. Let us rephrase the question today: “Ask not what the ocean can do for you, but rather what you can do to save the ocean”.

2. Natural Capital and The Ocean

Logically speaking, the natural world is humankind’s greatest asset. In the “Natural Capital” paradigm of environmental economics, components of the biosphere are treated as assets to be valued. For example. the lobster fishing supply chain in the American state of Maine contributes some US\$ 1 billion to the state’s economy. It also employs as many as 12,000 people who work in it. The Blue or Marine Economy represents a value of US\$ 1.5 trillion a year. Our planet is dominated by oceans rather than land. There is twice as much water on earth as land. Scientists know less about the high seas than about the Moon and Mars. Recently researchers found several thousand new underwater mountains [seamounts] by measuring the effects of gravity on the earth’s surface. Although they cover less than 1/1000 of the world’s sea floors, coral reefs support a quarter of known marine species. Marine biologists think that oceans might host more than 2 million species of marine animals, of which they have so far catalogued only one tenth. Scientists have mapped nearly all of the Martian surface but less than one quarter of the seabed. Mesopelagic is a layer of the ocean, a few hundred meters below the surface. It is home to animals in abundance as well as 10 billion tons of animals. Cropping a mere 1% of this each year would double the land catch of the ocean’s fisheries.

The South China Sea contains about one tenth of the global fish catch. China is the biggest fisher and the biggest subsidizer of fishing. The fate of the oceans threatens the livelihood of tens of millions of fishers in Indonesia, West Africa, the Pacific Islands and coastal states. Of the 25 most prolific fishing countries, 17 are developing countries. Peru’s natural resources have given the country one of the world’s largest or greatest fisheries – the third biggest after China and Indonesia. Peru exports US\$ 3 billion a year and has created 700,000 jobs for fishers.

Oceans provide three billion people with about one fifth of protein consumed. The world currently consumes more fish per person than ever before – about 20 kilogram per person a year. Half of all fish we eat come from aquaculture or fish farming. Fishing and aquaculture

provide a livelihood for 1 out of every 10 people. Of the three ways of obtaining food [arable land, animal agriculture and fishing] fishing alone has remained vital to human civilization. One problem is that the fishers have always been secretive by nature. Moreover, the oceans store more than 90% of the heat trapped on earth by greenhouse gas emissions.

Unfortunately, humans have wrongly tended to believe that the oceans are inexhaustible. For Christians, God intended the products of the sea and land for human use. There is now concern about overfishing, pollution and global warming. Pollution [notably fertilizer run off] damages a lot of marine ecosystems. Carbon dioxide accumulated has raised the average sea surface temperatures by 0.7 Celsius. Fish are being plundered from the ocean at an alarming rate. Some 50 million fishers operate in small boats and are not included in global statistics. Three quarters of all industrial fishing vessels and one quarter of transport and energy maritime vessels have been left out of previous tallies of human activity at sea. Oceans now contain more plastic than fish by weight. Almost 90% of stocks are fished either at the sustainable or beyond sustainable limits.

Despite their size, the oceans are relatively under researched. In many rich countries, fishing is not a big enough industry to make such research a national priority. Investors currently have little information on how their choices of investment affects marine life. In 2017 *Global Fishing Watch* followed 60,000 vessels = 50-60% of the world’s catch. The IMO requires ships over 300 tons to have an Automatic Identification System [AIS] = radio transmitter which tells anyone in the vicinity of the boat’s position.

One of our conference objectives is to consider future research project. Our choices should depend on the feasibility of the recommendations that come out of that research. More specially, how are they related to the Strategic Development Objectives of the UN? Our research should have an action dimension to it. Our methodology will be basically reflective. It will be more exploratory and descriptive than empirical, explanatory or predictive. What is the *status questione* = the state of the question? Until recently, the oceans have not received the attention they deserve, especially from the general public. Hence, our emphasis will be on the basic questions of who, what, where, when and how related to the oceans. It relies on more popular media sources rather than formal, academic or scientific sources.

Like the Chinese proverb, our research journey must begin with the first step. Our intellectual curiosity has been stimulated by the oceans. We expect to discover the vast amount of multi-disciplinary research already done on the oceans. In fact, the topic is not new. Humankind has millenniums of experience with the oceans. What is needed is not Artificial Intelligence [AI] but Authentic Wisdom [AW]. Empirical and digital science does not have a monopoly on truth and understanding. For example, good literature can teach us a lot about the oceans as the paper by Professor Novita Dewi and Dr. Firma will show.

Fortunately, our modern age gives us new tools for a more scientific, formal and intellectual approach to the topic. New concepts can be applied to old phenomena as the philosophy of phenomenology teaches us. Respect should be given to people who have dedicated their lives to research on the oceans. Pope Francis in his Netflix series on *Stories of Our Generation* has included a New Zealand pioneer in ocean research. The four Apostolic Preferences from the 36th General Congregation of the Society of Jesus can easily be applied to the Blue Economy. UAP#1 focuses on the need for reflection and discernment. Wisdom is needed to complement the findings of science and technology. UAP#2 involves walking with the poor. Many lower income people depend on the oceans for their employment, income and food. UAP#3 emphasizes walking with youth who will inherit the consequences of trying to make the oceans sustainable. They can be a great source of employment for young people. Finally, UAP#4 means that the theme of our Common Home should also include the oceans.

Our reflections will follow the five phases of the Ignatian examen of Consciousness [LT3F = Light, Thanks, Feelings, Focus, Future] [Hamm, 1994]. They include praying for light,

reviewing the day in thanksgiving, reviewing the feelings that surface in the replay of the day, choose one of those feelings (positive or negative) and pray from it and finally looking forward toward tomorrow. According to Lowney (2003, 2005, 2009 and 2013), this daily exercise is one of the keys to the *Heroic Leadership of the Jesuits* over the centuries. It helped them develop the proper mindset, namely, the abilities to innovate, to remain flexible and adapt constantly, to set ambitious goals, to think globally, to move quickly and to take risks.

Four unique values created leadership substance: self-awareness, ingenuity, love and heroism. Jesuits equipped their recruits to succeed by molding them into leaders who:

- a. Understood their strengths, weaknesses, values and worldview.
- b. Confidently innovated and adapted to embrace a changing world.
- c. Engaged others with a positive, loving attitude.
- d. Energized themselves and others through heroic ambitions.

The Jesuits offer a leadership model that flows against the tide of most contemporary leadership models. The stereotype of top down, immediate, all transforming leadership is not the solution. It is the problem. Downey (2003) explains that Jesuit leadership qualities include:

- a. Always teaching and learning (*Magis*)
- b. Mold brilliant and eminent “men and women for and with others”
- c. Persevere
- d. Energize themselves by the sheer ambition of their heroic goals.
- e. Innovate by approaching their challenges in ways their predecessors never imagined
- f. Devote themselves to excellence
- g. Remain open to new ideas, even in old age
- h. Honor the truth above their egos
- i. Influence others by their example.

Downey (2003) declares that an introspective journey builds the foundation for success. Everyone has the capacity to cultivate these leadership skills by committing to the personal introspective investment that will develop them. Hence, he stressed the vital importance of the habit of self-reflection. This principle is the basis of the new paradigm of Ignatian Pedagogy in education [Go and Atienza, 2019] According to Downey (2003), the more senior one’s role within an organization, the less critical to success are intellectual and technical skills compared to emotional intelligence. EQ includes self-awareness, self-regulation, motivation, empathy and social skills. No company values self-awareness so profoundly as the Jesuits. The examen of consciousness creates an ongoing feedback loop. A basic principle is that we are all leaders and our whole lives are filled with leadership opportunities. While the Jesuits survived and flourished for over 500 years, a mere 16 of the 100 largest USA companies of the year 1900 survived to celebrate long enough to celebrate a centennial.

According to American President Truman, leadership is the art of persuading people to do what they should have done in the first place. This is wise advice of the Blue Economy. Unfortunately, Machiavelli’s *Prince* is still the primer for would be leaders who end up without an ethical perspective. For Machiavellian Theory X managers, the challenge is making humans work. For Ignatian Theory Y leaders, the challenge is making them want to work. (Downey, 2003). Self-awareness is never a finished product. No depth of self-awareness would save a person from every misjudgment, nor is that a realistic goal of self-reflection. We need to reflect on mistakes, learn from them and move on. We have made a lot of mistakes in the Blue Economy. According to Downey (2003), *Magis* driven heroes bring energy, imagination, ambition and motivation to their work. The results take care of themselves. Self-awareness is no one time project. A challenge that confronts every successful company is to keep reinventing themselves instead of resting on their laurels.

3. Four Key Concepts for Approaching the Blue Economy

3.1 *Tantum Quantum*

Basically, the Ignatian *Principle and Foundation* or *Tantum Quantum Principle* applies to the oceans. Focus must be on the proper use and not the abuse of this God given treasure. Positively speaking there are many opportunities such as new products [particularly new medicines], creating meaningful jobs and creating wealth in general. Negatively speaking we need to stop the abuses of the oceans. An ounce of prevention is worth a pound of cure. Unfortunately, the oceans are both a playground and a battleground.

Go and Atienze (2019) offer a fresh understanding of Ignatian Pedagogy. It is true learning that requires learning by doing, reflecting and refracting. Refraction is a combination of reflection and action. In order to experience, reflect and act, learners need to take the three roles of inquirer, meaning maker and creator. The inquirers have a sense of the wonder and curiosity about the world around them. They are keenly observant, constantly asking questions, experimenters and self navigating to find answers to those questions. Meaning makers are learners who construct knowledge and cultivate it and then reflect on their experience. They seek patterns, connections and different perspectives. The problem is the tendency resulting for technology and its “copy and paste” culture to become mere “hunters and gatherers” in the digital forest. The creator aspects occur when learners create something using what they have learned. They learn more self-expression, work in teams and solve problems. They apply what they have learned beyond exams and use it even in novel and uncertain situations. In a reflection driven context, students need to be encouraged and guided by their teachers to make “meaning” which results from their exercise of reflection. An action oriented approach means that the purpose of learning is for students to make an actual difference in the world. They apply what they learn beyond the test. They make decisions and solve problems in the real world. There is a transfer of learning. They make a difference in the lives of others and in one’s own way transform the world. It is like a Venn diagram of three overlapping parts: experience, reflection and action. The teacher has three roles in refractive learning: designer, facilitator and coach. In refractive learning, there are three possible types of reflection: conceptual reflection, metacognitive reflection and personal reflection. On the basic level of reflection, students answer four questions:

- a. What have I learned?
- b. How are the concepts and facts related to one another?
- c. How do they fit together?
- d. How are they related to what I have learned in other topics and subject areas?

Because real world situations tend to be novel, complex and ambiguous, the application of learning requires deliberate and thoughtful attention to purpose and strategy. Excellence of one’s learning is best seen in one’s action where action refers to long term and real world application of what one has learned.

This keynote speech will focus on three topics related to the Blue Economy: stakeholder analysis, multi-disciplinary analysis and research and the theory of multi-intelligences. It will be related to the *Inspirational Paradigm* developed by the IAJBS. We need a new paradigm for the Blue Economy. Hence the title involves harmony or chaos. The stakes are high. We need to use SWOT [strengths, weaknesses, opportunities and threats] analysis as well as SOAR [strengths, opportunities, aspirations and results] analysis in the context of sustainability. The tools of business such as Human Resource Management, Artificial Intelligence, Marketing, Operations Management and Strategic Management can easily be applied to issues related to the oceans. Our focus should be more on the future while learning from past and present experience. We do not want to waste all our efforts on just describing the problem. We should be seeking feasible, realistic and authentic solutions. Action Plans at the personal, company

and government level are needed. There is a hope that this conference will not be a NATO one. No Action, Talk Only.

In view of the expectations that all participants in our conference bring to the event, apologies are in order if the paper is not empirical or hypothesis based, too abstract or theoretical or too broad or not specific enough. Using the Ignatian pedagogical methodology we want to be more reflective and ethical in our approach in the hope that these reflections will lead to more responsive behavior than supports the sustainability of the oceans.

3.2 Stakeholder Analysis and the Blue Economy

Who owns the oceans? Who will be or are the winners and the losers? There are some non-human stakeholders that have to be considered even if they are silent. Examples are the various species of fish and the coral reefs. Business today is arguably the most dominant institution in the world. As a set of organizations created by humans, business is clearly a part of society but a distinct entity separated from the rest of society by clear boundaries. The key stakeholders are business people and entrepreneurs who are the key to success in an environment without government controls. Their integrity is very crucial. Corporations serve a broad public purpose, namely, to create value for society. They must partner with a wide range of individuals and groups in society to advance collaborative goals. Stakeholders' interest must be taken into consideration when making business decisions. [Lawrence and Weber, 2011].

This is where the insights of Business Ethics are helpful because there are no external moral controls. Examples are the shipping, tourism and mining sectors. In terms of national jurisdictions, some 90% of the fish catch is from *Exclusive Economic Zones* [EEZs] that countries are entitled to claim out to as far as 200 nautical miles [370 kilometers]. Illegal, unreported and unregulated [IUU] fishing highlights the woeful state of governance on the waters that cover of two thirds of our planet. IUU fishing generates profits of US\$ 36 billion a year and could account for between 20% and 50% of the global fish catch.

There are two central questions about the relationship between business and society. What is the purpose of the modern corporation? To whom, or what, should the firm be responsible? According to the *Ownership Theory of the Firm*, the firm is seen as the property of its owners. Hence, the purpose of the firm is to maximize its long-term market value. Owners are paramount and take center stage in decision making. By contrast, the *Stakeholder Theory of the Firm* emphasizes that corporations serve a broader public purpose: to create value for society. According to Lawrence and Weber (2011), there are three core arguments to support the theory.

- a. Descriptive – the stakeholder view is simply a more realistic description of how companies really work. As a practical matter, managers direct their energies toward all stakeholders, not just owners.
- b. Instrumental – Stakeholder management is more effective as a corporate strategy. Companies that behave responsibly toward multiple stakeholder groups perform better financially, over the long run, than those that do not.
- c. Normative – Stakeholder management is simply the right thing to do. The privileges of great power and control of the vast resources of corporations carry with them a duty toward all those affected by a corporation's actions. All stakeholders, not just owners, contribute something of value to the corporation.

Stakeholders are defined as persons and groups that affect, or are affected by, an organization's decisions, policies and operations. Stakeholders include such diverse groups as customers, employees, stockholders, the media, Governments, professional and trade associations, social and environmental activists and Non-Governmental Organizations [NGOs]. Business organizations are embedded in networks involving many participants. Each of these participants has a relationship with the firm, based on ongoing interactions. Strong relationships between a corporation and its stakeholders are an asset that adds value. On the

negative side, some companies disregard stakeholders’ interest. Such attitudes often prove costly to the company. According to Lawrence and Weber (2011), stakeholders can broadly be divided into two groups:

- a. Market Stakeholders – those that engage in economic transactions with the company as it carries out its primary purpose of providing society with goods and services. Each relationship is based on a unique transaction or two way exchange.
- b. Non-Market Stakeholders – people and groups who – although they do not engage in direct economic exchange with the firm – are nevertheless affected by or can affect its actions.

Non-market stakeholders are not necessarily less important than others, simply because they do not engage in direct economic exchange with a business. Interactions with such groups can be crucial to a firm’s success or failure.

An important part of a modern manager’s job is to identify relevant stakeholders and to understand both their interests and the power they may assert on these interests. According to Lawrence and Weber [2011], there are four key questions to be answered.

- a. Who are the relevant stakeholders? Not all stakeholders will be relevant in every management situation. Besides identifying, we should also understand the nature of their interests, power, legitimacy and links with one another.
- b. What are the interests of each stakeholder? They are essentially the nature of each group’s stake. What are their concerns? What do they want from their relationship with the firm?
- c. What is the power of each stakeholder? This means the ability to use resources to make an event happen or to secure a desired outcome. There are four types of stakeholder power:
 - 1) Voting Power = the stakeholder has a legitimate right to cast a vote. Voting rights are proportionate to the percentage of the company’s stock they own.
 - 2) Economic Power = Customers [buy products or services], suppliers [fill orders] and retailers may have economic power. It often depends on how well organized a stakeholder group is.
 - 3) Political Power – Governments exercise political power through legislation, regulations or lawsuits. Other stakeholders use their power indirectly by urging Government to use its power by passing new laws or enacting regulations.
 - 4) Legal Power – Stakeholders have legal power when they bring suit against a company for damages, based on harm caused by the firm.

According to Lawrence and Weber (2011), in practice managers pay the most attention to stakeholders possessing greater:

- a. Salience – they stand out from a background and are most important. Salient stakeholders have power, legitimacy and urgency.
- b. Legitimacy – the extent to which a stakeholder’s actions are seen as proper and appropriate by a broader society.
- c. Urgency – the time sensitivity of a stakeholder’s claim and the extent to which it demands immediate action.

Generally speaking, the more of these three attributes a stakeholder possesses, the greater the stakeholder’s salience and the more likely that managers will notice and respond. It also helps managers see how stakeholders coalitions are likely to form and what actions are likely. Building positive and mutually beneficial relationships across organizational boundaries is a growing part of management’s role.

Today it must be acknowledged that the external environment of business is dynamic and every changing. Most companies operate in a swirl of social, ethical, global, political, ecological and technological change that produces both opportunities and threats. According

to Lawrence and Weber (2011), there are six dynamic forces shaping powerfully business and society.

- a. Changing social expectations – Business should be more responsible.
- b. Growing emphasis on ethical reasoning and action. There is a need for guidelines about that is right or wrong, fair or unfair and correct or wrong.
- c. Globalization – We live in an increasingly integrated world economy, characterized by the unceasing movement of goods, services and capital across national borders.
- d. Evolving Government regulations and business response. The role of Government has changed dramatically in many nations in recent decades.
- e. Dynamic natural environment – All interactions between business and society occur within a finite natural ecosystem.
- f. Exploration of new technologies and innovation. Technology is one of the most dramatic and powerful forces affecting business and society.

These powerful and dynamic forces establish the context in which businesses interact with their many market and non market stakeholders. Since the relationship between business and society is continuously changing in new and often unpredictable ways, management must try to meet reasonable expectations of stakeholders and society in general. A successful business will meet all of its economic, social and environmental objectives. Hence, the purpose of the firm is not simply to make a profit, but also to create value for all its stakeholders.

Paine (2023) emphasizes that stakeholder capitalism can take many forms but few leaders distinguish among them. The challenge is the failure of corporate leaders to establish a shared understanding of which form they are embracing. This leads to confusion and controversy. The solution is to reduce the risk of such misalignment. Leaders should be clear about which version of stakeholderism they are espousing and what it will take to deliver on that commitment. Paine (2023) describes the four main types:

- a. *Instrumental Stakeholderism* which tries to maximize long term shareholder value. It rests on the hypothesis that the interests of all stakeholders can actually help maximize returns to shareholders. Thus, the interests of different stakeholders are interdependent. The problem is predicting which course of action will most likely maximize long term stakeholder value. The longer the time frame, the more speculative the exercise.
- b. *Classic Stakeholderism* which respects stakeholders' legitimate claims. Some shareholders' interests should even be addressed when they do not contribute to shareholder value. The legitimate concerns of constituencies other than shareholders also must receive appropriate attention as expressed in the *Business Roundtable of 1981*. The problem is that determining which interests must be respected is not always easy. There are also difficulties in resolving conflicts between stakeholders' claims. Moreover, there is a lack of a single decision rule for resolving trade-offs.
- c. *Beneficial Stakeholderism* emphasizes improving outcomes for stakeholders. It lies in measuring the improvement of stakeholders' well-being. Thus, the company's directors "balance" or "consider" the interests of its various stakeholders when setting policies and making decisions. In the case of safari tourism, this means considering the well-being of the silent stakeholders = the animals themselves. In the case of oceans, it is the millions of fish there. The main problem is facing the trade-offs among different interests.
- d. *Structural Stakeholderism* which tries to increase stakeholder power. This calls for giving new shareholders voting or other powers in the governance process. For instance, employees are the stakeholder group most often given Board Representation. It is based on the hypothesis that corporate boards should comprise representatives of various stakeholder groups.

3.3 *Multidisciplinary Approach to the Blue Economy*

In the field of tourism, Jafari-Jafari has created his marvelous interdisciplinary wheel. It shows us how the insights of many different academic disciplines can be applied to the field of *Tourism and Hospitality Studies*. Tourism can be used properly or abused. Similarly, the oceans depend on cooperation between many academic fields, especially geology, geodesy, geophysics and geography.

Examples of practical needs related to the ocean include the fishing and seaweed industry, navigation and marine transport, marine biology, marine zoology and mapping the oceans. Examples of business areas include sea food production and processing, coastal and marine tourism, direct foreign investment as well as governance of the high seas.

Business Ethics and *Corporate Social Responsibility* [CSR] issues includes overfishing, the environmental impact of economic activities on the oceans [especially deep sea mining], waste disposal in the ocean [especially plastics], welfare of fishers [especially migrant workers], human trafficking of fishers from developing countries, protecting marine biological diversity, marine cybersecurity governance, regulating sea exports and deep sea mining. Hence, the wheel of Jafari-Jafari could be modified for Blue Economy studies.

3.4 *Multiple Intelligences and the Blue Economy*

The *Theory of Multiple Intelligence* of Howard Gardener can easily be applied to the Blue Economy. It is a sharp contrast to the current fad about Artificial Intelligence which does not have any “social skills”. Many stakeholders have intelligences not measured by the normal IQ test that only measures verbal and mathematical/ scientific skills. The best example is spatial intelligence. Fishers and navigators in the South Pacific have for centuries traveled thousands of kilometer without the use of the tools of modern technology such as radio contact or the GPS guidance system. Traditionally long-distance voyages relied on sea swells, clouds, the flight of birds and the star compass in Oceania [Micronesia (North West), Melanesia (West) and Polynesia (East)].

These multiple intelligences should be included in efforts to solve problems related to the oceans. There have been developments like *Emotional Intelligence* [EQ], *Adversity Quotient* [AQ], *Social Intelligence* [ScQ] and even *Spiritual Intelligence*. It is important to avoid an intellectual “ethnocentricity” of scientists and academicians. There is a need to listen to “little people” in developing countries whose lives depend on the Blue Economy. For example, the oceans may contain elements used in the cure of many diseases as we have seen in the case of herbal, traditional medicines. Hence we should not so much study the oceans as learn from them.

“Soft skills” [empathy, emotional, social and spiritual intelligence] rather than technical skills are the keys to success in some companies operating in the Blue Economy. The *Great Resignation* proved that enterprises cannot merely hire hands or brains. The whole person comes to work with body, mind, heart and soul. For example, hospitality workers are more *Emotional Workers* than *Knowledge Workers*. Some work requires people with a great deal of knowledge and the ability to work under pressure and exude some authority. People no longer are willing to accept low paying jobs without any meaning for them.

The work of Howard Gardner in the area of *Multiple Intelligence Theory* [MIT] adopts an “alternative view” based on a pluralistic view of the mind. It recognizes many different facets of cognition besides the traditional measure of verbal and mathematical skills of the Intelligence Quotient [IQ]. Western society has embraced the formal testing mode to an excessive degree. There needs to be more emphasis on assessment rather than testing as well as the uses of multiple measures. The “assessment view” values the development of productive and reflective skills cultivated in long term projects. The IQ test has been regarded as psychology’s biggest success - a genuinely useful scientific tool. The IQ test normally taken

by an 11 year old serves as a reliable predictor of their later performance in school. IQ tests predict with considerable accuracy but they are an indifferent predictor of performance in a profession after formal schooling.

Human cognitive competence is better described in terms of a set of abilities, talents and mental skills called multiple intelligences. MIT pluralizes the traditional concept of intelligence. Each intelligence must have an identifiable core operation or set of operations. All of the original seven intelligences are equally valid. The mind is a multi-faceted, multi-component instrument that cannot in any legitimate way be captured in a single paper and pencil style instrument. Cultures profit from differences in intellectual proclivities found within their population. Everyone should receive an education that maximizes his or her own intellectual potential. Howard Gardener initially listed seven intelligences: linguistic; logical-mathematical [scientific ability]; spatial [mental model of spatial world]; musical; bodily kinesthetic; interpersonal and intrapersonal.

4. Major Challenges Facing the Blue Economy

The major problem facing the oceans is that there is no government supervision of the high seas. However, there have been some international agreements about the High Seas but ultimately there are unenforceable. As a result, a kind of “Wild West” mentality that is based on the idea that “might make right” is becoming more common. A good example is the controversy in the South China Sea between China and the Philippines over fishing rights. This situation cries out for some ethical and legal guidelines. There is a need to fortify the influence and power of legitimate international institutions like the World Court in the Hague, the World Trade Organization and International Maritime Institutions.

The famous economic principle of the *Law of the Commons* certainly applies to the oceans. The lessons have not been learned. Overfishing is a tragedy of the commons = individuals and countries motivated by short term self interest overconsume limited resources. It is an example of market failure according to Adam Smith. The sea’s resources need to be looked after better by countries, consumers, companies and fishers. They all have a stake in the sustainability of the ocean. Belatedly, governments, multi-lateral institutions, conservation groups and even fishing interests are now recognizing the scale of illegal fishing and resolving to tackle it. A major concern is the rise of nationalism and self interest that is destructive of the environment.

More specifically, issues such as illegal fishing, maritime transport as well as ecological and environmental problems resulting from the pollution of the oceans. More controversial issues include the fight for sources of new drugs for pharmaceutical companies, mining the oceans for scarce raw materials as well as the protection of millions of discovered and undiscovered species living in the ocean.

There are also plans to site nuclear power plants in the ocean rather than on land – either floating on the surface or moored beneath. Marine contractors have made big leaps in productivity in recent years from dredging and land reclamation to offshore construction of oil platforms. Costs have dropped even as the speed and quality have increased as ships work in deeper, colder waters. Underwater robots have supplanted divers.

Another important issue is the military security and the ocean. Unfortunately, the nuclear arms race and nuclear submarines have militarized the oceans. Interestingly, the decline of the great colonial naval powers of England, The Netherlands, Spain and Portugal have been succeeded by the rise of the US, Russian and Chinese navies

5. Recommendations

Some practical recommendations include the following:

- a. Rich donors should contribute to fisher cooperatives in developing countries [funds, expertise and even volunteer tourism].
- b. There should be improvements in the export facilities for the fishing industry in developing countries. Moreover, they should try to add value to the final export product. Social entrepreneurs in importing countries can help improve the whole process.
- c. There should be a major effort to increase the recycling of plastics to stop the pollution of the oceans and the disruption for fish. This should involve constructive cooperation between environmental activists and the major petroleum companies that have a vested interest in the continuing production of plastics.
- d. Consumers should be encouraged to take a coastal vacation or a cruise ship vacation to support the Blue Economy directly. This especially helps fishermen, maritime workers, truck drivers and all involved in the global supply chain that supports cruise ship tourism.
- e. In general, a greater effort must be made to appreciate more the “little people” involved in the Blue Economy and how they are “street wise”. The pandemic taught us the new term of “essential workers” like doctors, nurses, transport workers, garbage collectors, etc. Workers involved in the Blue Economy can also be called “essential workers”. Hence, we need to abandon elitist thinking and value manual workers more.

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