

Blue Concept Economy Implementation in Coastal Communities Based on The Law Number 11 of 2020 on Job Creation Perspective

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ABSTRACT

This study aims to analyze the application of the blue economy concept to coastal communities based on the Law Number 11 of 2020 concerning Job Creation perspective. This study is a qualitative empirical legal research (juridical sociological) with a conceptual approach. The data taken from legal materials used include primary legal materials such as statutory regulations and secondary legal materials such as books, journals, and mass media articles. The results show the application of blue economy model and Indonesia's development planning has a positive impact on the fisheries, marine resources and the environment sustainability. However, the approach in the Job Creation Law has the potential to hinder sustainable development realization and blue economy development, as illustrated in several changes to the Law of Job Creation.

Introduction

President Joko Widodo has a vision of maritime area-based development as one of the goals of the world's maritime axis countries. Indonesia will become a solid maritime identity as the world's Maritime Axis. The maritime potential, that is currently still lagging and has not been utilized optimally by The President, is encouraged to be further improved. In addition, Blue economy strategies and programs have emerged as the most appropriate and successful approach to marine development in order to promote the most efficient and sustainable use and exploitation of fishery resources (Sari & Muslimah, 2020).

There are at least five main pillars of President Joko Widodo's maritime development agenda (Fahmi, 2014) including: first, rebuilding Indonesia's maritime culture;

Second, the commitment to maintain and manage marine resources, with a focus on building seafood sovereignty, through the development of the fishing industry, by placing fishers as the central pillar; Third, the commitment to encourage the development of maritime infrastructure and connectivity, by building sea highways, deep seaports, logistics and shipping industry, as well as maritime tourism; Fourth, maritime diplomacy that invites all Indonesian partners to work together in the maritime sector; Fifth, as a country that becomes the fulcrum of two oceans, Indonesia should build a maritime defense force.

On another occasion, President Joko Widodo also emphasized implementing the blue economy concept. According to the President, Indonesia has great power in the blue economy or "blue economy". This is related to the biodiversity in the seas of the

archipelago. The President wants the wealth of the sea to provide prosperity for all the people. Sustainability or a sustainable blue economy must be a priority agenda in all country's coastal areas. Indonesia must make wise use of God's grace through efforts to improve the welfare of the people while preserving nature and sustainable production. Indonesia's economic growth must be inclusive and be an essential part of solving the problem of sustainable development goals (SDGs) (Farisa, 2021).

The blue economy is a concept agreed upon by member countries of the Asia-Pacific Economic Cooperation (APEC) (Prayuda & Sary, 2012). Moreover, Blue economy requires adherence to the Sustainable Development Goals, which include the attribute of conserving and using oceans, oceans, and marine resources sustainably, including the primary goal of achieving social economic development and a dynamic balance of resources and environment (Wenhai, 2019). Several countries in the Asia Pacific region have committed to implementing sustainable marine and fisheries economic development with a blue economy model as the basis for a marine economic development pattern focusing on an ocean-based economy. As an APEC member, Indonesia participates in realizing cooperation between Asia Pacific countries, one of which is based on the marine economy.

APEC defines blue economy as an economic model that encourages sustainable development. An economic model that develops marine and fisheries industrialization would emphasize growth, job creation and encourage environmentally-friendly technological innovation. Marine development that is less than optimal and tends to be unsustainable is caused by a pattern of development that is not based on science and technology (IPTEK), does not apply an integrated supply chain system approach, is less inclusive and not environmentally friendly (Rani & Cahyasari, 2015).

As the largest archipelagic country globally with more than 65% sea area, Indonesia has enormous economic development potential. This is substantiated by Indonesia's geographic position as the world's largest archipelagic country, with a sea that is two-thirds the width of the entire country (Brotosusilo, Apriana, Satria, & Jokopitoyo, 2016). The potential is in natural resources such as coral reefs, mangrove forests, sandy beaches, or artificial resources such as ponds, tourism areas, industrial areas and transportation. However, the contribution of the marine sector is still relatively small for the national economy.

Coastal and oceanic areas in Indonesia have abundant natural resources, which at the same time contain various problems that need to be handled in an integrated manner (Kristiyanti, 2016). Furthermore, The best industries to expand in NTT under the concept of a blue economy are tourism and fisheries (Mahardianingtyas, Safitra, & Agustio, 2019). A Blue Economy for Better Economic Development: A Case Study of East Nusa Tenggara, Indonesia. Fisheries, 12(68.3), 2-253.). The Ministry of Maritime Affairs and Fisheries of the Republic of Indonesia stated that Indonesia's marine wealth is very high. The contribution of Indonesia's marine sector is equivalent to the United Kingdom's state budget, the seventh rich country. According to the FAO, the value is around 120 billion USD, the largest after China and Peru. Several parties are also researching the potential for marine environmental services. For example, from mangrove ecosystems, 3.14 million tons of carbon equivalent and sea grass beds of 7.4 megatons of carbon equivalent to 111 million USD. From a geographical position, Indonesian seas are among the busiest in the world, maritime investment in shipping lanes. This demands healthy and productive seas, as smart investments have an environmental and health impact (Suriyani, 2021).

However, several problems are still faced by people living in coastal areas,

namely: first, even though coastal communities have lived by utilizing the natural resources found around the coast, many of their lives are still not prosperous. Coastal communities have not been able to manage coastal resources optimally. The touch of science, especially innovation in developing resources in coastal areas, is very minimal. So they have not been able to manage the coastal resources they produce effectively, efficiently and innovatively.

Second, the socio-economic pressures experienced by coastal communities allow the use of all means to utilize marine resources, including methods that are not environmentally friendly. This statement is not a mere issue but a reality currently developing in almost all locations in coastal areas in Indonesia. Residents in coastal areas have a relatively low economic level, wherein in the west season, some fishermen do not go to sea, and most of them only depend on fish in the sea. Regarding this issue, it is necessary to develop alternative livelihoods.

Third, the vulnerability of the sea to various pressures, including exploitation, occurs in the Indonesian sea. Around the Straits of Malacca and the Java Sea, for example. It is suspected that they have shown signs of overfishing, which has been going on from the 1970s to the 1980s. The study results by the National Commission for the Study of Fish Resources as stated in the Decree of the Minister of Maritime Affairs and Fisheries of the Republic of Indonesia Number 45/Men/2011 show that fishing has taken place in all Indonesian water management areas. Whether it is done traditionally, taking marine products will still affect the stability of marine resources. Therefore, there must still be corrections, quality improvements and efforts to maintain community-based management practices.

Such efforts should be made to overcome the problems still faced by coastal communities by implementing the blue economy concept and the pillars of maritime development, especially the first and second

points, as per the President's policy. In addition, the economic development of coastal communities is also affected by state policies as stipulated in Law Number 11 of 2021 concerning Job Creation (in the future referred to as the Job Creation Law).

The job creation law claims it will realize sustainable development and solve problems in the marine and fisheries sector. However, according to the NGO Coalition for Sustainable Fisheries and Marine Affairs (KORAL), the 12 directions of Indonesian marine and fisheries governance policies formulated and adopted by the Joko Widodo (Jokowi) Government in the 2019-2024 period have the potential to cause an ecological crisis, including damage to marine ecosystems, and social injustice. It is feared that the acceleration of investment which is the goal of the Job Creation Law will ignore aspects of protecting the carrying capacity of the ecosystem and the interests of marginalized community groups in the marine and fisheries sector (Oktaryal, 2020). This study discusses applying the blue economy concept to coastal communities from the perspective of the Job Creation Law.

The analysis of Blue Economy implementation in Indonesia has been studied by Adiprayoga and Samiaji (2021) that examined the development of national food barns should be focused on the Blue Economy sector and can be started through the Sumatera region. Thus, the current research is different from this previous research since this research analyzing the application of the blue economy concept to coastal communities based on the Law Number 11 of 2020 concerning Job Creation perspective.

Method

This study used qualitative method (Sugiyono, 2013). Moreover, this research is an empirical legal research (juridical sociological) with a conceptual approach. The empirical legal research method is research that aims to make a systematic description

and description of the facts in the field related to the object of research. In a sociological juridical approach, the law (as law in action) is described as an empirical social phenomenon.

Results And Discussion

Blue Economy Concept

The blue economy concept was first introduced by Gunter Pauli, a founder and activist of the Zero Emission Research Initiative (ZERI) through the book entitled 'The Blue Economy' with the conceptual foundation of 'The blue economy: 10 years, 100 innovations, and 100 million jobs'. The blue economy model is intended to show entrepreneurs that the blue economy business model provides opportunities to develop investments and businesses that are more profitable economically, socially and environmentally because this system uses natural resources more efficiently and does not damage the environment. The production system is more efficient and clean, produce more excellent financial products, increase employment, and provide opportunities to provide benefits to each contributor more equitably (Rani & Cahyasari, 2015).

Gunter Pauli defines Blue economy as "blue ocean-blue sky". This blue economy model approach will produce economic growth and people's welfare, but the sea and sky remain blue. Tridoyo Kusumantato also conveyed the definition of the blue economy at the 'blue economy' seminar in 2012 in Bogor, that the blue economy can be stated as "economic activities on the coast and sea supported by land economic activities that provide prosperity for the community and can take place sustainably". In addition, WEN Quan (National Marine Environmental Monitoring Center Dalian, China) emphasises the blue economy, which is the power of the ocean economy.

The principles of the blue economy are nature's efficiency means blue economy imitates nature (ecosystem), works by what nature provides efficiently and does not

reduce but instead enriches nature (shifting from scarcity to abundance). Second, zero waste, waste from one being food/energy source for another, so that living systems in the ecosystem are balanced, energy is distributed efficiently and evenly without external energy extraction, working towards a higher efficiency level to circulate energy. Nutrients and energy without leaving waste to harness the capabilities of all contributors and meet the basic needs of all.

Coastal Society

Coastal communities live in coastal areas, most of whom are fishers who have different characteristics from other communities. This difference is due to the close relationship with the economic characteristics of the region, cultural background and the availability of supporting facilities and infrastructure. In general, coastal communities have a culture that is oriented in harmony with nature so that the technology for utilizing natural resources is an adaptive technology with coastal conditions. According to research conducted by Faizal (2002), people in coastal areas have low education, productivity that is highly dependent on the seasons, limited business capital, lack of supporting facilities, poor market mechanisms and difficulties in transferring technology and communication, which result in uncertain incomes for coastal communities. In addition, another source of poverty is fishermen's limited access to technology, market imbalances between the dominance of *bakul* who act as middlemen, which is exacerbated by the failure of social institutions such as *koperasi nelayan* (fishing cooperative) and TPI (the fish auction place), as well as the government's lack of impartiality toward the fishing community (Cahaya, 2015).

Coastal communities, in general, are fishermen, where in Indonesian encyclopedia are classified as workers, namely people who actively carry out fishing activities, either directly or indirectly, as their livelihood (1983). The meaning of fishers in the

Indonesian fisheries statistics book states that fishers are actively working in fishing operations/other aquatic animals/water plants (1995). Meanwhile, according to the Regulation of the Minister of Maritime Affairs and Fisheries Number: Per.17/Men/2006, fishers are people whose livelihood is fishing. Fish cultivators are people whose livelihoods carry out fish cultivation activities in freshwater, brackish, and coastal waters. Meanwhile, traditional fishers are fishermen who depend all their lives on fishing activities, which are carried out from generation to generation using simple fishing gear.

Problems Facing by Coastal Communities

The common problems faced by coastal communities include poverty levels (economic uncertainty), damage to coastal resources, environmental health, and the use of marine areas for fishers (open access and limited open access). According to Sutardjo in Rosalina (2012), coastal communities face four main problems: the level of poverty, damage to coastal resources, and the low independence of village social organizations, as well as the lack of infrastructure and environmental health in village settlements (Firdaus, Pelupessy, & Tampubolon, 2016).

The Minister of Maritime Affairs and Fisheries of the Republic of Indonesia said that the four main problems coastal communities face were poverty, damage to coastal resources, the low independence of village social organizations, and the lack of infrastructure and environmental health in village settlements (Tempo, 2012).

Blue Economy and Coastal Communities in the Perspective of the Job Creation Law

The latest World Bank report, entitled *Seas for Prosperity: Reforms for a Blue Economy in Indonesia*, describes the status, trends and opportunities towards a blue economy in Indonesia. In the report, recommendations are presented based on the efforts and targets set by the government. The report also explains that the future of the

marine sector depends on healthy natural assets – marine and coastal ecosystems. There are four main strategic proposals for Indonesia in carrying out the transition to a blue economy:

1. The Improvement of marine and coastal assets management (fisheries, mangroves, coral reefs)

Indonesia has developed a system of fisheries management areas as a structure for critical decision-making regarding harvest levels for the fisheries sector. Conceptually, this system is sound, but its implementation still requires budget, human resources, and management plans to prevent fish stocks from depleting, including ensuring clear harvest limits based on sufficient science and data.

Indonesia has also prepared a marine spatial plan by identifying areas suitable for economic activities and marine areas that must still be protected. Integration between this marine spatial plan and the business licensing system is needed to ensure that the development complies with zoning regulations. The "scorecard" system can be used to measure compliance and plan development implementation, with various indicators measuring the status of coastal and marine resources, such as mangrove areas and coral reef quality. In the long term, Indonesia may consider preparing a cadastre for marine and coastal areas (spatial title registry) to avoid conflicts over the use of marine and coastal areas.

Indonesia can apply "rights-based" fisheries management principles, which underpin best practices in the world's fisheries sector. In this system, the government grants harvest rights to people living in coastal areas or grants harvest rights to companies up to a certain amount within the harvest limit. This arrangement makes fishers one of the interested parties in fisheries management, encourages good management, and increases productivity.

By implementing more vigorous conservation activities, Indonesia could

complement its ambitious mangrove restoration target of 600,000 hectares by 2025. Restoration activities need to be complemented by measures to reduce and ultimately stop the loss of natural mangrove forests. Extending the moratorium on primary forest conversion to include mangroves would be very beneficial; Indonesia could begin designing results-based payments for the carbon stored in the biomass and soil of its extensive mangrove forests and ensure these benefits reach coastal communities to provide incentives for sustainable mangrove management.

2. Mobilization of incentives and investment

Improvements in essential services and basic infrastructure water services, and garbage disposal are needed to manage environmental impacts on coastal areas, improve essential services and quality of life for coastal communities, and protect tourist destinations from damage. The investment required will be enormous, however the involment globally shows that the potential returns from infrastructure development in this level are very high (High-Level Panel for a Sustainable Ocean Economy, 2020).

However, the infrastructure itself cannot solve the garbage disposal problem. In the long term, Indonesia's blue economy will require a circular economy that reduces the garbage from the beginning. These efforts include policies that increase plastic prices, incentives for innovation and recycling, and behavioural changes to reduce plastic use. Government Regulations on Extending Producer Responsibilities can be supplemented by a deposit refund system, standards for recycled materials, minimum recycled content requirements, and prioritizing recycled materials in public procurement.

3. A better systems for data collection and monitoring

Indonesia's complex seascapes require detailed and timely information systems to manage fisheries, ecosystems, and the

impacts of human activities. There is a need to expand survey coverage to collect stock and harvest information for specific species as the rollout of electronic monitoring and reporting systems accelerates. Agreement on consistent methods in ecosystem monitoring and data sharing is also needed. A detail data will benefit the tourism sector. Environmental impact monitoring can be extended to popular tourist destinations to detect problems and provide information on taking mitigation measures promptly.

4. Blue Economy analysis based on Perspective of the Job Creation Law

Based on the purpose of implementing the blue economy concept, it is expected to provide opportunities to develop investments and businesses that are more profitable economically, socially and environmentally. Since based on blue economy approach, natural resources are used more efficiently and do not damage the environment, the production system is more efficient and cleaner, produces more excellent economic products, increases employment, and provides opportunities to benefit each contributor more equitably.

An opportunity to harmonize short-term economic recovery efforts with long-term needs in the marine sector are available. Critical management systems – such as regional spatial and fisheries management plans – can be tested and implemented when pressure is easing. The context also gives the government time to address various challenges. Economic recovery packages can be developed to create jobs while strengthening coastal resilience, among others, through labour-intensive coastal and marine restoration activities, such as mangrove restoration and beach cleaning in areas that are highly dependent on the tourism sector, and investment in needed village infrastructure.

However, the approach in the Job Creation Law has the potential to hinder the realization of sustainable development and the development of a blue economy, as

illustrated in several changes to the provisions of the Law. Agil Oktaryal's research shows that: First, the Job Creation Law has changed the essence of environmental permits as an instrument for preventing pollution and damage to environmental ecosystems (Oktaryal, 2020).

The Job Creation Law changes the permit into an environmental approval. Second, it is feared that the simple licensing in the Job Creation Law will encourage massive business expansion in coastal areas and marine spaces. Without intending to downplay the importance of simple licensing for economic growth, this is done without considering the ecosystem's carrying capacity and minimal control or control that can maintain the level of utilization. Third, there is an exception in the Job Creation Law on the obligation to determine the spatial plan and/or zoning plan and/or review the spatial planning that has been determined if there is a strategic national policy that will ignore the essence of spatial planning as an instrument that takes into account the carrying capacity of the ecosystem. The impact of negating the essence of this Spatial Plan and/or Zoning Plan will undoubtedly have the potential to cause harm to both the community and the ecosystem. Fourth, the abolition of the provisions concerning the National Commission for the Study of Fish Resources (Komnaskajiskan) in the Job Creation Law will reduce the essence of science, an essential element in sustainable development in the marine and fisheries sector. Instead of making revisions to strengthen the role of Komnaskajiskan to provide a basis for evidence-based policies, the Job Creation Law eliminates this role. Fifth, the supervision in the Job Creation Law that uses a risk-based monitoring approach is feared to make the government or law enforcement officials lose the ability to detect violations by activities with low or medium risk.

Conclusion

In creating the integration and harmony of marine economic development sustainably, the formulation of marine economic development policies with a blue economy model in national development is a must. As the largest archipelagic country globally, the coastal areas, seas and oceans are the foundation of hope that must be developed sustainably, especially in the fishing industry. As Indonesia has enormous potential for fish resources which must be utilized efficiently to generate high revenue without destroying the ecosystem.

Thus, the implementation of both the blue economy model and Indonesia's development planning has a positive impact on the sustainability of the fishery and marine resources, and the environment. Development planning by applying the blue economy model has consequences on changing people's behavior to love the environment more, pay more attention to biological resources, and preserve the nature.

However, the approach in the Job Creation Law potentially hinders the realization of sustainable development and blue economy development, as illustrated in several changes to the provisions of the Law.

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