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***The Blue Economy in Sri Lanka***

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Exploring the Socio Economic Political and  
Ecological Implications on the Coastal  
Communities



**SNEHA BLUE ECONOMY RESEARCH TEAM**

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## 1. BACKGROUND

Globally, the concept of the Blue Economy has been emerging and projected as the Sustainable Economic Growth model by the Coastal Nations who have opened the ecosystems of the Ocean and Coast which explores Fisheries, Aquaculture, Tourism, Shipping, Biotechnologies, Maritime Security, Mining, Oil and Gas, Renewable Energy in an economically sustainable way. The aim of the Blue Economy/Blue Growth strategy using ocean and coastal ecosystem services are shared as *Sustainable Economic Development Spaces* through ecosystem integrity. Most of the Least Coastal Developing Countries (LCDC) and many Small Island Developing States (SIDS) had been adapting and shifting towards the Blue Economy/Blue Growth strategies to fulfil food security and attain decent livelihoods.

In 2008, the World Bank and UN's FAO jointly published report '*The Sunken Billions: The Economic Justification for Fisheries Reform*'. According to the report "*By improving governance of marine fisheries, society could capture a substantial part of this \$50 billion annual economic loss. Through comprehensive reform, the fisheries sector could become a basis for economic growth and the creation of alternative livelihoods in many countries. At the same time, a nation's natural capital in the form of fish stocks could be greatly increased and the negative impacts of the fisheries on the marine environment reduced*".

Following this report, the book, "*The Blue Economy: 10 years – 100 innovations – 100 million jobs*" by Gunter Pauli in November 2009, expressed that a Blue Economy Business model will shift society from scarcity to abundance "*with what is locally available*", by tackling issues that cause environmental and related problems in new ways.

Then, most of the Global and Regional Platforms such as First Blue Economy Summit (2014, Abu Dhabi, United Arab Emirates), First "Our Ocean" Conference (2014), UN Conference on SIDS (2014, Apia, Samoa) promoted Blue Economy/Blue Growth Model, through collateral agreements for technology transfer, knowledge transfer, funding support, providing Maritime Security for Indian Ocean, Pacific Ocean and other high seas.

Inspired by these developments, the World Bank and the FAO came up with the report in 2017, "*The Sunken Billions Revisited: Progress and Challenges in Global Marine Fisheries*" which advocated for Bio-Economic Model, an integrated Economic-Ecological tool used to analyse the welfare effects of changes in environmental quality.

Further, the World Bank came up with report titled '*The Potential of the Blue Economy: Increasing Long-term Benefits of the Sustainable Use of Marine Resources for Small Island Developing States and Coastal Least Developed Countries*'. This report focused on two major

challenges, one is to govern the ocean sustainability which aims for sustainable fisheries to ecosystem health and then substantial ocean governance which requires collaboration across nation-states and across the public-private sectors partnership.

To conclude, the Blue Economy Growth Model is nothing but transforming the Blue (Natural) Capital into various economic sectors i.e. Oceans and Seas as Sustainable Shared Economic Development Spaces for inclusive growth.

## **1.2. SUMMARY OF DOMINANT DISCOURSE:**

Globally adopted Blue Economy reiterates the *Exploration* of potential Ocean and Marine Resources through scientific assessment, *Exploitation* of the above resources through sustainable means, and *Expansion* of existing coastal and marine economic activities to facilitate their economic growth as well as sustainable use of resources through a legal, liberal global trade and economic agreements including environmental monitoring, among the countries with the financial support of International Financial Institutions and other private multinational investors.

## **1.3. OUR PERSPECTIVES**

However, when the above concepts are viewed from the perspectives of traditional marine fishing communities, especially through gender and ecological perspectives, we assume that the following implications will be the outcome of Blue Economic Model as this model seems to be the extension of the Neoliberal paradigm in South and South East Asian Countries.

- ✚ *Ecological externalities* such as loss of biodiversity as an inevitable consequence of exploitation of coastal and marine resources.
- ✚ *Exclusion of Marine and Coastal Communities* from their habitats, governance and user rights on marine and coastal commons, and resulting in loss of livelihoods by allowing oceans and coasts as open access systems.
- ✚ *Enforcement of Maritime Security* as a deliberate strategy of blue economy towards militarisation of coast and increasing global governance

## **1.4. OUR INITIATIVE**

In the above context, SNEHA<sup>1</sup> undertook a study to explore the Social, Economic, Ecological and Political Implications of ‘Blue Economy’ on SSF and Fisherwomen in South and South East Asia with the following objectives:

- To enable the process of evolving an alternate people centric policies, institutions and jurisprudence at the macrolevel for the cause of coastal communities with a special focus on small-scale fisherfolk and women, by generating knowledge from a coastal, ecological and gender perspectives
- To promote a platform for the voice of the Global South, which seeks to challenge the dominant discourse of Blue Economic Growth model and advocate for an International Legal Instrument which will ensure right to coastal and marine governance and user rights to ocean and coastal commons

SNEHA decided to undertake this study covering countries in South and South East Asia.

## **1.5. RATIONALE FOR THE AREA OF STUDY**

- ❖ On the west coast, India shares its maritime boundaries with Pakistan, while on the east coast, the boundaries are shared with Sri Lanka, Bangladesh, Thailand and Indonesia.
- ❖ In some cases, it is not only the shared maritime boundaries but also shared ecosystems, such as the Gulf of Mannar and Palk Bay between India and Sri Lanka; Sunderbans between Bangladesh and India; and the Myeik (Mergui) Archipelago in the Andaman Sea.
- ❖ Both the Arabian Sea and the Bay of Bengal harbour migratory as well as straddling fish stocks, such as tuna and tuna-like species, sharks and Spanish mackerels. Blue Economy policies have been adopted by these countries to different extents, and coastal communities from here have much to learn from one another, and strengthen global solidarity.

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<sup>1</sup> Social Need Education and Human Awareness (SNEHA) is a grassroots organisation based in Nagapattinam in Tamil Nadu, working with coastal communities especially women and children since 1984 through Policy Advocacy, Research, Networking and Campaign and development interventions to protect the rights of the coastal communities and coastal ecology in alliance with Coast Actional Network (CAN) and National Fishworkers Forum (NFF)

## **1.6. PROCESS OF THE STUDY**

- ✚ Filed Visits to Study Sites in Sri Lanka, Bangladesh, Thailand, India and Indonesia
- ✚ Focus Group Discussion with representatives of Coastal and Marine Communities (SSF and Women Fish workers), Trade Unions, Federations, Associations
- ✚ Interviews with Traders, Dealers of Value and Supply Chain of Fisheries
- ✚ Interfacing with National and Local Coastal Government Authorities
- ✚ Discourse with Experts, Academicians, and Scholars
- ✚ Interaction with leaders of Political parties and CSOs
- ✚ Desk Review: Policies, Legislations and other Institutional frameworks (Country Specific)
- ✚ Inception, Perspective Building and Validation Workshops at the International Level

## **1.7. SCOPE OF THE STUDY**

The study has attempted to document and summarise the implications of Blue Growth Model from the perspectives of the coastal communities, victims of the blue economy projects, research team and collaborating partners of the study. In a nutshell, the study attempted to review the ongoing projects under BE as an extension of neoliberal regime. As the study is qualitative in nature, the research team put forth the assumptions based on the desk review and available study reports. The validity of the assumptions was carried out through Field Observations, Case Studies, Testimonies of the people through Focus Group Discussions and Interaction with various stakeholders of the study.

## **1.8. LIMITATIONS OF THE STUDY**

The findings of the qualitative study need to be studied in-depth using other quantitative tools. The study did not focus on all the components of BE. But a common observation is that the oil extraction, conservation, and mariculture projects are conflicting each other and ecosystems and well-being of ocean are severely damaged. This needs to be proved which needs further research.

## **1.9. CHAPERTERISATION**

The study is discussed in ----- chapters. The chapter one elaborates on Introduction, Concepts, Assumptions, Process, Scope and Limitations of the study. The chapter two provides the existing literature, study reports, analysis of the policies, legislations, budget plans related to the BE components of the countries chosen for the study. The third chapter describes on data collection through field visits and FGDs. The fourth chapter analyses the data and summarise the findings. The Final chapter enlist the conclusion and recommendations.

## **2.1. PROFILE OF SRILANKA**

Sri Lanka, an Island with a sea area which is seven times larger than its land area of approximately 65,610 km<sup>2</sup> and a coastline of length 1,620 km. in the Indian Ocean southwest of the Bay of Bengal. Sri Lanka is a democratic republic and a unitary state which is governed by a semi-presidential system.

## **2.2. STATUS OF MARINE AND COASTAL ECOSYSTEM**

Sri Lanka has 103 rivers the longest of which is the Mahaweli (335 km). The coastline is surrounded by highly productive marine ecosystems (e.g. fringing coral reefs 65 Marine and Coastal Protected Areas in the South Asian Sub-region. Sri Lanka also has 45 Estuaries and 40 Lagoons, as well as Mangroves, which serve to protect the coast from natural disasters (e.g. the Indian Ocean Tsunami, 2004). The coastal biodiversity of the country is extremely rich with 85 fish species including 51 fresh water crab species.

## **2.3. MARINE AND COASTAL PROTECTED AREAS**

There are 30 marine and coastal protected areas in Sri Lanka, Sri Lanka ecosystems and ecosystem services are threatened by climate change. The coast is vulnerable to the effects of rising sea levels which are likely to result in losses of land and coastal biodiversity as well as to increases in the frequency and strength of tropical storms associated with climate change leading to the loss of resources, employment opportunities and ecosystem services. The fisheries industry is also likely to be impacted by rising sea temperatures and ocean acidification, which will result in the destruction of coral reefs and loss of habitats important for a number of commercially important species.

## **2.4. PROFILE OF FISHERIES SECTOR**

### **2.4.1. Marine Fishing communities**

There are at least 1,337 fishing villages in the marine sector, with 1 289 in the inland sector, a total of at least 2,626 villages considered to derive their main income from fisheries. The marine sector accounts for 85 percent of the employment in the fisheries sector.

#### ***2.4.1.1. Gears and Crafts***

The marine fishing fleet consists mainly of small- to medium-sized craft, owned and operated by private individuals and broadly classifiable into: non-motorized traditional craft, motorized traditional craft, Fibre Reinforced Plastic (FRP) Boats, glass hulled boats of 6–7 m Over All Length (OAL), offshore multi-day boats; and beachseine craft. Traditionally, fishing has been inshore using simple canoes with outriggers and, despite development efforts spanning over 50 years, this type of boat made up nearly half of the fleets till 2004.

#### ***2.4.1.2 Northern Sri Lanka***

In the North, the fleets are almost entirely small scale including motorised as well as non-motorised fishing by traditional fishing communities like Karaiyar, Muthurayar using traditional cotton nets till 1950. Before the onset of civil war (1983) north contributed 43% of Sri Lanka's total fisheries. At present, a few 1500 mechanised trawlers (single day) are also found in the north and contributes close to 17% of Sri Lanka's Fisheries Economy including traditional fishing.

#### ***2.4.1.3 Southern Sri Lanka***

In the 1950s, kattumarams and beach sienes were the predominant fishing practices used. Outboard engines were introduced in the 60s along with longer plank canoes. Norwegian support led to introduction of trawlers. However, unlike India, trawlers did not become popular. Instead, Japanese introduced fibre boats began to get popularised. These Karava fishermen innovated by making separate compartments for ice in those same boats, and these began to be called Tank Boats, which were fit for multiday fishing. These boats have since evolved into larger boats, with long-lines and gillnets, equipped with GPS, high frequency radios, and the like. The fish landings centers are concentrated in the southern and western districts. As part of post war fisheries development programmes, there is a move towards harbour based mechanised fishing.

### **2.4.2. INLAND FISHERIES**

Sri Lanka has 103 perennial rivers, of which 23 river basins are larger than 500 km<sup>2</sup>. Of the total area of about 280 000 ha of inland water bodies, 160 000 ha are lakes and ponds, while the rest (120 000 ha) consists of lagoons and marshlands. Inland reservoirs and tanks usually carry water all the year round (70 000 ha) and other reservoirs and tanks (76 000 ha) are seasonal.

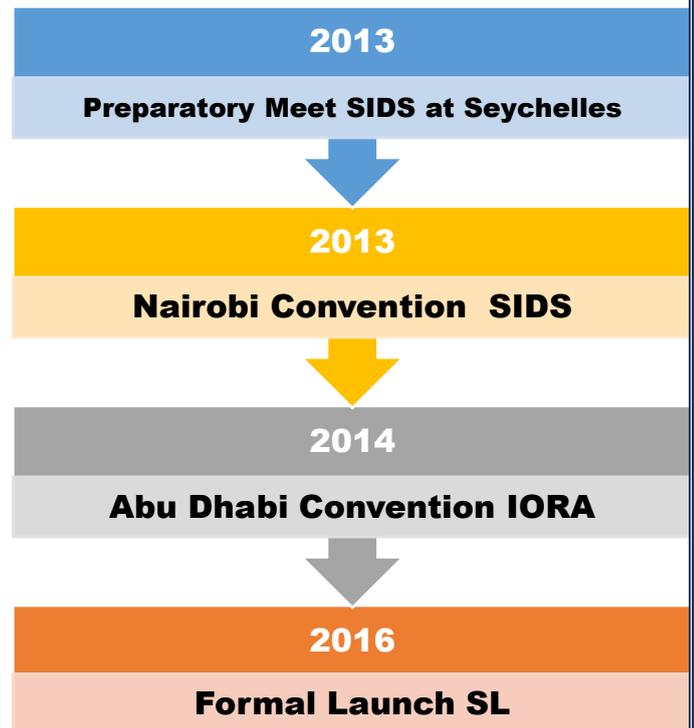
### 2.4.3. AQUACULTURE

Brackish-water aquaculture in Sri Lanka is completely dominated by shrimp farming. The major species cultivated is *Penaeus monodon*. Industrial shrimp farming was mainly found in the north western provinces, where there were about 1, 200 shrimp farms. According to FAO report 2006, about 11,000 ha were available for land-based coastal aquaculture, other than shrimp.

## 2.5 ADOPTION OF BLUE GREEN ECONOMY IN SRI LANKA

### *Focal Point*

- Recognising that States should take efforts to enhance management mechanisms that minimise and mitigate unsustainable exploitation of marine resources.
- Recognising that for many States transition to a Blue Economy will entail a fundamental, systemic change in policy, legal and governance frameworks.
- Noting that enabling mechanisms for the Blue Economy include technology transfer, capacity building, targeted streamlined financing mechanisms, including debt for nature and/or adaptation swaps, and modes of science-based implementation



### *Salient Features of Blue-Green Economy*

- ✚ Sri Lanka will establish clean industries engaged in low carbon emission production
- ✚ Sri Lanka will create a watershed restorative, health preserving, organic agriculture for food security
- ✚ Sri Lanka will champion renewable energy generation, low loss transmission and energy storage utility sector
- ✚ Sri Lanka will create a green LEED standard construction industry
- ✚ Sri Lanka will create an alternative energy:
- ✚ Sri Lanka will create Green Cities and Villages that are healthy and safe to live
- ✚ Sri Lanka will prepare for a Blue Green economy workforce

- ✚ Unlocking the value of our Ocean’s living resources sustainably
- ✚ Research our biodiversity rich marine biological resources to discover new medicines and products
- ✚ Tapping the potential of our ocean mineral & seabed resources to establish high technology “clean industries” that serves the global market
- ✚ Establishing low carbon footprint port facilities
- ✚ Developing a conservation-oriented tourism industry that takes advantage of our renewable energy resources in the coast and the oceans
- ✚ Promoting coastal recreational, beach and water Sport activities
- ✚ Opening up maritime archaeology and
- ✚ Making Sri Lanka the guardian of the Indian ocean
- ✚ Pursuing new global opportunities in ocean energy
- ✚ Developing coastal area protection measures and upgrade our coastal area habitat infrastructure

## **2.6. NATIONAL PHYSICAL PLAN 2010-2030**

### ***2.6.1. Tourism & Smart Nation***

The National Physical Plan provides the infrastructure facilities to cater to the needs of Industrial Development and Tourism for making Sri Lanka a Smart Nation. The GoSL had declared most of the coastal districts shall be the site of projects such as the Construction of Mega Cities, Industrial Zones, Super High Ways, Air Ports, Harbours and more infrastructure development activities in coastal areas.

The Tourism development projects such as Kalpitiya Tourism Development Area in mangrove forest area, hotel construction in Rathgama lagoon,[Southern Coast], road construction in Kokkilai Lagoon [East coast] , Sea Plane –Air Taxi for tourists transportation in Negombo lagoon [West Coast], Paanama lagoon and coast [East Coast] are converted for Kuchahaveli Beach and Marble Beach Tourism in Trincomalee [East Coast] were directly harmful to coastal and marine resources.

In addition, the Mega City Development Project and Construction of Artificial Island for tourism promotion in the sea area of Colombo Port (Colombo Port City) with the financial support of Chinese Communication Construction Company.

#### ***Tourism Development “Collaterals”***

According to NAFSO reports on Military Tourism and its Impacts are as follows

- ❖ In Kankesanthurai [KKS] the military is running the Thalsevana Holiday Resort and

only soldiers are working in the hotel. The local community does not gain any benefits from the project.

- ❖ Around 10,000 fishers in Kalpitiya islands are being affected by Tourism development
- ❖ In Kalkudah (Passikudah), the fishermen have lost almost all access to the sea.
- ❖ In Kuchchaveli, the local community has not been informed about the promotion of the tourism zone
- ❖ Tourism projects are also promoted directly under military control. Nearly 150 Hotels are to be managed by the military (Hewawithanage Laal Perera, Lieutenant Commander of the Eastern Province (September 2014)
- ❖ Military runs shops, restaurants and holiday bungalows along A9 Road and Passikudah Beach which creates disturbance to revive livelihoods of war affected Local communities.

***List of Military Run Tourist Facilities and Packages***

Army	<ul style="list-style-type: none"> <li>❖ Laya Hotels (Laya Beach Wadduwa, Laya Leisure Kalutara, Laya Safari Yala, Laya waves Kalkudah)</li> <li>❖ In planning: a five-star hotel in Colombo</li> </ul>
Navy	<ul style="list-style-type: none"> <li>❖ Malioma Hospitality Services (Weligambay Villas Mirissa, Golfink Hotel Trincomalee, Lighthouse Gallery Colombo, Lagoon Cabanas, Fort Hammenhiel Jaffna, Lake Front Rest Kanthale, Dambakolapatuna Rest Jaffna, Sober Island Resort Trincomalee)</li> <li>❖ Whale Watching (Summer: Trincomalee, winter: Galle)</li> </ul>
Army headquarters in Jaffna	<ul style="list-style-type: none"> <li>❖ Thalsevana Holiday Resort Kankesanthurai</li> <li>❖ Nature Park Holiday Resort Chundikulam</li> </ul>
Army headquarters in Mullaitivu	<ul style="list-style-type: none"> <li>❖ Lagoon's Edge Holiday Bungalow</li> <li>❖ Green House Holiday Bungalow</li> </ul>

### ***Analysis of Tourism Implications - BE Research Team***

- ✓ Conversion of coastal lands for industrial and infrastructure Development resulting displacement of people, loss of livelihood and sea erosion
- ✓ Destruction of Biodiversity and Sensitive Ecosystems (Mangroves, Lagoons) to promote Tourism Projects
- ✓ Dispossession of Right to Homelands by coastal communities by conversion of coastal stretches into Marble beaches and artificial beaches for promoting tourism
- ✓ Reclamation of Seabed to build artificial Islands for promoting tourism which will result in landslides, sea intrusion, sea erosion and disasters

### ***2.6.2. Megapolis Development Program***

- ❖ Under the Megapolis Development program, the Jaffna, Trincomalee, Kandy, Galle and Hambantota are being promoted as Metropolitan cities as well as establishment of Megapolis ministry by conversion of coastal and forest lands.
- ❖ Around 15,000 acres of coastal land to lease out to the Chinese company to construct mega port at Hambantota by the cabinet approval.
- ❖ The promotion of Trincomalee as a Mega city project has displaced more than 3200 families from nine villages since 2016
- ❖ Development of Industrial cities and mega cities are planned such as Port city in Colombo, and air city in Negombo areas where fishing communities will lose their livelihoods

### ***Analysis of Megapolis Development Program - BE Research Team***

Promotion of metropolitan cities, mega ports, industrial centres, and infrastructure projects are likely to

- ✓ Dislocate fishers and local communities from their homeland and loss of livelihoods
- ✓ Destruction of coastal, ocean and terrestrial ecosystems and their ecological services
- ✓ Dismantling the Common Property Resources of the communities and increase their vulnerability to disasters
- ✓ Displacement of the Marginalised coastal communities from the existing resilient mechanisms

## 2.7. VISION 2025

The Government of Sri Lanka launched its *Vision 2025*, in 2016 with priority reforms to help the country become more prosperous and to address unequal economic development across provinces and land administration.

*The Government will promote investment in the fisheries sector. We will develop a national policy for the fisheries sector and fish stock assessment in marine fishery to enhance fish quality and productivity for a sustainable fishery industry. We will encourage private sector participation in harbour business development, aquaculture development and the establishment of fishery mega zones. The Government will relax foreign investment restrictions for deep-sea fishing, to attract investment to the sector.*

The Vision 2025 reforms range from

### **Land Administration Reforms**

Land Administration Reforms includes changes in the policy, Deregulation of Land Acquisition Act and Legitimation of Denial of Rights under Property Act. The individual properties of the civilians are forced to be acquired by the government without adequate compensation for promotion of tourism projects by corporate and private investors.

### **Labour Law Reform**

Labour Laws are deregulated and legal entitlements of the existing laws will be rested with the employers who will be recruiting the employees on a contract basis.

### **Restructuring Social Safety Net Programs**

In the name of Restructuring Social Safety Net Programmes, Employers Provident Fund and Employers Trust Fund, Public Servants Pension Scheme were diverted for development projects, as public utility shares in the form of bonds by the beneficiaries of the above scheme.

### **Boosting Technology Acquisition & Digitisation**

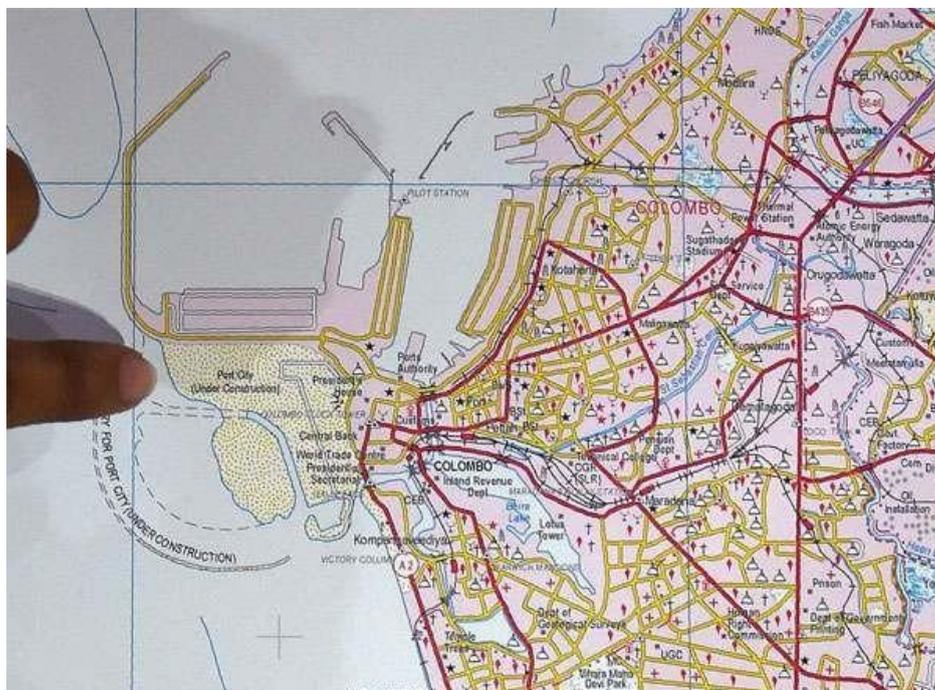
National Digital Policy outlines Sri Lanka's digital agenda for 2020 to 2025. The Policy provides the high-level principles and conceptual framework for Sri Lanka to achieve sustained economic development and growth, through the creation of an Innovative Economy and an Effective Governance.

- Digital Potential Connectivity: Creation of robust digital and network infrastructure
- Smart Society: Digital Skills, Skills development and Digital Literacy;

- Digital Culture and Society Trust: Data Protection and Cyber security
- Sustained Implementation: Leadership reforming and reinventing laws, regulation and process

## 2.8. COLOMBO PORT CITY PROJECT

Sri Lanka through CHEC Port City Colombo (Pvt) Ltd and China Harbour Engineering Company (CHEC) as part of China Communications Construction Company Limited (CCCC), signed an agreement in Aug. 12 to construct a multibillion Colombo International Financial City, spanning 269 hectares of reclaimed land from the sea, around Colombo port as Asia's next top financial hub, with an initial investment of US\$ 1.4 billion and an expected US\$ 15 billion overall investment when completed.



### *Environmental Impact Assessment (EIA)*

The EIA process is laid down under the National Environment Act No 47 of 1980<sup>2</sup> amended in 2000 as Act No 53. It is further prescribed in the Gazette No 772/22 of June 24, 1993. Although the Port City is set to be 233 hectares in size, the extent of its total “footprint” is a massive 485 hectares or 1,200 acres including waterways and canals. On the basis of accessible information, experts assess the need for 200 million cubic metres of sand allowing

<sup>2</sup> <https://www.elaw.org/system/files/National+Environmental+Act+of+1980.pdf>

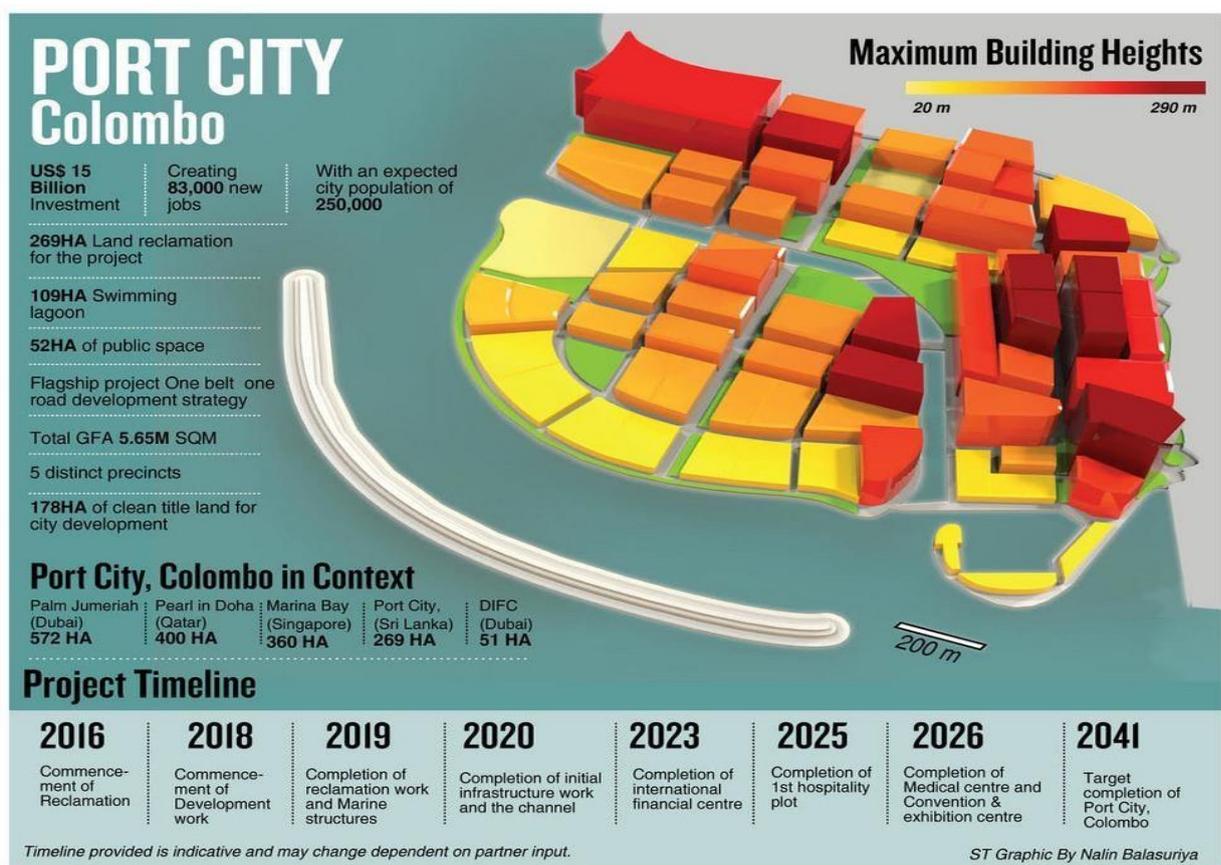
15-20% wastage (common practice when extracting sand from sea bed) and about 3.45 million cubic meters of quarry (granite) material from the hill country.

**People's Movement Against Port City (PNAPC)**

*According to the movement PNAPC, this project will displace 50,000 families and livelihoods of 30,000 poor fishermen living from Hendala to Negombo, and it will adversely affect our western and southern coastline including Panadura, Angulana, Mount Lavinia, Uswetakeiyawa, and upto Negombo. The EIA of the project has not included the effect on sand and rock mining, the adverse impact on fish breeding areas, damage to coral reefs and coastal erosion.*

**Concessions for the project**

The Concession Agreement<sup>3</sup> states that the Government of Sri Lanka is responsible for providing all service utilities including water, power, sewage and solid waste disposal, telecommunication required for the operation of the Colombo Port City with an estimated population exceeding one million people which would place a massive tax burden on Sri Lankans for at least 25 years.



<sup>3</sup> <http://www.sundaytimes.lk/160612/sunday-times-2/why-the-port-city-is-bad-for-the-country-196859.html>

## 2.9. CHUNDIKULAM NATIONAL PARK

This is located in northern Sri Lanka. The nearest city to this national park is Kilinochchi, about 12 km from Chundikulam national park. The town of Chundikkulam is located on a narrow piece of land between the lagoon and the Indian Ocean. The lagoon is sometimes referred to as Elephant Pass Lagoon. It sits in the middle of Indian Ocean towards east and Jaffna lagoon towards west. Surrounded by long trees and dense forest this place will be a dreamland.

The lagoon is fed by a number of small rivers from the south, including Kanakarayan Aru, Netheli Aru and Theravil Aru. It used to be linked to Jaffna Lagoon but since the construction of the causeway at Elephant Pass the lagoon has in effect been a lake. The lagoon's water is brackish.

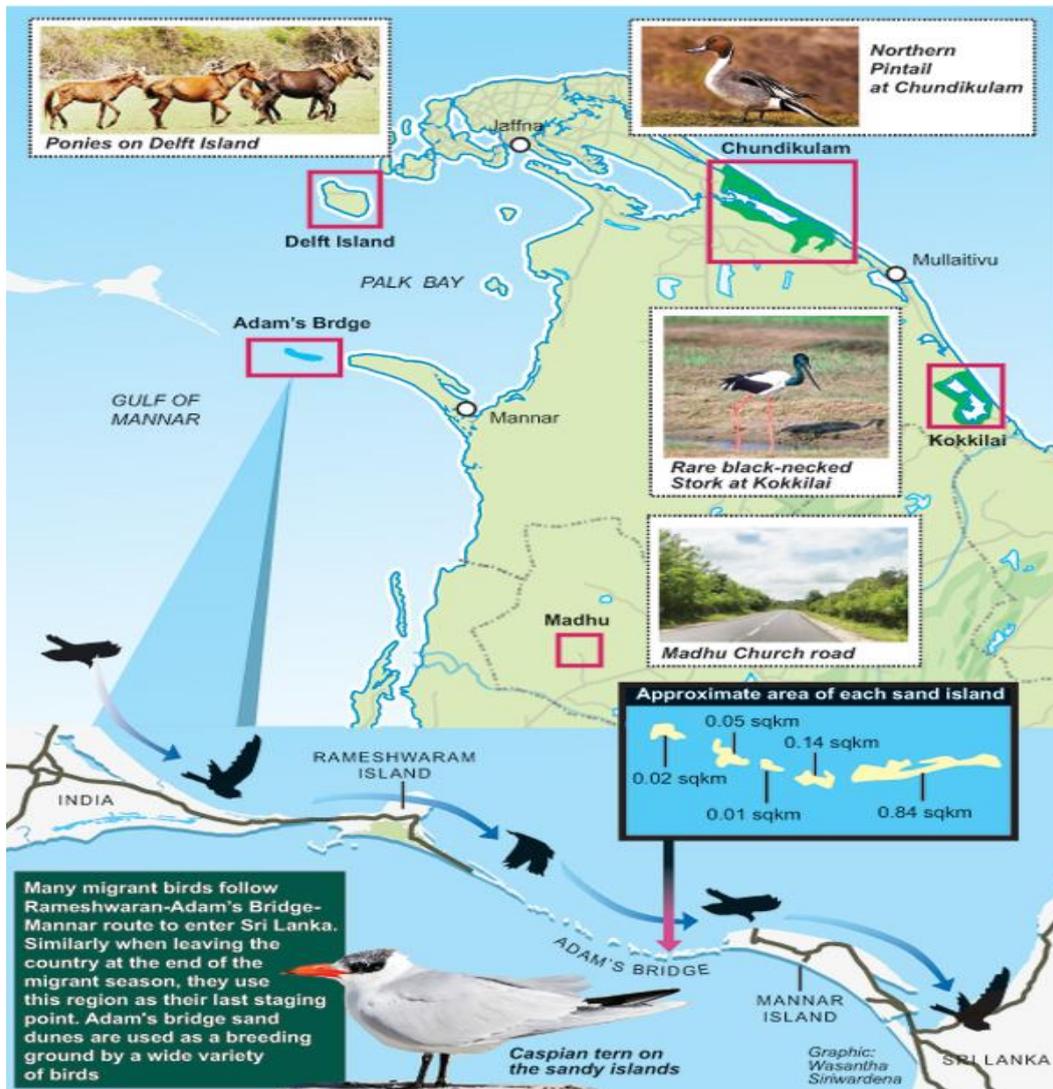


The lagoon is surrounded by palmyra palm plantations and scrubland. The land is used by prawn fishing and some salt production. The lagoon has small areas of mangrove swamp and sea grass beds. The lagoon attracts a wide variety of water birds including storks, ibis, ducks, coot, gulls and tern. Most of the lagoon was designated a bird sanctuary in 1938.

Chundikkulam Lagoon is partly surrounded by mangrove swamps and sea grass beds. The surrounding area includes palmyra palm plantations, scrub forests and a variety of dry zone flora. Numerous varieties of water and wader birds are found in the park including bar-tailed godwit, black-tailed godwit, black-winged stilt, brown-headed gull, common sandpiper, curlew sandpiper, eurasian coot, eurasian curlew, eurasian spoonbill, eurasian teal, eurasian wigeon, garganey, greater flamingo, gull-billed tern, marsh sandpiper, northern pintail,

orientalibis, painted stork, ruff, shoveler, tereks and piper and wood sandpiper. Mammals found in the park include leopard, sloth bear and deer.

The army opened the Chundikulam Nature Park Holiday Resort in the northern part of the sanctuary in January 2012. In May 2015, the government announced that Chundikkulam, along with Adam's Bridge, Delft and Madhu Road, would be designated national parks. Chundikkulam sanctuary became a national park on 22 June 2015 with an area of 19,565 ha (48,347 acres).



### **3. FIELD OBSERVATIONS**

#### **3.1. Interface Meeting with Leaders of Northern Province Fisher People's Unity [NPFPU]**

##### **Pre – BE**

Before the Adoption of BE, Katamarans were used and shoreline nets like gillnets were used traditionally. In 60s Nylon nets with Yamaha inboard engines were used for deep-sea fishing. In 70s Norweign crafts were introduced especially purseine nets for trawlers. This was banned for some time as fish stocks were destroyed heavily.

From 83 onwards, deep-sea fishing was stopped and shoreline fishing was in practice due to the ethnic conflicts. Srilanka entered with agreement with India to ban bottom trawling by fisherman from, Karaikal, Rameswaram, Nagapattinam, Kodiyakarai, Mallipatinam, Mimisal, and Thondi of Tamil Nadu in Mannar coast. Nearly 5000 boats Mechanized boats from Tamil Nadu were exploiting the resources of Northern coast of Srilanka.

In 2002, Offshore fishing was started again. But Small-Scale Fishers protested against purse seine trawling as 18 kgs of fingerlings were destroyed to catch 1 kg of fish. From 2004 to 2009 fish catch was stopped due to the war. Around 2010 another peace agreement India and Sri Lanka fisheries sector were made to regulate the distance and timing of Indian boats. Before the onset of war, Northern Province contributed 43% of fisheries production. After the war, it was reduced 9%. At present 23% is the Contribution from Northern Province. In Jaffna 48,000 to 50,000 families are involved in traditional fishing. 1500 families are engaged with trawlers. In 2017 bottom trawling was banned officially. Ring seine nets, and LED lights were banned for catching sea cucumber. But dynamites are used for trawling.

##### **Post BE**

As part of Blue Economy, in Mathagal coast Offshore Wind Energy project through wind mill a joint venture of China and Malaysia was stopped by the protest of the people. Instead of fishing harbor, commercial harbors are being constructed. There is no access to deep-sea fishing. Moreover, the Mullai theevu is declared as shrimp bank. From January to March there will be good catch of prawn. But there is no regulation by the State Government to stop Indian trawlers. From the Coast to 100 meter is declared as the buffer zone.

The Coastal lands are occupied by Tourism Industries under the care of Military. In Jaffna 3600 acres of paddy fields are converted into shrimp farms. Oil and Natural gas exploration are going on in Mannar basin. Ambarai coast is set aside for waste disposal.



Leaders of Northern Province Fisher People's Unity in Jaffna

As part of Blue Economy, The Foreign Vessels Registration Act 2018 has allowed the Chinese vessels to occupy the coast of Northern Province. There are 82,000 single women [Women Headed Households]. At present access to drinking water is denied due to salinization of ground water.

*It is very clear that till the adoption of BE Growth Model by the SL Government, the ocean and coastal ecosystems which were exclusively to the use of fishing communities for their livelihoods as closed access systems are being opened to the Private Investors and Corporates for industrial and infrastructure project including industrial aquaculture.*

### **3.2. Interfacing with Ministers:**

#### **3.2.1. Minister of Women Affairs of Northern Provincial Council**

She attended Geneva based international advocacy campaign even after elected as the minister. She mainly shared that there is no devolution of powers and funds to Northern Province by the central Government.

She strongly opposed the policy of the Government to permit Army to control and manage the development interventions including Tourism, Agriculture, Restaurant, managing marine protected areas.

The Government has not evolved any concrete plan to support the single women and the women headed house numbering around 82,000. They do not have access to shelter and productive employment avenues to earn their livelihood. They face gender violence.

The issues related to infrastructure facilities, access to drinking water, health care services, schools and educational support, transport facilities are not yet addressed. The land acquired by the army from the private owners for construction of tourism industries, hotel, restaurant, in mullaitheevu, vavunia, mannar were not given compensation or alternate sites or houses. The displaced people living in Internally Displaced Persons (IDP) camps continue to live in appalling condition.

### **3.2.2. Minister of Fisheries, Northern Provincial Council**

Access to drinking water is an acute problem face by the Northern Province especially Jaffna District. So, the check dams are constructed across the rivers and lagoons in order to



prevent them from reaching the sea and remain as fresh water source. We have not studied the implication of such interventions on the ecological services. As this is the centralized decision, we cannot have access to information and there is no devolution of power or funds. The 13<sup>th</sup> amendment to the constitution as pressurized by the Indian

state for devolution of powers and funds to the Northern Province by the Central Government is still a distant dream.

The fishing harbours at Pesalai and Point Pedro though claim to benefit the fishing community of the North western province, the fishing community is opposing the projects for the reason that they do not have access to buy multi-day boats and deep sea vessels as they are heavily indebted already and there is no credit support from the Government. The shoreline fisheries will be totally affected. The family's dependent on shoreline fishing especially women vendors will be totally displaced and there will be impact on the fish stock and bio-diversity of species.

### **3.4. Meeting with the Leaders of affected communities of Chundikulam Nature Reserve.**

There were 27 fishing grounds in the lagoon area. In 1938, the Srilankan government constructed a Birds Sanctuary. After the end of the war, infrastructure projects were built in 'Yanai Eravu' (Elephant Pass) and the Sanctuary was expanded for setting up a National Park. Subsequently, the Sri Lankan military started building military bases in the sanctuary and barred local fishermen from using the fishing grounds in the lagoon (sanctuary) and local residents from using the access road to their homes. Chundikulam National Park is a Marine Protected Area

At present, the declaration and management of MPAs is carried out without adequate consideration of the ecology, socioeconomic realities, or long-term management sustainability. During the expansion phase after 2015 many fishing families depended on Chundikulam lagoon were displaced without any concrete plan for their resettlement livelihoods.

Government forces occupied territory to set up military camps, or bases, for operations, and demarcated certain areas as High Security Zones (HSZs), thwarting their return. It not only

established barracks, but has used the land for agriculture, tourism, and other commercial ventures.



While the government typically defends the military occupation of land as important for national security. The use of the land for tourism or agriculture points to the real interest rooted in commercial gain. The general absence of tenure and property rights with legal forms of representation is a major obstacle faced by coastal resource users because they are dependent mainly on customary rights. Failure to safeguard livelihoods and diminishing income from natural resources is driving increasing numbers of these unskilled and semi-skilled workers to foreign employment, particularly from Sri Lanka where most of the coastal poor live.

### ***3.5. Meeting with People's Movement against Port City [PMAPC] Core Committee Members;***

The Government of Srilanka has not only deregulated the existing legislations governing property rights, tenure rights and laws related to environmental protection. The amount of land being reclaimed, destruction of hillocks for the construction of port, displacement of coastal communities and other dependent communities, the ongoing environmental degradation and occupation of the area by the Chinese, opening up restaurants, hotels and tourist spots and malls by Chinese and other Multinational Corporations is an empirical evidence for the impact of Blue Economy, where it has implications on the Socio, Economic, Political environment layers.

The global accumulation of capital and the global governance by the imperialist countries like China through its MNCs and TNCs cannot be opposed by the existing campaigns / networks. This has to be challenged by the consolidation of

People's voice at the global level

Blue Economy depends on the finance capital in lieu of natural capital at the cost of human capital. The bilateral agreements between Srilankan government and the Chinese government through their agencies need to be studied to unearth the flaws and the violations against humanity and nature. Blue Economy aims at sustainability and inclusive approach but Colombo city project is not only economically unviable, it is ecologically unsustainable and irreversible displacing communities, exploiting ocean resources and other natural resources of hinter land. This movement is planning to move the international court of justice.

Sand mining is seriously impacting the country's fishing community. Fish netted in our coastal waters provide two thirds of the protein consumed by our people. (Sinharaja Tammita-Delgoda, Island 18-11-201 Sri Lanka is classified as a developing country with a population of 21 million.

*The majority of the people of this island cannot afford to purchase deep sea fish, the much cheaper and daily netted fish from their coastal waters are their staple diet and to many their only thriving livelihood. The destruction of fishing communities and villages are now taking place: their homes washed away, some have no place even to park their boat because of sea erosion caused by sand mining. This environmentally destructive aspect of the Colombo Port City development could lead to serious socio-economic problems and malnutrition. It is estimated tha the number of fishermen directly affected is now in excess of 30,000 in Negombo alone. The overall figure including those engaged in associated trades is estimated to be more than 600,000<sup>4</sup>.*

### 3.6. FGD WITH MULTIDAY BOAT OWNERS



They go for 1 or 2 months and six persons will form a team per Trip Boat is imported from Malaysia. They purchase food rations for 2 months. After Tsunami, they cannot judge season changes. At least 20 million is required as capital. The engine speed is 350 HP (Mitsubishi, Deawoo, Isuzu). Long line

with winch. Middleman take lion's share. But bank loans are than house. 50% to labour.

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<sup>4</sup> The report of International Fact-Finding Mission [IFFM] on Colombo International Financial City, December, 2018 conducted by People's Movement Against Port City.

And 50% to owners. They are provided with communication radio. As there is labour shortage, SL Fishers are used as labourers in Seychelles big foreign vessels. Multiday boats go to north, and not towards Batticaloa or Trincomalee. VMS is only for High Sea boats greater than 40 feet.

### **3.7. Meeting with Women fishworkers vendors, processors and women engaged in support services.**

The research team met the leader and the members of a women's collective in Negombo. There are 3500 Households and many of them have only small daily boats. Many of the fishers living here for 5 years. They belong to Kuttiduwa community. 10,000 people are dependent on post-harvest dependent livelihoods both male and female. All the women were displaced and living 1km away from the coast in the post tsunami reconstruction phase. Nearly 30% women are engaged in non-fishing activities for their livelihood. They have to hire auto to buy fish from the market during auctioning and they have to pay Rs 100 per trip. They do not sell prawn, only fish. They have to pay levy to the market.



Big high sea boats and motorised boats from south land here for selling. Hence, the prices get reduced for fisherwomen. But vendors here prefer only fresh fish from Negombo boats (SSF). Only for dry fish, they buy from Southern mechanised boats like tuna. Different species are available from boats coming from Negombo and south. The price is costlier in Negombo due to big trawlers, so they buy from south also.

Commission agents are lending money for vendors on a daily basis at 4% interest (48% per year) but women's group extending loan at the rate 1% (12%). All fishers here are mostly labourers going to Batticaloa for their employment.

Even men are competing with women in post-harvesting, as fish catch is not profitable. The dry fish vendors buy the cheapest fish when quality and timing is appropriate. Fish is sold at a higher price during morning hours and is sold for a lower price towards evening. Males buy at auction, Women aren't part of any cooperative society. Fish traders and big commission agents buy dry fish from women vendors.



*After the construction of the Port city project, suddenly sea water rushed in and destroyed dry fishing grounds. Never such a rush in 32 years. Erosion is a major problem. Original fishing grounds, spawning grounds are damaged. There are big pits in the sea due to continuous dredging for port. They protested and government agreed to dredge 10 kms ashore. But they do not comply. Compensation was extended only for insured fishers. Even for repairing houses in the Coastal Zone, they have to avail permissions.*

### **3.8.FGD with Leader of Tamil National People Front**

According to the leadership the present Government is showing apathy to war victims of Northern province especially coastal communities. The policy of Blue-Green economy was not discussed in the Parliament. The age-old occupation like palm products, extraction of arrack is not existing anymore and communities dependent on them are being eliminated. There is scarcity of drinking water due to the depletion of ground water and incidence of people developing kidney stones is increasing.

The total fishing fleets were increased 48 % within fifteen years (from 1999-2015). Non- motorized boats were increased 31% and motorized boats were up to 60% level on the above period of time. As per fishery statistics the fishing pressure of the coastal region is reached up to maximum level because the fish production from the

coastal fishery estimated that Maximum Sustainable Yield (MSY) 250,000 MT. The yield of coastal fishery was reported 269,020 Mt in 2015. Therefore, it would seem to be reached to overexploited level. The fleets that engaging the offshore fishery also were increased 68%.

In the name of Blue Economy, Srilanka has adopted market led growth model which is the continuation of Neoliberal economy from 1977 onwards. Srilanka has shifted from production to trading similar to Singapore. The required growth rate is 9%. Under “*Enterprise Srilanka*”, Citizens are invited as co-owners Sri Lanka plans to create a knowledge-based social market economy and an export-oriented economy as well as the Western Region Megapolis a Megapolis in the western province to promote economic growth. The creation of several business and technology development areas island-wide specialized in various sectors, as well as tourism zones are also being planned. But Sri Lanka has recently been facing a danger of falling into economic malaise, with increasing debt levels and a political crisis which saw the country's debt rating being dropped (financial times 2018)

To address this, the government should eliminate price distortion, property rate according to market price. Sri Lanka has promoted blue green institute to execute the projects under blue green economy. In the Northern province, the Reservoirs which are the sources of drinking water, irrigation and hydro power are promoted for industrial aquaculture. This resulted in chronic health issues

### **3.9. Discussion with Academicians from University of Jaffna**

According to them the Srilankan Government is promoting deep-sea fishing. It is giving



subsidy and credit support to deep-sea fishing and multi day boat owners in the southern region. Then Northern Province still following traditional gears and crafts. After the war, the military has taken over the development function such as promoting tourism, agriculture,

running real estate business, hotel industries and managing marine protected areas. It has grabbed vast stretches of coastal land and farm lands for constructing military bases,

tourism industries and residential blocks. The women are the worst affected victims and there is no social security for the single women.

### **3.10. Discussion with Dr. Ahilan Kadiragamar, Political economist at Jaffna.**

According to Dr. Ahilan, the development argument in Sri Lanka, that supporting technologically ‘inefficient’ small- scale fisheries is economically unrealistic and naïve, does not hold true. The alternatives for men and women from the fishing community have been either migrant work in the Middle East and countries such as Italy, or work in the garment factories in the Free Trade Zones. Both options consist of temporary migration uprooted from their communities and families, comprising mainly unskilled precarious work. Compared to these options, small scale fisheries continue to have potential for decent livelihoods with dignity, provided trans-national and mega development driven dispossession is kept at bay.

The encroachment of Indian trawlers, the joint ventures with East Asian vessels as part of Sri Lanka’s development push and the interference of the EU have a common impact. They cripple small-scale fishers who are powerless in the face of decisions taken at the level of states and international forums.

Highways and carpeted roads crisscrossing the country, hides the increasing inequalities and dispossession. Authoritarianism and militarisation– the country’s inheritance from the war– are crucial for transforming the economic landscape. Much of the emerging resistance to such repressive power stems from bread and butter issues<sup>5</sup>.

### **3.11. Meeting with Political Leader, United Socialist Party [USP], Negombo**

According to the leadership, the party is held up with labour issues. Though they accept the fact that blue economy is the continuum of Post globalization era, they are not aware of the ongoing projects. There is no public discourse on the blue green growth.

### **3.12. Meeting with leaders of union and Civil Society Organisation**

On January 10, the two countries signed an agreement for Indian assistance of US \$45.27 million to upgrade the Kankesanthurai (KKS) harbour, located on the northern tip of Jaffna peninsula. The upgradation project, a release from the Indian mission here said, would make the harbour a full-fledged commercial port and also supplement reconstruction efforts in the

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<sup>5</sup> <https://www.epw.in/journal/2013/35/web-exclusives/second-wave-neoliberalism-financialisation-and-crisis-post-war-sri/3/6>

war-affected north.



Development of the Palaly airport into a regional airport, and the revival of ferry services between Dhanushkodi in Tamil Nadu's Ramanathapuram district and Talaimannar on Sri Lanka's north-western coast. Palaly airport has been upgraded to an international airport, in November, 2019, with planned flights from Jaffna to Chennai and Trichy.

## 4. ANALYSIS OF OUR FIELD OBSERVATIONS

### *Potential Social Implications of Blue Green economy*

Both empirical data and desk review has shown that the concept of Blue Economy (BE) emerged in RIO +20 in 2012, got standardised in 2017. From the analysis, it is evident that the ongoing BE Growth Model seems to be the extension of Neoliberal paradigm mandated by the market economy in the globalisation era.

The findings are only indicative of the emerging threats to the already marginalised and invisibilised coastal communities, especially SSF and Women Fishworkers.

### **The study focused on the following components of the Blue Economy**

- ❖ Port City Project in Colombo
- ❖ Chundikulam National Park – Elephant Pass
- ❖ Internally Displaced Persons Camps in Jaffna
- ❖ Fisheries Sectors in Jaffna and Negambo
- ❖ Highways Corridor (A9) from Negambo to Jaffna (Mullivaikal)

### **FISHERIES–NORTH - OBSERVATIONS**

- North has traditional fishing communities
- Till 1950's, Kattumarans with Cotton Nets were used, then Nylon Nets from Japan introduced.
- In 1975, Mechanised Boats and Trawlers were introduced with the generous support of Norway.
- North had a thriving fishing economy. Before the onset of war in 1983, North contributed 43% of Sri Lanka's Fishing Economy.
- From 1983 onwards, fishing becomes extremely difficult with permissions and restrictions were imposed by Srilankan Navy, Tigers, and also Indian Peace Keeping Force(IPKF).
- In December 2004, Srilankan coast was devastated by Tsunami which further marginalised the coastal communities.
- Since 2009 onwards, the fishing activity had a slow and gradual recovery. At present, the North contributes 23% of Sri Lanka's Fisheries Economy.
- Militarisation of the coasts, service delivery and governance are the major issues being experienced by the people of the Northern Province.

### ***Implications***

- ✓ Military capture of coasts has resulted in little access to coastal communities of Chundikulam National Bird Sanctuary.
- ✓ The construction of Infrastructure projects like Restaurants, Resorts, Desalination Plants and Naval Base have displaced the coastal communities and many of them are settled in Internally Displaced Persons (IDP) camps.
- ✓ Deepsea and High Sea commercial fishing vessels from southern (multiday boats) and Indian trawlers are not regulated by the State.
- ✓ Promotion of Chundikulam National Park has displaced people in and around Jaffna lagoon who were dependent on
  - Onshore Wind mills – Anai Iravu and Mannar by Malaysian, Chinese, Indian companies.
  - Army's coastal tourism projects
  - Parithithurai commercial port (Point Pedro)
  - Offshore oil exploration in Pesalai and Trincomalee
  - Industrial shrimp farming and Salt harvesting in Kilinochi
  - Check dams preventing freshwater meeting the sea
- ✓ Inadequate social security measures for fishers
- ✓ Fisherwomen (82000 WHF) worst victims of displacement – many still in IDPs (All mixed)
- ✓ Forced to be labour in other sectors, in extremely vulnerable work conditions

### **FISHERIES -SOUTH OBSERVATIONS**

- ✓ ***Shift in Fisheries (Traditional to Commercial)***

Kattumarans and Beachsiene were the main gears in 1950s. Then, the Long Plank Boats with Outboard Motors were introduced in 1960s, followed by, single-day Small Mechanised Boats with Inboard Engines were introduced. Some fishers improved the Small Mechanised Boats with cold storage facilities and used them for multiday fishing. With the support of Norway and Japan, multiday longline and gillnetting, and also Trawling were introduced.
- ✓ ***Changes of Crafts and Gears***
  - SSF started using Motorised and Mechanised with the minimal non-motorised boats.
  - Multiday Boats with 45 feet got engaged in fishing in SriLankan waters mostly in

Mannar, Trincomalee, and Mullativu

- Multiday Boats above 45 feet were fishing in the High Seas as well as Territorial Waters of Red Sea, Diego Garcia and other regions in Indian Ocean Rim.

### ***Implications***

- ✚ The Colombo Port City Project has already resulted in massive destruction at large scale to coastal ecology and near-shore fishery resources and habitats of fishing communities. SSF no longer have adequate fish catch.
- ✚ The Southern Coast is facing Sea Erosion, Sea Water Intrusion, Coastal Flooding and vulnerable to natural hazards.
- ✚ The EU Fish Trade Ban in the name of regulation had forced SL to bring in “sustainable fishing”.
- ✚ High-Seas, Multi Day Deep-sea boats under Vessel Monitoring Systems regime, Sea Food Exporters Association trying for MSC certification.
- ✚ Foreign EU vessels from Seychelles and Mauritius were allowed to fish in the same areas such as the SL High Seas. The Deep-sea vessels were employing the SL fishers as labourers.
- ✚ The SL Government was constructing fishing harbours for landing the Sri Lankan Multi Day Deepsea boats in the north supported by Asian Development Bank (ADB), infringing on northern fisher’s rights.

### ***Issues and Concerns***

- ✚ Adoption of Neo-Liberal Economy in 1977 and Adopted B.E in 2016...
- ✚ Deregulation of Labour laws, Environment laws, Social Security Policies
- ✚ Shift from Production to Service sector and Trade
- ✚ 100% equity for Foreign Direct Investment
- ✚ Investing Public Funds (EPF and Pension Funds) in Mega Projects
- ✚ Conversion of Inland waters for Culture Fisheries- most of the drinking water sources, Irrigation Channels, Lagoons, Reservoirs in the Northern region were under industrial aquaculture.
- ✚ Destruction of Traditional Pathways, Waters Ways, Flood plains resulting in drying up of surface water bodies and extraction of ground water for shrimp farming as resulted in acute water crisis and health hazards like kidney stone and waterborne communicable diseases in the north.
- ✚ Conversion of coastal lands into tourism, aquaculture, hotels, infrastructure and development projects, with the direct intervention of military.

In a nut shell, the commodification and financialisation of coastal and oceanic resources towards capital accumulation of global corporates in the present study is an evidence for further research as the research team has exposed to the ongoing Displacement, Dispossession of Resources, Denial of Rights of the Marginalized coastal communities, especially SSF and women Fish workers.

From the *Observations of the BE components* taken for the study, the deregulation of environmental laws, social security programmes and land reforms have not only sanitises the commodification of coastal and ocean commons, it also legitimises the commodification of human resources especially the labour.

Thus, the ongoing second wave of neoliberalism in the name of Blue-Green economy is transforming the economic landscape of Sri Lanka through greater integration with the global capital markets, financialization and urbanisation to the benefit of an emerging oligarchy. In the process, it is rapidly creating new forms of social exclusion and conflict.

To sum up, the neoliberalism is an accumulation strategy of finance capital backed by the state promoting free markets and private corporates within and outside the country.