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Blue Economy and Collaborative Strategies: A Critique of Multi-National Enterprises

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Abstract

The concept of blue economy has been advanced by many countries as a new economic frontier aimed at development and utilization of blue ocean resources. To effectively develop a blue economy, capital intensive infrastructure, human and intellectual resources are required although they have been found to vary between countries or regions due economic or natural endowments. A theoretical analysis of relevant theories including: Foreign Direct Investment and eclectic model, Transaction Cost, and Stakeholder theories was undertaken. Further, a critical conceptual analysis covering fifty-five articles on blue economy and collaborative strategies with multinational enterprises (MNEs) was conducted to in an attempt to develop appreciation of the blue economy and collaborative strategies with MNEs. The conceptual analysis was carried out under conceptual, contextual, theoretical, and methodological lenses to establish if any gaps exist and if they do, how they can be addressed. From the analysis it was established that 24 of the 55 articles reviewed discussed maritime and blue economy related subjects. The other 31 articles covered subjects related to collaborative strategies with respect to MNEs confirming that the concept is still developing. The analysis concluded that the concept of blue economy adopts a multi-dimensional approach borrowing from strategic management, finance, and economics. Moreover, it was concluded that collaborative strategies could contribute to development of countries through leveraging of blue economy resources. Further research was proposed to address the gaps identified from the synthesis of the paper.

Keywords: blue ocean resources, leveraging, foreign direct investment, transaction cost, joint ventures, stakeholder influence

Introduction

Globalization is defined by various scholars as expansion of cross-border networks and flows leading to an inter-connected world system in which interdependent networks and flows make traditional boundaries irrelevant. The maritime industry is a key driver of globalization where a ship in the high seas is seen as an emblem of globalization. A ship may be registered or flagged in one country, managed from a different country, crewed from another country, and may call at ports located in different geographical regions of the world during a voyage. Shipping technology has grown exponentially while reducing operational costs and improving both operational and overall efficiency in the blue economy (Frost, 2000).

In 2011, the Organization for Economic Co-Operation and Development (OECD) defined multinational enterprises (MNEs) as companies or entities established in more than one country and linked for coordination of their operations (OECD, 2011). Some MNEs may have significant influence over activities of their subsidiaries, although the degree of autonomy within the enterprise may vary extensively from one MNE to another. To achieve their objectives, MNEs apply business strategies to enhance their collaborative success. It is imperative to define the term *collaborative strategy* in the context of collaboration with MNEs. Various collaborative strategies exist in business. The paper adopts Stoicescu's (2003) definition of collaborative strategy as the fundamental structure of allocating resources, both present and anticipated, and their interaction with the environment for the purpose of attaining the firm objectives.

Furthermore, the international community describes the blue economy as the development of a marine economy in the wake of diminishing marine resources (Roberts & Ali, 2016). The blue economy entails economic activities in sectors such as fisheries, aquaculture, tourism, marine transport, ship and boat building, renewable energy, bio-prospecting, shipping, and ports and other marine related activities (Behnam, 2012; Pauli, 2009; Roberts & Ali, 2016; World Bank, 2017). The World Bank (2017) acknowledges various definitions associated with the blue economy concept, and notes the convergence on the use of ocean resources and ocean's space and protection of marine ecosystems. Similar to the green economy, the blue economy model aims to improve a country's social equity and, therefore, requires the inclusion and participation of social groups and sectors to fully realize the potential of the blue economy (Roberts & Ali, 2016; The Commonwealth, 2013).

Additionally, the concept of blue economy borrows from subjects such as business, economics, the environment, shipping, and maritime assuming a multi-dimensional approach. Furthermore, many countries have embraced blue economy initiatives to invigorate the national economy in areas such blue transportation, ship building, export of maritime human resources, aquaculture, tourism, and fisheries. These initiatives are anchored on the United Nation's Sustainable Development Goal (SDG) No. 14 (IOC/UNESCO et al., 2011).

Maritime business encompasses many activities in the blue economy and operates across national frontiers where education, socio-cultural, political, legal, and economic environments have a huge impact in business enterprise. In this regard, MNEs adopt different orientations to suit their operations in different countries which may include ethnocentric (where foreign operations are based on the parent company's views) to geo-centric (where the organization is viewed as an interdependent system operating in several countries). Global businesses employ different managerial practices and strategies depending on the industry practice, culture, or socio-political environment (Weihrich & Hoontz, 2005).

The purpose of the paper is to study the concept of blue economy through a critical review of literature related to blue economy and collaborative strategies with MNEs. The paper also attempts to establish how countries can leverage their blue economy resources through collaborative strategies with MNEs to achieve growth of a national economy.

Theoretical Perspective

Foreign Direct Investment (FDI)

MNEs employ various strategies when entering into collaborative ventures with foreign partners. According to the United Nations Conference on Trade and Development (UNCTAD, 2006) foreign direct investment (FDI) entry modes may be greenfield investments or mergers and acquisitions. In the greenfield approach, a foreign firm invests in capital intensive facilities such a production facilities, ships, ship yards, warehouses, port terminals, and related technology and services, thus contributing to the production capacity of the host country. Further research by UNCTAD (2006) highlighted that cross border mergers and acquisitions involving partial or complete company take-over within a host country may be more pragmatic in developing countries than developed countries.

Additionally, FDI has been viewed as a catalyst for employment creation, increased revenue, and poverty eradication in the long run. Some FDI scholars claim the impact of FDI between countries is indistinct; therefore, the empirical evidence is not clear (Summer, 2005). Colen and Swinnen (2008) asserted when FDI is directed towards less skill intensive economic sectors fishing and agriculture, for example it reduces inequality. However, critics argue that the impact of FDI is exaggerated as profits from investments are largely repatriated to foreign countries instead of being re-invested in the developing host country (Summer, 2005). Summer (2005) also notes that profit repatriation is higher in Africa and lower in South Asia and Central and Eastern Europe.

A Rivoli and Salorio (1996) study alluded that in uncertain environments, ownership and internalization gains may be negatively or positively associated with foreign direct investment. The two authors analyze articles by various authors who postulate that FDI timing during the initial investment is a precursor for future investment (Casson, 1993; Kogut & Kulatilaka, 1994). In contrast, Rivoli and Solario (1996) attest that uncertainty is an exogenous problem resolvable with the passage of time irrespective of the investment. Rivoli and Solario (1996) observed that studies carried out in Russia on FDI did not provide recommendations with respect to timing of investment during uncertain environments.

Ghemawat (2007) also alluded that the ratio of FDI in relation to overall fixed capital formation may not be significant when estimated at 10% between 2003 and 2005. Ghamawat (2007) claimed that FDI mostly involves mergers and acquisitions, hence do not generate incremental capital expenditure. The author cautions that the 10% fixed capital formation by FDIs cannot be generalized as a global constant and may differ depending on levels of internationalization and evolution in international business.

Johanson and Vahlne's (2009) study reviewed the work of various writers on the relationship of networks and internationalization. Johanson and Vahlne (2007) differ from Colen and Swinnen (2008) in principle but concur on the assertion that insidership in networks developed before entry in to a new market as being instrumental to the internationalization process. This paper takes cognizance that networks have a role to play in FDI and internationalization, and more so due to relationships between a business and its suppliers or stakeholders. Of interest to this paper is the work of Elango and Pattnaik (2007) on internationalization of firms from emerging markets, as firms or countries categorized as emerging markets are seen to seek networks with partners who may bridge the capital and knowledge gap in the local industry.

Eclectic Paradigm (OLE)

Capabilities associated with location advantages couple with host country factors such as taxation or regulatory framework which may attract or discourage foreign investment in a host country. Dunning's (2000) eclectic paradigm compared to Rugman and Verbeke's (2004) framework on firm specific advantages and country specific advantages differ in concept. Additionally, Dunning (2014) and Teece (1977) argued that competitive advantage requires a multidisciplinary approach such as economics and strategic management, grounded on neoclassical economics. To enhance sustainability and success, Cantwell (2009) postulates that MNEs have capabilities to augment linkage with knowledge and innovations from different locations.

Moreover, Teece (1977) asserted that MNEs are significant in the success of a location through linking the location to distant international sources of specialized knowledge and expertise. In the process, new opportunities are discovered, and competencies drawn from one location to another. This has led to knowledge and technology being shared in dispersed locations of MNEs, which is a key facilitator of international capability and development of local companies. Lorenzen and Mudambi (2013) emphasize that MNEs facilitate the process of sustainable competitiveness at location level through creation of relevant channels or networks. This notion supports the work of Johanson and Vahlne (2009) who viewed the business as a network of relationships populated by many suppliers and customers. They concluded that new knowledge is developed in relationships as a result of trust building.

Transaction Cost Theory

Coase (1937) proposed a transaction cost approach to the theory of the firm which was later advanced by Hymer (1976) in an international context. Transaction cost refers to the cost of providing a particular good or service through the market rather than supplying from within the firm. The theory has been applied in various industries and markets, including the shipping and maritime sector. In Coase (1937)'s view, firms carry out transactions after identifying their customers' needs, negotiating terms, drawing contracts, and conducting due diligence to ensure that the terms of the contract are acceptable.

Brouthers (2002) emphasized a company's internationalization process being compelled by differences in business processes in the host and home markets. He further noted the significance of inconsistency posed by factors such as culture and distance. He concluded that external factors which affect firm decisions in internationalization should be addressed and treated as transaction costs. Chi and McGuire (1996) sought to understand the integration of transaction cost and strategic option perspectives on the choice of market entry modes. Following the work of Rivoli and Salorio (1996), Chi and McGuire (1996) investigated the interaction of transaction cost and strategic option and their influence in the evaluation of a firm's collaborative ventures as a market entry mode. The scholars explored the conditions under which firms' option either to acquire or sell-out the positive economic value for the partners.

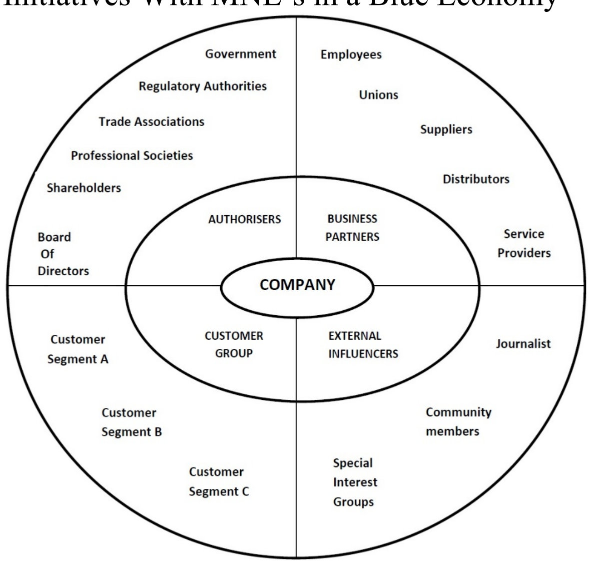
Furthermore, Dunning (2014) concurred with Teece's (1977) assertion on the need for a two-fold consideration of transaction cost thinking about international technology transfer and the existence of an MNE. While some researchers in transaction cost economics stress that technology is associated with public knowledge, reservations emerge that knowledge transferred may be accessed by unprecedented entities to the detriment of the MNE. To this end, MNEs incline towards internalization of potential markets in the process of the international transfer of technology or knowledge to secure returns on investment and protect intellectual property.

Stakeholders' Theory

When considering a collaborative venture with a multi-national enterprise, it is critical to consider the stakeholders. The term stakeholder was coined by Freeman (1984) as any group or individual who can affect or is affected by the organization's objectives or operations. In 1995, Donaldson and Preston introduced three approaches to the stakeholder approach; *normative* (the identification of philosophical guidelines linked to activities of companies), *instrumental* (the organizational costs which account for the stakeholders in the achievement of organization goals), and *descriptive* (a combination of interests—sometimes cooperative and sometimes competitive.)

Kristen (2015) identified business partners, external influencers, regulatory authorities, and customers as four major categories of stakeholders who have an impact on both the business decisions and the business partnership. External influences may include the civil society, the media, and interested groups. Regulatory authorities include agencies controlling business operations through laid down regulations. The customers represent a segment making choices and influencing products and services. All these categories of stakeholders should be consulted when the government and MNE intend to enter into a collaborative initiative. Stakeholder involvement is a catalyst for buy-in and ownership of the project and reduction of resistance by the interested parties (Kristen, 2015).

Figure 1. Relationship Matrix of Stakeholders Who May Be Affected by Collaborative Initiatives With MNE's in a Blue Economy



Note. Reprinted from *Stakeholder's theory: How they influence the business policy* by J. Kristen (2015).

Empirical Analysis

According to UNCTAD (2018), 90% of world cargo by weight and volume is transported by sea. Furthermore, Hoffman and Kumar (2002) recognized the highly specialized nature of shipping. They highlighted some examples of maritime clusters in the blue economy including ship building, ship management, ship repairs, dry-docking, ship registration, crewing, ship finance, ship chartering, marine insurance, and more. While economics theory drives the new trade theory in international business, specialization in shipping is a result of emergent trade policies combined with entrepreneurship and innovation. This, in turn, has resulted in emerging specializations such as open ship registries, ship repair, and subsequent changes in the social economic conditions of the countries (Slack, 2001).

In addition, countries tend to focus on one or more specializations to develop a competitive advantage in maritime international trade. For instance, Panama, the Bahamas, and Cyprus focus on open registry while more populous countries such as the Philippines, India, and Indonesia provide the human resources (seafarers) for the international fleet. Norway, on the other hand, concentrates on ship financing drawing from its financial strength, while the United Kingdom focuses on ship insurance (Hoffman & Kumar, 2002). The latter part of 2007 saw China register a noteworthy and unexpected shipping boom prior to the economic crunch of 2008. The boom was attributed to purposeful planning, propelling China to be one of the leading maritime countries (Hoffman & Kumar, 2002).

In 2016, the international collaboration in trade between the European Union and China saw 64% of goods in volume transported by sea, in contrast to the 2.06% transported by rail, 6.35% by road, and 27.59% by air. The same trend followed in 2017. In 2018, the cost of shipping a container by sea from China to Europe was $797, while the same container transported by road would cost $1000 per unit. It is likely, therefore, that collaboration between Europe and China on sea trade will continue (Duchâtel & Duplaix, 2018).

Similarly, Duchâtel and Duplaix (2018) cautioned European countries about the rapidly developing Chinese blue economy, which currently represents 10% of China's GDP. The Chinese Maritime Silk Road defines the country's strategy for developing the blue economy through rebranding existing maritime policies and intensifying maritime trade. The objective is to grow from regional to global trade through technology, innovation, and global leadership (Duchâtel & Duplaix, 2018).

Interestingly, the French government has instituted nationalization of their ship building plant STX France, sighting threats in knowledge transfer and competitiveness in ship building. This is an example of a socio-political decision to protect the ship building sector in the wake of globalization (Duchâtel & Duplaix, 2018). Foreign policy is seen as a major factor during decision making on international collaboration. Collaboration in construction of ports in Greece and Sri Lanka faced demonstrations against a takeover by development partners. Greece, for example, chose China as a development partner in port development following austerity measures imposed by the European Union. Similarly, Sri Lanka is faced with high debt from their blue economy infrastructure development, a situation described as *debt-trap-diplomacy* where successive regimes are limited in their leverage to review the debt terms signed by their predecessors (Jonathan, 2010).

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According to Roberts and Ali's (2016) paper on the blue economy potential in small states, countries may face challenges including limited domestic resources, low tax potential, and high debt ratio all which constrain the capacity of the state to realize sustainable development. Their projected value of the global ocean economy was $1.5 trillion per annum which contributes to about 2% – 3%of the world's GDP. Additionally, the OECD (2016) claimed that ocean related activities such as fishing, aquaculture, and coastal and marine tourism create approximately 350 million jobs annually. Park and Kildow (2014) alluded that ocean economy can produce between 1% to 5% of GDP for countries. Mohanty et al. (2015) noted that the blue economy is gaining prominence following reduced global economic output and unemployment, affecting millions of people in different parts of the world.

Along the Indian Ocean region, the blue economy has been conceptualized as shared development spaces, fronted as a novel concept by the majority of the 27 member states of the Indian Ocean Rim Association (IORA). Research indicates that the Indian Ocean Rim (IOR) will host about half the world's population by 2050. The IOR is described in geo-political terms as progressing from Ocean of the South to the Ocean of the Centre, and the Ocean of the Future (Doyle & Seal, 2015). IOR's position on global trade, industry, and labor is predicted to be a formidable entity in the 21st century. In this regard, a combination of geo-economic, environmental, and strategic principles in national and regional collaborations may have profound implications on regional foreign policy and interests in the coming decade (Doyle, 2016).

Other studies related to the blue economy in the IOR include Mungai et al., (2019); Musembi et al., (2019); and the United Nations Development Programme (UNDP, 2018). These studies are focused on scientific aspects of the blue economy; specifically, marine biology and sustainability of marine resources. Nevertheless, a study undertaken by Voyer et al. (2018) gave insight on maritime security, and the blue economy cannot be overlooked. The study highlighted key points on co-evolution and co-dependence of the blue economy and maritime agendas in relation to the IOR. The scholars proposed maritime security as a key promoter of the blue economy by triggering increased investment and growth capabilities. It is striking that most studies on the blue economy are concentrated in the area of marine science and little has been studied on blue economy in the purview of global business management.

Notably, a significant contribution to this paper was provided by Findlay and Boller-Muller (2018) on the potential of the South Africa's Operation Phakisa in aiding social and economic gains through exploitation of the ocean. Operation Phakisa is a practical example of a collaborative strategy success in the blue economy. The maritime sector and the blue economy are areas identified by various authors as opaque, but holds potential for international business expansion and, therefore, should be given more attention by global business scholars (Attri, 2016; Voyer et al., 2018).

Furthermore, a joint venture is one of the preferred strategies by international firms seeking to penetrate new markets. Bonnici and Channon (2015) asserted that joint venture partners may share equity holdings which may vary substantially. To sustain the joint venture, clear management and decision making structures should be established. The joint venture may take the form of strategic alliances which may or may not require equity participation. Bonnici and Channon (2015) asserted that while joint ventures report a relatively high rate of failure, they also record significant advantages. They also provide opportunities for developing countries or organizations to obtain resources which they may not possess on their own. Additionally, they may cushion foreign investors from political interference and bias in favor of local firms.

While considering opportunities to collaborate and partner with foreign countries and companies, Kaczynski (2002) cautioned that collaboration which involves access to strategic resources such as off-shore drilling units may affect the security of a country. This kind of investment decision depends on both internal and external interests, although the author was skeptical as the decision may be blurred under the influence of globalization and economic integration between states. Kaczynski (2011) viewed liner shipping as a highly competitive sector of shipping, for example. Strategies to counter the competition and stay afloat include strategic alliances, mergers, and cooperative strategies. In a recent study, Song and Panayides (2002) analyzed the application of cooperative game theory among members of liner shipping strategic alliances.

Additionally, Hymer (1976) demonstrated that market advantage may be achieved if an MNE acquires factor inputs at a lower cost than its competitors. Likewise, a study from Chiung-Hui et al. (2011) on the effects of firm resources on the growth in multi-nationality alluded that resources related to technology and marketing knowledge, as well as property based resources, were found to be significant drivers for multi-nationality growth. This study was significant for this paper based on the assumption that MNEs require the blue economy resources held by the host country (developing countries), while the host country requires knowledge, technology, and capital to develop their blue economy.

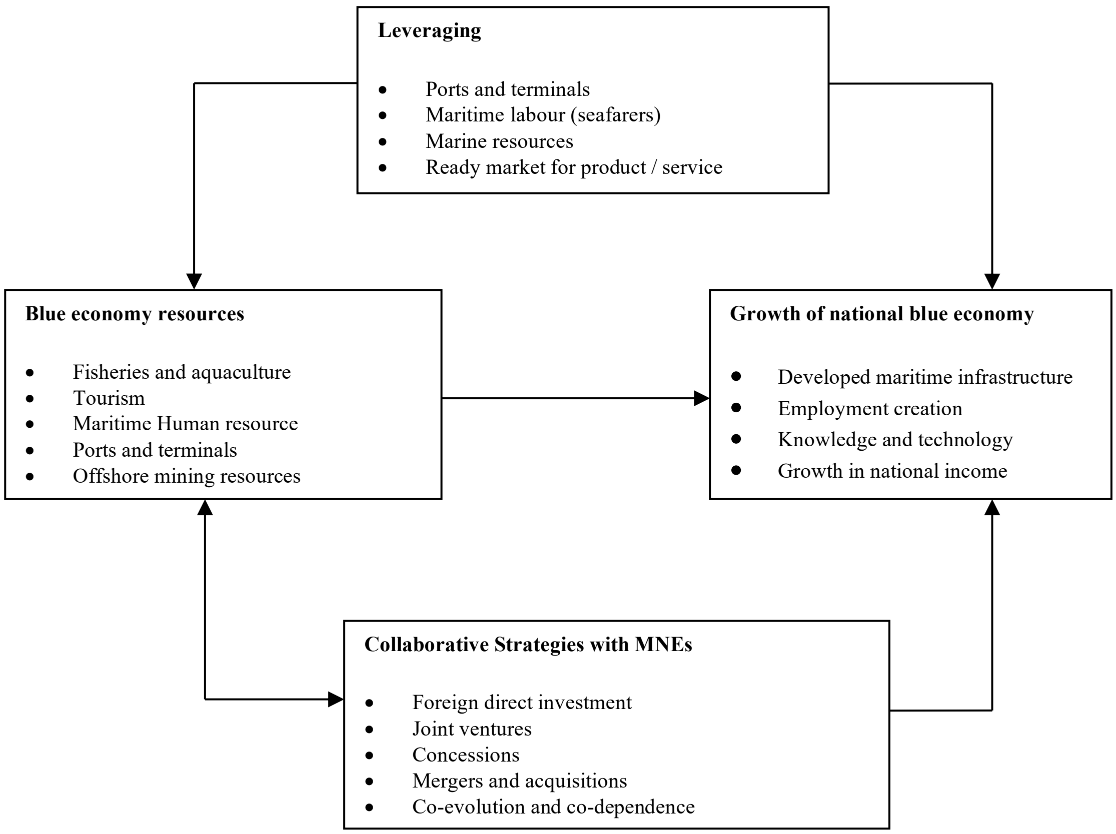
Conceptual Analysis

This section seeks to conceptualize leveraging blue economy resources and the development of a national economy through collaborative strategies with MNEs. The blue economy resources represent the independent variable while development or growth of national economy represent the dependent variable. Leveraging denotes the intervening variable, while collaborative strategies with MNE refer to the moderating variable. It is assumed that blue economy resources have influence over growth of a national economy with the intervention of leveraging and moderated by appropriate collaborative strategy with an MNE.

The paper further assumes that collaboration with multi-national enterprises may provide a local company or government an opportunity to develop the blue economy. The paper considers foreign direct investment, joint ventures and concessions, co-evolution, and co-dependence as examples of collaborative strategies which may attract the much needed knowledge, technology, or finance required to develop a national blue economy. Similarly, the paper is anchored on the FDI and the eclectic model, the transaction cost, and stakeholder theories which may propel collaboration or hinder the collaborative ventures.

A country may leverage its berths in ports, for example, whereby an MNE is given priority berthing of ships; hence faster offloading of cargo and a faster port turnaround time. Some countries may partner with MNEs by leveraging the marine resources; for example, fish or aquaculture; minerals, such as oil and gas, in exchange for the development of fish lading sites; ship building facilities; dry docking facilities; oil and gas terminals; and storage facilities, among many others. A country may also leverage affordable and qualified maritime labor to work in MNEs in exchange for knowledge transfer, employment opportunities, and capacity building in maritime training institutions which, in the long run, may add the national economic growth and greater growth in the blue economy(see Figure 2.)

Figure 2. A Conceptual Model of Leveraging Blue Economy Resources and the Growth of a National Blue Economy



Knowledge Gaps and Synthesis

This critical conceptual analysis synthesizes fifty-five articles in an attempt to develop an appreciation of the blue economy and collaborative strategies with MNEs. The analysis has been carried out under conceptual, contextual, theoretical, and methodological lenses to establish if any gaps exist and if they do, how to address them. The analysis established that 24 of the 55 articles reviewed discussed maritime and blue economy related subjects, confirming that the concept is still developing. The other 31 articles covered subjects related to collaborative strategies with respect to MNEs. Most of the articles borrowed from strategic management, economics, and finance disciplines. This calls for further development and expansion of theory and literature with respect to international business and global business studies.

Furthermore, the maritime industry operates in an international business environment occurring across oceans, continents, and countries. While collaboration with MNEs on the blue economy may be partially covered by existing global business studies, few studies have addressed the blue economy. From the analysis, many countries including western countries, some of which are traditional maritime nations, are still finding their position in the current blue economy arena. Studies undertaken in Europe and Asia showed that countries are seeking to leverage their blue resources and expand their global business coverage. The paper proposes further studies focusing on the blue economy concept to develop the sphere and theories which policy makers may refer to when making decisions and which scholars can use to future advance blue economy studies.

Further, various authors agree that the blue economy is an evolving area of economic development. Different terminology was used to refer to the blue economy, such as blue carbon, blue capital, blue resources, and blue growth, among others. These terms were used interchangeably. While some authors referred to the blue economy concept as *opaque*, the general convergence is the potential for growth and development of ocean related resources, which this paper supports. Many authors felt the need to concur on key terminology applied in the blue economy, probably based upon the particular aspect of the blue economy being addressed. It is imperative that future studies address the grey areas in the concept of the blue economy and, more so, in the area of collaborative strategies with MNEs, which this paper sought to address.

The paper has established limited empirical studies undertaken in the blue economy with respect to international business and collaboration of MNEs with countries or firms. Various studies under review addressed collaborative initiatives or strategies on other areas rather than the blue economy. The same is replicated in the studies on blue economy undertaken in the African context and within the IOR; for example, studies by Voyer et al., (2018), Mungai et al., (2019), and Musembi et al., (2019) all which focus on marine biology and the sustainability of marine resources. A departure from the above referenced is Findlay and Boller-Muller (2018) on the potential of South Africa's Operation Phakisa to ensure social and economic gains through exploitation of the ocean.

Moreover, from the empirical literature, western European countries have passed the nascent stage of developing their blue economies and are at advanced levels of actualization. However, there is evidence of existing collaborating with MNEs in terms of knowledge transfer, labor supply, and technology, among others, as noted in the case of France, Greece, and the United Kingdom. Simultaneously, developing countries have embraced collaborative ventures with MNEs to develop their blue economies by leveraging their resources in exchange for capital and knowledge transfer. This shows that the context is diverse depending on the stage of development in the blue economy for a country; hence, the variables may differ from country to country or from region to region. It is therefore imperative to undertake studies which are relevant to specific contexts; for example, the African context, East African context, or Kenyan context and, perhaps, compare these with previous studies in the developed maritime nations. Consequently, developing countries may undertake collaborative ventures with MNEs in countries which have established blue economies for knowledge transfer and possible investment.

The studies reviewed show that many partnerships with MNEs are high capital intensive. Further research is proposed with a focus on either collaborative strategies for small or large multi-national corporations, where the variables may differ and draw focused conclusions for the different size of firms. Furthermore, the literature fell short of authoritative statistical figures showing contributions or lack thereof, in collaborative strategies with MNEs. Closer to home, the Kenya

Bureau of Statistics, while analyzing other economic sectors, has omitted the maritime sectors contribution to the Kenyan economy. We propose that a scientific study be conducted to evaluate either large or small firms with a goal to enable pragmatic decision making.

Implications of the Study

This paper could have implications on policy, study, and practice. The paper focused on the blue economy, which from the analysis is one of the strategies many countries in both developed and developing countries are pursuing to rejuvenate their economies. Collaborative decisions should be made, guided by clear policy, which sets out the strategy of collaboration with MNEs in blue economy projects. Similarly, it is imperative that countries base decisions on scientific and pragmatic studies before delving in collaborative negotiations with potential MNE partners to better ensure successful and sustainable projects. Examples of projects which can be achieved through collaborate strategies with MNEs include port infrastructure, multi-modal transport systems, fish landing sites and related infrastructure, marine resource, and oil exploration infrastructure.

The paper established gaps in concept, context, and methodology in studies reviewed related to the blue economy. It is therefore imperative that further studies be undertaken to address the gaps identified and strengthen the body of knowledge. The analysis concluded that relatively few studies had been undertaken on the blue economy and collaborative ventures with MNEs. Global business scholars may therefore replicate the current conceptual paper to study the subject matter further and to enhance understanding of the identified gaps in knowledge.

For the aspect of practice, the maritime sector has been fronted as a dynamic area of international and global business (Roberts & Ali, 2016). Similarly, shipping by nature is global and is affected by business, legal, and political decisions in different countries, as was also reflected in the empirical analysis. The paper presented by Findlay and Boller-Muller (2018) on the potential of South Africa’s Operation Phakisa provided a practical example on how collaborative strategies with MNEs can help a nation’s economy grow by leveraging blue economy resources. This view is further supported by Voyer et al. (2018), Attri (2016), and Roberts and Ali (2016) who all conclude that the blue economy and maritime sector hold high potential for international business collaborations.

The empirical analysis emphasized the importance of stakeholder involvement in decisions when leveraging blue economy resources with MNEs. The paper noted stakeholder influence may contribute towards success or failure of a collaborative strategy with an MNE as noted in the case of Sri Lanka and Greece. Similarly, national security was one of the externalities which take prominence if a government is considering leveraging strategic blue economy resources to attract an MNE. For example, studies undertaken in the Indian Ocean region by scholars such as Voyer et al. (2018) and Doyle (2016) showed implications of externalities including national security on collaborative initiatives in the blue economy. Therefore, decision and policy makers should take precaution during collaborative negotiations and consult wisely with respect to stakeholders and security.

The paper observed that no country is entirely self-sustaining, which results in the need of collaborative strategies for both developing and developed countries, as either may lack one or more resources to develop a sustainable blue economy. This is evident in the empirical literature where countries collaborated with other countries or MNEs to gain technology, knowledge, resources, or capital. The paper suggests collaborative strategies, which can be applied when leveraging blue economy resources with MNEs for development of a national economy. The strategies may be applied by firms or countries through matching strategy and theory to their context (national needs and business environment) for effective application.

In addition to benefiting countries in policy decision making, this paper could provide valuable information to the shipping business community, which is a key investor in the blue economy. Other stakeholders, who may not be directly involved in shipping and blue economy activities, may benefit from the paper as well, as policy and investment decisions might dramatically affect national economic arenas.

Conclusion

This paper described a conceptual analysis of the blue economy and collaborative strategies. The paper’s foundation rested on three theories: the FDI theory and the eclectic model, the transaction cost theory, and the stakeholder theory. A theoretical perspective along with the empirical perspective corroborated that collaboration with MNEs and leveraging blue economy resources is inevitable for growth and development of the blue economy. Therefore, the paper draws the conclusion that integration of relevant theories may result in the development of a greater concept in the sphere of global business studies with respect to the blue economy. For example, from the theoretical perspective, FDI integrates with networking (stakeholders theory) proposed by Johanson and Vahlne (2009). The paper also noted that blue economy takes a multi-dimensional approach and borrows from spheres such as strategic management, finance, and global business management. The conclusion made is that the blue economy cannot be currently be studied in isolation.

Consistent with the stated theories, economic growth was observed as a possibly derivative of FDI due to the absorptive capacity of a host country although some scholars advocated for further interrogation of the eclectic paradigm with reference to ownership, location, and internalization (Cantwell, 2009; Dunning, 2000; Teece, 1977). Other scholars believed this strategy would delay the FDI. Similarly, the paper proposed that transaction cost theory, which has been seen to apply to various industries, may be integrated in collaborative strategies with MNEs with respect to the blue economy. We also concluded that internationalization is related to differences between the host and home markets, with the benefit of hindsight of culture and distance from the partnering countries. Therefore, the prevailing factors in the MNE and the host country should inform the choice of the collaborative strategy in the blue economy.

An empirical analysis confirmed that the blue economy concept has gained prominence in many countries as a potential sector which can stimulate growth for national economies (Findlay & Boller-Muller, 2018; Mohanty et al., 2015; Roberts & Ali, 2016). The study established that at some stage of the blue economy’s implementation, countries establish collaborative relationships with a foreign firm or country as evidenced by studies of the European Union - China trade

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(Duchâtel & Duplaix, 2018). This behavior is homogeneous in developed and developing maritime nations, the departure being the nature of the resources leveraged. For instance, developed countries forego capital, knowledge, or technology in exchange for blue economy resources such as berthing (port) facilities, construction of infrastructure, maritime labor, marine resources, or efficient supply chain. the empirical analysis also showed that specialization is one of the key drivers of the development of blue economies, which countries use for leverage with MNE partners (Hoffman & Kumar, 2002).

Finally, the paper identified several collaborative strategies with MNEs including FDI, joint ventures, and mergers and acquisitions. Joint venture is accorded prominence as a strategy applied by MNEs seeking to penetrate new markets as it is seen to cushion foreign investors from political interference or bias in favor of local firms. This strategy coincides with Findlay and Boller-Muller's (2018) and Doyle's (2016) propositions on co-evolution and co-dependence, and Johanson and Vahlne's (2009) view of business as a network of relationships. While various theories and collaborative strategies are suggested, it is imperative that countries pursuing collaboration with MNEs assess their environment including social, cultural, political, and stakeholder influence on the proposed blue economy venture. From this analysis, the paper concluded that collaborative strategies can contribute to the development of countries through leveraging their blue economy resources.

Recommendations for Further Research

With reference to the knowledge gaps addressed in the synthesis section of the paper, further research is suggested to address the contextual, theoretical, and methodological gaps identified.

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