

# The Importance of Tuna in the Future

For various reasons, tuna will inevitably assume a much larger profile in the Pacific Islands in the medium- and long-term future. Tuna is likely to increase in significance in a number of sectors, two of which are especially crucial: (1) as a foundation for future economic development and (2) for food security. The resource must be able to provide for both of these sectors, to the detriment of neither one.

## *Foundation for Future Economic Development*

Economic growth in the Pacific Islands area as a whole has been poor during the past decade (Forum Secretariat 2000; SPC 1998). Given this fact, plus the rate of population growth, the outlook is predictably gloomy. The population of the Pacific Islands is now growing at an annual rate of 2.2 percent, high relative to the world average of 1.8 percent. The population problem is arguably the most pressing for the Pacific Islands economies. The Pacific Human Development Report (UNDP 1994) states:

Throughout the decade of the 1990s most Pacific Island countries have experienced little economic growth.... Generally around the region population growth outstrips economic growth and fuels unemployment problems compounded by the declining viability of the semi-subsistence sector that has traditionally absorbed surplus labour.... Perhaps the most critical issue confronting Pacific Islands countries is how to provide all people with a secure, sustainable livelihood that meets their aspirations and counters the growth of poverty.

Consider:

- In FSM, from 1988 to 1997 the population increased at a rate 12 times the rate of employment growth (Bank of Hawaii 2000).

- In the Solomon Islands, 7,500 leave school each year (UNDP 1997), and there has been little, if any, growth in employment in the past decade.
- The labor force in PNG is growing at a rate of 3.2 percent per year (UNDP 1997e). In the decade between 1989 and 1997, according to AusAID (2000), there was no net growth in formal employment in the private sector.
- In Samoa, the economically active population and the potential labor pool far exceed the wage jobs available, and the gap will widen over time, given the slower rate of job creation (UNDP 1997e).
- UNDP (1999a) suggests that by the year 2010 the labor force in many of the countries will outnumber the wage-paying jobs by five to ten times.

In the past much of the growth in formal employment in the Pacific Islands was created by greatly expanding the public sector. Now with economic reform programs under way, public-sector employment is being cut back significantly, and this will add to unemployment.

To make matters worse, the economies of the region stand to face additional difficulties. Many countries will lose or receive reduced benefits from preferential trade arrangements as a result of higher tariffs to European markets, lower prices for sugar approaching prices on the world market, and downscaled SPARTECA<sup>10</sup> provisions. In addition, there is likely to be a winding down of development assistance to the region (currently a large \$1.2 billion), less remittance income from relatives overseas, fewer opportunities for emigration, a reduction in grant aid from the US or its outright termination (for US-affiliated Micronesia), depletion of forests (for Melanesia), economic disruption from land tenure difficulties (for Fiji), and loss of phosphate income (for Nauru). Forum Secretariat (2000) adds to this list: "vulnerability to the forces of nature, their geographic isolation from trading centers, political and social instability (in some member countries), and unsustainable levels of external and domestic debt levels."

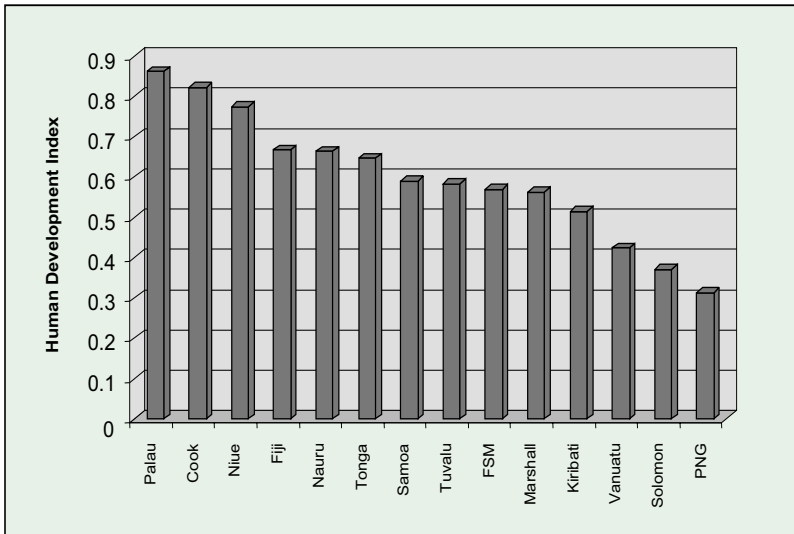
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<sup>10</sup> For "South Pacific Regional Trade and Economic Arrangement," whereby certain commodities imported into Australia from participating Pacific Islands countries are eligible for duty reductions.

In the future Pacific Islands climate of economic stagnation, very high population growth, mounting unemployment, and severe shocks, it is inevitable that the currently underexploited tuna resources of the region will assume an importance very much greater than at present. Quite simply, most countries have few, if any, alternatives.

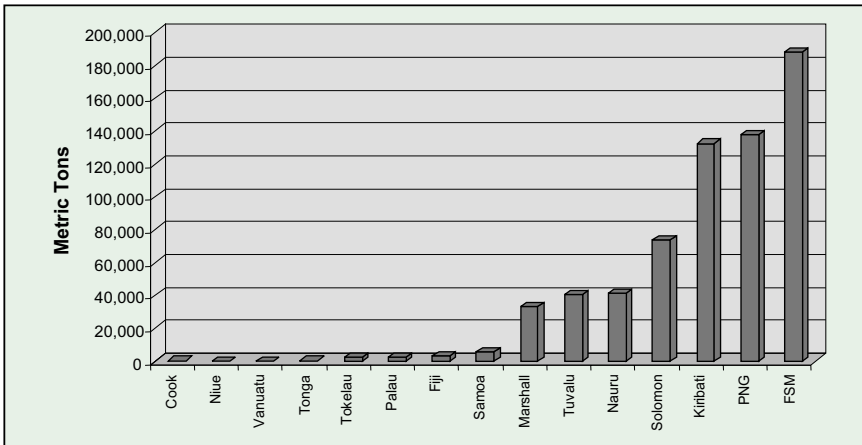
Fortunately, those Pacific Islands countries that are in the most desperate development situation appear to be the countries with the greatest tuna resources available for future development. UNDP (1999a) has applied its Human Development Index (HDI) – a measure of length of life, access to knowledge, income, and other factors – to Pacific Islands countries. The results are shown in Figure 5.

**Figure 5: Human Development Index for the Pacific Islands Countries, 1999**



With the exception of Vanuatu, all of the relatively poor Pacific Islands countries could be considered “tuna countries.” The 1999 tuna catches (Figure 6, from the information in the section “Tuna Landings in FFA Island Member Countries”) provide one indicator of endowment with tuna resources.

**Figure 6: Tuna Catch of the Pacific Islands Countries, 1999**



The poorest Pacific Islands countries have considerable tuna resources, which could be developed using technology available today.<sup>11</sup> This “capital for development” will undoubtedly become more important in the future – and even more valuable, considering the fully exploited nature of most of the world’s fishery resources. Hence, the need for effective conservation and management of the region’s tuna.

***Future Food Security***

Because the demand for fish in the Pacific Islands is strongly linked to population, changes in population should correspond to some extent to changes in demand. According to SPC (1993), between 1990 and 2010 the population of the region will increase from 6,068,000 to 8,871,060, or by 46 percent. SPC (1998a) points out that the present rate of population increase in the region, 2.2 percent, is equivalent to adding a population the size of Vanuatu’s to the region each year. Using per capita fish consumption information from Table 10, this would result in a demand for fish of 166,776 MT by 2010, or 58,535 MT more than in the early-1990s.

<sup>11</sup> From the calculations done for the “Access Fees” section above, the seven least developed countries of the region now receive 90 percent of the access fees.

Where will the extra 58,535 MT of fish come from? Many of the region's inshore and coastal fisheries are already fully exploited, especially in areas where the population increases are projected to occur, and major increases in fish from those areas are not expected. On the contrary, increased fishing, destructive fishing practices, and degradation of coastal zone environments are likely to reduce the amount of fish from inshore and coastal areas. The rapidly expanding economies of Asia and their huge markets for some inshore species may further aggravate the overfishing.

The most likely scenario is that per capita fish consumption from inshore and coastal areas will decrease. This could be compensated for by fish imports, but the future economic situation (see "Foundation for Future Economic Development" above) indicates decreased ability to pay for food imports. The inescapable conclusion is that, in order to maintain nutrition standards, Pacific Islands countries must make greater use of the region's tuna resources as food for their people.

FAO (1995a) comments on this situation:

To maintain per capita fish consumption levels, governments should consider greater utilization for local food of the catch from tuna fisheries. This could occur either by requiring retention of non-target species, encouraging local sales by the industrial fleet of a portion of the fish which are normally delivered to canneries for shipment out of the region, or encouraging tuna fishing activity by small and medium scale commercial operations.

# Conclusions

The benefits to FFA Pacific Islands member economies from industrial-scale tuna fishing are large: \$60 million in access fees, 25,000 jobs, expenditures approaching \$130 million, and substantial miscellaneous benefits. Small-scale fisheries are critically important for their employment, nutritional, recreational, and cultural value.

Pacific Islands countries are certainly dependent on their tuna resources at present and it is inevitable that this importance will grow in the future, especially considering the scarcity of other natural resources in many Pacific Islands countries, stagnating economies, likely economic shocks, and rapidly increasing population. Because effective conservation and management of the tuna fishery is required to assure sustainability of the resource, these interventions will ultimately have a major effect on the quality of life in Pacific Islands countries.