

## **Small Caribbean States: Exploitation by Japan of their economic vulnerability**

- ***Remarks by Sir Ronald Sanders KCMG , former Caribbean Ambassador, International Relations Consultant and Writer at Ocean Life Symposium II: Ocean Life on the Brink in Grand Anse, Grenada on 19<sup>th</sup> May 2010***

I have been asked to speak on the subject, “The Value of whale-watching to the Eastern Caribbean”, in the context of Ocean life being on the brink.

The subject has to be seen in its global context.

In the forward to the United Nations 2010 Report on “The Global Biodiversity Outlook”,<sup>1</sup> the Secretary-General, Ban Ki-Moon, made the following telling observation:

*In 2002, the world’s leaders agreed to achieve a significant reduction in the rate of biodiversity loss by 2010. Having reviewed all available evidence, including national reports submitted by Parties, this third edition of the Global Biodiversity Outlook concludes that the target has not been met. Moreover, the Outlook warns, the principal pressures leading to biodiversity loss are not just constant but are, in some cases, intensifying.*

The Report itself said:

*Mammals have also suffered the steepest increase in risk of extinction in South and South-East Asia, due to the combined impact of hunting and loss of habitat. Between ecosystem types, marine mammals have faced the steepest increase in risk, although freshwater mammals remain the most threatened.*

### **Commercial Whaling Threatens Biodiversity**

The point is that the rate of biodiversity loss is increasing to the detriment of the vast majority of the people of our planet, and mammals, including whales, have faced the steepest increase in the risk of extinction.

Among the risks to whales is commercial whaling in particular now by Iceland, Japan and Norway.

The situation could become worse.

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<sup>1</sup> Global Biodiversity Outlook 3, <http://www.cbd.int/gbo/gbo3/doc/GBO3-final-en.pdf>

### **OECS Support for Japan at IWC not in their interest**

Next month (June 2010) in Morocco, as you are all aware, the Chair and Vice Chair of the IWC will put to a full meeting of the IWC a proposition that would: overturn the global ban on commercial whaling and allow hunting in the Southern Ocean Whale Sanctuary around Antarctica; approve the killing of whales for commercial purposes by Japan around Antarctica and in the North Pacific; and allow continuing whaling by Iceland and Norway in violation of long-agreed scientific procedures and the global whaling ban.

No member government of the IWC has endorsed the proposition to date and some governments have forcefully stated their objection to it – among them: Mexico, Australia, New Zealand and Britain.

But there is a real risk that the proposition may be adopted in Morocco, largely because Japan – which is the most aggressive of the three whaling countries – has solicited the support of a number of small, and economically vulnerable nations in Africa, the Caribbean and Pacific to support its position at the meeting.

The Caribbean countries concerned are the six independent members of the Organisation of Eastern Caribbean States (OECS) and Suriname.

Support for Japan by the countries in the Eastern Caribbean is not in their sustainable economic interest because, increasingly they are earning regular annual revenues and creating employment in the whale-watching as part of the tourism industry on which all their economies now depend.

So, the question is why? Why support whale hunting, when except for a few people in the tiny islands of the Grenadines, no one in the Caribbean eats whale meat? Why support whale hunting when whales in the Caribbean Sea are no threat to our food stock? Why support whale hunting when killing them upsets the already fragile biodiversity of our Oceans and seas to the detriment of our natural environment? Why support whale hunting when the Caribbean needs whales to sustain its nascent Whale Watching industry which already earns money and provides jobs, and could do much more of both?

### **Japan exploiting vulnerabilities of member countries of OECS**

The answer lies in the exploitation by Japan of the economic vulnerabilities of these small economies by offering them aid in the form of Fish Refrigeration facilities in return for their joining the IWC and voting with Japan.

It is also claimed that Japan pays the IWC membership fees for several of the Caribbean countries, and also finances the participation of their delegations who have become the most vocal supporters of Japan's drive for commercial whaling. This claim gained validation when, in April 2002, the then Accountant General of Grenada wrote in a letter (later made public): "contributions from the government of Japan to the government of Grenada were not received for the International Whaling Commission and as such was not reflected in the said accounts for the years 1998 and 1999. However, our internal audit revealed that contributions were received for all other years prior to and following 1998 and 1999. Moreover the Japanese have confirmed that it made contributions to the government of Grenada for the specified periods."

A definitive study produced in 2002 when Japanese aid to the Eastern Caribbean countries was at its height showed that the aid was "specifically targeted at one single sector namely the infrastructures of the fishing industry".<sup>2</sup> But, the fishing industries of these countries accounts for only "around 1% to 2% of the total GDP", and there is no evidence that the fishing community benefitted significantly from the Fisheries complexes that were constructed. Indeed some of them are being used for other purposes and others are disused.

John Fuller, a leading Eastern Caribbean Lawyer and Environmentalist, has pointed out that, in Antigua and Barbuda, these fishing facilities are having the opposite effect to what was intended. He testifies that the facilities have led to a proliferation of so-called fishermen using fish pots with the result that there are now between 7,000 and 10,000 fish pots polluting the continental shelf and the livelihood of fishermen has not improved.<sup>3</sup>

A significant part of the reason why these governments sell their votes to the Japanese is their economic circumstances. They are all highly indebted and many of them cannot balance their budgets or finance development projects from their own resources. In this connection, the Japanese largesse is attractive even though it produces no sustainable development.

Additionally, governments accept that the monetary worth of the Japanese fishing facilities is actually the value placed on them by Japan; no government has ever valued the facilities independently. So what looks like tens of millions of dollars in aid could really be considerably less. No cost benefit

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<sup>2</sup> Socio-Economic and Political Aspects of the Aid Provided by Japan to the Fishing Industry in the Small Independent Islands in the East Caribbean; B Petitjean Roget, October 2002

<sup>3</sup> John Fuller speaking to Ocean Life Symposium II: Ocean Life on the Brink in Grenada on 19 May 2010.

analysis of the facilities has been conducted in terms of the cost to governments of operating and maintaining them in comparison to the revenues they earn.

### **Japan is beneficiary of Economic Relationship with OECS**

More importantly, OECS governments have no reason to sell their votes to Japan in return for aid, because when the balance of trade between Japan and the members of the OECS is examined, it is crystal clear that Japan is the beneficiary of the relationship. OECS countries buy motor-vehicles, agricultural machinery, cameras, video machines, computers, printers from Japan while Japan buys very little from them. In other words, OECS countries help to provide far more jobs and revenues to Japan than Japan does for the OECS through the provision of fishing facilities.

In the 2010, Report on “The Global Biodiversity Outlook”, UN Secretary-General Ban Ki-Moon has made the point that:

*...conserving biodiversity cannot be an afterthought once other objectives are addressed – it is the foundation on which many of these objectives are built.*

He said:

*We need a new vision for biological diversity for a healthy planet and a sustainable future for humankind.*

The Secretary-General’s urging is especially relevant to the countries of the Eastern Caribbean for both conservation of biodiversity and live whales are in their economic and social interest. They have to seriously consider whether supporting Japan and whaling in the IWC is in their long term interest.

### **Live Whales, not Dead Whales in Caribbean interest**

A study produced last year by group of independent Economists, located in Australia, confirms that Whale Watching has become a boon to tourism in Central America and the Caribbean over the last eleven years and is set to make a bigger contribution to the industry’s earnings.

Many Caribbean countries have been the principal beneficiaries of this growth despite the support given by a few of their governments to Japan’s yen for commercial whaling.

The study entitled, "Whale Watching Worldwide", finds that the number of whale watchers participating in tours, grew by 13% per year from 1998 to 2008 and their spending in Central American and Caribbean economies increased to US\$54 million from US\$11 million in 1998.<sup>4</sup>

In that same period, the number of countries in the region participating in whale watching grew from 19 to 23.

Caribbean countries are at the top and bottom of the league table for the whale watching industry.

Dominica's industry is the most mature, following considerable assistance over the years from a number of non-governmental organisations led by the International Fund for Animal Welfare (IFAW).

In volume terms, Costa Rica surpassed all other regional countries moving from 1,227 in 1998 to 105,617 for a 56.1% increase.

In percentage growth terms, however, St Lucia – a member of the OECS - outstripped every country in the Caribbean and Central America. From 65 whale watchers in 1998, St Lucia had 16,650 watchers in 2008 – a growth of 74.1%.

In 2008, the government of Dominica – another OECS member – announced that it would abstain from voting for the Japanese position acknowledging that support for whale killing is not in keeping with Dominica's desire to promote tourism as a nature island.

The number of Dominica's whale watchers rose from 5,000 in 1998 to 14,500 in 2008 – a growth of 11.2%. This growth was obviously far less than St Lucia's 74.1%, and it was even behind St Vincent and the Grenadines at 13.3% but this is due to the fact that Dominica has been offering whale watching as part of its tourist attractions longer than its two neighbours, and it started at a bigger base number than they did.

In 2008, Dominica earned US\$1.78 million from whale watching, while St Lucia received US\$1.57 million and St Vincent and the Grenadines got only US\$206,000.

Antigua and Barbuda – another OECS member and one with a relatively bigger tourism industry than the others – has not traditionally promoted whale watching as part of its tourism product and therefore it has not developed significant whale watching operations. But, in 2008, five hundred persons went whale watching there, spending just under US\$1,000 a head directly and indirectly in the economy. John Fuller has confirmed that this year – 2010 – from January until May has been the best year for

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<sup>4</sup> Op Cit, Economists at Large, Melbourne, Australia, 2009

whale sightings in Antigua and Barbuda.<sup>5</sup> This underscores the value that a well regulated and supervised whale watching industry could contribute to the economy,

The lead country in the region is Costa Rica which alone earned US\$21.1 million from the whale watching industry in 2006, having started it in 1994. Its closest rival is the Dominican Republic, which, in 2008, pulled in close to US\$9 million. In both these countries, whale watching has been encouraged and promoted by the government, the tourism authorities, the hotels and the calling cruise ships. They have also been strongly against whale killing and despite diplomatic and commercial relations with Japan, they have opposed that country's whale killing stance.

The point is that whale-watching has significant potential to contribute to the sustainable economic development of the Eastern Caribbean countries. Dead whales are of no use to them; live ones are. Therefore support for any increase in whaling cannot be in their interest, nor can any relaxation of the IWC rules that allows Japan, Norway and Iceland to slaughter more whales than they do now.

### **International Respect for OECS countries at risk**

Caribbean governments that continue to support Japan in return for blandishments are losing their standing in the international community. Because they are small and lack both military might and economic clout, standing-up for principles is their most persuasive tool in international relations. When they abandon principles, they lose respect in the world and strip themselves of the only tool they have.

The international community cannot trust them. For the assumption is that they will sell themselves to the highest bidder.

Against this background, it is not surprising that, at a meeting last week in St Lucia, Caribwhale, an organization representing employers and employees of the whale-watching business in the Eastern Caribbean, declared in a public statement:

*Lifting the ban on commercial whaling would have an immediate and calamitous effect on the whale watching industry in Central America and the Caribbean which now earns the area in excess of US\$54 million per annum and provides employment for thousands of people. Our region could also experience the real danger of the three remaining whaling countries traversing our territorial waters and killing whales before they reach the Caribbean. This would*

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<sup>5</sup> See Note 3

*deplete the whale population and destroy the beneficial whale watching business as well as any further contribution it can make to our region's tourism earnings.*<sup>6</sup>

With the right kind of marketing and promotion, there is no reason why whale-watching under proper conditions could not expand in the Eastern Caribbean to make it as big and as lucrative as it is in Costa Rica and the Dominican Republic.

The biggest challenge the industry faces is their Governments' backing for the Japanese desire to continue commercial whaling, killing thousands of whales every year.

### **OECS countries could redeem themselves**

Caribbean countries that are members of the IWC could be very instrumental in quashing the proposition that is being put to the full IWC meeting in Morocco beginning 21 June 2010, and that would lead to an increase in whaling.

These Caribbean governments should join progressive governments around the world by formally declaring their opposition to the proposition long before the IWC meeting in June, and, if they do attend, by vigorously opposing it then.

Environmentalist Atherton Martin of Dominica – himself a former Minister of the government – has said that his government should provide leadership on the whale conservation matter by championing, at the IWC meeting, a whale sanctuary for the Caribbean. He said: “*France has already taken the lead. We need to join and incorporate the science that France brings into the marine environment and do the same*”.

There is great value in Athie Martin's proposal for a Caribbean whale sanctuary. Organisations, such as Caribwhale, should strongly take up his proposal and push for it. After all, Caribbean governments have called for the Caribbean to be a zone of peace reflecting the peace-loving nature of our countries and their self-branding as a haven for eco-friendly tourism.

If this proposal gains the positive and active support of Caribbean governments not only would the region's biodiversity improve, but so too would its standing in the world community and its potential for earning more revenues and creating more jobs in whale-watching as part of its vital tourism industry.

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<sup>6</sup> “Whale Watch Operators Say No To Lifting The Commercial Whaling Ban”, media release by Caribwhale, St Lucia 13<sup>th</sup> May 2010

It would be in the Caribbean's interest to say no to Japan's yen for whaling; and to say yes to restoring the region's reputation for principle. The Caribbean would be richer for it in every way.

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