

Whale Watching as Centerpiece for “Blue” Tourism Promotion

By Sir Ronald Sanders

Madame Chairperson,

In relation to whale watching and “blue” tourism, the Caribbean region presents an instructive case study of how rich countries can use economic inducements to influence smaller and poorer countries to vote against their own interests in multilateral organizations.

In particular, I will consider how Japan has used its wealth to persuade governments in the six small and disadvantaged countries of the Organization of Eastern Caribbean States (OECS) to support its position on whaling in the International Whaling Commission (IWC), even though providing such support may not be in the long term interest of these Caribbean countries.

For years now, IWC meetings have been bogged down with acrimonious debate between countries that support whaling such as Japan, Norway and Iceland on the one hand and, on the other, several countries in Europe, Latin America, Africa, Asia, and North America.

The larger Caribbean countries, Jamaica, Barbados, Trinidad and Tobago, Guyana and the Bahamas are not members of the IWC. They guard their marine interests in other organisations such as the FAO's Western Central Atlantic Fishery Commission.

The issue of Japan's whale-killing, for what it claims are "scientific" purposes, has bedevilled the IWC particularly as whale meat derived from these "scientific" purposes ends up as a delicacy on the tables of some of the elite in Japan.

Suffering repeated failures to block the IWC from establishing whale sanctuaries and to lift restrictions on whale hunting, Japan has actively recruited countries to join the IWC.

Japan has done so in Africa, the Pacific and the Caribbean, focussing in every instance on poor or vulnerable countries. Among these "recruits" are the six small OECS countries – Antigua and Barbuda, Dominica, Grenada, St Kitts-Nevis, St Lucia, and St Vincent and the Grenadines.

A brief look at the current economic circumstances of these Caribbean countries is instructive in terms of how Japan managed to induce their support.

They are among the most heavily indebted nations, per capita, in the world. Their ratio of debt to gross domestic product

ranges from between 70% to 120%. This means that, after servicing debt, they don't have a great deal left over to finance social programmes and build infrastructure. The space for policy options, therefore, is extremely limited.

Their debt arises from a number of circumstances. These include borrowing for recovery and restoration from natural disasters such as hurricanes which have increased in frequency and intensity in recent years; loss of preferential markets in the European Union, especially for bananas which was a vital export for Dominica, St Lucia and St Vincent and the Grenadines; the imposition of poor terms of trade and investment by larger regions of the world such as the European Union. As an example, each of the OECS countries had to sign up two years ago to a fully reciprocal trade and investment Economic Partnership Agreement with the EU. Yet, the EU has a population of 400 million and the largest OECS country has a population of 120,000. The inequality of the relationship is immediately obvious.

The global financial crisis which started in late 2008 has affected all of these countries badly. Revenues from tourism have declined; remittances from their Diaspora in developed countries have fallen; investment has dwindled; and access to commercial financing has narrowed considerably. None of their economies grew in 2009, and none are likely to grow in 2010.

In short, their economies are now in severe recession and are unlikely to recover until late next year.

But this worrying trend had begun much earlier – specifically, at the end of the cold war between the former Union of Soviet Socialist Republics on the one hand and, on the other, the United States and allies in the North Atlantic Treaty Organization.

With the end of the cold war rivalry, the Caribbean's strategic importance ended, and so too did the extent of aid, investment and preferential markets that the region enjoyed in its relationship with North America and Europe. From the mid-1990's, the region's economic fortunes have been severely challenged.

Over the last few years, five of the OECS countries have sought assistance from programmes introduced by the International Monetary Fund (IMF) to help countries cope with the consequences of the present difficult global financial crisis.

St Lucia, St Vincent and the Grenadines and Dominica have each signed up to the IMF's Exogenous Shocks Facility, St Kitts-Nevis has arrangements under the IMF's Emergency Assistance for Natural Disasters programme, and Grenada is receiving help to address poverty as part of the IMF's Poverty Reduction Strategy Papers. The sixth OECS member country,

Antigua and Barbuda, is currently negotiating a Stand-by programme with the IMF.

There is little indication that the IMF will ease the conditionalities it usually applies to providing assistance, and each of these countries is facing hardship to one extent or another.

It is in this context that Japan uses inducements to procure support for its pro-whaling stance in the IWC. In other words, it could be concluded that Japan is taking advantage of the tough economic circumstances of these countries.

It is alleged that in return for Japanese investments in fisheries facilities in their countries, OECS governments support Japan's desire to continue and expand its whaling activities.

The voting record of these countries supports the contention that their representatives have consistently supported Japan.

It's not often that the leader of a small country is bold enough to resist the desires of larger or richer countries. But, Dominica's Prime Minister, Roosevelt Skerritt, did just that two years ago.

Speaking in Dominica's Capital, Roseau, at a Conference similar to this one, the Prime Minister declared that his government will no longer be supporting the position of the Japanese

government in the International Whaling Commission (IWC). He said that his government will be acting in his country's "national interest".

Prime Minister Skerritt's principled position is highly laudable. It is one we must all continue to applaud and commend.

The Dominica government's action along with the fact that the several bigger countries of the Caribbean have not fallen prey to Japan's search for allies in its whaling quest, does indicate that Caribbean countries – whose situation is not dissimilar to the OECS countries – can resist inducements and root their decision-making in multilateral organisations firmly in the interest of their own nations.

Among the Caribbean countries that have not joined Japan are Bahamas, Barbados, Dominican Republic, Guyana, Jamaica and Trinidad and Tobago.

But so far, neither Prime Minister Skerritt's actions nor the example of the other bigger Caribbean nations has encouraged OECS governments to act in a similar way.

However, while these Caribbean countries have continued to support whaling, studies have shown that their longer term economic interests reside in protecting and preserving whales.

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 ten years and is set to make a bigger contribution to the industry's earnings.

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.

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.

At the bottom of the table, but with all the potential for a leap in the future because of its already large tourist trade is Jamaica where one operator is testing the opportunities to view sperm whales off Jamaica's coast.

In percentage growth terms, St Lucia – one of the OECS countries that paradoxically supports Japan in the IWC - 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%.

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 it 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.

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.

This contribution of whale watching to economic growth in Central American and Caribbean countries has not been limited to this region alone.

The Australia-based firm, Economists at Large & Associates, that conducted the study, showed that "more than 13 million people took whale watching tours in 2008 in 119 countries worldwide, generating a whopping \$2.1 billion in total expenditures during 2008".

The report also documents dramatic growth of the whale watching industry in Asia, the Pacific, South America, the Caribbean and Europe, significantly outpacing global tourism growth rates over the past decade.

As Patrick Ramage of IFAW pointed out in the Preface to the study, "growth like this means jobs: more than 3,000 whale watching operations around the world now employ an estimated 13,200 people".

Against this background it is not surprising that many countries in South and Central America, Africa, Asia, Europe and North America strongly resist the threat to 30 years of whale conservation posed by Japan and a handful of European nations.

Last year amid a grave financial crisis, Iceland granted a huge quota of both minke and fin whales for commercial hunting despite the fact that there is a ban on commercial whaling, and

fin whales are listed as endangered species. What is more Icelanders have no great appetite for whale meat; the plan was to sell it to Japan.

Iceland was roundly condemned by 26 countries which called on the Icelandic government to reassess its current whaling operations and end commercial whaling.

Whaling is no solution to Iceland's present problems. Its economy crashed in 2008 in the global financial crisis. Tourism is essential to its economy, and whale watching is one of the fastest growing sectors. Whale watching, not whale killing, is the industry Iceland should be strongly protecting and advocating.

That observation is equally valid for those Caribbean countries who currently support Japan's desire for killing of whales – there is nothing for them in whale killing. Whale watching provides – and has the potential for providing – considerable benefits to the tourism industries of Caribbean countries at a time when tourism has become the most important single contributor to their economies.

Apart from St Vincent and the Grenadines which carries out a traditional subsistence hunt for whales under an IWC-regulated total-quota of 20 Humpback whales total in a five year period, whaling gives no tangible economic or resource benefit to the people of Caribbean countries.

But, based on the existing contribution of whale-watching and the potential for an even greater contribution to revenues and jobs, there can be no question that whale-watching sanctuaries and protected areas are in the economic interest of Caribbean countries and their support for them would enhance their image as environmentally friendly and responsible.

I want to end this presentation by making three points:

First, Japan's whaling programme serves the interests of a very small number of people in Japan – albeit a seemingly powerful political lobby. An authoritative report reveals that; "The whaling programme in the Southern Ocean costs the Japanese taxpayer 1.2 billion yen every year -- that's about 10 million Euros, or 12 million US dollars -- in direct subsidies only. The Japanese government spends additional funds "recruiting" countries into the International Whaling Commission; on marketing and promotion campaigns for whale meat; and other indirect subsidies that have raised eyebrows in the Japanese business press".

Therefore, there is work to be done within Japan itself to inform the Japanese public, the Japanese popular media, and non-governmental organisations within Japan of the high cost to them of a commercial activity from which they derive no economic or other practical benefit.

Second, it would appear that within the International Whaling Commission a form of agreement is being pursued by a small working group that would be detrimental to the protection of whales. The agreement that is being devised would legitimize whale catches in certain areas in exchange for a reduction of catches worldwide. Such an agreement would be a backward step. And, while it is obvious that the IWC is suffering fatigue from the years of debate on this issue, there should be no letting-up on the efforts of people-movements around the world to stop whaling except for those indigenous communities who depend on limited catches for their survival.

In early March – a couple of weeks from now – the IWC will meet in Florida to consider the proposal from the small working group. Every effort should be made to mobilize international support to reject attempts at the Florida meeting to legitimize whale catches by vested commercial interests in a few countries.

Third, with respect to small and vulnerable Caribbean countries that are now lured by their economic circumstances to support the interest of Japanese commercial whaling firms against their own longer-term interest in whale-watching, there should be a sustained, collective and coherent programme by all the Environmental groups to persuade donor governments and international financial institutions to establish projects for “blue tourism” in these countries.

What is more, they should engage governments and the private sector to identify the most beneficial projects; produce feasibility studies for them; and help guide them through the process of appraisal and funding approval by multilateral funding agencies.

No one Environmental group would be able to afford to take on this exercise, but a collective effort could make the difference.

Martinique

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