

## Benefits and costs of the tuna industry: The case of the Marshall Islands

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*This is a brief summary of a study conducted with the assistance of the Marshall Islands Marine Resources Authority (MIMRA). It formed part of Forum Fisheries Agency work on the development of the National Tuna Development and Management Plan for the Republic of the Marshall Islands.*

The Republic of the Marshall Islands (RMI) has, in the last decade, witnessed growth in the tuna industry, mostly through foreign fleet involvement. Majuro is a major trans-shipment port, with distant water fishing nations (DWFNs) regularly coming in for purposes such as trans-shipment, fuelling, and crew offloading and loading.

At the time of the survey (December 2003) there were approximately 500 workers employed in the tuna processing plant in Majuro. Because this factory has since closed down, current local employment is confined mainly to work in the port and wharf area. In addition, a few men work as observers on fishing vessels.

RMI receives substantial funds from the United States under the Compact of Free Association agreement. Nonetheless unemployment is high and public service salaries tend to be much higher than those in the private sector.

The current population of RMI is about 51,000 (1999 census), the majority of whom are Marshallese living in households of about eight people on average. Almost half the population in 1999 were under 18 years of age: this young population will need education and medical care and, of most relevance to this report, will need to enter the workforce in



Women selling food on the roadside in Majuro, Marshall Islands.



The small building at the back of the photo is the "checkpoint" or customs office at Delap dock.

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the near future. The Marshall Islands is one of the most urbanised countries in the Pacific, with almost 70 per cent of the population living either on Majuro or Ebeye. The high population densities on these two islands are a major cause of social, economic and other problems.

Education facilities are available but until recently a fairly low percentage of young people has made it through the formal education system. Young people have dropped out from an early age: in 2003, for example, 23 per cent of females and 18 per cent of males in grade 1 to grade 8 education dropped out. The higher dropout rate for female students was explained as being due to the practice of early marriage and teenage pregnancies.

RMI is a matrilineal society, thus heritage and rights to land are passed through female lines. Respect for traditional systems is strong but, with modernisation, many of the traditional practices and customary use of resources have slowly eroded. One of the unique features of Marshallese culture is the power that accompanies land rights and associated authorities. The gradual erosion of traditional customs and norms, improper documentation and lack of appropriate legal mechanisms for land transfer in the past have contributed to confusion over land rights, which has escalated to land disputes in some cases.

Also, due to erosion of customary tenure, women are starting to lose their power base in the land. Many women, especially in urban areas, no longer live on their own lands. Extended families are breaking down and fewer men follow the tradition of moving into their wife's "family" home upon marriage.

### Transshipment

DWFNs currently operating within RMI's exclusive economic zone are Japan, Taiwan, South Korea, China and the United States. With a growth in transshipment activities there has been an influx of foreign businesspeople, especially from Asian countries, into the Marshall Islands. Foreigners have in many cases set up organised activities and exclusive entertainment areas to meet the needs of boat crews that regularly come into port. This has caused major concern amongst the local population.

According to an impact assessment and cost-benefit analysis of the tuna transshipment in Majuro port in 2002, the port sees approximately 300 transshipments each year. Using this figure, total expenditure in Majuro from purse-seine transshipment activities would be around USD 5–10 million. The largest proportion of this expenditure goes on fuel

and on government fees and charges. (Fuel sales by the government-owned Marshalls Energy Company generate profits, which indirectly benefit consumers through electricity subsidies offered by government.) Crew onshore-spending accounts for much of the remainder; imported items are a common purchase, which crew often buy in premises owned and operated by foreigners.

### Regulations already in existence

MIMRA already has in place policies and regulations that specifically relate to transshipment and the tuna industry. A circular on these regulations is distributed to shipmasters on all vessels that come into port for fish transshipment, provisioning and other related purposes.

The circular reminds the shipmasters of the conditions attached to their licences. In particular, it states that transfer of bunkers, helicopter fuel and lube oil from one ship to another is prohibited unless specific permission to do so is obtained. In another measure, which is designed to protect the livelihoods of local fishers, the discharge of fish or bycatch to any people or entities on shore is prohibited unless authorisation has been given in advance.

The circular also specifically states that "unauthorized persons or persons not authorized by MIMRA or any other appropriate authorities are not allowed aboard vessels while in Majuro". This statement reflects the local community's concern with the health and social risks associated with prostitution. To take account of these concerns, the Uliga dock is designated as the only loading or unloading area; the Robert Reimers dock can also be used with permission.

The effectiveness of these regulations depends heavily on whether crew comply with them voluntarily. With so many vessels in port, MIMRA and the Customs Authority lack the capacity to monitor every incoming boat individually. In discussions with the police, both authorities have expressed concern about the potential for smuggling through transshipment activities. Products that have not been through customs have appeared on shop shelves in Majuro. The police also have records of women apprehended within the docks and in boats, some of whom have been charged with prostitution.

A national taskforce has been set up to look at transshipment activities and ways of addressing problems that they have created. The taskforce includes personnel from the Sea Patrol Unit, Immigration, Customs Authority, Police Department, Health Authority, education authorities, Environmental Protection Agency, Tourism

Department, municipal authorities and other groups. One of the major jobs of the taskforce is to identify ways of monitoring and enforcing existing legislation. So far it has been focusing on how to educate the general public on issues relating to transshipment. One need still to be addressed is the inclusion of fishers and those directly involved with transshipment in the taskforce.

As became clear in many discussions during the fieldwork for this research, there is a widespread lack of awareness of the tuna industry and related transshipment activities. As a result, people had a lot of assumptions and suspicions about the vessels and their environmental and social impact. In some cases these suspicions translated into concern over the increasing presence of Asians in RMI and their involvement in various businesses in town.

### Benefits

The direct and indirect benefits from the tuna industry and its planned development include:

- opportunities for employment, which are especially welcome given the youthful population and the related employment needs that are projected for the immediate future;
- more business for restaurants, bars and other recreational industries;
- opportunities for investment and partnerships for the local population;
- opportunities for further development of small-scale tuna fishing activities for local fishers;
- further training for young men and women and consequently, with the training to find work in the tuna industry, a more mobile workforce;
- development of infrastructure and social services to support the industry, which will also support the development of infrastructure in general;
- a multiplier effect leading to general economic development, as other sectors of the community like transportation, tourism, youth development and agriculture indirectly benefit from the activities of the tuna industry;
- development of wharves, port facilities and new sites for the tuna facility, which may have a wider effect of developing related areas and, with a developed domestic industry, will allow RMI to have a greater say in the development of the industry and the management of the resource; and
- maximisation of foreign earnings through current transshipment activities and licensing fees.

### Implications

Any major industrial development, such as that occurring in the tuna industry, will have economic, social, cultural and environmental implications. As

in other Pacific Island states, because some social and cultural changes are inevitable and because it is accepted that they will occur, these changes are sometimes not properly addressed or analysed. Some of the most significant implications are outlined below.

### *Imposition on local environments and culture*

Greater involvement in the tuna industry in the future means more people will use Majuro as a transit point. The influx of foreigners to RMI shores will bring new cultures, new trends in eating and other lifestyle changes.

### *Seafarer lifestyle*

Seafaring is an international occupation where men of different backgrounds meet and work together, and travel through many foreign ports. For these men, being onshore is an opportunity for socialising, drinking and just relaxing. Very few think of practising safe sex when in these situations. Some participants in this research identified abuse of alcohol as contributing to a relaxed attitude towards the risk of HIV/AIDS and sexually transmitted infections (STIs).

### *Sex workers*

Business for sex workers usually thrives in areas where foreigners and locals in the tuna industry interact frequently and where foreign vessels call regularly into port. RMI is no exception. As noted above, RMI does have policies to discourage prostitution: women can be prosecuted for sex work, and all incoming boats can offload only at a certain point, where customs and other authorities are. Enforcement of these policies, however, remains a problem. Dealing effectively with these activities is particularly important because they could be associated with other illegal activities like drug trafficking and smuggling of illegal goods into the country.

According to figures from the Division of the Vice Squad of the Police Force on Majuro, in the period from mid 1999 to early 2001, 88 people (ranging in age from 17 to 22 years) were prosecuted for prostitution. Note that this total represents only those prosecuted. Records were also kept of those *accused* of prostitution, of whom the majority were Marshallese and a smaller number were Chinese. People are also aware of more organised prostitution which is difficult to monitor. The lack of monitoring of exclusive clubs and bars in Majuro may mean organised prostitution is not dealt with at all.

The activities of “pimps” or go-betweens have become sophisticated operations. Dealing with this problem may require laws that allow for the prose-

cution of pimps and others in the business of marketing sex workers.

Although reluctant to talk on the subject of sex workers, men interviewed emphasised that prostitution was against traditional and customary beliefs and principles. It will continue to be a major problem. A more concerted effort by government, non-governmental authorities, local authorities and traditional bodies is needed to look for ways to reduce the involvement of young women.

Most of the women questioned about their involvement in these activities had few options for employment elsewhere and liked the easy life that crew members offered them. The lack of employment for young women and limited recreational activities on board for crew members are both contributing factors to the sex trade. In addition, easy access to alcohol, lack of recreational activities and the opportunity to gain some form of monetary return draw women to the trade.

#### **HIV/AIDS and sexually transmitted infections**

The incidence of HIV/AIDS and STIs is closely linked to seafarers all over the Pacific. Transshipment activities that allow extensive interaction between locals and foreign crew are a major reason for this link. Although there have been few reported cases of HIV infection in RMI, the lack of HIV testing equipment is likely to be one reason why the local total remains low. In discussions

with the health authorities, it was disclosed that an HIV test could take months or up to a year to be conducted because of the lack of facilities in RMI. Tests are conducted in Hawaii.

There is no system of screening for STIs in men who come off boats or women who are arrested on boats or on the dock. Some research participants suggested voluntary screening systems, where people's identities are not known or needed, could be introduced. Another referral area, where identities can be kept, or a more private arrangement could encourage people to come for medical checks. This was with the argument that voluntary testing for sexually transmissible diseases (STIs) in a small place such as the Marshalls does not work. Confidential information easily leaks out and people make certain "assumptions" if people went for tests.

#### **Environmental concerns**

Because of the scale and intensity of transshipment activities in Majuro, it is highly likely that the environment — including the Majuro marine environment — is being adversely affected. There are shortcomings in environmental monitoring and activity surveillance by the responsible RMI authorities. Many people interviewed on the impacts and benefits of transshipment activities voiced their concerns over the environmental impacts and the efficiency of current monitoring and enforcement systems.

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