

# Tourism collapse threatens Pacific islands with deepening poverty

John Braddock  
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The collapse of global tourism due to the COVID-19 pandemic could plunge masses of people into poverty in small island states across the Pacific, according to a new report by the International Labour Organisation (ILO). Thousands of jobs in countries such as Fiji, Samoa and Tonga are dependent on visitor numbers, which have fallen to zero.

The report follows a half-yearly forecast by the International Monetary Fund last month, which slashed global growth projections and predicted a slump unparalleled since the Great Depression of the 1930s. Gross domestic product (GDP) per head is expected to fall globally by 4.2 percent in 2020.

The ILO warns that almost half the global workforce—1.6 billion people—is in “immediate danger” of having their livelihoods destroyed by the economic crisis triggered by COVID-19. Of the total global working population of 3.3 billion, about 2 billion work in the “informal economy,” often on short-term contracts or self-employment, and have already suffered a 60 percent collapse in their wages in the first month of the crisis.

The crash will have devastating and long-lasting impacts on Pacific economies. Thousands of jobs have been lost, with resorts and hotels, and even some airports, closing. Fiji, Palau, Samoa, Vanuatu, Tonga and the Cook Islands are all heavily dependent on tourism.

The ANZ Bank estimates Fiji, where tourism directly employs 150,000 people, will lose about a quarter of all jobs in the country, while Vanuatu will suffer the loss of 40 percent of jobs. In the Cook Islands, tourism makes up 70 percent of the country’s gross domestic product. According to the Asian Development Bank (ADB), a three-month interruption in travel and trade will mean the Pacific economies contract this year, with

Tonga forecast for zero growth.

Workers with previously stable incomes are sliding into poverty. In many Asian and Pacific countries, more than three in four tourism jobs are informal, with few if any social protections if they become unemployed. ILO director general Guy Rider noted that the economic and social effects of the pandemic discriminate above all “against those who are at the bottom end of the world of work, those who don’t have protection, those who don’t have resources and the basics of what we would call the essentials of a normal life.”

Even before the pandemic hit, the Pacific economies were extremely fragile due to a legacy of colonialism, poverty and underdevelopment. They are also particularly vulnerable to natural disasters, like last month’s tropical cyclone Harold that cut a devastating swathe through the region.

The World Bank reported in April that in resource-dependent countries, such as Papua New Guinea, plummeting oil and gas prices are likely to see a collapse of government revenue, with a looming recession. “It is something unlike anything we have seen,” the bank’s Pacific economist David Gould said: “It is not the global financial crisis ... it is not a huge cyclone ... it is really quite unique and quite historic in its impact.”

Australian National University academic Stephen Howes told the *Sydney Morning Herald* on March 31 that the shutting down of global trade will result in crises of food, water and medicine in the short term, and unemployment, poverty and “unrest” in the longer term. The Solomon Islands imports 70 percent of its rice from Vietnam, which has stopped trading, while Vanuatu relies on imports for more than 90 percent of its food supply. These “vulnerabilities” are in the

process of turning into “acute crises” across the South Pacific, Howes warned.

The number of new COVID-19 cases in the region slowed last week, with 259 reported, an increase from 239 on the previous week. The US territory of Guam remains the hardest hit, with a total of 144 registered infections and five deaths. The aircraft carrier USS Theodore Roosevelt, which docked in Guam after coronavirus was detected on the ship has had 777 of its crew tested positive.

COVID-19 could rapidly reach epidemic status in the region’s largest country, Papua New Guinea (PNG), which has a population of nine million. So far there have been eight cases detected and no deaths. Cases have been reported in four provinces, and the original source of infection is unknown in two places, sparking fears that there may be widespread undetected community transmission.

PNG, which has just 3,000 hospital beds and is already running low on critical supplies required for testing, is not set up to cope if the outbreak worsens. Soldiers were recently dispatched to conduct contact tracing in Western Province, where 152 samples were collected, including those of 10 police officers who were sent to the area without PPE.

In line with the “back-to-work” offensive by governments around the world, some restrictions imposed during the PNG government’s initial State of Emergency have been lifted, including the reopening of schools and resumption of public transport. Restaurants and places of worship have re-opened, with minimal protective measures in place.

Fiji has reported seven active cases of COVID-19 and 18 infections. Again, some restrictions on movement and gatherings have been relaxed, including allowing gatherings of up to 20 people. A curfew remains in place, as does a ban on sporting events.

Fiji Prime Minister Frank Bainimarama, a former military coup leader, has used the pandemic to tighten his government’s rule in the face of sharp austerity measures. In a recent *Fiji Sun* op-ed a senior military officer, Brigadier-General Jone Kalouniwai, declared that the COVID-19 emergency gave the country’s leaders “good reasons to stifle criticism of their policies by curtailing freedom of speech and freedom of the press.” The fight against COVID-19, he warned, was “likely to end up violating the individual rights and rule

of law that are at the heart of any liberal society.”

According to New Zealand journalist David Robie, many governments in the Pacific as well as elsewhere are imposing tough controls under cover of fighting the coronavirus pandemic to strengthen “creeping authoritarianism.” The moves are no doubt in preparation for growing social unrest.

In the Asia Pacific Report, Robie cited PNG, where the Joint Task Force National Operations Centre last week announced that there will be no more media briefings on how the government is handling the coronavirus pandemic.

On March 26, some 150 troops were dispatched to guard the massive Porgera gold mine in Enga province after the PNG government refused to extend the mining lease of Chinese Canadian joint venture Barrick Niugini Limited. Opposition leader Belden Namah accused recently installed Prime Minister James Marape of using the COVID-19 State of Emergency to justify the “unconstitutional” deployment at the commercial venture.

Concerns have also been raised about Vanuatu, where the government declared it illegal for media outlets to publish reports on coronavirus without government approval, citing the need to prevent the spread of “misinformation” about the disease.



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