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A CASE FOR PRIORITISING AGRICULTURE FOR DEVELOPMENT IN PACIFIC ISLANDS

P.K. Singh and J.P. Bhati

The Pacific Islands (PIs) region is experiencing lack of economic growth which is contributing to rising unemployment and 'hardship' (a term preferred to poverty in the PIs) to its people. The region is also less likely to reach the Millennium Development Goals (MDGs)¹ of UN (World Bank, 2008^a). These Pacific Island Countries (PICs) share tremendous challenge as small, isolated economies; remoteness, resulting in high cost of transport and distance from main markets; limited institutional capacity; lack of diversity of economy, due to a narrow base; small domestic markets and low private sector capacity; and openness, leaving the economy vulnerable to external economic and environmental shocks. As a strategic priority for the development of PICs, agriculture and rural development may be considered as important activities. PICs have wide disparities among themselves. Based on culture, resource endowments, and the importance of agriculture these countries are categorized as Melanesia, Polynesia and Micronesia:

1. Melanesia: Relatively larger and important countries in the group are Fiji, Papua New Guinea (PNG), Solomon Islands and Vanuatu. They have the best natural resources and possess over 90 percent of the land and comprise about 85 percent of the population of PICs. The countries of PNG, Solomon I and Vanuatu are agrarian societies. The economy of Fiji is more diversified with sugar as an important industry. However, in recent years this industry is experiencing crisis due to the loss of preferential access to the European Union (EU) and its own new land lease policy.

2. Polynesia: The sub-region comprises of Tonga, Samoa, Tuvalu, Cook Islands, Niue and Tokelau. These countries have more modest land resources. Due to competition in overseas markets the squash sector and vanilla crop of Tonga are struggling. In Tokelau and Tuvalu the scarcity of land and water are the limiting factors. In the economy of Samoa the contribution of agricultural sector to the GDP has declined due to the decimation of taro, an important crop.

3. Micronesia: It comprises of land resource poor, micro, predominantly atoll states of Kiribati, Nauru, Federated States of Micronesia, Marshall Islands, Palau, etc. They are amongst the tiniest nations with limited land resource but vast marine resources. Copra is an important, though meager, source of their cash income. These countries face serious food security and environmental problems.

