*April 27, 2001*

The Freely Associated States of Micronesia, that is, the Republic of the Marshall Islands, the Federated States of Micronesia, and the Republic of Palau, are young countries trying for development.

In recent years, the most significant change to have affected these islands is the transition from a subsistence to a cash economy. After World War II Micronesia became a UN Trust Territory administered by the United States. Through the 1950's, however, people lived as they had always lived: from the resources of the land and the sea. They ate breadfruit, taro, tapioca and fish. They built their houses from surrounding local materials. Any small cash income that they might have had would have been used to buy clothing, cigarettes, rice, or other such items.

But Micronesia took a sharp turn in the direction of rapid modernization in the Kennedy years of the early 1960s. The islands held enormous strategic value for the Pentagon, and the US was determined to retain its control over them for security reasons. The result was a massive increase in funding. In 1962 the U.S. subsidy to Micronesia Trust Territory (TTPI) was 6.5 million dollars. Just eight years later in 1970, the yearly subsidy skyrocketed to 60 million dollars–a tenfold increase.

Development theory of the day, with its emphasis on "investment in man," furnished a convincing rationale for the new policies that were to be implemented in Micronesia. Development would best be served, the theory held, not so much by investment in factories and other means of production as in the health and education of the general populace. A strong and informed people, bold enough to "break the crust of custom," would in time create their own sources of wealth. Accordingly, elementary schools and dispensaries were built on just about every one of the hundred or so inhabited islands of the Trust Territory. American contract teachers were hired to upgrade the English programs in the new schools, and within a few years Peace Corps arrived to install its volunteers in the classrooms.

By the early 1970s the focus of attention had shifted from the elementary to the secondary school system in Micronesia. New classrooms were built to expand existing facilities and enrollments doubled or tripled practically overnight. High schools were built in each of the major island districts, offering an unprecedented number of kids a secondary education. But what would all these young people do after they graduated from high school? Go off to college, of course ‑‑ on the US Federal assistance grants for the disadvantaged that were first extended to the Trust Territory in 1973. With the advent of the Basic Educational Opportunity Grant, large numbers of young Micronesians poured into US colleges to obtain the degree that they saw as the passkey to later employment and a share in the "Good Life." A college education was no longer the prerogative of the intellectually gifted, as it had been in Micronesia for years; it had become a universal right.

**[education tables]**

Prior to 1963 there were about 3000 Micronesians with full-time employment. By 1965 the number had doubled to 6000, and by 1974 it had doubled again to 12,000. When Micronesia was first granted limited self-government in 1977, there were over 18,000 Micronesians working in the Marshalls, Palau, and what would soon become the Federated States of Micronesia. Budget increases allowed many more Micronesians to find government jobs. Along with the increase in workforce came infrastructure development through Capital Improvement Project funds. In the private sector, a buildup of service economy began as stores, restaurants, movie theaters and service industries multiplied.

In 1962 the yearly per capita income (from wages and exports combined) was $60. Fifteen years later it was over $400. Even adjusting for inflation, the average real income was three times greater than it had been in 1962. Rapid modernization indeed.

In 1986 a formal Compact of Free Association was implemented between the United States and the countries of Micronesia. For the FSM, the Compact provided $60 million for the first five years, $51 million for the next five years, and $40 million for the last five years. Jobs continued to increase through the early years of the Compact.

Today’s Micronesia is the product of fifty years of rapid modernization and heavy US investment. Today’s Micronesia offers shopping malls, high-speed internet access, twenty four hour power, bars, discos, and ongoing construction projects. New houses continue to be built, and college graduates continue to return home to find, alas, that there are no jobs and that the economy no longer grows.

**[insert employment graphs]**

In FSM and the Marshalls the growth of employment has slowed down to a virtual standstill in recent years. This has been due to the cutback in government employment as funds from the US decrease during the step‑down in aid from the US under the Compact of Free Association. In theory the growth of private sector development was to provide the jobs and income to compensate for the reduction in government employment, but the reality was otherwise. The sustainability that was once assured through commercial agriculture, fisheries and tourism has failed on all three counts. The tourism and fishing industries that were looked to as the mainstays of the economy in these small states never materialized the way planners hoped they would. Fishing provides a sizable income for FSM at about $15 million a year, but this is as payment for fishing license fees rather than income from the catch made by local industries. Fishing furnishes a negligible amount of income for Palau and the Marshalls.

**[insert major sources of income graphs]**

While the Compact of Free Association grants Micronesians the right to reside and work in the US and its territories, much of the impetus for emigration comes from the lack of jobs in the islands, and large numbers of people have been leaving to seek their livelihood abroad in Guam, Saipan, Hawaii and in the continental US. Over 1500 people a year are emigrating from the islands to live abroad. At present an estimated 25,000 Micronesians, or one out of every eight, are now living overseas, most of them in pursuit of the jobs that they cannot find in their own islands. In the past five years alone, since 1995, at least 10,000 Micronesians have left Palau, the Marshalls, and the FSM.

But perhaps the most striking figure is that from 1994 to 2000, FSM citizens found 3,000 new jobs outside FSM. During the same period, only 357 new jobs were created in FSM. This means that for every new job in FSM, ten new jobs were found abroad.

**[insert emigration table]**

How then, do we speak of globalization? In a broad sense, globalization represents the immediate impact of world trends on every nation, however small. If we define globalization economically as forcing a modernized economy, this happened for Micronesians in the 1960s. If globalization means compelling Micronesians to be educated in Western style systems, this happened in the 1970s. If we define globalization in terms of becoming a nation state, for Micronesians this happened in the 1980s. And if globalization means moving abroad in search of jobs, or even as widening the labor pool from which trans‑national organizations draw their workforce, this has happened throughout the 1990s and is happening now at a rapidly increasing rate.

What Micronesians want, and what Micronesia needs, is a working cash economy. There is no question of returning to the taro patches and breadfruit trees of the 1950s. Farming today is supplemented with a paycheck, and evening meals include rice and imported meats. Micronesians want a cash economy just as they want full-time electrical power, running water, cheaper internet access rates and CNN World News–every hour, on the hour. And a working cash economy is precisely what organizations like the Asian Development Bank and World Bank promise.

Even if Micronesians did choose to return to pre-World War II days and live once again off the resources of the land–and make no mistake, the resources are plentiful–feeding themselves and their families would only be the beginning of the problems they’d soon face. How do they sustain their elementary schools, hospitals, roads and policemen, not to mention the senators, congressmen and other elected officials that administer the government itself?

For twenty years, Father Fran Hezel and Micronesian Seminar hammered away on the importance of traditional values, a “small is beautiful” approach, and the dangers of rushing headlong into a modernization that promises glitter and gold but tarnishes traditional ways and the values that underlie them. We warned of the effects of Western schooling on island societies. We hoped to save people of the heartache of waking up some day to find that the cultural landscape had changed beyond their recognition.

However well-intentioned our campaigns were, they didn’t turn back the stampede toward modernization. Micronesian societies are cash-driven in ways that people could scarcely imagine in the 1960s. And the people of Micronesia vote regularly with their feet as they continue to find jobs abroad, distrusting an island economy that today is nearly as dependent on government spending as it was at the start of the United Nations trusteeship after World War II. The thrust toward development that has been promoted by the Asian Development Bank, then, is not just an imposition by a wealthy foreign bank, but a direction that has been espoused by the choices that Micronesians have been making for the past forty years, and continue to make today.

Micronesian Seminar’s mission is to assist the people of Micronesia in reflecting on the impacts of the rapid social change that has shaped these islands through the past forty years. Since the early seventies, we have been drawing attention to the fallout, the social problems of today, and attempting to help people make course adjustments in their journey toward development.

In the past much of MicSem’s community education work was done through oral presentations at workshops and conferences. At one time we sponsored week-long conferences of our own. Occasionally we might issue something in print, either as in-house ***Micronesian Counselor*** article, or in local periodicals and newspapers. This has changed, however, as MicSem has looked to other ways of discussing contemporary issues.

Now, aside from live presentations at community and church functions, there are four avenues into the larger community: television, radio, print materials and internet. As a result, Micronesian Seminar generally produces and information package that consists of materials in all these media so that education programs can reach the community through many different channels, each operating at a different level.

The community education programs that we focus on today deal with issues like suicide, domestic violence, and drug and alcohol abuse–problems which have come about largely as a result of changing family structures. We deal with these issues in light of traditional values. For two years we administered a program on health reform, sponsored by the Archstone Foundation in California. We’ve produced videos on topics like diabetes and heart disease, as well as sexually transmitted diseases and small business development. With the help of the Center for Disease Control, we’ve translated immunization brochures into local languages and distributed them throughout the islands of Micronesia.

Four years ago, in response to requests for more intense community education efforts, MicSem began focusing more intensely on certain themes. We began producing “information packages” that disseminate information through all stratums of Micronesian society. The package begins with an English television program–either a drama or documentary, depending on the substance of the information conveyed. The video, which features an all-Micronesian cast, is aired on cable television throughout the islands, and targets the English-speaking population. Radio programs are also produced, but in local languages. These have ranged from half-hour narratives to three-minute commercials, and are always geared toward the rural island population, usually non-English speaking, without cable television. Print materials are composed in English and published in-house. Usually, a series of two to four articles are circulated to our print mailing list of about 750 people, and our e-mail list of about 800. These newer issues of the ***Micronesian Counselor*** appear monthly, and offer a depth and focus that can’t be achieved in television or radio. Finally, MicSem runs a forum discussion on our website to allow people to comment on the issues that have surfaced.

Two years ago, we were asked by the Asian Development Bank to undertake a large-scale community education program to inform citizens of Micronesia in general, and the FSM in particular, on the use of land for investment. Two videos were produced. The first, a documentary entitled, *Land: Investing in Our Future*, presents land as historically sacred and traditionally prized in the islands, but goes on to explore ways in which it might be used as a resource. Like all of our video programs, the basis of discussion of social issues is traditional culture. In this particular video, people from throughout the islands offer ways in which they use their land–either leasing for a profit, or growing fruits and vegetables. A month before the video was released the first of three articles was publicized: *Land: Is it Time for a Change in Direction*. The second video, *It’s My Own Land, Isn’t It?,* presents two dramas that make a case for some government regulation of private land–zoning and eminent domain. The main character wants to charge a utilities corporation $50,000 to run an electrical power line through his property, while villagers on the far side of the island are stuck without power and water. Its release was quickly followed by two more articles: *Land: As Investment;* and *Land: Public Use and Regulation*. Meanwhile, radio programs in six different languages begin to be played on local stations, and a web discussion is begun on our website.

In November of last year, we traveled throughout the islands of Micronesia to produce a one-hour video which showcases the best public elementary schools. This documentary, along with four articles and six more local-language radio programs, encompassed a drive for educational reform in a place where only 25% of elementary school students who begin first grade make it to high school graduation.

Since the inception of our media studio in 1994, MicSem has produced 27 videos in its “Island Topics” series, and has publicized 34 issues of the ***Micronesian Counselor***.

A visiting demographer once made a distinction between Micronesia’s nation and Micronesia’s state. The state of Micronesia consists of capital buildings, transportation authorities and the ministries and departments that make the government run. The nation of Micronesia is made up of its citizens, not only in the Federated States, Palau, and the Marshalls, but also in Guam, Saipan, Hawaii, Kansas City, and Florida. MicSem’s goal is to educate the nation, not the state. And the nation of Micronesia is following the same path of modernization that the rest of the world has taken, if only a few paces behind. As it continues to globalize and move away from the agrarian values of the past toward newer, more urban values, and as it continues to spread throughout the world, what we can offer is a word of caution–all that glitters is not gold. While we can help the nation understand the disappointments that may await them at the end of their journey, we can also draw attention to the social problems that surface along the way. And we can do so with full confidence in the resiliency of the Micronesian nation, a nation that has been charting its own destiny for over forty years, now, and continues to do so today.