**AN INTRODUCTION TO PALAU POPULATION ISSUES**

Presentation at the

Palau National Population Policy Leadership Conference

March 26-27, 1996

**Population picture** [population graph]

1] Palau was suffering a population decline at the turn of the 20th century. This had been going on since at least 1880.

2] With the beginning of German rule, and modernization, the population began rising slowly through the years of Japanese rule.

3] This was followed by a period of fast increase from the end of World War II until the early 1970s.

4] Since 1972 the local population of Palau has remained virtually unchanged. For 24 years there has been no increase in population, in contrast with the rapid increase in many other parts of Micronesia.

**Migration**

1] Emigration from Palau began in the late 1940s with a trickle of people taking up residence on Guam.

2] During the years 1956-1972, emigration from Palau occurred at the rate of 50 to 70 persons a year. This was measured by gatecounts (TT annual reports) and by comparing expected net gain in population (ie, births minus deaths) with the actual increase in population, the difference in the two figures representing migration.

3] Between 1973 and the present, an estimated average 250 persons a year have been leaving Palau. The emigration rate increase may have been due to the great number of young people studying in the US and to the difficulty of finding employment in Palau.

4] Palauan emigration has been going on longer and at a much higher rate than anywhere else in Micronesia. This has led to the development of a large Palauan overseas population.

• By 1970 there were 2,500 Palauans living abroad, over 1,000 of them on Guam.

• By 1984 there were 5,000 Palauans overseas.

• By 1995 the number had grown to an estimated 6,000-7,000 [Palau 2020, 142]

**Fertility** [tables on fertility]

1] By every index, fertility in Palau has been decreasing rapidly during the last two or three decades. The birth rate is down from 37.3 (per thousand) to 21.6. (The birth rate of FSM in 1990, by way of contrast, was 42--double the rate of Palau's. The Marshalls was even higher at 49.)

2] The natural growth rate (births minus deaths, divided by total population) in Palau is down from 3.2 in 1967 to 1.4 in 1990.

3] The total fertility rate has dropped greatly between 1960 and 1990; it has fallen from almost 9 children per woman during childbearing years to about 3 [1990 Census, 86].

4] Given the present fertility rate, the increase of the Palauan population over the next five years can be no greater than 1.25% annually. This will yield a population gain of about 150 a year, but this figure depends on whether the present emigration flow can be reversed.

**Foreign Population**

1] All growth in the resident population of Palau in recent years has been the result of increase in alien population. Between 1986 and 1990, the alien population has grown (from 1,550 in 1986 to 2,547 in 1990) by 250 a year. Between 1990 and 1995 the non-Palauan population (which increased from 2,547 to 4,437) grew by about 380 a year. The rate of increase has grown by 50 percent during these last five years.

2] If the present directions are maintained, Palau will soon see the second period in its history in which a foreign population has outnumbered the local population. The first was from the middle 1930s to 1945 when the influx of Japanese civilians and then military made Palauans an ethnic minority in their own islands.

3] At present foreign labor is making up for the shortfall in Palauan labor. It is not only supplying those expertise and skills that are in short supply, but is increasingly filling the general gap between the limited labor pool and the growing demand for labor.

4] Ever more foreign labor will be required to fill new positions as Palau develops, even if the high outflow of Palauans is reversed. The Palau master plan forecasts that 11,500 new jobs will be created in Palau between 1993 and 2010 [Palau 2020, 92]. Many, if not most, of these jobs will have to be filled by non-Palauans. Even if every single man, woman and child of the estimated 7,000 Palauans now living overseas were to return to Palau, and if all the Palauans who might be expected to emigrate during the next 15 years decided to remain in Palau (giving us another 2,500 Palauans), nearly 2,000 aliens would still have to be imported to fill the remaining jobs.

**Conclusions from the Data**

1] Overpopulation by Palauans is not nearly as serious a concern as underpopulation. This is due to the large Palauan emigration since the early 1970s and the rapidly declining fertility rates.

2] The growth of the Asian population has been rapid, and very likely will become more so in the future in view of the business boom projected in Palau 2020. Palauans will not be able to fill the projected new positions, so massive importation of outside labor will be required.

3] The next ten years is a critical time for Palau. By the year 2005, the Asian population could increase to the point that Palauans are an ethnic minority in their own country. If this were somehow to be avoided, there would still remain the danger that a two-tiered society, consisting of Palauans and the Asian labor underclass, may be established. This could generate tensions similar to those that exist in the CNMI at present.

4] In the end, the population policy is a function of the nation's economic policy. Foreign labor is needed now and will be needed in the foreseeable future if the economy is to expand according to the projections being made. The nation is faced with a difficult choice: it can either bring in massive foreign labor to fill the jobs that will be created by its burgeoning tourist industry, or it can deliberately cut back on its planned economic growth.

**Policy Issues**

1) Population, Economic Development, and Human Development.

The population policy is tied to the economic growth plan of the nation. If the economic course charted in Vision 2020 is adopted, then a large foreign worker population is all but inevitable. (Vision 2020 presents the future in the most optimistic terms, I think, and assumes that there will be a turnabout in the growth rates of Palauans and aliens by 2005 so that Palauans will remain the majority despite the great increase in the alien population. I wonder!)

Economic development should never be the bottom line. Economic growth ought to be always subordinate to a broader concern: full human development of the Palauan people. If population policy is tied to economic policy, the latter must always be governed by broader and more human norms. In any policy decisions we make, we should ask what course of action will bring about the fullest human development of the local people.

And what does human development entail? It implies change, of course, but it also implies a real continuity with the past and its traditions, for only there do human beings find the sense of pride and rootedness that is so vital to their healthy growth as a people. Let me read to you from a statement entitled "What Human Development Means" from a seminar held in Micronesia 20 years ago.

1. Human development implies development of the entire person in all his/her aspects, material and spiritual.

2. Human development takes place in the context of community and through community, for persons grow together.

3. Money and material aid contribute to human development not so much insofar as they enable persons to possess more, but to possess themselves more.

4. Self-possession implies awareness of oneself and others, responsiveness to others, and the feeling that one can make a real difference.

5. Human development means a broader participation by people in decisions that affect themselves and their community.

6. Genuine human development will inevitably lead to a sense of dignity and self-respect among people. Any kind of development that does not contribute to real self-esteem is counterfeit and sham.

In summary, then, development means not just having more--whether it be money, jobs or services--but being more. Growth in income and proliferation of services, as important as they may be, must always be subordinate to another, more basic norm: the enhancement of the inner strength of our people. In any development worthy of the name, we cannot afford to neglect people's non-material needs: their sense of cohesion and belonging, their confidence in themselves, their sense of effectiveness or empowerment, their sense of self-esteem. The goal of genuine human development is to produce a proud and happy people who feel that they are worth something because they can do something.

2) Increasing the Palauan Population.

At first sight, many feel that Palau should seriously consider implementing a progam to attract Palauan emigrants back to Palau. They could help bolster the labor force and reduce to some extent the need to hire foreign labor. What would be be needed to do so?

We have seen that Palauans have been striking out for other destinations since the late 1940s in search of employment and educational opportunities. We may suppose, therefore, that creation of attractive new jobs will be sufficient to lure them home or keep them from leaving. This may not be the whole story, however.

In his 1981 study of Micronesians studying abroad, David Thompson conducted in-depth interviews with 16 Palauans in addition to Yapese and Chuukese students. He found that one-third of the Palauans he interviewed were considering settling in the US permanently because of the burdensome customary obligations such as the ocheraol. Nearly all his interviewees complained that the financial burdens of such customs have increased over time as the ocheraol has become more widespread and costly and as new practices like the house party become established.

Should the nation even attempt to keep its young people in Palau? If it does attempt to do so, it might have to consider modifying cultural practices, which in the opinion of at least some of the young, have become so oppressive as to seek an escape abroad. Palau would then be forced to check "custom" in order to promote future cultural growth, as represented by the young Palauan population.

3) The social and cultural impact of a large Asian underclass

To learn what the impact might be we need only turn to the Northern Marianas. The problems there include: social tension between local population and Asians; sexual jealousy; overburden on government services, especially hospital and schools; absorption into local churches; language shift from local language to English and Asian languages.

In addition, we might ask whether such a reliance on foreign labor is healthy for our own development. Is it helping or hindering human growth for local people to skip over the more elementary work stages to assume management positions? Does it create an attitude of arrogance towards non-Palauans? Can it spoil Palauans by leading them to believe that they are born to supervise others?

4) Strengthening the Palauan family

The stability of the Palauan family should be a real concern. The forces that tend to erode the family at present are the high illegitimate birth rate, especially among teenagers; the increased number of families in which both parents are working full time and care of children is entrusted to domestic helpers; and the weakening of the extended family network that once provided for the care the young.

If the culture is to preserved, it will be through a strong and healthy family system. The stability of the family should be a major value for Palauans and a large factor in addressing future choices. What course of action will best fortify the family--and through it the culture?

**Final Words**

I have tried to present in summary form the most important data on population fluctuation in Palau as well as what this data might mean. We have briefly considered projections for the future. I'm sure you will be presented with much more in the course of this conference. Finally, we have looked at some of the broader issues that will undoubtedly affect Palau's population policy in the future. If the nation's population policy is tied to its economic development policy, its economic policy should be determined by its human development goals. Only then can Palau wisely make the major choice it faces in the future: whether to import the enormous foreign labor it will need to fill new jobs in its tourist industry or to cut back on its economic development plans for the future.

Francis X. Hezel, SJ

March 14, 1996