The Case of Micronesia

Francis X. Hezel, S.J.

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Micronesia (Republic of Palau, Republic of the Marshall Islands, and Federated States of Micronesia [FSM]) has a cumulative land mass of 518 square miles spread over 2 million square miles of the western Pacific Ocean. The cumulative population of these three nations is about 175,000. The name "Micronesia" translates as "small islands," and their tiny size is indeed a defining characteristic for these three nations as it is for their neighbors in the South Pacific, all of which are struggling to find a place for themselves in the modern world despite their serious limitations: their small size, a relatively uneducated population, scant resources, and remote location. These limitations suggest dubious prospects for strong economic development. There are substantial hurdles to the establishment of an economy and governance structures that can generate sufficient services, including education, health services and public safety.

Because the three nations of Micronesia have a small GDP relative to the cost of government services, they are heavily dependent on US financial assistance or other foreign aid. With the insistent call to develop their economies to sufficient size to support the expensive modern governments that are now expected of today's nation states, island nations in the Pacific Ocean are tempted to borrow against their future by commoditizing their natural resources (including minerals and fisheries). Papua New Guinea, for instance, is trading on its mineral resources (which are finite) but still maintains the lowest per capita income in the region. Nauru, an island once mined for its rich deposits of phosphate, is an object lesson in resource depletion: With its phosphate exhausted, the trust funds set up to provide for the future are today all but empty. The tiny nation has gone from riches to rags. The Solomon Islands depend~~s~~ heavily on the logging industry that provides about two-thirds of its export earnings, but over-exploitation has resulted in a sharp decline in its economy in recent years. [Hezel 2012]

FSM and the Marshalls are among several nations in the Pacific that are attempting to cash in on the rich fishing grounds within their Exclusive Economic Zones (EEZ) by leasing rights to foreign tuna fishing companies. In 2011, the sale of fishing licenses to foreign fleets brought in a record $24 million for FSM, but this represented less than 8 percent of the total GDP for the nation. [World Bank 2011] The economic contribution of license fees is even less in other Micronesian nations. If the catch value does not generate sufficient income, then Micronesian nations are tempted to ratchet up the number of trawlers and purse-seiners they allow to fish in their waters, which increases the likelihood of overfishing and the drastic reduction of tuna stocks in the Pacific.

What other means of economic development are available? Tourism, service industries, and a labor force provide some options; but no Pacific Island nation has been able to support itself on tourism alone. Moreover, the sale of services, especially offshore banking, has been restricted by the US, Australia and other large nations for fear that it will cater to terrorists and criminal interests.

At core, a major challenge for sustainability in Micronesia is a structural problem that is not easily solved: the economic and political incentives lead small, island nations to exploit what limited natural resource they have-- whether by licensing over-fishing in their waters, over-cutting their forests, or depleting their mineral resources. The incentive for all this is not necessarily greed as much as the need for political survival.

To expect small nations with few resources to develop a self-sustaining economy without resorting to environmental depredation of some sort might be expecting too much of them. Small islands nations like Kiribati, Tuvalu and the three nations of Micronesia may face overwhelming odds in trying to grow the economy they need to support themselves in the future. Perhaps the solution is to apply to the global community of nations the same ethical principles liberal nations have adopted regarding their own people. Unemployment benefits and welfare have become standard features in modern nations states throughout the West. Is it too much to hope that the same vision is expanded to include less well-endowed nation states themselves?

Foreign aid is now perceived as a diplomatic tool used by wealthy nations to extract bargains from the aid recipients. In many other causes, it is regarded as a temporary measure that is expected to boost the economy to the point where the recipient nation is no longer aid dependent. Perhaps in the future, we will regard foreign aid to the poorer nations not as enlightened self-interest on the part of rich nations, but as a right that extends as long as a nation is unable to support itself.

Meanwhile, island nations face the perils brought on by climate change and sea-level rise. In recent years FSM and the Marshall Islands have been experiencing king tides and saltwater surges in low-lying coral atolls. Salt-water seepage into taro patches have resulted in the loss of 80 percent of the taro crop on some islands. [Hezel 2009] Taro, known as the “potato of the Pacific,” is the fallback staple of the region. Kiribati, an island nation of atolls, is already witnessing rising sea level and seepage of saltwater into its fresh water lens. Its president foresees the day when his people will be forced to move from their atoll homes to higher land elsewhere. Even as his people prepare for this event, island nations like FSM and the Marshalls are already experiencing the loss of traditional food stocks.

For Micronesia, then, the threat to environmental integrity is two-sided. Sea-level rise is already reclaiming the food sources that enabled island populations to survive there, even as the high cost of a modern government for an island nation-state puts pressure on it to recklessly exploit other resources.

References

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