



Friday, June 5, 1998

Struggling Micronesia looks here for aid

**At a time when Hawaii can
ill afford to help, a neighbor needs
a hand—and not helping
might cost the state more
in the long run**

By Susan Kreifels
Star-Bulletin



Roman Sado sees three ways to make a living in his home islands of Pohnpei: fishing, farming, or working for the government.

Surviving off the land and sea is by far harder than being a bureaucrat, said the Navy man who now lives in Hawaii. "It depends on if you're really good, or one of the lucky ones."

But now that these Western Pacific islands must wean themselves from U.S. funding, scheduled to run out in three years, it may become much easier to hook a fish than a government job.

And if local governments go broke before they can stimulate the private economy, more islanders may be forced to leave home, with Hawaii a likely promised island.

Trouble is, the state doesn't hold much promise since undergoing its own economic crisis and layoffs.

While no one is pulling in the aloha mat to Micronesian immigrants, some officials are sending out distress signals to Washington, and they want Hawaii to be more aggressive in helping out the sister islands.

"We will have massive migration of Micronesians to Hawaii if we let these islands die on the vine," said Sen. Gene Ward, R-Hawaii Kai and a United Nations business consultant in Micronesia. "As we help stabilize their economies, we stabilize ours."

A January report by the U.S. Department of the Interior showed close to 6,000 immigrants here from the Federated States of Micronesia, the Republic of the Marshall Islands and Palau. Local officials believe the numbers could be at least twice as high.

State officials calculate Hawaii spends more than \$10.7 million a year to support the immigrants, but records are spotty.

The new nations hold 15-year agreements with the United States called Compacts of Free Association that allow free emigration.

The islands were once part of a U.N. trust territory placed under the United States after World War II, and they lie in the vast Western Pacific area north of the equator called Micronesia. The FSM and Marshalls have together received more than \$2.4 billion in compact funds -- more than \$14,000 for each of the total 164,000 citizens.

Despite recent pressure from state leaders, neither Congress nor the federal bureaucracy has moved much on a pledge to help Hawaii meet the costs of these immigrants.

In letters from Gov. Ben Cayetano to Interior, Cayetano said a 1997 census showed a "startling rate of poverty" among the immigrants -- almost 40 percent below the poverty level.

"We simply cannot absorb the extra costs of providing the social services and medical and financial assistance needed by such poor migrants," Cayetano wrote. "While we welcome our Micronesian neighbors, we take most seriously the commitment of Congress."

The compacts state that Congress did not intend to "cause any adverse consequences" of immigration on Hawaii or other U.S. areas, and that it would "act sympathetically." The compacts give Congress authority to approve money for education and social services.

Guam, where immigration is more controversial, is the only place to receive such help -- \$30 million through 2001.

David North, an Interior spokesman, said that while the department "is looking forward more closely to working with Hawaii . . . appropriations are a long, complicated process."

Meanwhile, some Micronesians barely survive Hawaii's high costs. Kasio Mida, the FSM consul general in Hawaii, worries that some come to take advantage of the state's welfare rather than get an education and learn job skills. They "pack into one place" rather than pay extra rent, Mida said. "It's a daily struggle. Some are living in parks."

But the future at home doesn't look any brighter yet. The U.S. Congress is unlikely to approve much new funding for the islands. The Cold War has ended, shrinking their military value. "We can no longer wave the flag of strategic importance," said Leo Falcam, FSM vice president, in a recent interview here.

Congress members are also likely to ask why the young nations need more money after receiving so much already.

The tiny nations, however, have little to show for Uncle Sam's support except a bloated bureaucracy and an undeveloped private sector. The Asia Development Bank has demanded the FSM and the Marshalls slash government jobs in exchange for bailouts.

"We have not taken any initiative," Falcam said. "We didn't use the money to directly assist the private sector. We used it for government payroll."

Ward chastised Hawaii for ignoring Micronesia's problems.

Falcam also believes that Hawaii, where 80 percent of Micronesia's leaders were educated, has an obligation to support the Pacific islands.

But Sado, head of Hawaii's Pohnpei (FSM) Organization, says the responsibility lies squarely on the islands themselves.

"If the Micronesian islands become tourist resorts and attract companies, people will go home," Sado said.

"Government leaders control everything. They need to create jobs and money."

The cost to Hawaii

State officials calculate that Hawaii spends more than \$10.7 million a year on close to 6,000 Micronesian immigrants, but records are incomplete:

Annual expenses include:

- \$6.1 million on education
- \$4.2 million on welfare and Medicaid
- \$434,000 last year on medical treatment of infectious diseases

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