

THE NEW FORMULA FOR SELF-RELIANCE

I remember back in the sixties when Micronesians used to speak with real fervor of the need for self-reliance. It was generally assumed in those simpler days that a self-supporting island state was the ultimate goal and the touchstone of anything that went under the name of economic development. Not everyone was enthusiastic about full self-government, to be sure, but those who were accepted the fact that it meant Micronesia would pay its own way. The glorious march towards self-reliance, as the word was understood in those days, implied a certain degree of material deprivation or belt-tightening in the name of more important distant goals. There might not be as many cars on the road or as many canned goods on store shelves, to say nothing of government jobs available. But the asceticism that would have to be borne was seen as paying rich dividends in the self-esteem and political autonomy of a people who were destined to rule themselves.

I remember high school debaters and would-be journalists holding forth on whether self-reliance would be best achieved by planting rice and bananas or farming the sea. (Superports, manganese nodules and the 200-mile economic zone had not yet entered the political lexicon in those days.) The growing yearly appropriations from the U.S. made some Micronesians sceptical about the realism of eventual self-reliance, of course. Still, there remained a hard core of visionaries—vigorous young students and a handful of political leaders, supported by Peace Corps volunteers and other expatriates—who believed that self-reliance was viable if people only wanted it badly enough. The formula was simple and incontestable: economic development (increased productivity and reduction of imports) + cut-back in cost of government = self-reliance = political autonomy.

But those were the uncomplicated (and naive, some would say) years of another era. That was before universal secondary education, before the advent of CETA and the raft of Federal programs, before the new airfields and roads and sewer systems, before the Single-Pay Plan, before the Law of the Sea and the beginning of the Status negotiations. It was before people had learned that cancer detection units, PEACESAT and special education for the handicapped were basic necessities, not luxuries, for rich and poor nations alike. It was also before

Micronesians had learned that a national income was not entirely dependent upon the pounds of fish or bars of soap or hotel rooms the nation sold; it could just as well be generated through the sale of rights—fishing, defense or denial rights.

Today, ten years later, the four political entities in the Trust Territory are further away from self-reliance than ever. Indeed, one of these entities—the Commonwealth of the Northern Marianas—has abandoned the pursuit altogether. The cost of government this year was \$130 million, compared with the \$31 million spent in 1969—a whopping increase, even when allowance is made for inflation. The value of exports for the TT (excluding the Northern Marianas) may have risen from \$3 million to about \$9 million (if the "invisible export" of tourism is included), but imports have skyrocketed from \$10 million to the neighborhood of \$50 million.

No one set out expressly to subvert the goal of self-reliance; it was just a star a bit too distant and faint to steer by. A thousand government functionaries and political leaders found something of real value in the here-and-now purchases and programs that fired their imagination. Bookmobiles, new college facilities, longer airport runways, and extra file clerks or secretaries were all good and useful things, and the money was available—so why not? Somewhere along the way, that romantic old notion of self-reliance was allowed to pass into the shadows and gradually forgotten. It was always something of an embarrassment anyway in this modern age of satellite communication and the global village!

There are a few diehards who now and then still invoke that quaint old principle of self-reliance, but they are fast becoming an endangered species. For the most part, Micronesians and expatriates espouse a different creed: "Eat, drink and enjoy your ample government services, for in a couple of years we'll all become fully self-governing anyway." The outdated vision of the sixties has given way to a new formula: political autonomy can be bought cheaply without the sacrifices and austerity measures that were once thought necessary. The cost of government need not be slashed after all. We can have all the services to which we have grown accustomed and the full number of jobs that they bring. There is a new and painless way to achieve political maturity while maintaining the present level of government services.

If self-reliance means anything at all today, it means a guaranteed income from some source that is adequate to provide us with what we have come to regard as the necessities of life. There is no serious discussion of a major cut-back in government expenditures; the Indicative Development Plan, which recommended such a curtailment, has been consigned to the shelf alongside the Nathan Report, the Stanford Research Institute Report, and those other long-abandoned development programs. None of the three Micronesian status teams that are currently negotiating with the U.S. for self-government are proposing anything resembling a reduction in the cost of local government. Why should they, after all, when they can appeal to a new formula for political autonomy?

The new island states in Micronesia are being built upon two very different assumptions from those that guided the visionaries of the sixties. First is the belief that the existing level of government services in 1979 must be preserved, whatever else happens. Second is the conviction that economic development will gradually happen if only we allow ourselves time and find enough seed money for enterprise. Conservative that I am, I feel uncomfortable regarding both these premises and more uncomfortable still when I see the widespread support that they command. Hence, this article.

My quarrel all along with Federal programs, as with a universal educational system and other costly social programs, has not been that they are culturally destructive or without real merit (although this may be true in a few cases). Most of these programs provide tangible benefits to Micronesians that we all applaud. My objection is only that they are expensive amenities that are unfortunately beyond our means at this point of time. This objection is usually met by the argument that such services are not luxuries at all, but basic needs. Here the dialogue usually stalls. Who is to determine what is an essential service and what is merely a convenience in a colonial territory that is rapidly moving towards self-government? By some quirk of irony, official positions have been completely reversed in recent years. Washington, which ten years ago was busy piling up new forms of financial aid for the TT one upon another, is now calling for modest government spending in line with the avowed goal of self-reliance. Meanwhile, Micronesians who formerly spoke eloquently of keeping costs under control have now become the chief proponents of large government and high budgets.

Isn't it rather incongruous to seek almost total self-rule while retaining the costly burden of a mammoth colonial government, one might ask? Only if we think in terms of yesterday's political and economic formulas, it would appear. Governments may be financed not only by the resources that a nation markets, but also by the rights that it puts on the block. Accordingly, the Federated States, Palau and the Marshalls are bargaining at the conference table with military and denial rights to their territories and are gambling on the willingness of the U.S. to pay enough for these rights to allow them to maintain their present governmental apparatus. In this Micronesian negotiators may well be right, given the recurrent unwillingness of the U.S. in the past to take a firm stand on just about anything. The island-states of Micronesia have pinned their hopes on their own negotiating skills and on America's sense of moral obligation (or shame) rather than on the utilization of their own scant resources.

And what of the dreams of rice fields, pepper plantations, a fishing industry and the other economic development ventures that were conjured up by the romantics of the sixties? They are all very nice and everyone would be happy to see some of these fine projects materialize, but no one is putting his money on it happening. Micronesia's meal ticket is its rights, not its resources, and economic development has lately become a superfluity rather than the imperative it was always thought to be. Increased productivity in a state that is resigned to supporting itself mainly on remuneratory payments for military concessions is hardly an urgent matter. And so the rest of the traditional formula for political autonomy is laid to rest. Import substitution and production of goods and services for sale abroad are really not essential after all!

The new governments in Micronesia plan to go on promoting economic development, of course. The funding plan for the first fifteen years of Free Association drawn up by the Federated States calls for an investment of millions of dollars in development projects once the infrastructure is completed. There will be new attempts to build up commercial agriculture, fishing, tourism and light industries with the money allocated for this purpose. Some planners foresee the day when \$10 or \$15 million annually may be found to capitalize such projects. It's only a matter of sufficient time and money before the requisite business skills are

mastered, an entrepreneurial class surfaces and the economy takes off, some of the hardier optimists maintain.

What they forget, however, is that genuine economic development depends on motivation just as much as on money. People—especially those who dwell in a "tropical paradise"—must have a very good reason for breaking their backs in a factory or field five days a week. A personal income, even a substantial one, is not a strong enough motive to induce the majority of people to take up this kind of work, as commercial farming experiments in past years have repeatedly shown us. Most Micronesians can live reasonably comfortable lives—either off the land or off a kinfolk's government salary—without recourse to this demanding work. For that matter, the governments too will be able to do nicely without their people's productive efforts; they will have no reason to pressure them into taking on work that is not to their liking. A certain number of Micronesians will enter the service industries, of course, even as they do now. Restaurants, retail stores and bars will continue to be the most attractive commercial outlets for talented entrepreneurs as long as there are numerous government salaries to be spent. But productive industries will be generally ignored; those few that are begun will languish and die after a short time.

One does not create a service economy, especially one fueled by a large government payroll, and then expect to turn it around into a productive economy by mere fiat or more dollars. This will not happen—at least if Guam can be used as a reliable gauge. There is no reason for it to happen!

Where do we stand, then? The three political entities presently negotiating with the U.S., as they work out the features of their self-government, are also making economic decisions of enormous magnitude. All three, it seems, are on the verge of confirming once and for all the service economy patterns that they have begun under colonial rule. In doing so, they are effectively ruling out the option of any significant growth in economic productivity—not for lack of money, but for lack of motivation. Economic development in the future will almost certainly amount to nothing more than a proliferation of the same kinds of service industries that have sprung up in the past. Self-reliance, therefore, will mean reliance by Micronesians upon their own abilities to negotiate what sums of money they need in return for whatever marketable rights they are willing to surrender.

I'm sure that this is not quite what those high school debaters had in mind when they rhapsodized on self-reliance long ago. But as events change, so do our real options. It could be that the course Micronesian leaders are plotting is the only viable one at this time. I have full confidence in their judgment; it's just that those conservative fears of mine won't be stilled.