

Development in Migration and Remittance Flows Among FSM Migrants and their Socioeconomic Effects

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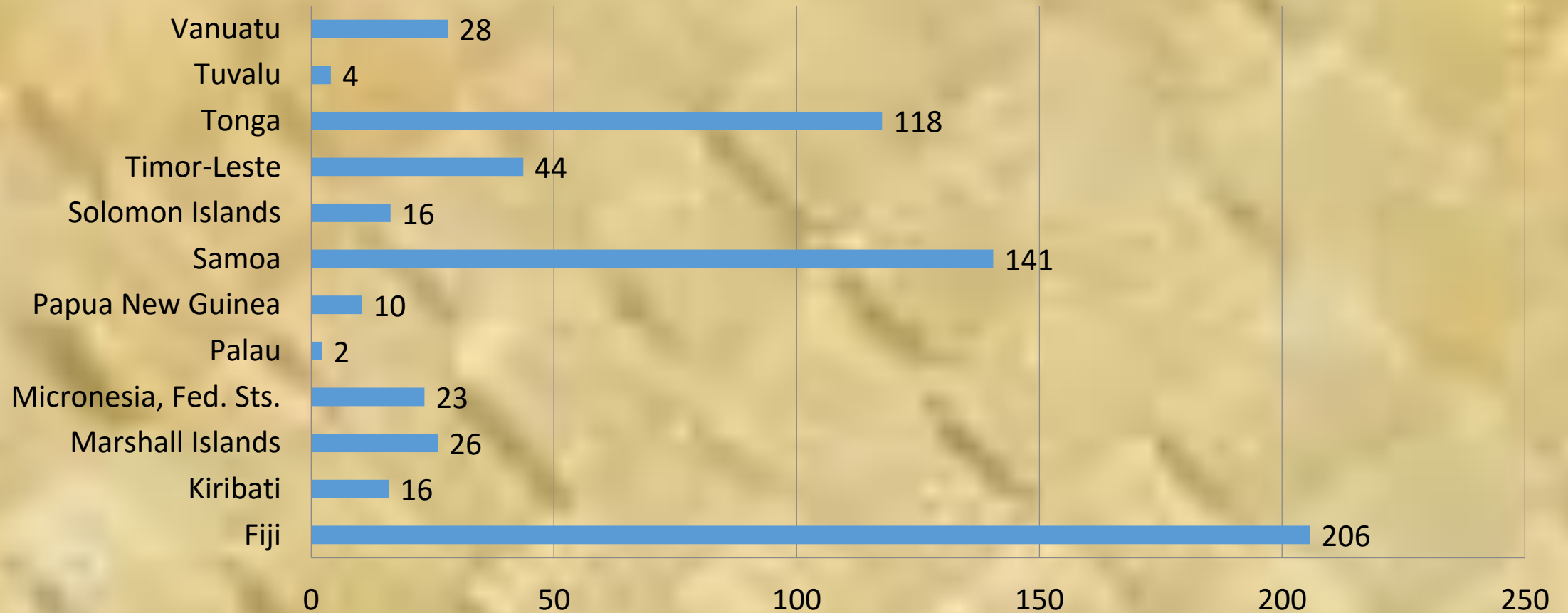
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Remittance Flows Differ from South Pacific

- Samoans, Tongans, and other Pacific Islanders have long histories of Remittances
- The Compacts of Free Association only went into effect in the 1980s, so migrant streams started late
- Because of Provisions in the Compacts, Micronesians have free entry into the United States
- And so, while they remit, they also put together funds to bring out the next generations
- Some comparisons:

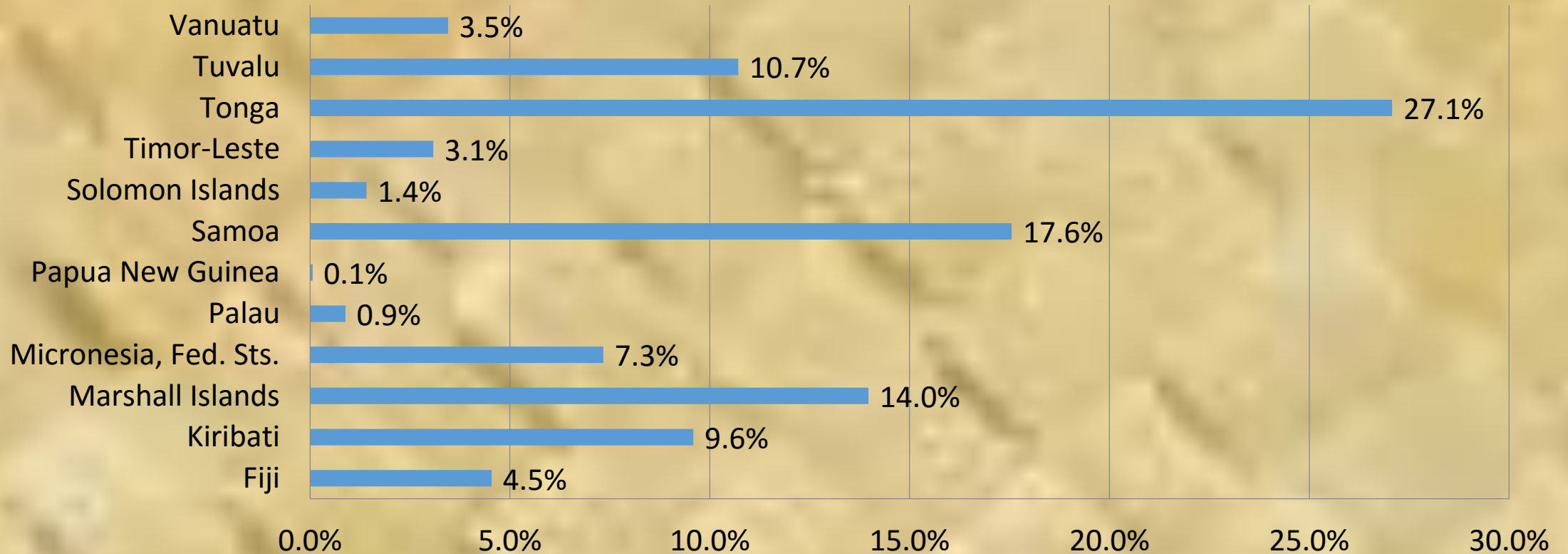
Comparison with Other Pacific Countries [OECD]

Amount of Remittances in 2014 (Millions of US Dollars)



Percent of GDP for Pacific Countries [OECD]

Remittances as Share of GDP in 2014



Bilateral Remittance Estimates

Bilateral Remittance Estimates for 2014 (millions of US\$) (October 2015 Version)								
Remittance Sending Country	Remittance Receiving Country							
	Fiji	Kiribati	Marshalls	FSM	Palau	Samoa	Tonga	Tuvalu
World	206	13	23	22	2	140	114	4
Australia	69	2	0	0	0	26	22	0
Guam			1	5	1			
Kiribati	0							1
New Zealand	51	4				63	43	2
Northern Mariana Islands			0	1	0			
United States	48	6	22	16	1	18	45	0

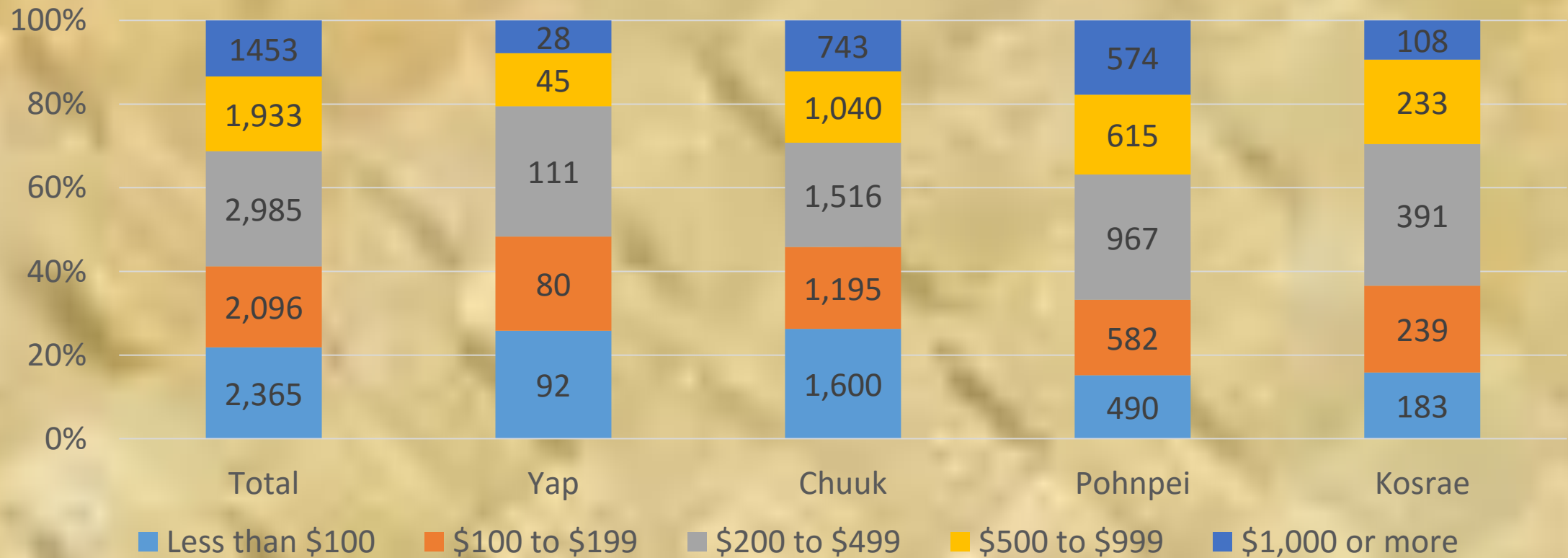
Source: World Bank Remittances Tables (using migrant stocks, host country incomes, and origin country incomes)

FSM 2010 Census Data on Remittances

- The 2010 FSM Census did not collect information on income – first time since 1973
- The census did collect information on Remittances
- Some data:

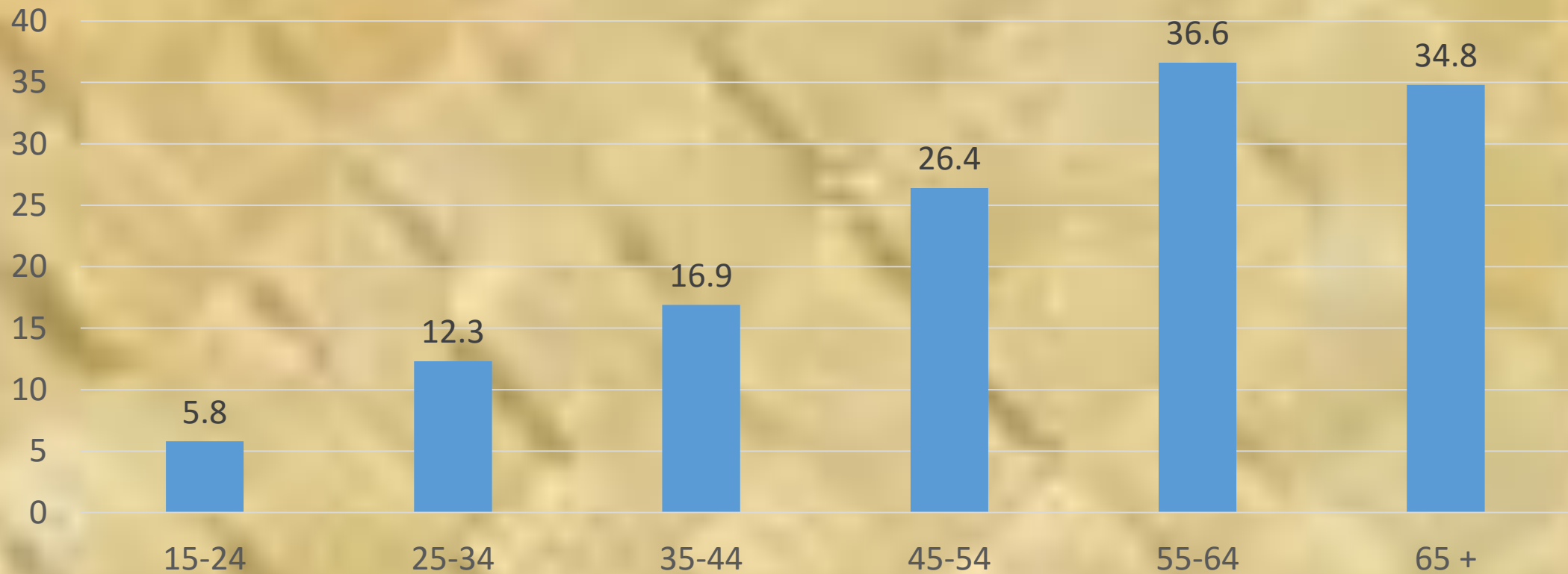
Remittances by Amount and State

Remittances by Amount and State, FSM: 2010



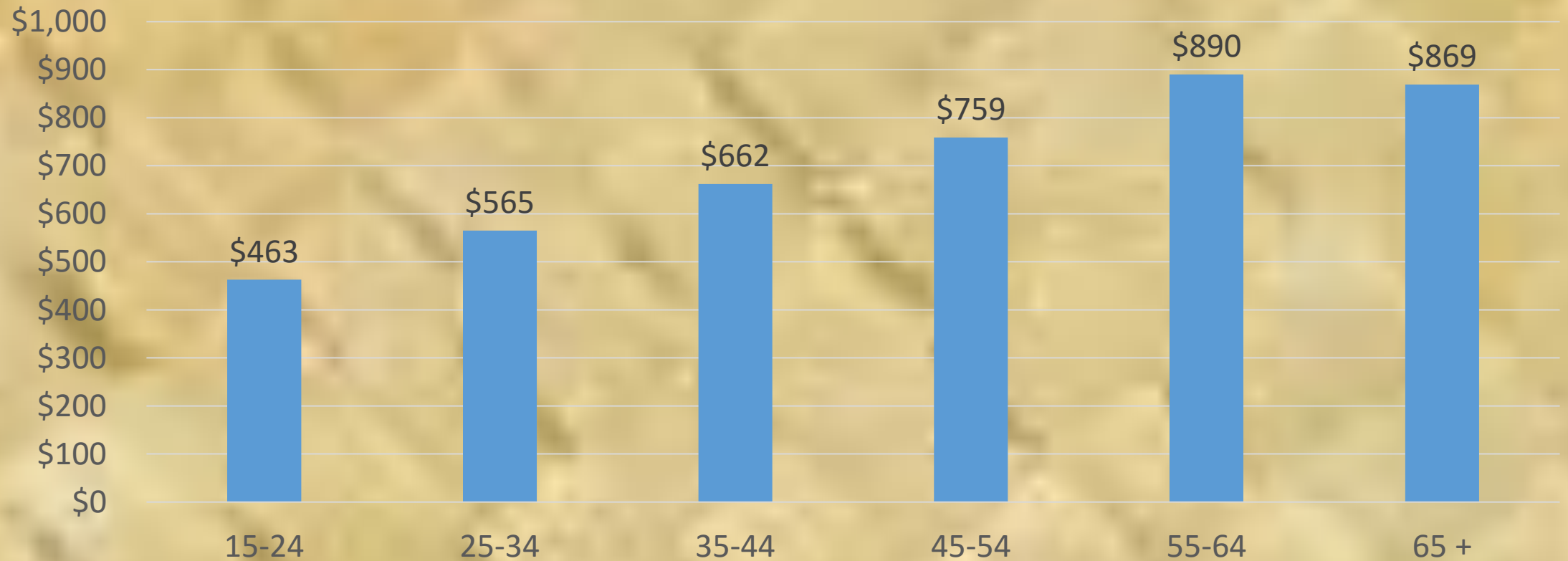
Percent Receiving Remittances by Age

Percent Receiving Remittances by Age, FSM: 2010



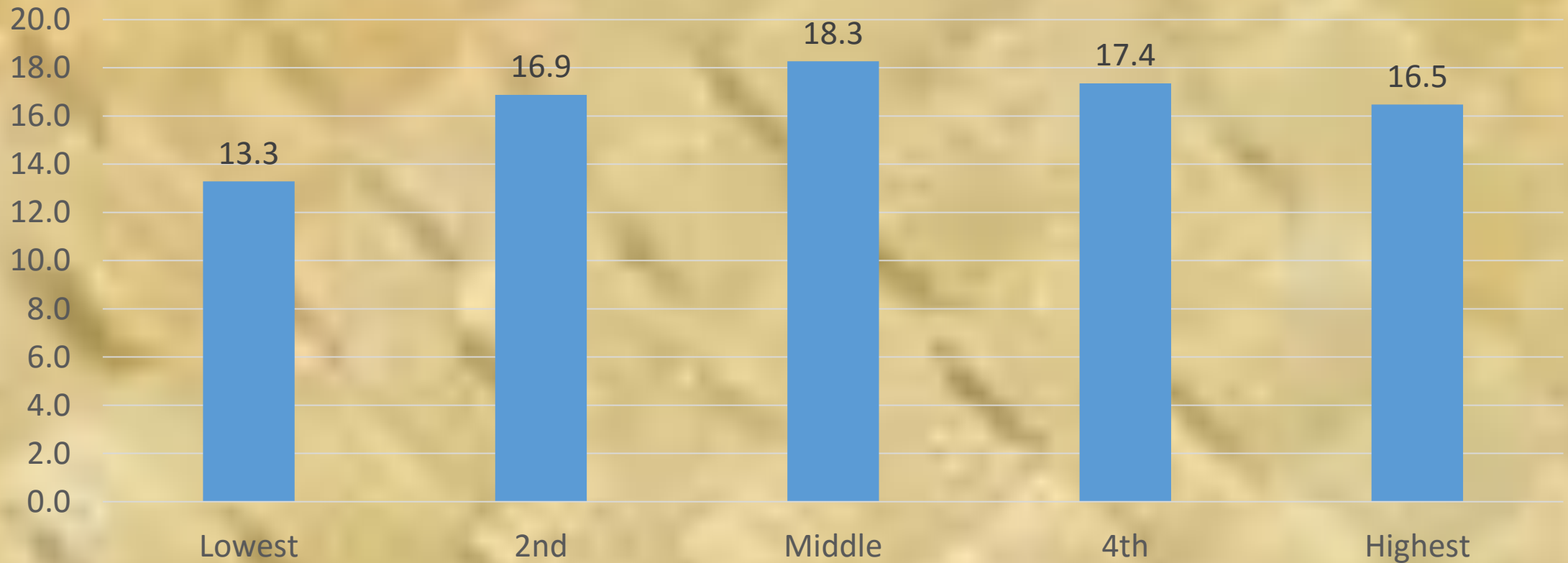
Average Amount Annual Remittances by Age

Average Amount Annual Remittances by Age, FSM: 2010



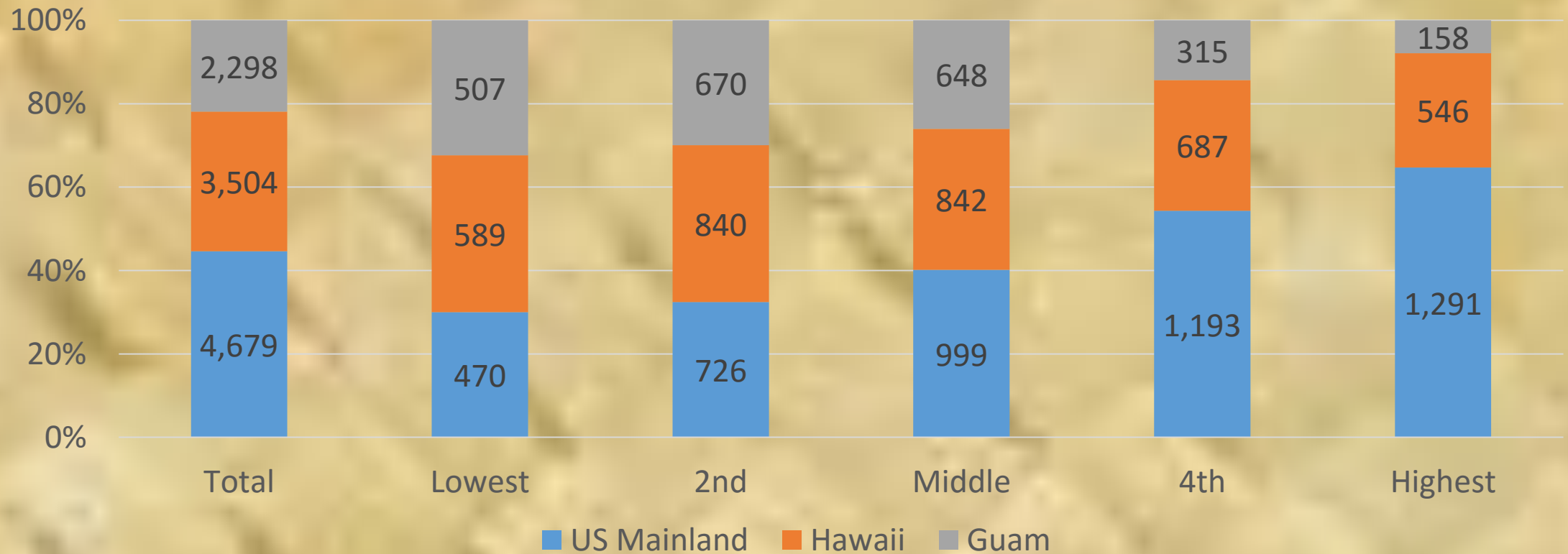
Individuals Receiving Remittances by Quintile

Percent Individuals Receiving Remittances by Wealth Quintile, FSM: 2010



Remittances by Place and Quintile

Numbers Receiving Remittances from Places by Quintile, FSM: 2010

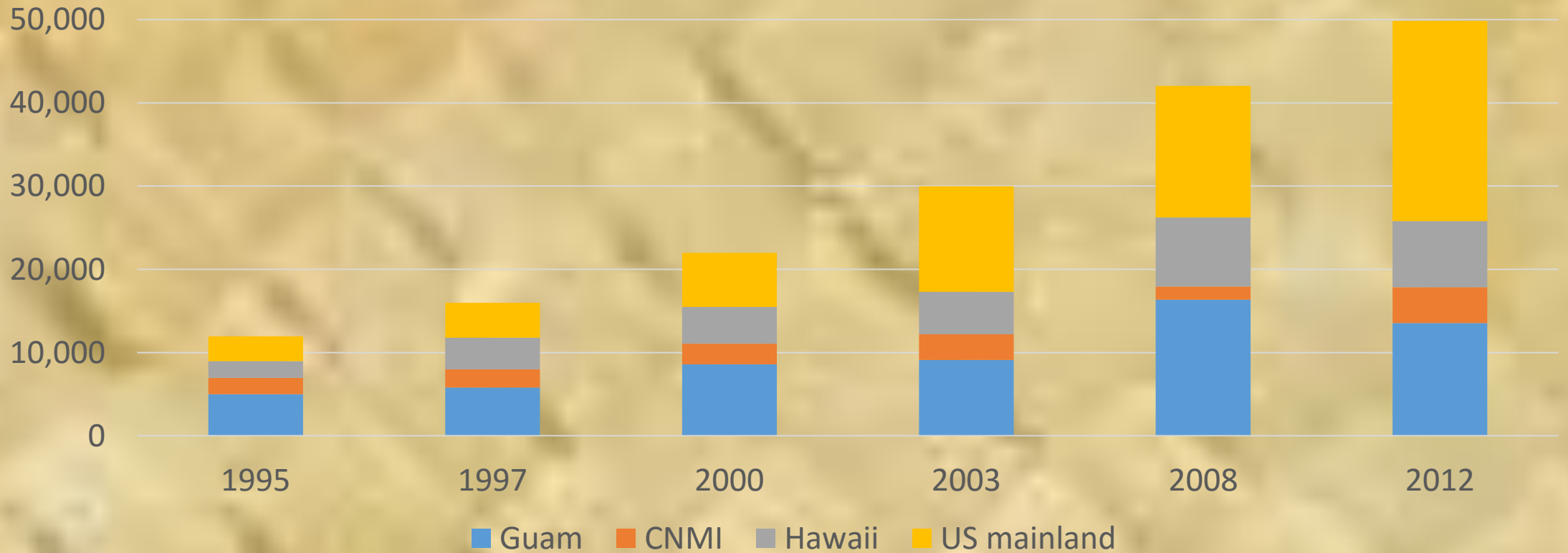


Migrant Surveys – What They Tell Us

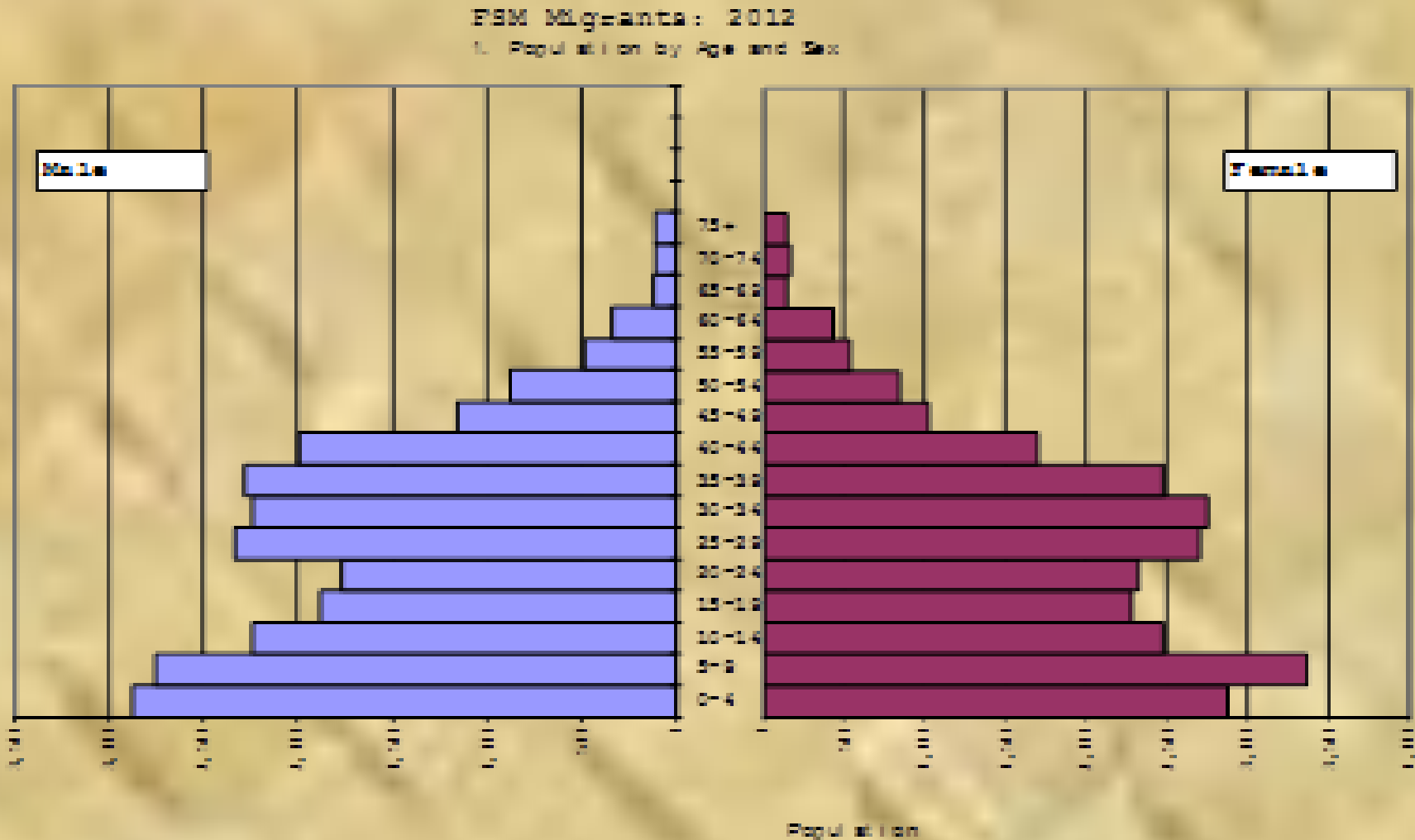
- The series of Micronesian Migrant Surveys started about 1990 soon after Compact implementation
- Large surveys in 1992, 1997, 2003 and 2012
- Some results from the 2012 Survey:

FSM Emigrants by Place: 1995 to 2012

FSM Emigrants: 1995 to 2012



Population Pyramid: Micronesian Migrants, 2012

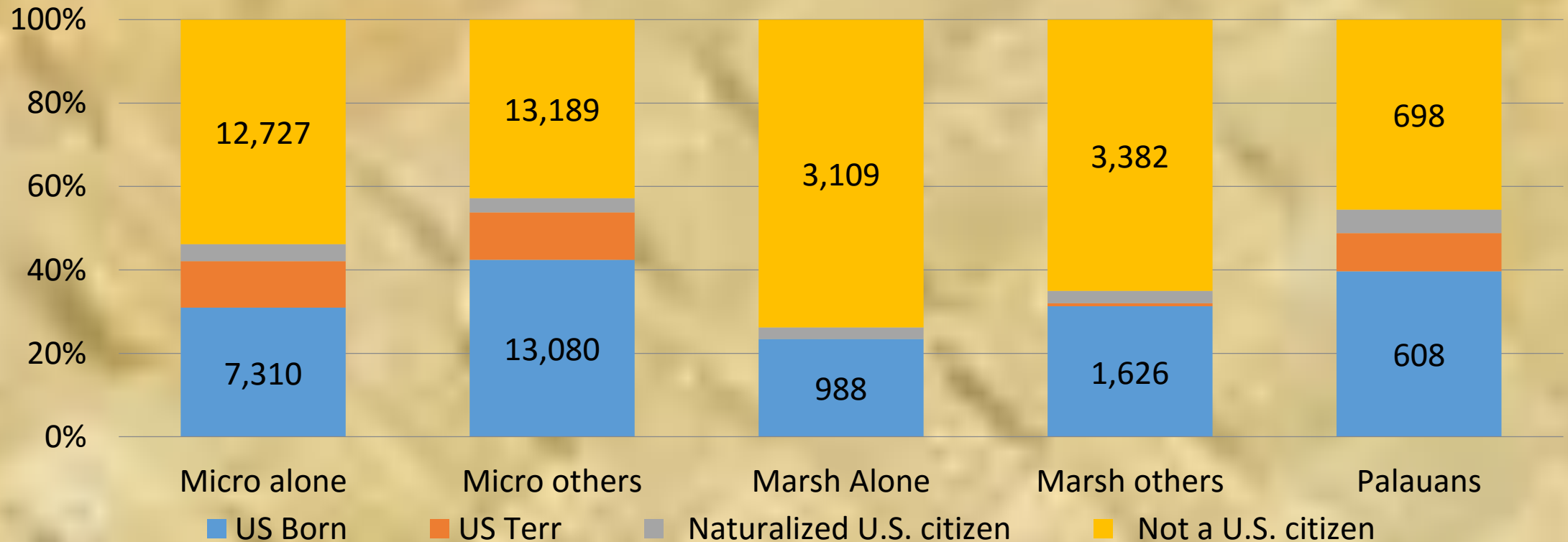


New data: US American Community Survey for Hawaii

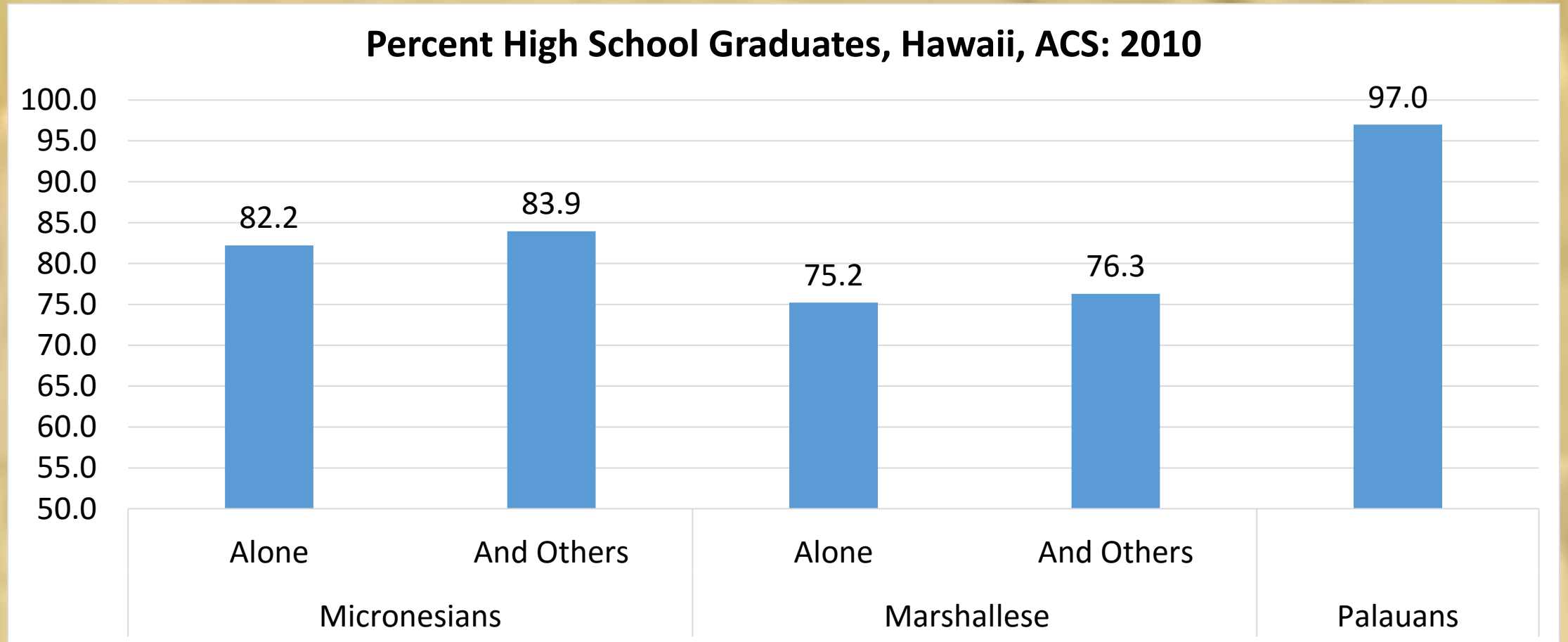
- Tables in this series combine results of the American Community Survey for Hawaii from 2010 to 2014 (even if they say 2010 only)
- About 120th of all housing units are surveyed each month
- Micronesians are more likely to respond than others because it is an event and some fear deportation so cooperate
- Imputation often increases numbers
- Groups are Marshallese (alone and with others), Palauans (both combined) and “Micronesians” (alone and with others)
- Micronesian is self-defined

Birthplace by Group

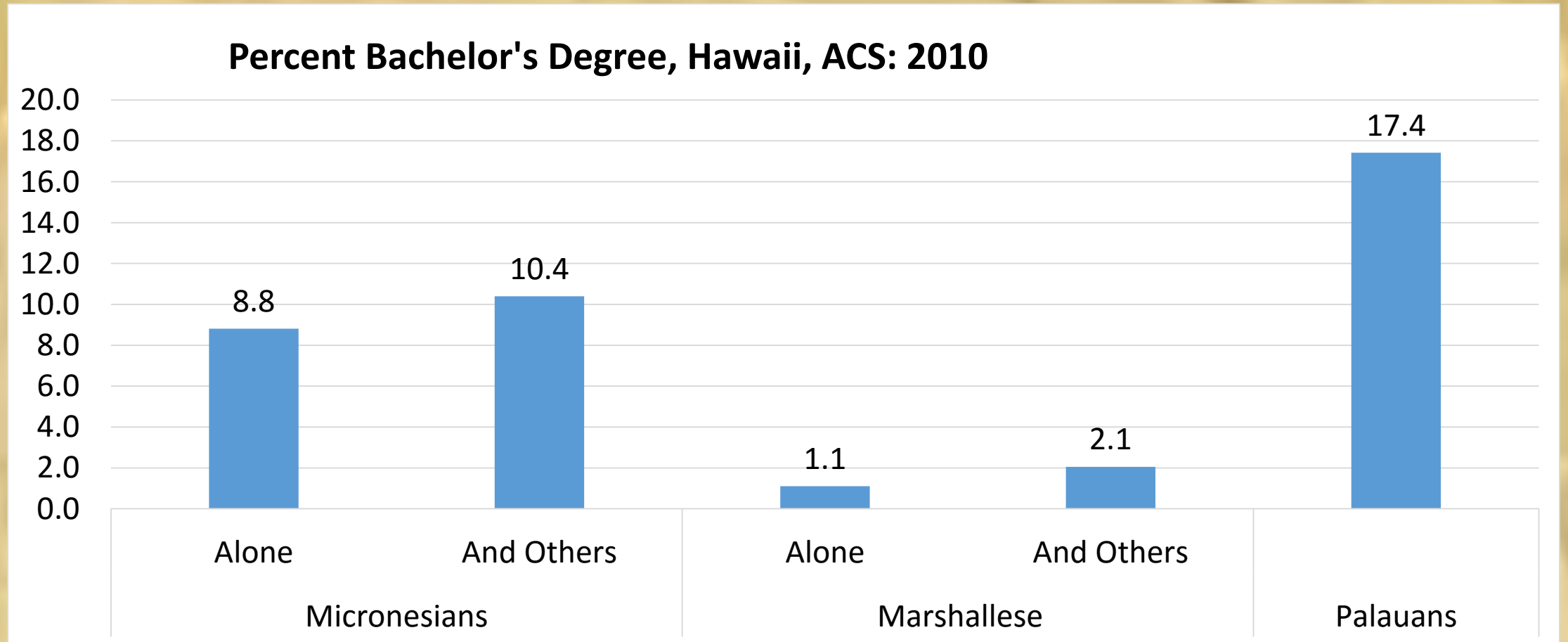
Birthplace by Group, Hawaii, ACS: 2010



Percent High School Graduates (or more)

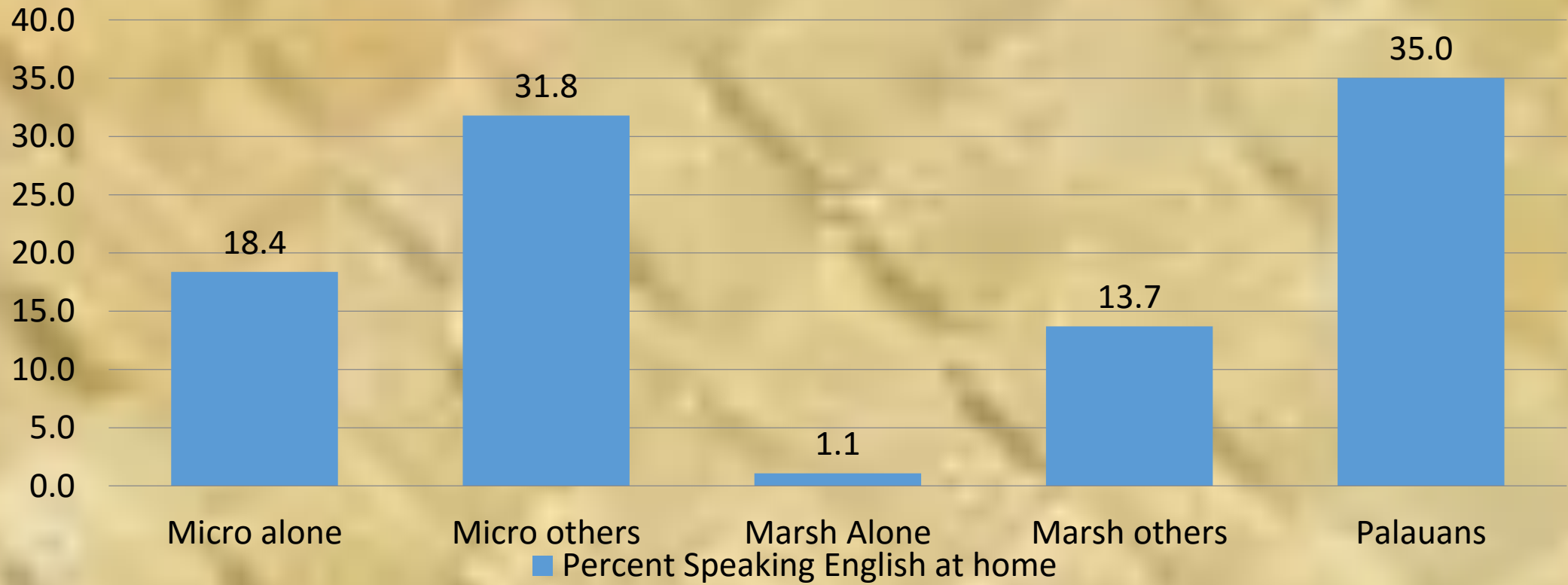


Percent Bachelor's Degree (or more)

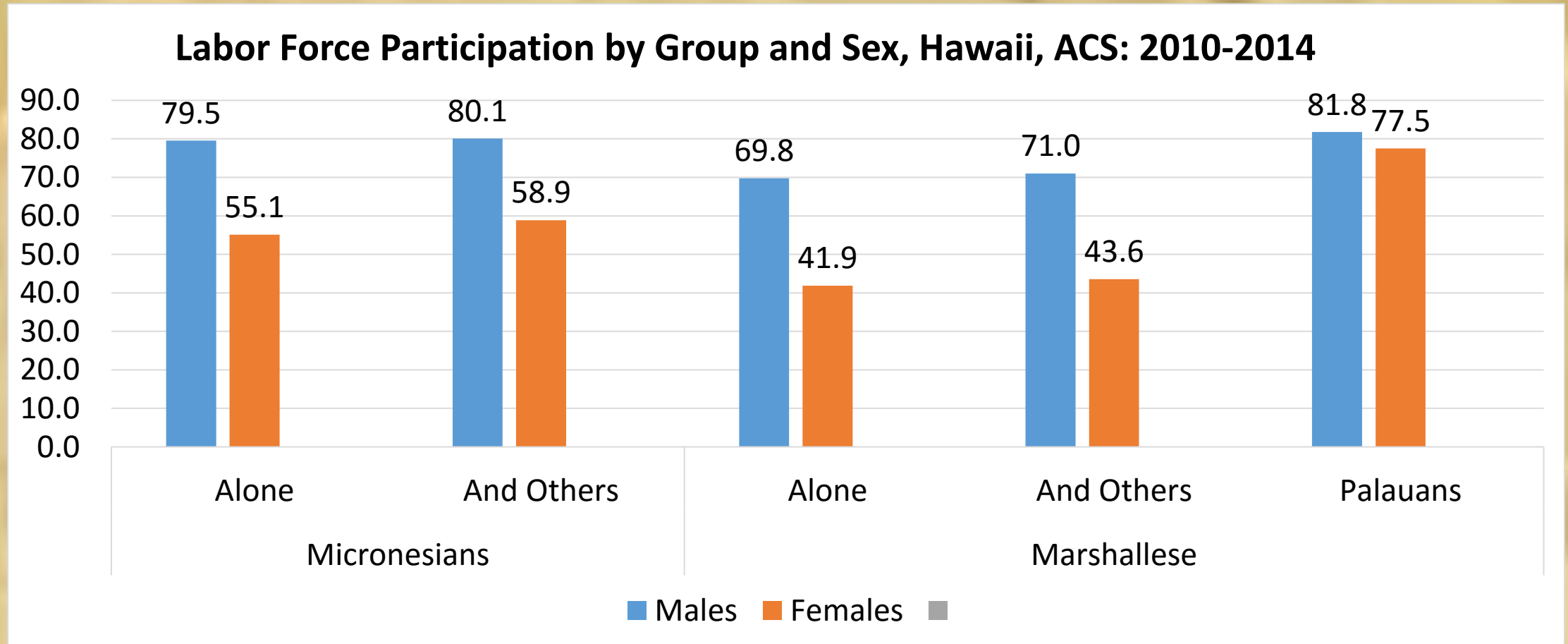


Percent Speaking English at Home

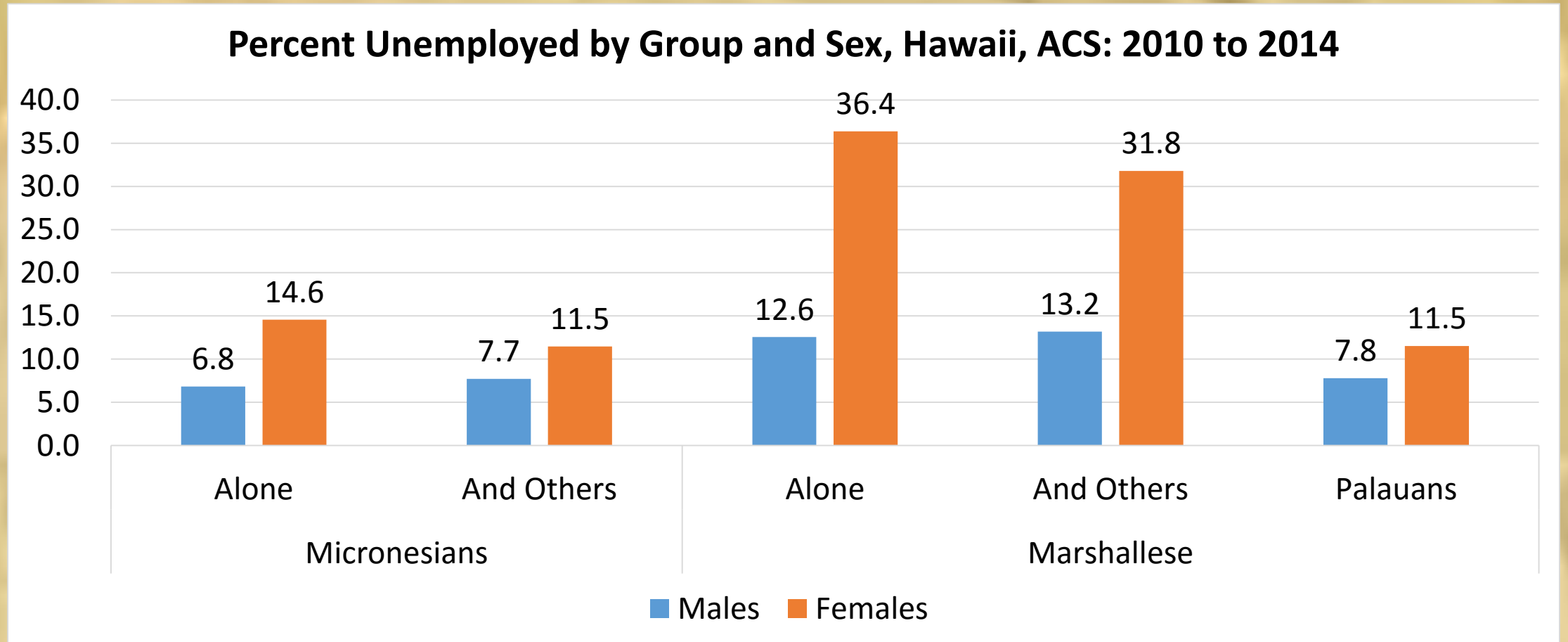
Percent Speaking English at Home, Hawaii, ACS: 2010



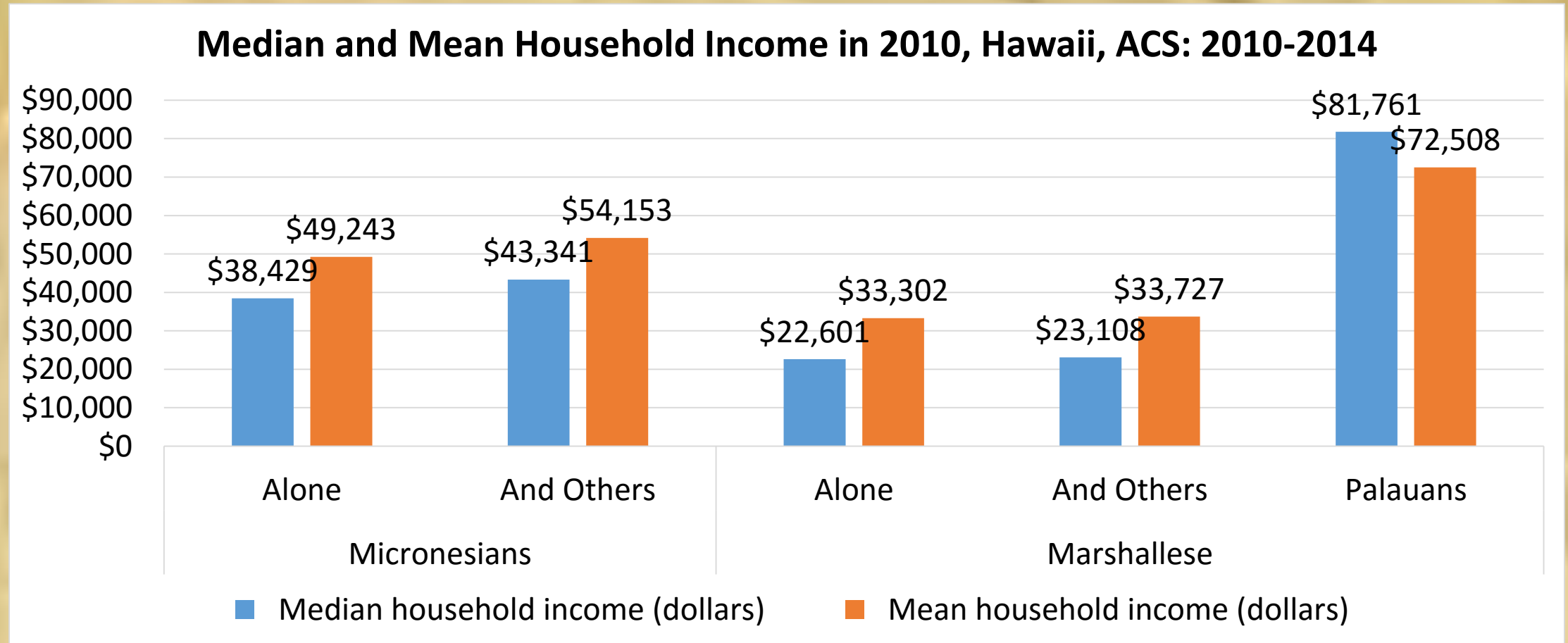
Labor Force Participation by Group and Sex



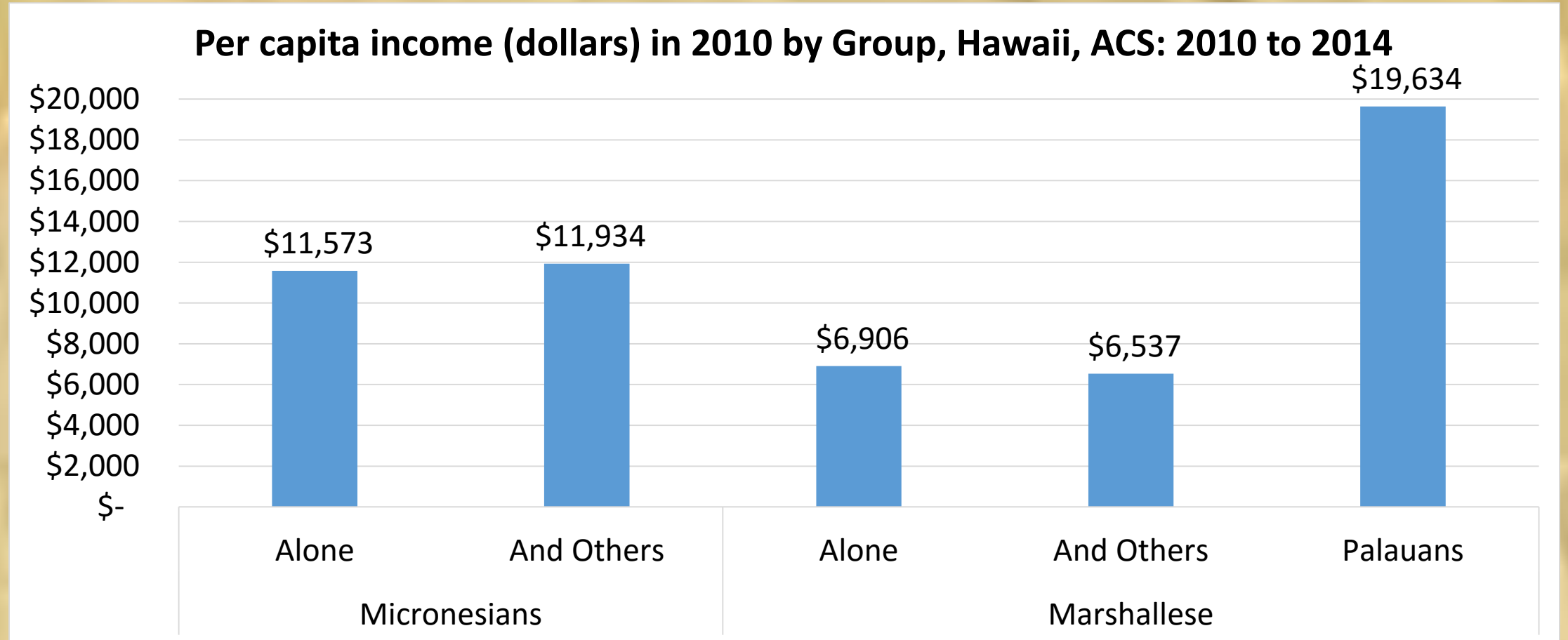
Percent Unemployed by Group and Sex



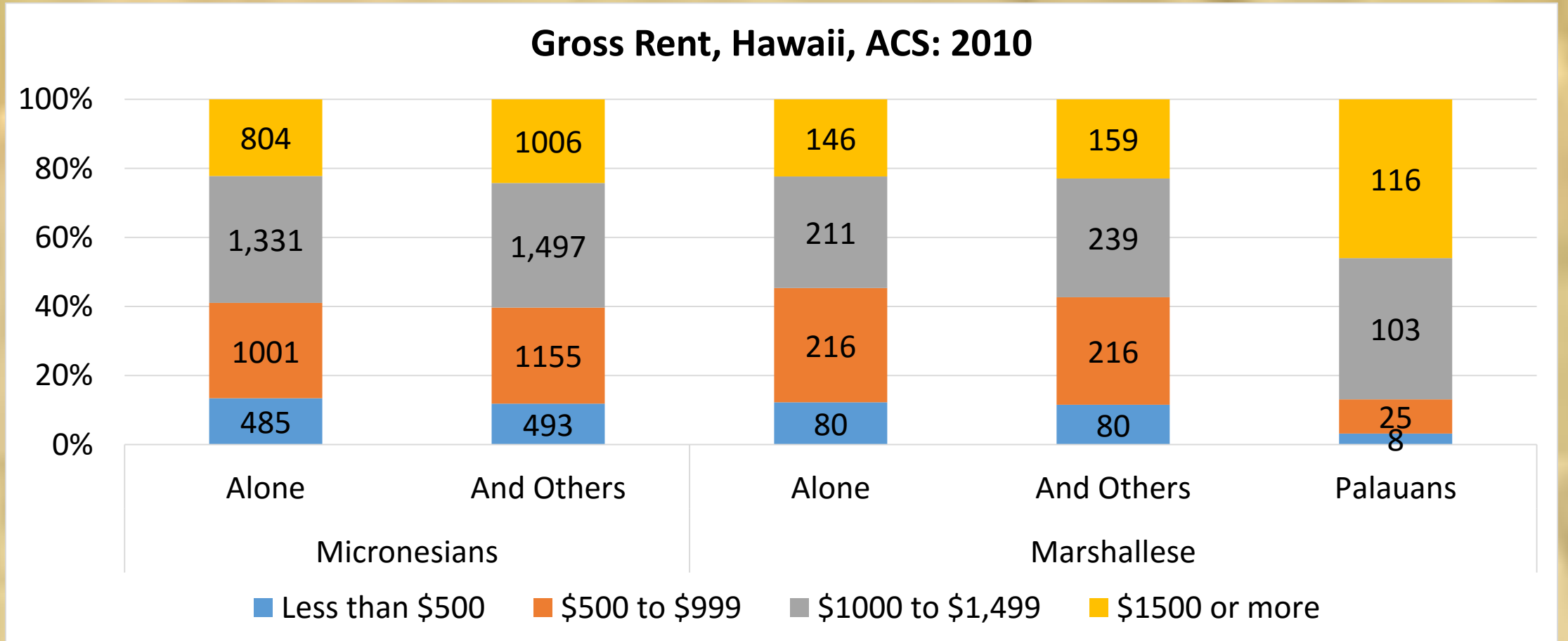
Median and Mean Household Income



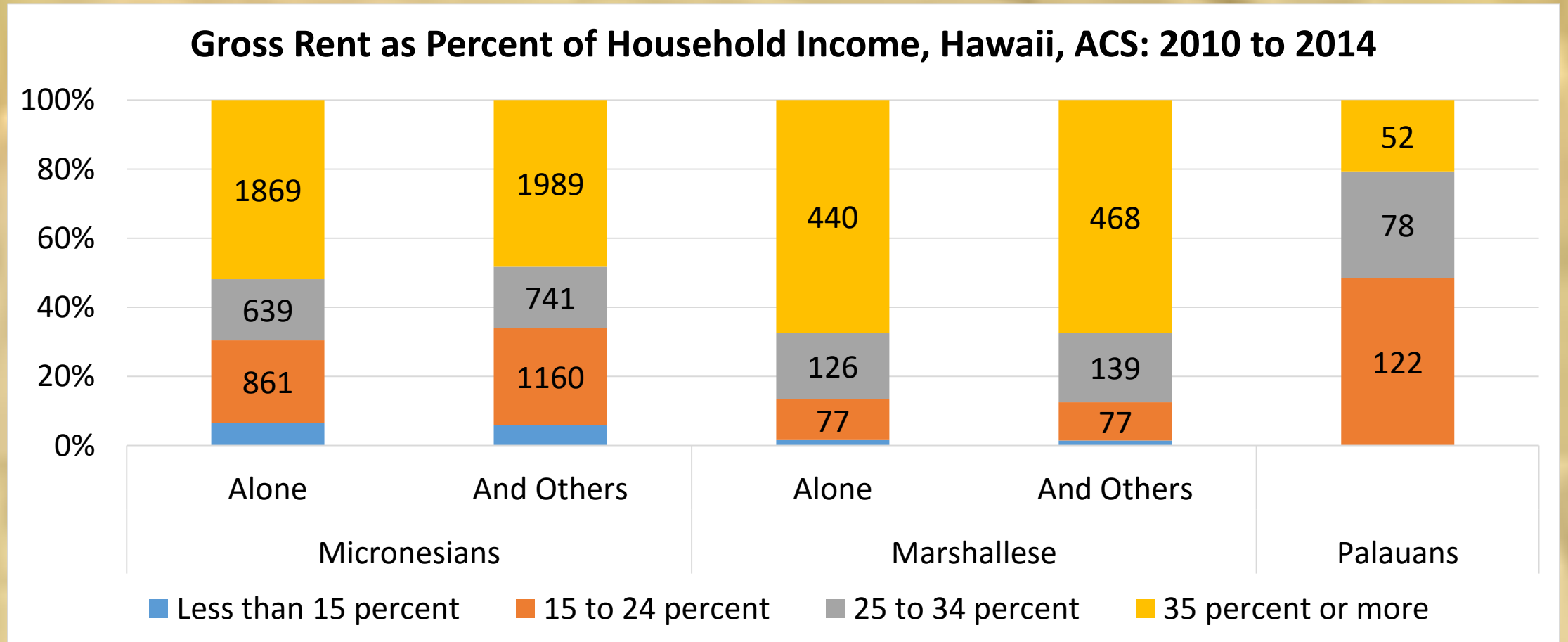
Per Capita Income by Group



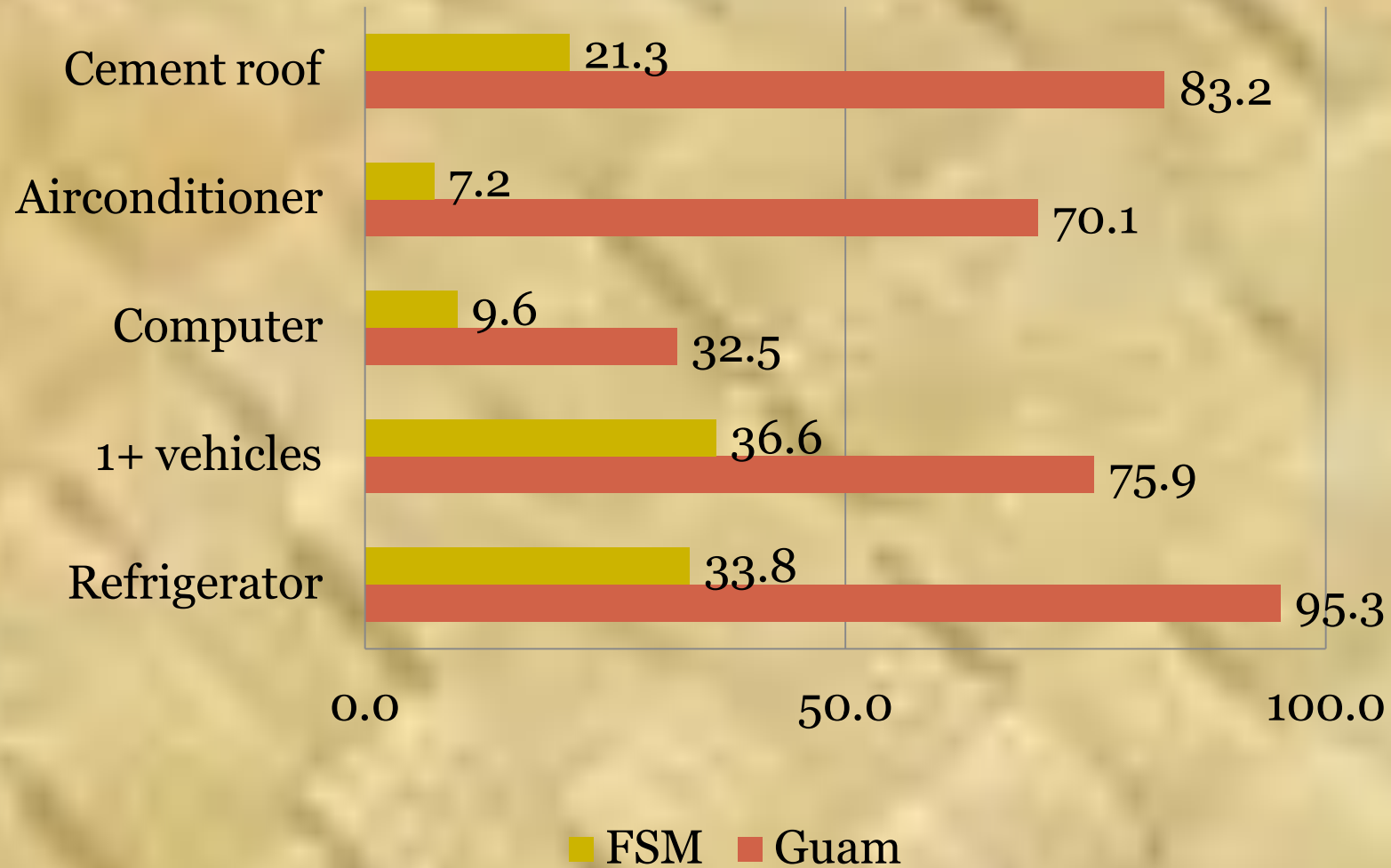
Gross Rent by Group



Gross Rent as Percent of Household Income



Percent with Housing Assets, Guam and FSM: 2010



DISCUSSION

Why low remittances?

- The data show that while migrant incomes are low, they are large enough that individuals and households could remit more than they do
- BUT while some remit, many hold funds instead to bring the next generation out
- Micronesian migrants are getting established in Hawaii and the US Mainland and so beginning to buy housing units, get cars, and appliances
- Since Micronesia has so little economic development this will continue

Pushes and Pulls

- The FSM has particular factors that most migration streams don't have
- Although not discussed here, FSM citizens can join the US Military, and become US Citizens, and many of them have
- Also, under the Compact of Free Association, Micronesians can move into the US and its territories without visas – the major pull factor
- The major push factor is the lack of economic development within FSM to hold current residents and to attract back those who have moved

Push factors – Infrastructure

- Airports – FSM must maintain at least 4 major international airports for each of the States as well as smaller airports for some of the outer islands – very difficult and expensive to do
- Communication – Modern communication also is hard to develop and maintain, including internet communication as well as cell phone stations
- Roads – Roads must be maintained to allow for economic development

Push factors – Sea transport

- General shipping – ports must be maintained to receive large ships and to send out smaller ships
- Field trip ships – many of the outer islands communities are only accessible by field trips – these must be bought and maintained to provide maximum service
- Copra – FSM seems to be initiating a return to copra making – even if this is successful, ships must bring the coconut in for processing

Push factors – Economic Development

- Lack of any economic development – more than half the jobs are public sector and this is unlikely to change since this sector is artificially maintained
- Most possible public sector jobs already filled and those in them are not going to age out very soon
- FSM sees no real private sector development – Mom and Pop stores seem to be the main private employers

Pull factors -- Education

- Education is the traditional method for movement outside FSM
- In the early years, students went for schooling
- When they received their degrees they came back and took Government jobs which were then plentiful
- Currently, FSM is not creating new jobs and so those leaving tend to make lives outside Micronesia

Pull factors – Jobs

- In the early years of the migration, Micronesians could not officially take jobs because of their visas
- With the Compact, no visa is needed, and Micronesians now go to Guam, especially, and take entry level jobs (e.g., McDonalds)
- They get paid much more than they would in the FSM and live in groups to accumulate funds

Pull factors -- Reunification

- The Compact also facilitates family reunification when young men and women leave the FSM to start lives outside
- They then save enough money to bring out other brothers and sisters, and then parents, and children
- Hence, the family structure can easily be maintained

Pull factors -- Medical

- Because of changing diets and life styles, FSM residents are seeing more and more medical problems like diabetes and hypertension
- Dialysis is more often needed because of changes in diet
- Exercise is no longer attained through daily activities and so is often insufficient
- Obesity is a major problem, so FSM citizens migrate to receive attention outside

Pull factors – Life style

- Many young Micronesians (and older ones) find life in the FSM too slow and want to emigrate for more diversity
- Housing conditions are much better outside Micronesia
- The outside world offers more protection from typhoons, tidal waves and other natural disasters
- Jobs are more plentiful and more diverse

Conclusions

- Lack of economic development within the FSM is the major push for young – and not so young – people leave the country for jobs
- The attractiveness of the outside world has been enhanced by the Compact of Free Association's allowing free entry into the US and its territories
- The outflow is likely to continue unless the FSM can find a way forward with economic development

THE END