

# Population decline in FSM and RMI

by Stephen Howes

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Republic of Marshall Islands flag bearer at the Micronesia Games hosted in Majuro, 2024

Photo Credit: [Facebook/AusEmbRMI](#)

The urge to survive is a powerful one, for both an individual and a country. Nauru, whose population was decimated by infectious disease as a result of colonialism, still celebrates [Angam Day](#) on 26 October every year. This was the day in 1932 when the birth of a baby brought Nauru's population up to 1,500, a minimum number thought necessary at the time to guarantee the future survival of the Nauruan people.

Two Pacific countries currently facing a declining population are the Federated States of Micronesia (FSM) and the Republic of the Marshall Islands (RMI).

RMI's population fell from 53,158 in the [2011 census](#) to 42,418 in the [2021 census](#), a decline of 20%. [According to the SPC](#), its population now (presumably 2025) is only 36,914.

The situation with FSM is more complex. [According to official statistics](#), its population continues to grow, reaching 105,381 in 2024, up from 104,832 in 2021 and 102,843 in 2010. However, authoritative sources, including [the IMF](#) and the [United States government](#), note that in fact FSM's population has fallen. A census was conducted in 2022, but the results have not yet been officially released; the government's figures rely on extrapolating earlier trends which are now out of date. [Veteran analyst and commentator Francis Hetzel wrote in 2024](#):

*Over the past decade, Federated States of Micronesia has lost a large chunk of its population, according to a 2022 census that still has not been formally released. Its population plummeted from 102,000 to 71,000 over the previous ten years (2012-2022), thus marking a loss of 30% of its population.*

[The US government](#) reports a 31% decline in FSM population between 2010 and 2023, and [the IMF](#) reports a similar figure. A recent [academic study of FSM](#) reports a 25% reduction.

The fear that some Pacific island countries could eventually be almost or completely abandoned goes back at least to the ANU professor of geography, Gerard Ward, whose [1989 article](#) predicted this fate for several of them.

So far, however, the experience of the Pacific is that population declines are temporary and are followed by periods of population stabilisation or growth.

Nauru's population recovered from the lows of almost a century ago to reach 12,000 today, though it did suffer a minor decline in population in the early 2000s when its economy struggled.

Palau, like FSM and RMI, has a “compact state” relationship with the United States. It experienced a population decline from 20,000 in the early 2000s to 18,000 in recent years, but its population too seems to have stabilised.

Niue and Cook Islands are also relevant examples as they have similarly open-ended migration rights to New Zealand that Palau, FSM and RMI have with the United States. Niue and the Cook Islands both had higher populations in the past. Today, they are both high-income states with stable populations.

[Niue's population](#) fell from a peak of 5,200 in the late 1960s to just 1,900 in the early 2000s, but has stabilised at that level since. [Cook Islands](#) had a population of above 20,000 in the early 1970s. It fell to around 15,000 during its economic crisis in the mid-1990s, but has since recovered and stabilised at around 17,000.

All three of Cook Islands, Niue and Palau have achieved high-income status, with incomes per person well in excess of the World Bank's US\$14,000 threshold (see Figure 9 of [this recent discussion paper](#)). Good jobs back home both deter outward migration and attract migrants from other countries, thus helping to stabilise the population.

Both FSM and RMI are heavily dependent on foreign rents, specifically revenue from aid and fishing licenses. A smaller population means higher rents per person and, therefore, a higher income per person.

Some of this positive feedback from migration to per person income may already be apparent in these two countries. RMI's national income (measured in terms of [GNDI](#)) grew rapidly in the 2010s: at an average per-person rate of [5.1% between 2010 and 2019](#). Using the official population numbers, FSM's national income per person grew more slowly, at an [average rate of 2.5%](#). But if we use what appear to be the actual population numbers for FSM, its per-person income growth is about three percentage points higher, and so at least as high as RMI's.

However, it is far from guaranteed that a declining population will boost per-person income enough to lead to population stabilisation. Both FSM and RMI are upper-middle rather than high-income economies. Neither has been successful at attracting much in-migration (unlike high-income and tourism-reliant Palau — according to its [2020 census](#), in a labour force of 14,000, 5,300 workers are overseas-born).

From a policy perspective, neither FSM nor RMI will want to surrender its migration rights. Indeed, with the crackdown on migration in the US, American demand for compact-state labour is only going to increase.

What both countries can do is make it more attractive for their citizens to stay at home. The recent [introduction by RMI of a universal income payment](#) (funded by the grants provided to it by the US as part of the compact state arrangement) should be understood in this context. Since late last year, all RMI residents, including children, are entitled to an annual payment of US\$800 per person. Though not generous enough to make this a universal *basic* income payment, it is a bold move. RMI has been [scolded by the IMF](#) for not targeting this payment at the poor, but that misses the point. The country wants all residents to stay, and especially the more skilled and higher earning.

In summary, the population declines that FSM and RMI are experiencing, while dramatic, need not be bad news. Three other Pacific island countries that have experienced recent, significant population declines — Niue, Cook Islands and Palau — have all since seen their populations stabilise and have either retained or achieved high-income status. Whether, when and at what level population stabilises in FSM and RMI remains to be seen.

*For earlier analyses on population decline in these two countries, see this [2023 article by Michael Levin](#), this [2013 paper by Francis Hezel](#), and this [2010 paper by Ben Graham](#). The 2023 census population of FSM has now, following publication of the article above, been confirmed at 75,817. Disaggregated population statistics are available at <https://www.pacificweb.org/library/fsm/index.html>*

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Link: <https://devpolicy.org/depopulation-in-fsm-and-rmi/>

