

REPORT OF THE SAMPLE HOUSEHOLD SURVEY OF KOROR/AIRAI*
- REPUBLIC OF PALAU -
June 1990

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* The Survey was undertaken as part of the Government of Palau - ILO/LAPTAP Project on Comprehensive Study on Population, Human Resources and Employment, Republic of Palau.

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PREFACE

As part of its activities in the field of Population, Human Resources and Development Planning (PHRDP) the Labour and Population Team for Asia and the Pacific (LAPTAP) has been assisting the countries in the region in obtaining a clearer understanding of the interrelationship between population, human resources and development planning through advisory assistance, training workshops and research studies. These activities are undertaken under UNFPA/ILO projects in the region and are co-ordinated and supported by the activities of the Employment Planning and Population Branch of the Employment and Development Department at the ILO Headquarters in Geneva.

Under the PHRDP component of its programme, LAPTAP agreed to assist the Government of the Republic of Palau in undertaking a comprehensive study on Population, Human Resources and Employment in that country. The main objectives of this study were to promote understanding among national planners and decision makers of the current employment and unemployment situation in the country and to increase their awareness of the need for integrating population and human resources development into overall development planning. As part of the comprehensive study, it was also required to assist the Government in building up its data base through a survey of population, employment and human resource.

The household survey, on which this report is based, sought to explore the demographic, educational and labour force characteristics of the population in Koror and Airai which together accounted for three-fourths of the Palauan population. Despite limitations on the

sample size imposed by resource constraints, the Survey has offered valuable insights. The survey shows evidence of a genuine increase in employment opportunities and some decline in unemployment. It also shows a concentration of the unemployed among the youth and a coexistence of unemployment with shortages of specific skills necessitating importation.

We hope that the policy-makers in Palau would absorb, and wherever necessary examine further, these and other interesting results generated by the survey as part of a continuing process of data upgradation, analysis and policy formulation.

ACKNOWLEDGEMENTS

In February 1990, the Director, ILO/LAPTAP (Bangkok) contracted my services as a short-term consultant to advise and assist the Office of Planning and Statistics (OPS), Government of the Republic of Palau in conducting a comprehensive survey of population, employment and human resources in that country. Specifically, my responsibilities were, inter alia, to finalise the drafts of the various questionnaires prepared by OPS; assist the OPS in carrying out the survey, including the training of the enumerators; and to analyse the data and prepare the report of the survey.

In carrying out the various tasks, I have been very fortunate to receive the willing assistance and cooperation of numerous officials both in Palau and Bangkok. While it is not possible to acknowledge the contribution of everyone of them individually, I wish, however, to express my special thanks to the following:

Mr. Koichi Wong, National Planner, Office of Planning and Statistics for extending his full support and making efficient administrative arrangements for undertaking the survey and for the many courtesies extended during my stay in Palau.

Mr. Francis Matsutaro, President, Micronesian Occupational College (MOC) for his wholehearted collaboration and cooperation and for making available his staff and office as well as secretarial facilities for conducting the survey and computer processing of the data collected.

Mrs. Margaret Verato, External Data Studies Specialist, MOC, for efficiently co-ordinating the activities relating to the household survey and cheerfully attending to and smoothing out various administrative matters.

Ms. Ayano Boules, Director, Institutional Research, MOC for her invaluable cooperation and assistance in conducting the training classes and in the computer processing of the data.

Mr. Vincent Ito, Job Development Specialist, for his advice and able assistance in editing the questionnaires.

Mr. D. L. Khanna, Director, ILO/LAPTAP, Bangkok for his constant encouragement and advice and for smoothening out various administrative problems.

Mr. J. Krishnamurty, the then Regional Advisor on Population and Human Resource Planning (PHRP), ILO/LAPTAP, for his technical advice in regard to various aspects of the survey.

Mr. K. Sundram, Advisor on Population and Human Resource Planning (PHRP), ILO/LAPTAP for his detailed critical comments on the original draft of the survey report which helped to enhance considerably the quality of the present report. Needless to say, I assume sole responsibility for the views expressed in the report as well as any errors of analysis and interpretation.

Ms. Amornrat Attanatho ILO/LAPTAP for her valuable assistance in analysing the survey data and preparation of statistical tables.

Ms. Rungnapa Chiewchalerm Sri, Population Division, ESCAP and Mr. Rangsiman Khantiya-Usaha for their assistance in typing of the report.

I. INTRODUCTION

A. THE COUNTRY

The Republic of Palau (also known as Belau) is composed of a group of 8 principal and over 200 smaller islands forming an archipelago extending about 650 km in the western Carolines. The total land area of the Republic is about 500 km² of which about 397 km² or 79 per cent is occupied by the single island of Babeladaop which is the largest island in Micronesia apart from Guam. The administrative centre, Koror, is situated just south of Babeladaop; the two islands are connected by a concrete bridge. Kayangal, a classic atoll, is located about 22 km north of Babeladaop. South of Koror are Peleliu and Anguar, while Hatothobel (formerly known as Tobi) and Sonsorol lie about 500 km southwest of Koror and are the most isolated states.

It is believed that the original settlers came to Palau from South East Asia about three thousand years ago. Ethnically, Palauans have very close affinity with the people of the Federated States of Micronesia (FSM), although within Palau itself there are apparent ethnic and linguistic distinctions. For example, the people of the extreme south islands speak a language different from that of the rest of the Palauans.

Like other Micronesian countries, Palau has been subjected to waves of colonialism, first by the Spanish, followed by the

Germans, Japanese and finally by Americans. Although each wave has left its imprint, the last one appears to have been the most far-reaching; Palauans are considered to be the most Americanized of all Micronesians. Because of the American presence, English is widely spoken; many of the older people can also converse in Japanese¹.

The results of the population census conducted in April 1990 was not available at the time of writing this report. But according to the earlier census carried out in March 1986², the population of Palau was 13,873, or 1,400 persons more than the population of 12,473 enumerated in the 1973 census which is regarded as the first reliable post-war census of the Trust Territory of the Pacific Islands³. The average annual growth rate of 0.7 per cent during the sixteen year period 1973-1984 is low by Pacific standards. This is partly due to emigration; at least 5,000 Palauans are estimated to be living abroad, most of them in Guam⁴. On the basis of an estimated crude birth rate of 26 per thousand and a death rate of 5 per thousand, the rate of natural increase is about 2.1 per cent per annum in 1989.

¹Norman and Ngaire Douglas (eds.), Pacific Islands Year Book 16th Edition, Angus and Robertson Publishers, p. 419.

²Office of Planning and Statistics, 1986 Census of Population and Housing of the Republic of Palau (Belau), April 1987.

³Palau was then administered as one of the four districts of the Caroline Islands component of the Trust Territory of the Pacific Islands (TTPI), the other three districts being Yap, Truk and Pohnpei, which together today constitute a Federated States of Micronesia.

⁴Norman and Ngaire Douglas, op. cit., p. 420

The 1986 census also showed that as many as 9,442 persons or 68 per cent of the enumerated population lived in the capital island of Koror which contained only 4 per cent of the total land area. With about 950 persons per km², Koror has the highest population density in Micronesia apart from Ebeye in Marshall Islands⁵. Another 3,469 persons or 25 per cent of the total population lived in Babeldaop, the largest island in the group. Within Babeldaop, the largest concentration (1,021 persons or 29.4 per cent of Babeldaop's population) was in the state of Airai which is located in very close proximity to Koror. Only nine of the Republic's islands are permanently inhabited, and fewer than 100 people live in the southern most islands.

Because of adequate availability of land, particularly in Babeldaop, in the past and of marine resources, farming and fishing have traditionally been the main economic activity of the people, and supplied their year round requirements of food and nutrition. The main agricultural products consisted of coconuts, breadfruit, bananas, papayas and root crops such as taro, yams and sweet potatoes. Since the Second World War, there has been a significant decline in agricultural production and agricultural acreage due to migration as well as changes in the dietary preferences of the people particularly in the urban areas⁶.

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tapioca?

⁵Ibid., p. 420

⁶John Connell, Migration, Employment and Development in the South Pacific, Country Report No. 13 Palau, South Pacific Commission, Noumea, New Caledonia, 1983.

Although attempts are being made to reverse the current agricultural trends, the main constraint appears to be the availability of labour. It has been reported that attitudes towards agricultural employment have changed and that agriculture occupies a low status in the minds of the new job seekers⁷.

Although Palau is blessed with rich marine resources, these, like the country's agricultural potential, are largely untapped. A small fishing industry exports fresh fish to Saipan, Guam and Honolulu and there are facilities for fish storage at Malakal. Lack of manpower is the major constraint to the development of fisheries.

For various reasons such as the small size of the domestic market, high wage levels, lack of natural resources, and proximity to major Asian exporters, industrial development has very limited prospects in the country⁸. The few small scale industries include handicrafts, fish processing and boat-building. The tourism industry is an important source of foreign exchange, although the difficulty of gaining access to the islands and a lack of suitable facilities have hindered its development.

B. PERCEIVED MANPOWER PROBLEMS

The absence in the past of any production based strategies had resulted in a virtual neglect of the two vital economic sectors,

⁷Palau Legislation, Palau Indicative Development Plan, Koror, 1977.

⁸John Connell, op. cit.

viz, agriculture and fisheries. The comparatively low agricultural income and the unattractiveness of agricultural employment have resulted in a large number of workers, particularly the young and able bodied, emigrating from the traditional agricultural regions or states to Koror and adjoining Airai states, and even overseas, in search of more rewarding non-agricultural wage employment. Based on available information, Connell concluded that "there has been a substantial life time migration from almost all parts of Palau, almost entirely to Koror", and that "between 1963 and 1973 the only state in Babeldaop that significantly gained population was Airai which has effectively shared in the growth of Koror"⁹. This pattern appears to have continued since 1973 and in 1986 Koror and Airai together accounted for 75 percent of the total population of Palau.

The pattern of internal migration as had taken place in Palau over the years has had far-reaching consequences both for the areas of origin as well as the areas of destination. At the places of origin or sending areas, emigration of the abled-bodied workers has resulted in a population structure weighted in favour of the relatively less productive younger (0-14 years) and older (60 years and over) age groups. Conversely, at the place of destination or receiving areas, the age-structure of the population has been biased towards the working ages, 15-59 years. Thus, according to the 1986 population census, the combined share in total population of children and old persons was 39.4 per cent in Koror, and 39.9 per

⁹Ibid. p. 18

cent in Airai, the two main receiving areas, compared to 53.4 per cent in "all other states" which together are considered as the sending areas. The proportionate share of the population of working ages was 60.6 per cent in Koror, 60.1 per cent in Airai, and only 44.6 per cent in "all other states" (Table 1).

The outward migration of labour from traditional agricultural areas combined with changing attitudes towards agricultural employment has resulted in a decline in the number of persons employed in the agricultural sector (including livestock and fishing). The 1986 population census data showed that of the 4,467 persons aged 15 years and over who were employed in monetary activities¹⁰. Only 194 (of whom 50 were non-Palauans) or a mere 4.3 per cent were engaged in the agricultural sector (including fishing and livestock). The Republic of Palau, like most other Pacific islands, is facing a significant labour shortage in commercial agriculture and fishing, the development of which is "essential to maintaining and regenerating a productive and potentially export-oriented sector in the economy"¹¹

¹⁰The 1986 census also enumerated another category of persons as being engaged in non-monetary activities, i.e., subsistence activity in which a person mainly produces for his/her own family's use and needs, such as growing food, fishing, making copra for house use, raising livestock, making handicrafts for own use, etc. Of the 603 persons enumerated under this category 492 were engaged in growing food, 83 in fishing, 17 in livestock, and 6 in producing copra. Nearly 70 per cent of those engaged in non-monetary activities has worked for less than 20 hours each during the seven days preceding the census.

¹¹John Connell, *op. cit.* p. 8

Table 1. Numerical and percentage distribution of population by broad age groups: Koror, Airai, All other states, and Palau, 1986

Age group	Koror		Airai		All other states		Total	
	Number	%	Number	%	Number	%	Number	%
0-14	3,134	33.2	322	31.5	1,393	40.9	4,849	35.0
15-29	2,976	31.5	321	31.5	813	23.8	4,110	29.6
30-44	1,834	19.4	185	18.1	464	13.6	2,483	17.9
45-59	913	9.7	107	10.5	313	9.2	1,333	9.6
60+	585	6.2	86	8.4	427	12.5	1,098	7.9
Total	9,442	100.0	1,021	100.0	3,410	100.0	13,873	100.0

Source: Office of Planning and Statistics, 1986 Census of Population and Housing of the Republic of Palau (Belau), April 1987, Table A9, p. 28.

Table 2. Economically active population of Palau, 1986

Category	Palau		Koror		Airai		All other states	
	Number	%	Number	%	Number	%	Number	%
Employed	5,070	81.1	3,775	84.9	366	73.8	929	70.9
Unemployed	1,180	18.9	670	15.1	130	26.2	388	29.0
Total	6,250	100.0	4,445	100.0	496	100.0	1,309	100.0

Source: Office of Planning and Statistics, 1986 Census of Population and Housing of the Republic of Palau (Belau), April 1987, table D1, p. 49.

The paradox of the manpower situations in Palau is that while a shortage of labour is considered a major constraint to the development of agriculture, fishing and other resources, there appears to be a surplus of labour or unemployment in other sectors of the economy. Reliable time series data on the employment and unemployment situation in the country is not available. The 1973 census indicated an unemployment rate of 16.2 per cent, but this estimate was considered to be high "since enumerators generally did not understand the question and included people who were not looking for work"¹². The 1980 Palau Community Action Survey reported an unemployment rate of 15 per cent for Koror and 18 per cent for the country as a whole. This estimate too has been considered as high since "it would appear that many of those listed as unemployed are engaged in subsistence agriculture and fishing and many others have some form of part-time occupations"¹³. Estimates based on the 1986 census data¹⁴ give an unemployment rate of 15.1 per cent for Koror, 26.9 per cent for Airai and 29.1 per cent in "all other states".

The 1986 census data also revealed that unemployment is a much more serious problem affecting the educated youth. For the country as a whole, 66.4 per cent of the unemployed were aged 15-29 years,

¹²John Connell, Ibid., p. 11.

¹³F. Udui, Republic of Palau Country Paper to SPC/ILO Conference on Migration, Employment and Development in the South Pacific, 1982 (unpublished), p. 12.

¹⁴The 1986 census defined unemployed as persons older than 14 who did not have a job and were actively seeking employment and/or were available for work. Individuals who were laid off for a period of more than four weeks and who were either looking for work or available for work, were regarded as unemployed. The same applies for students who indicated that they were seeking work or were available for work.

the corresponding proportions being 68.5 per cent for Koror; 72.3 per cent for Airai; and 60.8 per cent for "all other states" (Table 3). Of the 1,180 unemployed, 825 persons or 69.9 per cent had completed one or the other grade of high school or college education, and this proportion was as high as 73.2 per cent among the unemployed in the age group 15-29 years. Those unemployed completing the high school 12th grade or higher education constituted 51.4 per cent for those aged 15-29 years compared to 47.6 per cent for all unemployed (Table 4).

An interesting aspect of the employment situation as disclosed by the 1986 census data is that while about 1,130 Palauan citizens aged 15 years and over were unemployed, an almost equal number (1,011 persons) of non-Palauans were among the 4,467 persons enumerated as employed in the country's monetary sector. Nearly 83 per cent of the non-Palauans were engaged in private sector wage employment and another 11 per cent in the public or government sector. In terms of broad occupational categories, the single largest group of the non-Palauans (21 per cent) were in service occupations such as domestic servants; another 18 per cent worked as handlers, equipment cleaners, helpers and labourers; and another about 14 per cent in construction and extractive occupations (Table 5). It would appear that a substantial proportion of non-Palauans are employed in low-paid, low-status jobs which are not sought after by the educated Palauans.

A proper understanding of the demographic and manpower situation in the country is to a large extent handicapped by a lack