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MIGRATION, EMPLOYMENT AND DEVELOPMENT IN THE SOUTH PACIFIC

COUNTRY REPORT NO. 6
GUAM

SOUTH PACIFIC COMMISSION
NOUMEA, 1983

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**MIGRATION, EMPLOYMENT AND DEVELOPMENT
IN THE SOUTH PACIFIC**

**COUNTRY REPORT NO. 6
GUAM**

John Connell

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**SOUTH PACIFIC COMMISSION
NOUMEA, NEW CALEDONIA, 1983**

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Front cover:

We are grateful to James Griffin for permission to reproduce a design of a Bougainville canoe paddle from *Bougainville artifacts: conserved or cookim coffee?*.

**James and Helga-Maria Griffin, Occasional Paper Number 1.
Port-Moresby: Institute of Papua New Guinea Studies, 1975.**

Preface

This report is one of a series of country reports covering all the countries in the South Pacific Commission area that have been produced as part of the Migration, Employment and Development in the South Pacific project. This project is administered jointly by the South Pacific Commission and the International Labour Organisation and was established in April 1981 with funds provided by the United Nations Fund for Population Activities. The project, which is based in Noumea, covered all the countries and territories in the South Pacific Commission area and also investigated migration from the region into Australia, New Zealand, Canada and the United States of America. The series of specific country reports is listed on the back cover of this report.

In consultation with the SPC, the ILO appointed Mr John Connell as a resident expert to co-ordinate the implementation of the project. Within the SPC, Drs Ko Groenewegen provided guidance on technical and administrative aspects of the project. Work on the preparation of the reports was undertaken by Mr John Connell with some early research assistance from M. Jean-Marie Delmas and the secretarial assistance of Ms Maeva Betham. Advice, comments and assistance, both technical and administrative, were also provided by the ILO's Labour and Population Team for Asia and the Pacific (LAPTAP). The project is indebted to many individuals within the countries, in SPC and elsewhere, who helped in the compilation, analysis and assessment of the data and related reports, and these are acknowledged in specific country reports.

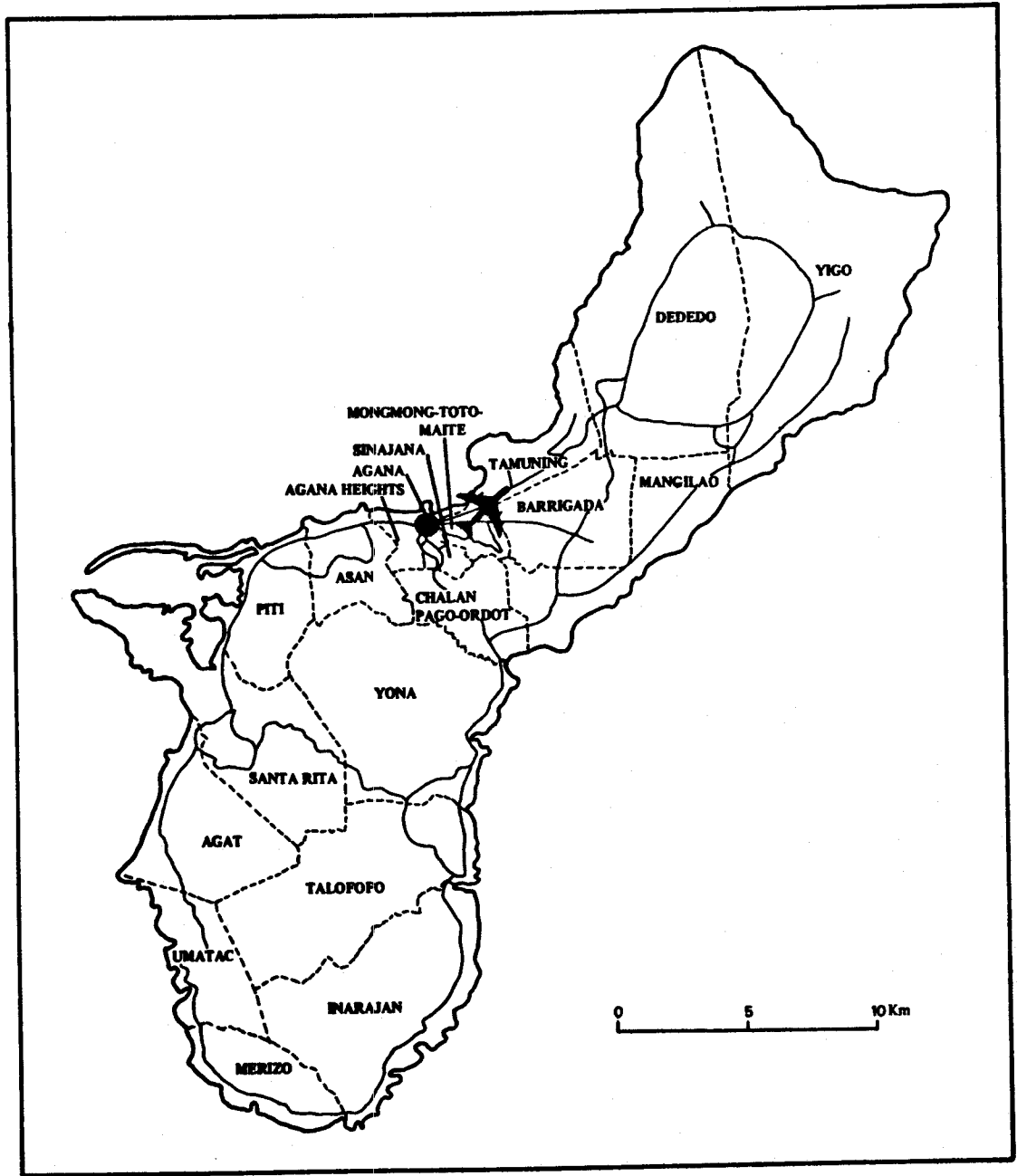
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'Guam has been afflicted with a chronic shortage of skilled and unskilled labour for almost three hundred years. The archives of..Guam contain hundreds of Spanish documents...as far back as the year 1668 which contain numerous references to the island's long-standing labor problem' (Carano, 1972:78).

Guam is an unincorporated territory of the United States, and officially the westernmost part of the U.S.A. being 5,300 kms. west of Honolulu. It is the largest and most populated island in the north Pacific between Hawaii and the Philippines and is much closer to the Philippines than Hawaii, a geographical situation that has significantly influenced its population history and development. The island is about 50 kms. long and ranges from little more than 6 kms. wide at its narrowest point to around 14 kms. at its widest. It is much the largest of the Marianas Islands.

Geologically the island has two distinct parts; the northern part is limestone and the south is largely volcanic. The north is a raised but relatively flat plateau sloping southwards, without permanent streams, whilst the south consists mainly of dissected volcanic uplands. From north to south the uplands are separated by a relatively low lying area where the capital city, Agana, is located. The southern part of the island has numerous streams flowing from the interior mountains which rise to a height of 400 metres, and there are broad flat valleys of alluvial soil. Guam is prone to typhoons and on a number of occasions, and especially 1962, the island has been devastated by tropical storms.

Pre-historic populations occupied nearly the whole of the coastal areas as well as well-watered regions of the interior. The original settlement of Guam may pre-date that of most other parts of the Pacific and Guam was almost certainly settled by 4000 B.P.; current excavations at Tarague in Northern Guam have yielded stratified deposits to a depth of at least 4 metres and are likely to prove to be the oldest in Micronesia. Guam was the first island in the Pacific region to be discovered by Europeans and the first to be colonised by commercial interests. The original inhabitants of Guam, the Chamorros, are thought to have migrated from Asia and linguistic and archaeological evidence links them with the Philippines. Magellan's fleet reached Guam in 1521 but the first serious attempt to colonise the Marianas was in 1668 when Jesuit missionaries and a Spanish garrison settled on Guam. Forced labour was imposed on the population; this eventually led to rebellion and the decimation of the Chamorro population. While the population of Guam alone was estimated at around 50,000 in 1669 by 1720 the Marianas population had reduced to around 1,000. Subsequently the population began to increase with migrants from Spain, Mexico and the Philippines.

In the first half of the Nineteenth Century a small number of trading companies, mainly of American origin, were established in Guam whilst some Filipinos and Carolinians were settled there; for a time the Marianas were used as a Spanish penal colony. At the same time Chamorros began to take up employment on foreign ships. In the second half of the century immigration increased and diversified, now including Chinese migrants but being principally of Filipinos. In 1871 there was already a peak concentration of population around Agana where some 5,251 (84%) of the total population of 6,276 were living (Underwood, 1973:25-7); this concentration probably emerged as a result of immigration to this area, the major commercial centre of the Marianas, rather than through internal migration in Guam.

In 1898 the Spanish authorities on Guam surrendered to U.S.A. and the rest of the Marianas were transferred to German administration. From then onwards the history of Guam and the remainder of the Marianas diverged although there were always close ties between the islands (see Country Report No.12). Guam remained under the administration of the United States, through the U.S. Navy, except for a three year period under direct Japanese control from 1941-44 and American influence in Guam has been more extensive than anywhere else in the South Pacific region. Until the Second World War the total population grew steadily, primarily through immigration since mortality rates remained high and the proportion of the population identified as Chamorro declined throughout the century. For the first half of the century there was an intensification of dense urban development around Agaña.

Guam became an unincorporated territory of the United States in 1950 when its people became American citizens and the Department of the Interior became responsible for island administration. At much the same time the chief economic activities on the island became employment with the military establishment and this expanded rapidly especially during the Vietnam war. It was not until 1962 that American tourists were permitted to visit Guam without formal clearance and not until 1970 that Guamanians were allowed to elect a local governor. The devastation caused by Typhoon Karen in 1962 resulted in a plan being commissioned with the aim of rebuilding Guam 'into a modern American community' (Mangan, 1966:xx), an intention which has to a considerable extent been subsequently achieved. In 1975 the Northern Marianas became a U.S. Commonwealth so that Guam is now more dependent on the U.S. politically than its smaller northern neighbour, whilst the Marianas are also exempt from a number of federal restrictions that hamper Guam's economic development (Rogers, 1981:15). Curiously Guam is one of the very few island states in the South Pacific region whose political status has been unchanged since the war. Early in 1982 a referendum was held in which 48.5% of voters were in favour of Guam becoming a Commonwealth of the U.S. Ultimately this might result in stronger political ties with the Northern Marianas and the eventual unification of the two states.

As a result of four centuries of contact with European cultures there are no 'pure' Chamorros remaining in Guam, although foreign contributions to the gene pool have been less extensive than hitherto believed (Underwood, 1976), whilst Spanish, Filipino and American influences have removed most elements of traditional Chamorro culture. Specifically it is argued that the lineage and extended family system have almost disappeared; inheritance of land is now controlled by individuals and nuclear families and the kinship system is completely bilateral (Alkire, 1977:25). There is evidence to suggest that these may be over-generalisations (R. Workman, pers. comm. 1983). The political system, as in the Northern Marianas, is essentially that of the U.S.A. with elected officials at all levels and no trace of a traditional class system. In recent years attempts have been made to re-establish the Chamorro language more formally and revive some Chamorro customs; a Chamorro language programme was introduced in schools in 1975. Of all the states in the South Pacific region Guam retains the fewest vestiges of pre-contact culture and the greatest evidence of westernisation; in many contexts Guam is simply viewed as the westernmost part of U.S.A. Thus, 'due to Guam's unique history and location - far away from its "mother land" while close to Asia - it has become one of the most complex racial melting pots in the United States' (Tung, 1981:15), producing a crisis of identity for many residents over their nationality as Guamanians and/or Americans.

Economy

The early years of naval administration in the Twentieth Century did not fundamentally change the Guamanian economy and agricultural production remained of some importance. Before the war copra production was the island's single largest industry. However it had already become prestigious to work as craftsmen or labourers for the U.S. navy and in the inter-war years U.S. financial aid had resulted in a considerable re-orientation of the economy from productive to non-productive activities. Nevertheless, in some respects, at the start of the Second World War the economy of Guam remained not totally unlike other Pacific Islands, despite Spanish, American and Japanese occupation. Rapid change began late in the war when a harbour was constructed that could handle more cargo than any other forward military port in the world. The military also constructed new roads, schools and housing areas and, in turn, took over 40% of the land for military bases. These massive construction projects provided many high-paying jobs and, as a result, the island rapidly shifted away from an agriculturally-oriented economy.

After the war American companies were encouraged to locate their Far East headquarters in Guam; the first company to begin business was a soft-drink bottling firm and this was soon followed by banks, newspapers, automobile importers and finally an oil refinery. Nevertheless major post-war economic expansion in Guam was a result of the Vietnam War which both provided civilian jobs with the military and resulted in the growth of a substantial construction industry; thus the economy further shifted away from productive employment, a shift that was emphasized after the war by the growth of tourism (rather than any re-emphasis on the productive sector). These changes were further emphasized after 1962 when Typhoon Karen destroyed 98% of the housing stock on the island resulting in massive U.S. financed reconstruction. Warfare and typhoons have had a major positive impact on some sectors of the Guam economy. As a result of the 'nightmarish success' (Reed, 1978: 231) of economic activity the population tripled after the end of the war and also became permanently swollen by tourists.

The Guam economy is now based on the trilogy of military, government and tourism, and hence in each of these ways is dependent on external revenue and political decisions. The military owns about one-third of the island whilst the government owns almost a further third; much of this is unsurveyed and unregistered (Ferris, 1980). Although the presence of the military is often resented the Korean and Vietnam wars were 'boom times' for the Guam economy because of massive military expenditure and construction activities, whilst more land is now being returned for economic or recreational use. Federal employment, primarily in the military, accounts for about 19% of Guam's total employment and military personnel and their dependents account for almost 20% of the total population, hence Guam's economy is highly dependent on Guam retaining strategic significance. Local government provides more than half of all employment in Guam. Moreover federal expenditure in 1980 totalled \$47 million. Of the civilian labour force of around 34,000 the federal government employs 6,600 and the military about 7,000; dependence on the military for employment is such that 'a prolonged decline in this sector of the economy could have disastrous effects' (Economic Research Center, 1981:11). Dependence on American expenditure is considerable and Guam's future political status and economic development are heavily dependent on Guam's strategic value to U.S. defence interests. Since the end of the Vietnam War the U.S. has been gradually

diminishing its overall military presence in Guam and the available evidence suggests that this decline is likely to continue so that employment opportunities that depend on the military presence will also continue to decline.

Tourism is by far the most important component of Guam's private sector; in 1980 the number of tourists reached a record figure and tourists contributed 34% of total retail expenditure. Tourism thus generates directly and indirectly (especially through transport, retailing and construction) some 30% of total private employment. Tourism is primarily dependent on the state of the Japanese economy and the growth of the industry effectively dates from 1967 when PanAm began direct flights between Guam and Tokyo; Japan accounted for about 76% of visitors in 1980 (and U.S.A. contributed 12%). Many of the Japanese tourists are honeymooners and Guam is probably the only country in the world where 'honeymoon' constitutes a category of visitors on the arrival card. Thus the private sector is also extremely dependent on external support, and specifically on the Japanese economy, airline routes and fares and their combined influence on Japanese tourism.

The productive element within the economy is extremely small and almost all of that production is oriented towards local consumption rather than export. The manufacturing sector accounts for only 3.3% of local employment and the refining of petroleum products accounts for 95% of all manufacturing receipts. Beyond a small number of import-substitution activities, especially for bulky products such as beer and bread, there is little manufacturing industry. Guam's location and political economy would make it a reasonable base for companies completing a manufacturing process and exporting to Asia but customs regulations and high labour costs have prevented this development, despite existing tax incentives. Current emphasis is therefore placed on the expansion of tourism rather than manufacturing development.

Primary production is even less important than manufacturing and there are no mineral or energy resources on Guam. A number of commercial farms have been established and transportation costs are currently encouraging the development of market gardening. Yet almost all food (other than eggs), including fish, are imported. There are natural constraints to agricultural development, such as poor soils and typhoons, and a shortage of local farm labour (because of high wage levels elsewhere) so that alien workers are a major component in the agricultural sector. In 1975 the Governor launched a 'green revolution' for Guam in an attempt to encourage people to develop a more self-sufficient economy and move from being consumers to producers; it was not noticeably successful (Fairbairn, 1977; del Valle, 1979:81) and agriculture remains a neglected sector (Sohn, 1977:32). Moreover agricultural output declined in both 1980 and 1981 (Guam, Department of Commerce, 1982:20). Fishing has more potential than agriculture but can only be stimulated by some grants for construction and financial incentives that may not be possible within Guam. Considerable interest has been attached to the development of an aquaculture industry in Guam but, as in other specialised areas of development, there is a shortage of locally skilled manpower to effectively establish a new programme. The lack of an agricultural and aquacultural workforce in Guam prompted the Guam legislature in 1979 to request the U.S. Department of Labor to reinstate the H-2 Alien Labor Program for these two activities (Fitzgerald, 1982:97). Traditionally the United States has banned the importation of foreign workers exclusively for short-term temporary employment hence the short-term non-immigrant workers, or H-2s, have only exceptionally been allowed into