

On My Mind  
5/25/07

Here's something to mull over: The Gulf countries have a glut of something other than oil - unemployed nationals. In Saudi Arabia, for example, 40% of its young nationals are unemployed. In the United Arab Emirates, 98% of the work force is composed of ex-patriates. In Saudi Arabia, 45% of the work force are expatriates. The information comes from a broadcast earlier this week on the British Broadcasting Company, aired over local public radio station KRNM.

A consultant on labor policy and immigration, whose name I was unable to catch, was asked how best to deal with such inequities. Two approaches are being used, but neither works very well, he replied. Some countries try to use quotas to force employment of nationals, but employers manage to get around the rules; additionally, the taxes charged in connection with the quotas are seen as intrusive. The other approach uses government intervention to try train the national work force to replace the foreign workers, but this doesn't work either because, due to the wage structure in place, the pay scale for trained nationals is not competitive.

The consultant characterized the Gulf countries' present economy as having lax immigration rules, and rigid internal labor market rules. He believes a better approach would be to reverse this situation and impose strict immigration rules while liberalizing the internal labor market rules. Tantalizing as that sounds, he did not provide details. One has to work that out for one's self!

In conclusion, he said, such countries have, figuratively speaking, a choice of heading for Bangladesh or for Switzerland: either using the low-cost labor available in their countries as their competitive advantage, or re-structuring their economy to enable them to offer greater productivity at higher wages as their competitive edge.

Click on: < [http://www.bbc.co.uk/worldservice/programmes/business\\_daily.shtml#Mon](http://www.bbc.co.uk/worldservice/programmes/business_daily.shtml#Mon)  
> to hear the program.

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What this points out is that not all of the problems faced by the CNMI are unique to it alone. Any number of the dilemmas faced by the CNMI are faced by other places in the world as well, and it is short-sighted, foolish, wasteful to sit here and try to re-invent the wheel, when others have already wrestled with the problem and have found solutions, new approaches, that could work here. Though the CNMI is small and remote, that should not - and does not - prevent it from looking around to see what the rest of the world is doing that could be helpful to the CNMI.

Another example can be found in a letter to the editor in yesterday's *Pacific Daily News*, in which writer Joseph Mendiola (Tanda) suggests that what Guam should do is hire three super administrators - one in law, one in economics, and one in finance - and task them with turning the Guam economy around. According to Mendiola, Orange County, California and New Jersey state - both in, or nearly in, bankruptcy- were successful in recovering by using this approach. Why wouldn't that work here too?

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Depending on what one counts, the CNMI is made up of as many as 15 islands, of which

the nine north of Saipan are sitting relatively idle at the moment. They represent potential resources to the CNMI, and suggestions on how to use them are surfacing more persistently of late as the search for sources of revenue intensifies.

Four of the islands - Guguan, Asuncion, Muag and Uracas - are protected by the CNMI Constitution as uninhabited places to be used only for the preservation and protection of natural resources, but that still leaves five whose use is not restricted.

It is tempting to allow whoever has a good-sounding idea and the money to back it up to go ahead and develop it up there in hopes revenue therefrom will promptly flow into CNMI coffers. However, since the Northern Islands are the CNMI's only tangible asset, it would be more prudent to be more cautious in expending those assets, and to take steps, first, to make sure that what is developed there will protect and preserve rather than destroy them.

First of all, a policy is needed formally spelling out appropriate uses of the islands and establishing criteria for access to them. Will they be open to all users/developers/entrepreneurs, to any and all conceivable uses and activities? Can off-shore rights be established? Should access fees be charged? Should permanent structures be allowed?

Feral animals have already destroyed habitat on one or more of the islands, and failed development attempts despoiled Pagan, which is all the more reason to make sure that what remains is properly preserved and protected.

At the very least, it would seem essential that whatever use is made of those islands, it be ecologically sustainable, environmentally responsible, protective of CNMI history and culture, beneficial to all of the people of the CNMI.

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The Northern Islands are primarily mountainous, with little arable land, and few beaches for either sun-bathing or landing. It is difficult and costly to get there, and more so to try sustain anyone living there any length of time. Nonetheless, the Northern Islands offer habitat to endangered species such as fruit bats, and other species perhaps not yet even identified.

Thus they could offer bird watchers and other naturalists a wealth of sightings, offer researchers uncounted opportunities for research and data gathering, offer the athletic-minded endless mountain trails, offer eco-tourism experiences. At the moment, they also offer hunting opportunities - at least until the feral animals are brought under control. Even the four islands on which permanent habitation is prohibited could be opened to scientists.

In the absence of on-island infrastructure, island visitors could be housed on live-aboards, and shuttled back and forth to the islands daily. It should, however, be possible to use alternate energy - primarily solar, one supposes - to supply some amenities on shore.

There is also wealth in the surrounding seas - for both sport fishing and food fishing, for scuba diving.

The Northern Islands have a large and varied potential as economic resources for the CNMI. However, so that they may still be available, viable, far into the future, great caution should be exercised to make sure those resources are not used recklessly or destructively, but in a responsible manner that guarantees their sustainability.

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Short takes:

Sometimes it takes an outsider to state the obvious so that others listen: Richard Hawes, managing director of Hawes Group LLC, retailer of Lacoste Guam, said in speaking of the tourism industry during a visit to the CNMI: "You just have to be patient and **improve the product for the tourists, give them more things to do**, and I think you'll find that business will come back [emphasis added].

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While tourism will no doubt always be the CNMI's main industry, I would agree with former Judge Jose S. Dela Cruz who, in the last of his excellent four-part series "Fundamental Problems That Must Be Addressed" in the <EM>Saipan Tribune</EM>, noted that the CNMI must find additional revenue-generating industries or activities to augment and/or supplement the unstable tourism industry. It was once said that the CNMI economy was supported by a three-legged stool: the tourism industry, the garment industry, and government. One leg has now been lost entirely, and a second (tourism) weakening. Can anyone really expect the CNMI economy to survive as a one-legged - or even two-legged - stool?

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This business of trying to amend the CNMI Constitution by petition under the rules promulgated by the Office of the Attorney General is bringing up some interesting issues. Chief among them: why is it that the AG's office is involved in certifying signatures in the first place? Shouldn't that be the responsibility of the Election Commission? Turns out that when the Constitution was drawn up - and the proviso is in the Constitution - there was no election commission. Which makes this another amendment needed to the Constitution. The most interesting thing here is that this particular issue has never been brought up before.

In the meantime, petitions are circulating to put on the ballot the questions: (a) should the Constitution require that there be a run-off in a gubernatorial election if a candidate does not win a clear majority, and (b) should there be a law requiring that the Legislature also be subject to the Open Government Act. The petitions will be available for signature at 13 Fishermen's Memorial on Beach Road from 4:45 p.m. to 6:00 p.m. every evening, from 9:00 a.m. to 3 p.m. this Saturday and from 11:00 a.m. to 1:00 p.m. on Sunday at Price-Costco. Individuals are also circulating petitions. (Remember: signing the petition only puts the questions on the ballot so all can vote on them in November.)

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New movies: "Pirates of the Caribbean 3," rated G-13, and the non-rated Ang Cue ng Ina Mo, for a total of one PG, 4 PG-13s, one R and one unrated. One can only hope that Hollywood will stop with round three of these sequels -THREE of which are currently showing! Certainly doesn't say much for its courage and creativity if all Hollywood can do is re-cycle former successes.