



MICRONESIAN SEMINAR

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# THE RULES OF THE ROAD IN CHUUK

**COMING SOON !**

⇒ **HISTORY VIDEO II**

Planting The Foreign Flag

⇒ **10,000 STEPS**

A Diabetes Video

⇒ **AT- PLAY Photo Album**

Micronesians Games



Publications



Australian Government

AusAID

*Francis X. Hezel, S.J.*

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## Traffic In Manila:

Manila traffic in the bad old days was unforgettable. The flow of vehicles—motorcycles, jeepneys, trucks belching thick clouds of black smoke, buses, taxicabs and chauffeur-driven cars—all competing for the slightest advantage on the road. Over some busy intersections a single traffic light may have been suspended. But it really didn't matter very much because the flow of vehicles was unregulated by the light in any case. I remember cars stalled for many minutes, or barely creeping along, the driver waiting for an opportunity to gain any small advantage over the others—his competitors on the road.

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Most of us outsiders were horrified at the prospect of driving under conditions like this. What we considered the normal rules of the road seemed to be flagrantly disregarded. In their place there may have existed another set of informal rules—a code

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Those of us from countries with Anglo-Saxon traditions, used to obeying the traffic laws, could only gape in wonder at the mystery that was Manila traffic. Drivers easing into other lanes, or straddling lanes (if they could be called that), leaning on the horn to warn drivers next to them that they intended to inch past them into a lane that looked a bit more promising, making eye contact with other drivers as they honked in a game of stare-down. When none of this worked, there were always other, more desperate ways to beat the competition. Cars sometimes would even scoot up the sidewalk for a while to gain a bit of an advantage.

Then there were the annoying left turns that were made after the token traffic light had changed. Cars that tried to beat the oncoming traffic would get stuck in the intersection and could have brought traffic in both directions to a standstill, had it not been for the ingenuity of Filipino drivers, who somehow found mysterious ways to get around the

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## New Video!

[www.micsem.org](http://www.micsem.org)

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### Early Encounters

#### Micronesian History Series



First Micronesian history series, this documentary shows the impact of early Spanish explorers, British Indiamen, whalers, beachcombers, missionaries, and copra traders on the islands and their people.

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## Photo Albums

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### “The catholic Church”

A pictorial look at the church through the years, is on-line. ([www.micsem.org](http://www.micsem.org)) This complements the album that appeared some time ago entitled “The Founding of the Protestant Church”.

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## Schools Online

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### *A Look at Kosrae, Palau and Majuro Elementary Schools*

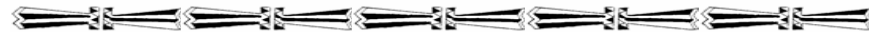
“Report cards” of **Kosrae, Palau and Majuro** elementary schools are available on our website. The information provided includes photos and status reports of each school. See the following link for reviews on all the schools in these states:  
**[www.micsem.org/schools/index.htm](http://www.micsem.org/schools/index.htm)**

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helped create. They and the people of Chuuk would have to take to heart that tired old motto, repeated endlessly in the state, and act on it. In other words, they would have to plan together and work together for the institutional forms that are so badly needed. A first step, of course, would be to erect firewalls that protect the finance department and other departments from the political interference that has confounded their past efforts to avoid overspending and over-hiring. As a start, this would mean careful oversight on the certification of funds to ensure that money is not obligated where there are no funds. It would also mean strict surveillance of the checks issued to ensure that employees are only paid for the work they do.

This would be the equivalent of what was done in Manila when authorities installed traffic lights and made sure that they were observed. That also meant ticketing drivers who made illegal left turns and tied up traffic—never an easy thing to do, but especially difficult in a society where personal relations count for so much. Yet, this is the first step to establishing a disciplined system and in giving the citizens of Chuuk confidence that the rules do work after all. Once public confidence is restored, there will be fewer cars pulling up onto the sidewalk to gain a few car lengths on those ahead of them. As the congestion is relieved, those on the road have less need to resort to desperate tactics as they begin to believe that they will get home after all.



offending vehicles.

Most of us outsiders were horrified at the prospect of driving under conditions like this. What we considered the normal rules of the road seemed to be flagrantly disregarded. In their place there may have existed another set of informal rules—a code that insiders must have been privy to. How else could those chauffeurs and taxi drivers have braved this hideous traffic day after day without loss of limb or life? How else to explain the relatively few collisions that occurred, when we closed our eyes and waited for what seemed to be the inevitable a dozen times between Makati and the airport? We had clues—eye contact and the horn seemed indispensable—but the rules were a closed book for us strangers.

I should note here, though, that traffic conditions seem to have improved greatly if my recent trips there are any fair measure. New overpasses and a highway or two have been built to relieve the congestion; more traffic lights have been installed and police direct the flow at busy intersections. What is even more surprising, though, is that Manila drivers actually seem to be making an effort to observe the rules of the road that we Westerners honor. Traffic lanes are still fluid, and the signal system between drivers just before a car squeezes into another lane still is in force, and the traffic can still be horrific at rush hour, but a trip from the airport seems much less death-defying than it once did.

### ***The Financial Crisis in Chuuk***

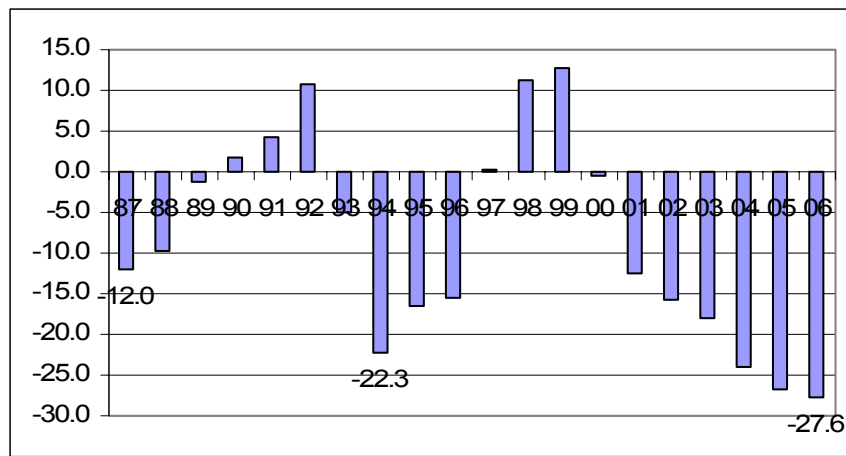
Manila traffic may bear some resemblance to the condition of the Chuuk State government in ways that will be clearer as you read on. The truth is that Chuuk



and Manila are two of my favorite places, but the bedlam in both can drive an outsider crazy. This is not to say that it doesn't also test the patience of the resident. Indeed, the government gridlock in Chuuk is as frustrating to most Chuukese as the traffic situation in Manila was to those who battled traffic each day. But in both places, people simply learned to accept what they came to consider the inevitable.

The total government debt in Chuuk, unpaid loans and liens included, is now estimated at about \$35 million. The debt in the General Fund alone stands at about \$27 million—worse than in the mid-1990s when the FSM National Government was forced to intervene. (See Figure 1) The annual deficit has grown to nearly \$2.5 million, but it is hard to put exact figures on this because the government accounts are in such disarray. The accounting firm that was to have provided an audit of the Chuuk State government could not do so this year or last year because the data they had to work with was declared unauditable. The financial status of the state, bad enough during the last administration, has deteriorated further and is now judged a disaster.

**Figure 1: Chuuk General Fund Balance, in \$millions (1987-2006)**




reforms were, unless the structural problem of the authority vacuum in the state is corrected. It would appear that no one, not even the officials who nominally hold the highest positions of power in the government, is able to keep the traffic moving—to ensure that the reforms remain operative. We must remember that the current financial reforms were not initiated by the Chuukese leadership, but were imposed on the state by the FSM National Government and by the US Office of Insular Affairs. The intervention was a last ditch effort to prevent Chuuk's financial crisis from becoming bad enough to threaten the entire FSM. Accordingly, many believe that the reforms will not last very long without outside supervision.



Indeed, at the recent JEMCO meeting, the US team proposed that an outside firm be contracted to manage the state finance department for fear that without this the situation would soon revert to what it had been. There is no question of the competence of a Chuukese staff to handle financial matters, if they were given the freedom to do this. The problem is to protect them from the political interference that would make it impossible for them to do their job. If this is too daunting a reform, Chuuk will have to suffer the embarrassment of turning over its financial authority to outsiders, people immune from those demands of political officials that place an impossible strain on its budgetary constraints.

The other option is for Chuuk State and its people to step up and somehow take ownership of the reforms. For this to happen, the two political factions would have to be brought together so that, for a change, they are working with, rather than against, one another. They would have to stop blaming one another for a problem that both have



is egalitarian to a degree unmatched by any place in the Pacific outside Melanesia? Are we to invent an authority system to enforce the rule and regulations of a modern state and hope that it somehow works in an island group in which broad political authority was unknown?

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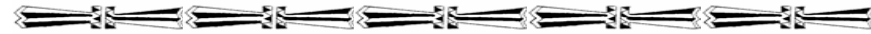
Chuuk State needs discipline, I hear people say time and again. Of course, it does. It needs traffic lights and cops, so to speak. Even more than this, it needs to be able to depend on people's responsiveness to them.

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### ***The Two Options***

What needs to be done to control the financial damage in Chuuk and put the state back on the path to full recovery is clear enough. The reform program has been laid out in a memorandum by FSM President Manny Mori and reiterated by a joint team of Americans and FSM leaders in their recent visit to Chuuk. The first component of the reform strategy is the elimination of 400 government jobs to reduce the state payroll to a sustainable level. The second is to ensure that the finance department does not continue to obligate funds that it does not have, thus permitting the accumulation of debt that has been such an ongoing problem in the last decade and a half. In addition, Chuuk, a state in which so many of the public facilities are located on private land, will have to move quickly to enact and enforce land valuation legislation; otherwise, payments for land leases and outright purchase for government needs will consume an overly large portion of its funds. Finally, state collection of taxes and other revenues will have to improve significantly to bring additional funds.

Reform measures will be soon instituted to deal with this present financial crisis, just as they were mounted in the mid-1990s to deal with the last one. But they will surely be eroded, just as the last set of



Working from deep within the financial hole the state has dug for itself, the government is unable to discharge its financial obligations. This has meant payless paydays for government employees at times. It has also meant the failure to keep up payments for Social Security and retirement benefits. Since the government is unable to meet payments to Mobil for fuel, or to order necessary parts for the generators, the government must cut electrical power for long periods of time. This, in turn, means that not only do the lights and TV sets go off, but so do the water pumps and flush toilets. Those who can find the money to do so buy their own generator and purchase their own fuel, but they are not very happy about having to bear this additional burden. It is as hard to imagine the Chuukese people satisfied with any of these consequences as it is to think that Manileños cheer the traffic jams that tie them up for

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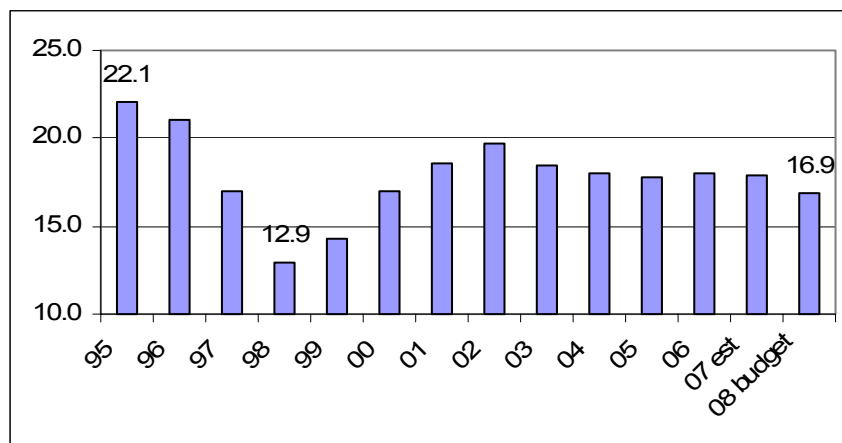
hours.

What is responsible for the debt and chronic budget deficits in Chuuk? There are a number of factors. One is surely the unregulated and often outrageously high land payments made to owners whose land is needed for a public service: whether a school or a dispensary or a power plant. Since most of the elementary schools and dispensaries are situated on private land, landowners are paid lease fees yearly. Those who are dissatisfied with the amount they are receiving for their land may simply refuse to allow continued use of their land for public service unless their demands are met. With no land valuation system in force, landowners tend to calculate their own demands for

compensation on the basis of reports of what others are receiving for their land. If the government accedes to the request of one landowner for, say, \$5,000, others will escalate the rates for their own land accordingly. Hence, land payments are based less on the inherent value of the plot of land leased by the government than by rumors of generous government payments to other landowners. In offering generous recompense for a single person, then, the government is raising the asking price of land throughout the state, with obvious negative effects on its own budget.

But the single most important cause of the runaway budget in Chuuk is the steady inflation of the payroll due to the indiscriminate hiring of government employees. Chuuk State today employs slightly over 2,400 persons—not as many as the high of about 2,800 reached during the financial crisis in 1994, but up 400 positions over the 2,050 level that the state adopted as a sustainable limit. If these 400 government positions were eliminated, Chuuk State would save about \$3 million a year. (See Figure #2) In other words, it would wipe out its annual deficit in a single stroke and could begin to whittle down the \$35 million debt (sometimes pegged as high as \$40 million) that it has accumulated over the past ten years.

**Figure 2: Chuuk Payroll Expenditures, in \$millions**



power outages, send their children to schools that are sub-standard, wait for months to get a field trip ship to the outer islands, and have learned that they cannot depend on the services that the government is supposed to offer its citizens. On top of all this, they suffer the indignity of the biting remarks and the constant ridicule of their own people. Their state has won a reputation as the place where everything that possibly can go wrong does. It's hard to imagine that people in Chuuk, as famously long-suffering as they are, would not be strong supporters of reform.

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**We could perhaps blame all this on the people themselves. But most of the Chuukese people I speak with are not happy with the system.**

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But how do you fix a traffic jam so bad that the flow has come to a virtual standstill? Who is to take responsibility for this in a society that has little traditional leadership on which to rely? Who will put the traffic cops at the intersections? Even if they appear, how do we guarantee that anyone will pay the slightest bit of attention to them? In Manila traffic, as it was some years ago, drivers seem to have despaired of getting anywhere by following the formal rules of the road, so they took whatever edge they might gain by cunning or boldness, even if that meant clogging the intersections, impeding the traffic still more, and adding greatly to the mayhem that ruled the streets. Sensing that no one was in charge, drivers had abandoned hope that following the rules would get them home faster, thus all but voiding the formal system and leaving it no more than an empty shell.

Chuuk State needs discipline, I hear people say time and again. Of course, it does. It needs traffic lights and cops, so to speak. Even more than this, it needs to be able to depend on people's responsiveness to them. But who is to instill discipline in a society that

his predecessors as well—take the trouble and spend the extra dollars to hire a group of people to act as special advisors? In reality, the special advisors are a shadow cabinet whose main function is to ensure that the fragile coalition that supports the current governor's administration does not shatter?

As we have learned over the past 15 years or longer, replacing one set of leaders with another makes very little difference in the way the state runs. The two so-called “political parties” in Chuuk are in reality loose political factions, nearly as fluid as the old military alliances, or *machew*, and forever changing just as those old alliances were. The political coalition brings together a large assemblage of persons with very little cohesion. These political factions are defined not by issues, but by grievances toward the people on the other side; by personalities rather than principles.

The factions wage ongoing war with each other from one election to the next. They come to the field of political battle with knives sharpened, each claiming the other is the responsible for everything that has gone wrong in the state and that it will fix all the problems the other has created. Yet, we have seen leadership shift from one faction to the other and then back again, even as the traffic jam continually worsens. Is the problem in the leadership itself? If the condition perdures, regardless of which faction is in power, it would seem that the real problem lies deeper. Perhaps it is a structural one.

We could perhaps blame all this on the people themselves. But most of the Chuukese people I speak with are not happy with the system. Why would they be? Although they might have a relative or two who has benefitted from a political patronage job, they still suffer through the

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The people at the very top of the state government do not feel that they are in control. They are sitting atop a beast that does not respond to their direction but moves as it

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(1995-2008)

### *Hiring Gone Wild*

Chuuk has no monopoly on the wild hiring of new government employees, to be sure. The Marshalls has set new records in this respect, and Kosrae State was strangled by the additions to its payroll until reform measures were adopted earlier this year. Most Pacific nations have the same inclinations, although these are reversed periodically by reform movements that gain acceptance only when government finances are in alarmingly bad shape. Everywhere in the Pacific the reason is the same: to provide salaried employment for relatives or clients who have few other options for finding a job. By this time it must be clear even to the most obtuse that government jobs are viewed more as employment opportunities for clients than means of providing needed services for the public.

What is different in Chuuk is not that political figures try to find jobs for their friends, but the lengths to which this practice is carried. Anyone who bothers to inquire will hear an endless stream of stories about legislators and other high officials mandating jobs for their wards, sometimes writing the names of their friends into the directives, and walking the paperwork through personnel and finance to make the job official and get the paychecks started. Personal patronage has always been a prominent feature in Chuuk's history, in great part because individuals were obliged to have recourse to something akin to “Big Men” in the absence of ranking chiefs. Since full self-government more than 25 years ago, Chuukese seem to have resorted to patronage ever more frequently. If there is no other working system in place, what is an





ordinary person to do? When people lose confidence in the effectiveness of the ordinary routing system, they make left turns against the traffic light, but in doing so they add to the confusion and worsen the traffic jam.

The result is wild overstaffing, even by island standards. In one office within a major department which could be staffed by two or three persons, there are more than ten employees. Although there are not even enough chairs in the small office to seat all the employees, the chairs are never filled, I was told. There are people hired on as dispensary managers who have no dispensaries out of which to work, as an earlier issue of *Micronesian Counselor* pointed out. Education personnel are hired on indiscriminately and sent to the main office to find some semblance of work. As quickly as they turn up at the office, they are reassigned to schools, not so much to teach as to get them out of the way of those who have real work to do. Thirteen personnel are on the payroll to staff an ice-making plant that could easily be run by three. Inasmuch as the payroll for these employees eats up the entire budget of the plant, there is no money to provide for even the essential items that would be needed to make the plant productive. A

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A dozen or so people are still employed by the coconut processing plant that burned to the ground three years ago.

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Ironically, the surplus of government employees often leads to a serious decline in productivity. Someone who had held a position in Chuuk's Finance Department, swarming with bodies, remarked that the work output in the office slowed noticeably as more people were added to the staff. The way he put it was "There were just too many hands



touching each paper to get any effective and timely work done." A number of people admitted to me that they and many of their staff were demoralized by the needless expansion of office personnel. The competent personnel—and there are as many in Chuuk as anywhere else in the Pacific—are hampered in their effort to get anything done. Moreover, the presence of drones in the office tends to have a negative effect on even the highly motivated.

Employees have multiplied; offices are crowded and the state budget is stretched to the snapping point. The number of government employees is driven not by the services that must be provided, but by the political clout of the patrons and their readiness to take the time to browbeat the officials in key departments until they sign the requisite papers. If there are more employees than the system can afford, who is to blame?

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### ***Who Directs Traffic?***

It's easy to point to the offending high-ranking political officials—legislators, leaders in the executive branch, mayors. They are the ones driving those vehicles, cutting into the intersection to gain every little advantage they can on a congested road. But they, too, are subject to pressure from their clients, family members and others to whom they feel obligated. My sense is that the people at the very top of the state government do not feel that they are in control. They are sitting atop a beast that does not respond to their direction but moves as it wishes. Why else would a governor—not just the present governor, but nearly all