

## Testimony of Tina Sablan

Dear people of the Commonwealth,

In recent months, the immigration, labor, and economic conditions of the Commonwealth have come under intense federal scrutiny. On February 8, 2007, the U.S. Senate Committee on Energy and Natural Resources convened an important and eye-opening hearing on our economic and social situation, and this week, a delegation of Senate staffers will arrive to conduct further meetings and assessments. This is certainly not the first time our Commonwealth has fallen under such vigorous examination. But in this deepening economic and social crisis, and with the benefit of hindsight, we must now do what we failed to do before: we must change.

For so long, we have been living in a false and unjust economy that has hurt all of us – nonresidents, residents, and businesses as well. For so long, our political and business leaders have defended the distortions and injustices of our economy and society. For so long, and against conscience and common sense, we have failed to challenge their claims. If we are ever to lift ourselves up from the quagmire we have created, we must fully confront the truth about our situation, and accept responsibility for our mistakes.

The truth is that much of our economic and social woes can be traced to our dysfunctional immigration and labor system. The truth is that raising our immigration and labor system to meet federal standards would help us all in the long run. The truth is that freely abiding by these federal standards would enhance, not threaten, our capacity for effective self-government, and would honor the Covenant that many of us hold dear.

For far too long, we, the people of this Commonwealth, have trampled upon the spirit and intent of the Covenant, and abused our powers to manage our own affairs, especially with respect to immigration and minimum wage. Local control over these issues was a temporary privilege that was granted to the Commonwealth out of concern for our developing economy and vulnerable local culture. But upon receiving that license, what did we do?

Instead of carefully building an economy at a rate and scale that was appropriate for our islands, we launched into a poorly planned, hyper-accelerated program of growth that far outpaced the development of local infrastructure and ravaged our natural environment. Instead of prudently restricting the entry of large numbers of immigrants like we said we would, we threw open the floodgates. Between 1980 and 1999, the Commonwealth posted the highest population growth rate in the world, a staggering 373.4% increase, from 16,800 people to nearly 80,000. This population growth was due primarily to the entry of tens of thousands of temporary foreign workers taking up jobs in the private sector, and especially in the labor-intensive garment industry.

As we all know, our immigration and labor system lacked the institutional capacity and political will to properly control the overwhelming flow of immigrants. It failed to adequately screen for health concerns and criminal backgrounds; to monitor effectively for

illegal overstays; to safeguard the workers against exploitation and abuse; and to adequately protect job opportunities for the U.S. citizen resident population. We see the results of this ineffective immigration and labor program and the failures of our government all around us today. They impact everyone.

Presently, the majority of people living in the Commonwealth belong to a class of “temporary” foreign workers occupying permanent jobs in the private sector. No matter how long they live here, paying taxes, raising their families, and contributing to the life of the community, they never attain a political voice, and their social and economic status is forever precarious. They are easily exploited and easily ignored. Because they can’t vote, and because they occupy a vast majority of private sector jobs, there is little political will to raise wages or institute far-reaching reforms to create a healthier and more sustainable private sector.

Meanwhile, with private sector wages depressed across the board and a minimum wage that has languished for years at a meager \$3.05 an hour, U.S. citizen residents find themselves with limited opportunities to make a viable living in the Commonwealth. Unable to secure decent livelihoods in the private sector, many residents look for work in the government – where wages are higher, and where there is greater political will to provide jobs in order to secure favorable votes in the next election. Other readily available alternatives for residents include welfare, theft, gambling, and drugs. Our expanding welfare rolls, rising crime rates, and increasing numbers of families destroyed by poker addiction and drugs, are sad testimonies to that fact. Faced with such choices, it is no wonder so many residents choose to leave.

It is also no wonder that our government is so chronically bloated and ineffective, prone as it is to the political pressures of residents in need of jobs who may or may not have the necessary qualifications. Combine big government with fiscal mismanagement and widespread incompetence and we get a massive government deficit and failed public services and infrastructure – in short, exactly what we see today.

Businesses suffer, too, in this dysfunctional economy, especially businesses with a vested interest in the community. They suffer because they pay taxes to support a bloated government that continues to provide inadequate public services. They also suffer because their pool of qualified, hard-working resident workers shrinks with a deteriorating economy. Businesses that complain about residents who “don’t want to work” and who lack necessary skills fail to see the whole picture. Talented, industrious, and qualified residents have left the islands in droves and they are taking up many of the same jobs that are occupied by foreign workers here. Those residents *do* want to work – they just don’t want to work for artificially low wages and they want to be able to support themselves and their families.

What kind of development have we been pursuing in the Commonwealth, and what has it done for us? Yes, hundreds of millions of dollars in garment and tourism revenues and federal aid have flowed through our government and economy over the years – but where did the money go? What did we do with it? How much have we squandered, and how

much more have we given away in public land, overly generous tax breaks, and viable jobs that could have been filled by residents? In 2005 alone we lost \$114,000,000 in guest worker remittances – how much more are we losing now, in remittances and also in the personal savings that are being taken out by foreign workers and residents leaving the islands, and in the capital that is being siphoned out to foreign business interests? If the Commonwealth is such a miracle of economic development as some have claimed, why are our public schools, hospital, sewer systems, electric and water utilities, environment, and public health still floundering?

One can blame external factors only so much. Yes, the September 11 attacks, the SARS epidemic, the Asian economic crisis, the pullout of Japan Airlines, and the changes in global trade rules all had significant impacts on our economy. But externalities are a fact of life, and they affect other places too. Economies that aren't resilient enough to begin with have the most difficulty recovering, as we in the Commonwealth know painfully well.

There is no time like the present to choose a dramatically different, more sustainable course of development. But to do that, we must move forward from the personal interests, political rhetoric, and fears that have been distracting us from the truth about our current situation, and we must decisively abandon the status quo.

Let us move forward from reactionary attacks against people like Ms. Lauri Ogumoro, Sister Stella Mangona, and Ms. Kayleen Entena, who testified truthfully about their firsthand knowledge of social injustice in our Commonwealth. For their courage and honesty, and their calls for social awakening and reform, these individuals (and the many others who came before them) deserve our deepest respect and gratitude.

Let us also move forward from the rhetoric of “federal takeover.” The calls for secession and the inflammatory accusations of political vendettas being wielded against us and federal legislation being “shoved down our throats” do us far more harm than good. Furthermore, since the beginning of the Commonwealth, there has been, and continues to be, extensive dialogue between our local representatives and the federal government -- in hearings, in correspondence, in 902 talks, and other official discussions. If we have any issues with the results of all the discussions and meetings that have taken place over the years, the people we should take to task are our own leaders who have for so long and on our taxpayer dollars defended a status quo that has failed us all.

Even the passionate calls to defend the Covenant and protect our right of self-government are misguided, however sincere in intentions they might be. The Covenant is not truly at risk except by our own abuses, and in the first place, local control over immigration and minimum wage was never negotiated to be a permanent privilege. Besides, the Commonwealth already abides by numerous federal laws, including those pertaining to labor (with the exception of minimum wage), the environment, airport security, and banking, and our right of self-determination remains intact. Clearly, it is possible – and, indeed, necessary for the good of the Commonwealth – to freely embrace a new program of immigration and labor that meets federal standards and provides adequate protections

for all the people who live here. It might be a painful transition, but we can and should be part of the process of determining the best course of transition for the Commonwealth.

Now is the time to finally take responsibility for the crisis we have created and acknowledge that there are real and profound problems with our economy and society. Let us begin to right those pervasive and systemic wrongs by accepting the necessity of federal standards for immigration and labor and maturely engaging in talks with the federal government to decide how to apply those standards for the greater good of the Commonwealth. Let us also recreate our long-term vision for our islands. What kind of community do we want for ourselves and our families? How can we achieve good governance, social justice, and economic renewal in our Commonwealth? In addressing these vital questions, we prove ourselves worthy of both self-government and U.S. citizenship, and set ourselves and future generations on a new path towards a resilient and sustainable economy, and a freer, more prosperous society.

Tina Sablan

**FORUM #4 -- March 29, 2007 (Immigration & Labor Reform)**

*Venue:* Northern Marianas College, Room D-1

*Time:* 6:30pm – 8:30pm

*# of people:* approximately 70

*Facilitators:* Patricia Coleman & Brooke Nevitt

*Notetaker:* Tina Sablan

*Timekeeper:* Martha Mendiola

*Format:* Ground rules were reviewed and agreed upon; forum participants also agreed to set time limits for speakers to 5 minutes. Historical overview of the immigration and labor issue was presented by long-time resident, social scientist, and NMC instructor, Mr. Samuel McPhetres (15min), followed by open forum on immigration and labor reform (1.75hr).

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**VIEWS OF POLITICIANS**

It was noted that many politicians have expressed alarm over the prospects of federalized immigration, and have said that such a possibility could spell economic disaster for the CNMI. Forum participants asked what basis politicians have for these claims. What evidence is there that the CNMI economy would actually get worse than it already is as a result of immigration and labor reforms? Is it possible that the CNMI might actually be better off in the long run?

Some forum participants suggested that the root of many politicians' fears is that federalized immigration would result in the extension of voting rights to nonresidents, and that this scenario could spell the end of their political careers.

It was said the only politicians who have anything to worry about are the ones not doing their jobs. It was also said that a non-indigenous politician who does his job well and has the interests of the community at heart is far more preferable to an indigenous politician who doesn't do his job at all.

### **FUTURE OF NONRESIDENT WORKERS**

It was noted that there has been a great deal of concern expressed by some in the community about whether or not **green cards** should be issued in the CNMI if federalization of immigration takes place, and if so, to whom and under what circumstances. The green card issue has had a polarizing effect on the community. It was suggested that alternative programs be considered to shift some of the polarization (i.e., a "blue card," or some other modified program for long-term nonresident workers living in the CNMI).

**Enfranchisement of nonresident workers** was also raised for discussion. Some forum participants objected to nonresident workers having any prospect of citizenship or voting rights in the CNMI because these rights were never promised to them. Guest workers come into the CNMI with the full understanding that they are here for jobs on a temporary basis, not for permanent settlement.

Other participants said that nonresident workers who have lived here for years, raising their families, paying taxes, and contributing to the community are in fact part of the community and have a stake in the CNMI's future – don't they deserve a greater political voice?

### **FUTURE OF DEMOCRACY**

Participants expressed concern about the state of democracy in the CNMI when only a minority of the population (i.e., residents) have a political voice, and make decisions that affect the majority of the population (i.e., nonresidents). Many long-term nonresidents consider the CNMI their home, and yet they have no prospects for a political voice.

It was noted, however, that there are democratic mechanisms that nonresidents can and do use, even though they do not have the right to vote – they are organizing themselves more effectively and becoming much more visible and vocal members of the community. People can still participate in democratic processes even though they're not citizens.

### **JOB OPPORTUNITIES FOR RESIDENTS**

Forum participants expressed great concern about **limited job opportunities for residents**. Some participants suggested that certain jobs should be reserved only for residents, particularly higher-paying jobs in the service industry. It was also said that the Nonresident Workers Act has never been properly enforced, nor local preference laws, nor the Fair Compensation Act. The Public Auditor's job audit of the private sector was described as an important measure for identifying which jobs in the private sector are available and desirable for residents, and what skill sets are required. It was also said that the experience, training, and aspirations of residents should be studied carefully, so that individuals are matched with compatible jobs.

Other forum participants objected to **the notion of classifying jobs for residents vs. nonresidents** and asked what basis there was for such a classification. Who decides which jobs are better than others for residents, and how is that decision made? Isn't any honest job a good job? It was noted that jobs in the CNMI are closely tied to ethnicity and nationality, and that there was a time when residents occupied jobs in every sector and at various levels. Participants asked, when did that change?

When did residents move out of the private sector and why? And why is unemployment so high among residents when there are tens of thousands of guest workers?

One participant pointed out that certain nationalities are sometimes targeted for certain positions, especially if there are high numbers of people with specific desired skill sets from those particular countries.

It was noted that **job vacancy announcements** in the papers often advertise unattractive wages for residents (usually the minimum \$3.05/hr) are often not commensurate to the jobs (many of which are professional-level). It was also noted that many announcements are only formalities, and the position being announced is actually intended for renewal for a nonresident worker already in place. Such jobs often pay more than is advertised; the low wages are intended to dissuade residents from applying. The Department of Labor does not cross check the wages that are announced in the papers versus the wages that are ultimately actually paid to nonresident workers.

Participants also said that it may simply be a fact of life that not every job will be desirable to every resident, but very low wages will ensure that few jobs will be desirable at all to any resident.

### **HUMAN RESOURCE DEVELOPMENT**

Forum participants observed that some fears about federalization center on concerns that the Chamorros and Carolinians will become an “endangered species” in the islands – that is, that all the nonresident workers will be granted citizenship or green cards. It was said that people with such fears should not only consider that federalization does not necessarily and automatically grant citizenship, but also see that the real root of their fears lies in the failure of the government to truly invest in education and human resource development, which are the keys to economic development. As long as it remains so easy to import cheap labor, education and human resource development for residents will continue to be neglected, and the CNMI will continue to be dependent on imported foreign workers.

It was also said that those people who feel threatened by the **diversity** of the community should change their mindsets and see a challenge to which they could rise. People should not be hired on the basis of their Chamorro or Carolinian heritage (or any ethnicity, for that matter), but for their qualifications. Hiring on the basis of qualifications forces people to invest more seriously in education and professional development, and to compete more effectively in the job market.

It was also said that **education has never truly been a priority** in the history of the CNMI, despite the claims of some politicians. Higher education has always been treated as a luxury, and this mentality has severely limited economic development and progress.

Several participants expressed pity for younger generations and asked, **what opportunities do young people really have in the CNMI?** Students are being failed at all levels of the educational system. They are not given the proper skill sets to pursue higher education or enter into the workforce here, and there are very limited programs in career counseling and vocational training. The failure of the school system to prepare students for jobs in the hospitality sector was cited as an

example. Most schools still do not offer the languages that are spoken by the CNMI's tourists – Japanese, Chinese, Russian, and Korean, for instance. Students still cannot pursue hospitality or culinary arts degrees in the CNMI, and many other fields that would be useful for the local economy.

Some concerns were expressed about developing *residents' work ethic*. One participant said that she heard too many stories about residents who chronically show up late for work or not at all, who are unproductive, or miss days of work to attend funerals, etc. Other participants responded and said that although there are residents who lack work ethic, there are also many residents who work hard and conscientiously – and often those are residents who work for companies or agencies that pay them well. It was also said that there is a need for employers to be more sensitive to cultural and social needs, and to provide opportunities for more part-time work.

Finally, it was said that one of the reasons that education and other key development programs are so poorly funded is because the *CNMI does not have a proper tax system in place*, and taxes are too low.

### **MINIMUM WAGE**

Participants suggested that one possible result of raising the minimum wage is that businesses will tend to rely more on mechanized processes as opposed to manual labor, because it makes business sense. It is possible that raising wages in the CNMI will lessen the need for large numbers of immigrant workers.

It was also said that the discussion of the minimum wage should not be based on whether or not a family can sustain itself on it. Minimum wage jobs should be entry-level positions – for students, inexperienced workers, etc.

### **BUSINESS ENVIRONMENT**

It was noted that immigration and labor conditions in the CNMI have created an *unequal playing field for businesses* here. High-quality businesses with a vested interest in the community who want to train and hire residents and pay them well must compete with other businesses with little long-term interest in the community, who want to pay the lowest wages possible, and therefore will bring in the cheapest workers they can. The immigration system makes it easy to bring in large numbers of cheap workers.

It was said that the CNMI needs to develop its *small businesses and entrepreneurs*. Where are the dried mango producers, the coconut candy kiosks, and canoe ride tours to Managaha (to name a few possibilities)? Forum participants pointed out that assistance for aspiring small business owners is very limited here – loans are extremely difficult to come by, for example, including loans from the Commonwealth Development Authority, and most legislation is designed to help only big businesses.

It was also noted that in the past, local immigration laws have been used to build up industries like the garment industry, but there is no need to continue in this vein. Now that the garment industry is exiting the CNMI, this is a good time to build more sustainable industries, such as education and tourism, and maximize the advantages that the CNMI still has (i.e., location, U.S.-affiliation, etc).

## **TOURISM**

Much concern was expressed over the future of the tourism industry in the CNMI if federal immigration laws are applied. Will the CNMI lose **access to Korean, Chinese, and Russian markets**, which have helped bring some relief to the loss of Japanese tourists the CNMI has experienced?

It was suggested that the federal government might have political concerns with the CNMI providing tourist visas to Russian, Korean, and Chinese nationals. One forum participant asked, "How is the CNMI going to meet the **governor's stated goal of 1-million tourists in four years?**" Another forum participant suggested that perhaps the 1-million tourist goal should be revisited. One million tourists might not even be desirable, and perhaps there are more meaningful goals to set for the CNMI's tourism industry.

Some forum participants questioned the fear that has been expressed, that federalized immigration will destroy the CNMI's tourism industry. It was pointed out that Guam and Hawaii observe federal immigration laws, and tourism in both locales is booming.

## **EDUCATION INDUSTRY**

It was said that the CNMI has great **potential for being the center of the education industry between the U.S. and Asian countries** – especially for training Certified Public Accountants and nurses from Asia (particularly China and the Philippines). More schools are receiving certification to bring in students from foreign countries to train to become CPAs, or to take the U.S. licensure exam for nurses. Such programs are not only attractive to foreign students, but also for residents interested in pursuing such careers.

Another advantage of the education industry is that it can help support the CNMI's needs for certain skilled workers – i.e., for nurses and accountants. It was said that foreign-born nurses who are educated in the CNMI may soon also have the opportunity to work here.

## **IMMIGRATION AND LABOR LAW ENFORCEMENT**

It was said that the CNMI government has made positive strides towards improving enforcement of immigration and labor law. Labor violations are investigated and resolved more quickly than in the past, and there are fewer cases of immigration violations (i.e., overstays) than some people might think.

On the other hand, forum participants stated that they believed there are simply too many unemployed nonresidents living in the CNMI, moonlighting for various jobs – all on valid entry permits. How did they get those permits, and why are they allowed to stay if there are no jobs available for them?

It was said that it is time for everyone in the community to face the reality that the CNMI has not done a good job of managing immigration and labor – otherwise, there would be no need for a forum. It was also said that many of the problems we face in the CNMI are due to failed leadership, and that people should vote more wisely this year.



### **BORDER SECURITY**

Concern was expressed about the security of the CNMI's borders against criminal elements (i.e., organized crime; drug smuggling; human trafficking). It was said that relative to other U.S. jurisdictions, the CNMI at least enjoys excellent cooperative relationships among its law enforcement agencies, and fewer security concerns because the CNMI is remote, and there are no potential terrorist targets here (i.e., a military base). It was also said that the CNMI enjoys protection by the Coast Guard.

It was also said that neither local nor federalized immigration is a guarantee of more secure borders, but that if federalization should happen, it should not be a cookie-cutter policy that does not take into consideration local circumstances. Rules that work in California, for example, may not apply so well in the CNMI.

### **FEDERAL RELATIONS**

Some forum participants expressed the belief that federalized immigration is inevitable whether people like it or not. What the CNMI should do at this point is find ways to participate in the drafting of any legislation that would be extended to the islands, to ensure that the legislation considers local needs and circumstances. The CNMI need not be adversarial in its relationship with the federal government, and it is possible to pursue a mutually cooperative relationship that will allow continued access to tourists and foreign students; screen out criminal elements; conduct better health checks; enhance border security; and close any loopholes that compromise the welfare of workers, both residents and nonresidents.

Other forum participants expressed a distrust that the federal government will be able to develop an effective and appropriate "hybridized" immigration system. Disappointment over the U.S. Congress' recent characterization of the CNMI as criminals, and the belief that the CNMI was being used as a political pawn, were also expressed.

Participants also said that the CNMI should have official representation in the U.S. Congress.

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