

We Were Diverted, Not Warned.

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Kam Napier et al, ("The writing on the wall--we were warned," Honolulu Magazine, September 1998, 42 ff) are to be congratulated for reminding readers that many people in the past have warned us how unsustainable the economy of Hawaii is. It was nostalgic for me to read thirty year-old statements by George Chaplin, Robert Ebel, Jim Mak, Herb Cornuelle and the indeed "legendary," but now regrettably forgotten and forsaken, Nadao Yoshinaga. It was also useful to recall that the voices of globalized corporate enterprises, off island as well as on, have been singing the same old tune for decades as well. The cartoons of grim-faced and red-starred commissars in aloha shirts throughout the article was also a telling dramatic touch.

It is also utter *deja vu* to be informed that our political figures are stupid, our civil servants incompetent, our laws anti-business, and our bureaucracy stifling of enterprise.

But so what? What is it we should do? What are the policy recommendations which flow from the pages of historical citations?

There are none. Throughout, the mantra of making Hawaii more friendly to business is repeated, over and over, as it has been for decades. We are told in the last sentence that we need "to lift a finger to save ourselves," which may be just another way of saying, "Thumbs up Hawaii."

But what does this mean, in reality? What finger are we to raise, and where are we to place it?

What businesses are we talking about? Are all business interests the same?

Throughout the article, as with the discussion within the State generally, the interests of local enterprises--which for the most part are genuinely community-based, providing us with goods and services we need and want, sold at a price necessary to make a modest profit--are presented as though they are the same as the interests of globalized corporate enterprises--which for the most part care nothing about Hawaii at all except as a place to make as much money as possible, and to leave as soon as another place on the globe offers even more profit.

This, more than anything, has been the history of Hawaii--outside interests somehow discover these blessed isles, and move in to get whatever they can get out of them, and then leave, with not a shred of compassion or concern for the negative consequences caused first by their sudden invasion and then by their hasty retreat.

It is terribly important for us living here in Hawaii to recognize that the interests of small local businesses are almost always NOT those of globalized enterprises, and that there is a big difference in policies that favor and support local businesses versus those which make it easier for global businesses to move in, rape, loot, and leave.

While the issue is very muddled in what Napier, et al, write, the conclusion I get from what they say is that they favor the rapers, looters, and drifters, and not those who are concerned about the future well-being of this community more than just the

immediate profit that they can extract from it. Profit is necessary for any business, of course, but for any community, sustainability and future consequences of economic activities are far more important.

Is it possible for us in Hawaii to devise and put in place policies that are more local-business friendly than they are now without also--or instead--making it easier for outside economic forces to control even more of Hawaii than they already do?

Before we answer that question, we, as a community, need to decide what kind of a place we want Hawaii to be in the future, something we have not done for thirty years, and which our leaders seem stubbornly to resist our doing now. Even Mayor Harris' current "21st Century Oahu" activity--while laudable for its attempt to involve so many citizens in the process--is fatally flawed in a very typical way. The basic "vision" is given to us, apparently by outside hired consultants. Yet that "vision" is nothing but a slick form of "business as usual". We simple citizens are then asked to help the experts work out the details (for which we should be thankful, I suppose). However, a more appropriate exercise in Anticipatory Democracy would have done it the other way around. The Mayor should first facilitate the widest, deepest, longest, and frankest possible discussion among all citizens concerning what kind of a community we want to be over the next thirty years. We then could ask his experts to work with us to help us become the kind of Oahu we jointly envision..

The most urgent single question facing Hawaii--a question almost never asked and answered honestly, much less after extensive community participation and discussion--is, do we want to be local or global? If we say "both" what specifically do we mean? I am not sure it is possible to be both, as much as I might wish it were so.

At the present time, Hawaii is suspended, motionless and powerless, between localism and globalism. Our educational system prepares our children inadequately for either world. We are neither local enough to be able to live on these islands in reasonable self-sufficiency (which is not in utter isolation and privation) nor global enough that we and are children are major actors on the world's stage. Some individuals manage to be one or the other, and sometimes both, and often spectacularly, but most of us are dangling uncomfortably in between.

Similarly, as Napier, et al., make clear, past and present economic policies of Hawaii are hesitant and unfocused, though, in spite of what they write, their general trajectory is clearly towards the continued total absorption of Hawaii into the global economy without a shred of concern about any local value which can not be commodified profitably and quickly.

Of course, the same story could be told in reverse: that our community has been controlled by a small cabal of business and political leaders who have done extremely well for themselves over the past thirty-odd years, all the lamentations of various outsiders or newcomers who wish to divert more of the wealth their way to the contrary notwithstanding. I am reminded, when the local newspapers print stories about the most wealthy people of Hawaii--people who for the most part made and still make a fair share of their money from Hawaii--that this is not an "unfriendly" place for many people. While their wealth might have gone down a bit over the past decade, they still rake in tons more money than they deserve or need, while others, working at least as hard at jobs at least as important, barely scrape by. Most of the readers of this Magazine are doing very well in the local economy, quite eager and able to buy the upscale items featured in the glossy ads. So why should they care? Of course, it would be great to make even more money, but things here aren't all that

bad, they might conclude.

Where wealthy local folks invest their surplus is something else. Most, I would imagine, do not invest it in local activities, but in the global stock market casino, where returns have been unbelievably high recently, but which is almost certain to come crashing down quite soon since these "profits" are based almost entirely on bluff, deceit, and speculation, and little else, and are made possible by vast sums of investable money pouring in first from the privatization of semi-public retirement funds in the 80s and 90s, and then by the fortunate collapse (postponement?) and hence diversion of the money fueling the "Asian Miracle" in the late 90s.

The trick for us in Hawaii is to get people who make money here to invest it here. But how can this be done in a way that does not also make investment here more attractive to even greater sources of outside money? This happened during the Japanese boom when land and related prices were jacked up so high that when the inevitable crash came, not only the Japanese investors, but the rest of us living here in Hawaii who did not immediately profit from the land mania, have been left holding a very smelly and unpleasant bag.

Is there any way to encourage people who make money in Hawaii to invest most of it back in Hawaii, given the glitter of the global casino?

Yes, there is. And it is called taxes. Taxes should be understood to be what they are--each individual's contribution, according to her ability to pay, to the welfare and happiness of all present and future generations living in a community.

If taxes cause some wealthy people to move away from Hawaii, then we should bid them a fond aloha. How much more pleasant this place might be if the people who live here do so because they want to live here, care about this place, and are willing to invest whatever money they have primarily in the future of all people of Hawaii.

There is another concern here as well.

All current dominant economic theories and policies are entirely focused on continued economic growth. Once upon a time this was arguably good--or at least not so clearly bad. Now economic growth (as currently defined and measured) is rapacious, cancerous, and unsustainable. The more the local or global economy "grows" the more unstable the local and global environment becomes and the more problematic the future of human life on the planet becomes.

We may ignore this, or deny it, or accuse those of us who keep pointing it out of being dangerous subversives or feckless intellectuals who don't have to meet a payroll, but it is unfortunately the truth. Indeed many of the people most loudly touting "family values" are the ones most eagerly eating up the biggest pieces of the resources which properly belong to future generations.

This is especially an urgent concern for islands, like Hawaii, though the Earth is rapidly becoming a global "island" as well. It is not only Rapanui (Easter Island) that stands as a clear warning of what happens to any place that grows beyond its carrying capacity. It turns out that the Pacific is sprinkled with islands, once inhabited (and once engaged in trade in order to enrich the resources of any single island), which are now totally devoid of human presence, apparently because of their pursuit of unsustainable continued economic growth.

Yet the political and economic leaders of our state remain obsessed with economic growth as the only measure of success, instead of aiming for equity, sufficiency, and sustainability, measures which are vastly superior to endless growth, and much more in keeping with our local values now and for the future.