Politics and democracy in microstates. A comparative analysis of the effects of size on contestation and inclusiveness

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CHAPTER EIGHT

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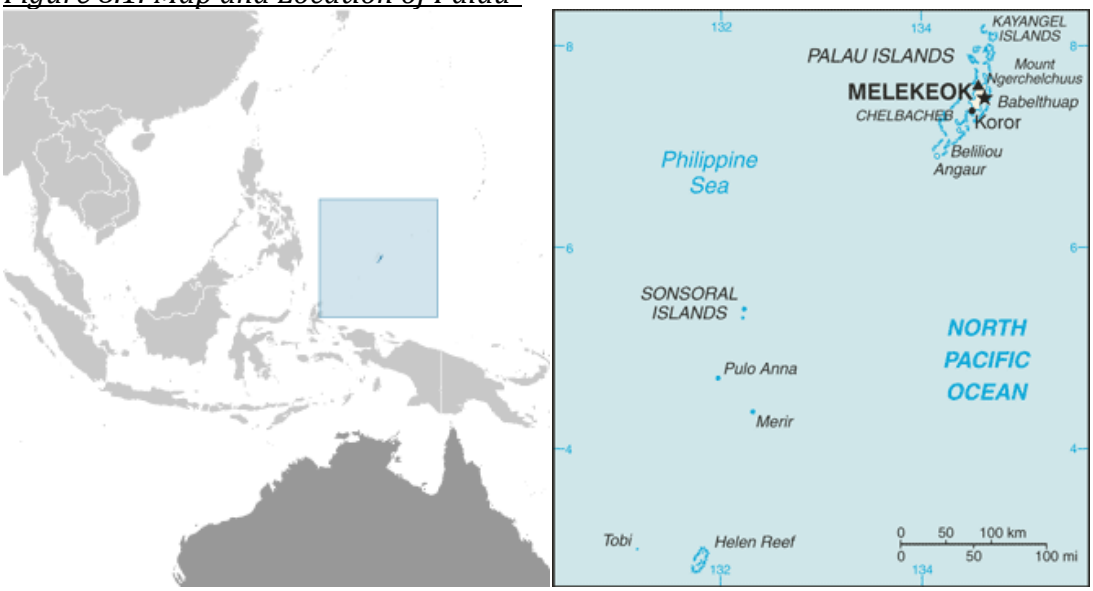
The Republic of Palau

Figure 8.1: Map and Location of Palau[1]



1. Introduction: The Pacific, an Ocean of Democracy

On 14 November 1993, in the eighth referendum that was held on the issue, 68.4% of Palauan voters cast a ballot in favor of the proposed Compact of Free Association (COFA) of their country with the United States. As a consequence of this result, on the first of October 1994 the Republic of Palau became an independent state, and the last trusteeship in the world finally ceased to exist (Leibowitz 1996: 199). In the preceding fifteen years, the procedure of approval of the COFA had spawned seven referendums, numerous lawsuits, at least two political murders, and the complete polarization of Palauan society (Wilson 1995: 34). Traditional leaders, women's councils, and international environmental organizations spearheaded the opposition to the Compact, which was in conflict with the antinuclear provisions of the Palauan Constitution and therefore required the approval of 75% of Palauan voters (Gerston 1990: 180). Only after the United States-government decided to repeal and modify some of the nuclear stipulations in the COFA as a result of which the approval of an

[1] Retrieved from the CIA World Factbook (CIA World Factbook 2011).

absolute majority of Palauans became sufficient to ratify the agreement, independence could finally be attained. Palau is as of yet the last Pacific island nation to acquire statehood, and as such is one of the youngest sovereign states in the world.

With a total population size of around 20.000 people, the Republic of Palau[2] is the third smallest member-state of the United Nations in terms of population size.[3] Located directly to the east of the Philippine island of Mindanao and to the north of the Indonesian part of New Guinea, Palau is the westernmost island nation of Oceania, and of the Oceanian sub-region of Micronesia.[4] Whereas the country consists of more than 250 islands scattered over an exclusive economic zone (EEZ) of 629.000 square kilometers,[5] Palau's landmass covers a mere 488 square kilometers, and only about ten of its islands are inhabited (Davis and Hart 2002: 6-10). The largest island by far is Babeldaob, which occupies more than seventy percent of the country's landmass (331 square kilometers), but houses less than thirty percent of the population (approximately 6.000 people). The predominant part of the Palauan population lives in the village of Koror, which is spread out over the three islands of Koror, Malakal, and Ngerekebesang, and has about 13.000 inhabitants. Other inhabited islands are Peleliu (700 inhabitants), Angaur (300 inhabitants), Kayangel (190 inhabitants), and the remote southern islets of Sonsorol (100 inhabitants) and Hatohobei (or Tobi; 40 inhabitants).

Out of the total population of approximately 20.000 people, about seventy percent (or 14.000) are ethnically Palauan, whereas the remainder of the population consists of Asian (primarily Filipino) and other Micronesian immigrants and guest workers (CIA World Factbook 2011). The overwhelming majority of Palauans is Christian, but the number and share of denominations is quite extensive.[6] Almost all Palauans are bilingual and master both English and

[2] Palau was formerly known under the name of 'Pelew', and in academic publications the country is occasionally alluded to as 'Belau', which is the name of the country in Palauan language. Since Palau is the archipelago's official English name, the country will be referred to as such in this chapter.

[3] The two smallest member states are Tuvalu and Nauru, which both have approximately 10.000 inhabitants (CIA World Factbook 2011).

[4] The islands of Oceania are commonly subdivided into the three geographically and culturally distinct sub-regions of Polynesia, Melanesia, and Micronesia (cf. Levine 2009: 10). Together with the various island groups that now constitute the independent nations of Nauru, Kiribati, the Marshall Islands, and the Federated States of Micronesia, as well as the US-controlled islands of Guam and the Commonwealth of the Northern Mariana Islands, Palau is usually grouped in the region of Micronesia.

[5] This is comparable to the size of the U.S. state of Texas.

[6] According to the CIA World Factbook, 41.6% of the population is Roman Catholic, 23.3% is Protestant, 5.3% is Seventh-Day Adventist, and there are small groups of Jehovah's Witnesses,

Palauan language, and the islands of Angaur, Sonsorol, and Hatohobei each have their own languages. Economically, Palau has been more successful than its Micronesian neighbors, and standards of living are well above the Pacific or Micronesian average.[7] Because of overpopulation that is a consequence of increasing migration from other islands to Koror, and out of concerns about the dominance of this town in the country, in October 2006 the Palauan government decided to move the capital from Koror to the village of Ngerulmud (in Melekeok State on Babeldaob Island; Davis and Hart 2002: 8).

Together with the overwhelming majority of the other Pacific island nations, Palau is ranked as 'free' by Freedom House (2012). Out of the eleven independent island states in this region, eight are categorized as 'free', as a consequence of which some scholars refer to the region as an 'ocean of democracy' (cf. Reilly 2002: 355-357).[8] Together with the (Eastern) Caribbean, which also predominantly consists of democratic microstates, the Pacific thereby stands out as the most successful region in the developing world when it comes to democratic governance, and according to several academics this observation provides evidence for the hypothesized connection between smallness and democracy (Diamond and Tsalik 1999; Srebrnik 2004; Anckar 2008a). Whereas small Pacific island states have indeed scored remarkably well in Freedom House-ratings, the scholarly literature on Pacific democracy indicates that the political systems of these islands are also marked by a continuing struggle between traditional forms of leadership and modern democratic institutions (Ghai 1988; Larmour 1994; White and Lindstrom 1997; Levine and Roberts 2005; Duncan and Nakagawa 2006).

In the present chapter, the influence of size on politics and democracy in the Republic of Palau is examined along the lines of Dahl's dimensions of contestation and inclusiveness (1971: 3-4). The analysis is based on field research that was conducted in Palau in July 2011, as part of which semi-structured interviews were held with fifteen Palauan politicians, journalists, academics, traditional leaders, and legal officials.[9] The chapter commences with an outline of Palau's political history and democratization process, which is

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Mormons, and Latter-Day Saints (CIA World Factbook 2011). Less than ten percent of the population professes *Modekngei*, which is the indigenous Palauan animistic religion (Mita 2009: 112).

[7] The country has a GDP per capita figure of US $8.100, which is much higher than both small and larger countries in the region (CIA World Factbook 2011: ; cf. footnote #26).

[8] Whereas all states in this region are comparatively small, it should be noted that the two most populated ones – Fiji and the Solomon Islands – are among the "partly free" countries, together with the Kingdom of Tonga which is a traditional hereditary monarchy.

[9] A complete list of the people I interviewed can be found in the appendix.

followed by a section in which the presence of democracy in contemporary Palau is explained by pointing to a number of contributing factors. Subsequently, an overview is given of Palau's political-institutional structure. After this, four sections are devoted to an in-depth analysis of the effects of size on contestation and inclusiveness in Palau, and in sequence attention is paid to the role of cleavages, ideology, and political parties, the horizontal distribution of power between institutions, the relationship between Palauan citizens and politicians, and the characteristics of political participation. The chapter ends with a summary and discussion of the findings.

2. Political History and Democratization of Palau

The Republic of Palau shares the predominant part of its colonial history with the other islands of Micronesia. Like other islands in the region, a complex and well-developed culture and societal structure existed on the islands before the arrival of European navigators (Hassall 2009: 170). This social structure is primarily based on hierarchical relations between rivaling clans and extended families, and has to a significant extent remained intact throughout colonization (Gerston 1990: 178). At the heart of the traditional Palauan social system is the village, which was governed by a council of chiefs (the *klobak*). Each Palauan village was divided in two halves, which each were governed by half of the village-chiefs. Villages existed of between seven and eleven clans, which were ranked in hierarchy of importance, and of which membership was matrilineally determined (Wilson 1995: 4-5; Davis and Hart 2002: 40).[10] Relationships between the clans in the village were marked by competition and the formation of (shifting) alliances, as a result of which the hierarchy between clans was continuously challenged and called in question.

Due to the fact that some clans formed alliances with clans from other villages, as a consequence of which inter-village warfare started to occur, eventually two federations (or 'Kingdoms') emerged in Palau. One of these is the 'Kingdom of the West', which is headed by the *Ibedul* or High Chief of Koror, and the other one is the 'Kingdom of the East', which is led by the *Reklai* or High Chief of Melekeok (Leibowitz 1996: 9; Davis and Hart 2002: 39-41). The two Kingdoms and chiefs used to wage war with each other for domination of the islands, but neither succeeded in completely subordinating the other. In the traditional Palauan system village-chiefs are elected by councils of female elders (the *ourrot*), and decision-making is based on protracted discussions and the

[10] Which means that membership of the clan was passed down from one generation to the next along the mother's blood line.

attainment of consensus between the chiefs in the village *bai er a rubak* (discussion house). From their hierarchically fixed seats in the *bai*, the chiefs whispered their opinions to messengers who transferred them to other chiefs, in a style that is known in Palau as the *kelulau* or 'way of whispers'.[11]

Although various ships from different European powers passed by the Palauan islands since at least the sixteenth century, the crew members of the British *Antelope* were the first Europeans to make contact with the Palauan population, after their vessel shipwrecked in Koror in 1783 (Leibowitz 1996: 10). The *Antelope*'s captain Henry Wilson established cordial relations with the Ibedul of Koror,[12] and the employment of British firearms against the forces of the Reklai altered the balance of power on Palau for good, as Koror became the dominant and most powerful village in the country. The Spanish and the Germans were however the first to actually claim and occupy the islands, and the Pope officially declared Palau to be Spanish territory in 1885 (Davis and Hart 2002: 47). In subsequent years, Palau and the other Micronesian island groups of the Carolinas and the Marianas were (to varying degrees) administered by Spanish authorities on the Philippines,[13] until the Spanish-American war of 1898. The Spanish colonizers did little to develop the islands economically, as they were primarily interested in converting the indigenous population to Catholicism (Wilson 1995: 21; Davis and Hart 2002: 44; Mita 2009: 79-80). The efforts of Spanish missionaries paid off, and up to the present day Catholicism is by far the most popular religion in Micronesia.

After the Spanish-American war, which was decisively won by the United States, many Spanish colonies[14] came under American influence, whereas the Carolinas, Marianas, Marshalls, and Palau were purchased from Spain by Germany in 1899, and became part of German New Guinea (*Deutsch Neuguinea*).[15] German interests in the islands centered principally on their natural resources, of which phosphate, bauxite, and copra were the most profitable ones (Quimby and Iyechad 1983: 107; Mita 2009: 80). During their

[11] As a matter of fact, the name of Palau's present-day Congress is *Olbiil Era Kelulau*, which translates into "House of Whispered Decisions".

[12] The relations between Captain Wilson and the Ibedul were so friendly that the Ibedul's son Lebuu (Lee Boo) was subsequently brought to London by the Captain, where he learned English and eventually died as a consequence of smallpox (Davis and Hart 2002: 44). Wilson also gave the archipelago the name of "Pelew Islands", but the origins of this name are unknown.

[13] The name of this colony was the Spanish East Indies (*Indias Orientales Españolas*), and the Philippines had already come under Spanish control in the 16th century.

[14] Among these were the Philippines and Guam in the Asia-Pacific region, and Cuba and Puerto Rico in the Caribbean.

[15] In addition to the Micronesian islands, the German colony of *Deutsch Neuguinea* consisted of the northeastern part of New Guinea (*Kaiser Wilhelmsland*), the Bismarck Archipelago (which presently belongs to Papua New Guinea), the northern part of the Solomon Islands, and Nauru.

relatively short administration of the islands, the Germans established a phosphate-industry on the Palauan island of Angaur, and the indigenous Micronesian population was deployed here to mine and transport phosphate. In addition, the Germans introduced a monetary system on the islands, in which money replaced the Palauan traditional currency of shells and corals (Davis and Hart 2002: 45).

Following German defeat in the First World War and the 1919 Treaty of Versailles, Germany's colonial possessions were reallocated to the various allied forces, and the separate parts of German New Guinea were distributed to Australia (*Kaiser Wilhelmsland*, the Bismarck Archipelago, and Nauru) and Japan (the Caroline, Mariana, Marshall, and Palau islands).[16] The Japanese turned out to have different interests in Micronesia than the European colonizers, as they used the islands as strategic geopolitical locations from which the emergent Japanese Empire in Southeast Asia was expanded. Palau's capital village of Koror became the administrative center and most important naval base of Japan in the Pacific,[17] and the Japanese swiftly modernized the islands by providing for education, hospitals, and infrastructure (Wilson 1995: 23-24; Leibowitz 1996: 14; Davis and Hart 2002: 45-47). Whereas the Japanese became notorious for their ruthless oppression of people in many other parts of Asia, Japan's island possessions were regarded as an integral part of the Empire, and the Japanese government aggressively promoted migration to Micronesia. As a consequence, at the dawn of the Second World War the Palauans were a small minority in their own islands, where many Japanese and Koreans had settled in the preceding decades.

Although Japan controlled the Micronesian islands for thirty years, the Second World War eventually terminated Japanese rule, when the islands were occupied by the American army in 1944. The battles for the Micronesian islands were particularly fierce and brutal, and since the headquarters of the Japanese navy in the Pacific were located in Palau, warfare reached its zenith here. From September to November 1944, Japanese and American forces fought over the southern Palauan islands of Peleliu and Angaur, which resulted in over 10.000 Japanese casualties and approximately 2.000 American losses (Leibowitz 1996: 19-22). The remaining native population of only 500 Palauans had fled into the

[16] Although the Treaty of Versailles of 1919 formally granted the control of German New Guinea to Australia and Japan, these countries had already occupied the German Pacific territories in 1914, at the start of the First World War. After having been ruled by Spain and Germany, the Micronesian island groups (among which Palau), thus acquired their third colonial master within a few decades.

[17] In fact, Koror was known in Japan and the rest of the world as 'Little Tokyo' (Leibowitz 1996: 14).

rainforests of Babeldaob, and suffered from famine and starvation. The Americans were to become the fourth and ultimate colonial power of the islands, and succeeded in bringing them firmly under their sphere of influence. In table 8.1, the four colonial administrations that ruled Palau have been presented.

Table 8.1: The History of Palau; Four Colonial Administrations

Colonial Power	Time Span
Spain	1885 - 1899
Germany	1899 - 1914
Japan	1914 - 1944
United States	1944 - 1994

In 1947, the United Nations established the Trust Territory of the Pacific Islands (TTPI) on the Micronesian islands, of which the administration was granted to the United States (Hinck 1990: 920; Hassall 2009: 171). The TTPI differed from other trust territories in the sense that it was explicitly a *strategic* trust territory, implying that the United States could use the territory for strategic goals and that the UN Security Council (instead of the General Assembly) was given the competence to formally terminate the trusteeship (Davis and Hart 2002: 50).[18] Managing the islands mainly from a perspective of strategic military interest and using them as sites for nuclear testing,[19] the United States initially did little to promote economic development on the islands. Only after mounting criticism from the United Nations and other international organizations in the early 1960s, Washington sharply increased its investments on the islands of the TTPI (Wilson 1995: 27-28).

In the 1950s Palau acquired its own municipal and national assemblies (the *Olbiil Era Kelulau*), of which decisions however had to be approved by the TTPI-administration (Davis and Hart 2002: 50-51). In accordance with the American determination to unify the Micronesian islands, the bicameral Congress of Micronesia was established in 1965, and throughout the TTPI elections were held that same year (Rosenberg 1996: 16). In advance to the elections the American administrators tried to establish political parties on Palau, but these were artificially imposed and therefore disintegrated within a

[18] The TTPI-authorities were until 1951 based on Guam, but after that year moved to Saipan on the Northern Marianas.

[19] US nuclear testing in Micronesia centered on the Marshall Islands, where the atolls of Bikini, Rongelap, Utrik, and Enewetak were used as test sites. The heaviest detonation took place on March 1, 1954, when Castle Bravo exploded on Bikini atoll, of which nuclear radiation fallout poisoned the indigenous island population of nearby atolls for decades to follow. The Marshallese population still suffers from extreme cancer rates in comparison with the rest of the world, as well as birth deficiencies and impaired growth among children (cf. Sutow et al. 1965).

decade.[20] Under the leadership of Palau's most prominent politician, Roman Tmetuchl, a large part of the Palauan population opposed the establishment of the unified, federal Micronesia that was advocated by the Johnson and Nixon administrations (Leibowitz 1996: 27; Davis and Hart 2002: 56).[21] Already in 1972 the Northern Marianas decided not to seek independence but to forge closer relations with Washington instead, and these islands chose to become a commonwealth in political union with the United States. After fourteen years of negotiations and independence talks between the Congress of Micronesia and the US government an agreement for the Compact of Free Association (COFA) and Constitution of Micronesia was attained in 1978, but in referendums on the Marshall Islands and Palau this Constitution was rejected.[22]

After the referendum had gained approval in the Caroline island groups of Yap, Chuuk, Pohnpei, and Kosrae, these islands united to form the Federated States of Micronesia (Hanlon and Eperiam 1983: 88-89; Burdick 1988: 256-258; Petersen 2009: 46-47). Palau and the Marshalls, by contrast, entered separate stages of negotiations to establish their own Compacts with the United States.[23] As a consequence of the negative referendum outcome Palauans started drafting their own Constitution, of which the outcome was a definite blow to US-strategic interests. The draft Constitution prohibited the lease of lands to another power for military purposes and ruled out nuclear testing or the stalling of nuclear weapons on Palauan soil without the approval of three quarters of the Palauan people (Constitution of Palau 1981: Art. II: 3; Wilson 1995: 31-32; Leibowitz 1996: 30-34). The United States immediately declared its opposition to the Constitution, and threatened to cancel all of its funding to Palau. Nevertheless, in a referendum the proposed Constitution was approved by 92 percent of the

[20] In 1963, the contemporary American district administrator in Palau, Manuel Godinez urged for the creation of two political parties, named the Liberal and Progressive Party. The parties had their own candidates in the Congress of Micronesia, but could not be distinguished on the basis of different ideas or ideologies, even though this is suggested by their names. After the TTPI fragmented into four different polities, the Palauan parties disappeared from the political scene (Davis and Hart 2002: 118).

[21] The people on the various Micronesian islands speak different languages and have completely different cultures and traditions (Leibowitz 1996: 27). Therefore, the American policy of 'Micronization' (cf. Gerston 1990: 177) was artificial and doomed to fail from the beginning onward.

[22] In Palau Tmetuchl led the separatist group to victory, and the Constitution was defeated by 55 to 45 percent.

[23] Although nationalist sentiments evidently played a role in the negative referendum outcome in Palau and the Marshalls, there was an economical reason to it as well. The United States planned to continue using its strategic military bases on Palau and the Marshall Islands, and had no such bases in Yap, Chuuk, Pohnpei, and Kosrae. The populations and politicians of Palau and the Marshalls were unwilling to lose or share the financial compensations that followed from the American use of their lands (Mita 2009: 96).

Palauan people, and in 1980 Haruo Remeliik was elected as the first President of Palau.[24]

Following ratification of the Constitution, difficult and protracted negotiations on a COFA began with the United States. Whereas Palau's most prominent politicians (Remeliik, Tmetuchl, and Salii) and the majority of citizens eventually declared their support for the proposed COFA, in seven referendums over a period of fifteen years it never managed to obtain approval of 75 percent of the Palauan electorate (Gerston 1990; Leibowitz 1996). Political tensions in Palau mounted, and various lawsuits accompanied by strikes, violence, and the division of the entire Palauan society ensued. President Remeliik was assassinated in 1985, and his successor, Lazarus Salii, committed suicide in 1988 after corruption allegations and mounting pressure and failure to gain approval for the COFA (Davis and Hart 2002: 73-75).[25] Whereas the Republic of the Marshall Islands (RMI) and the Federated States of Micronesia (FSM) obtained independence in 1986 subsequent to the approval of their respective COFA's with the United States, Palau remained the sole UN-trust territory in the world.

In 1993 the newly elected Clinton-administration in the United States repealed and modified some of the nuclear stipulations in the COFA, as a consequence of which only a simple majority was needed for its ratification. On November 14, 1993, a majority of over 68 percent of Palauan voters endorsed the Compact, after which the Republic of Palau became an independent nation and a UN-member on 1 October 1994 (Leibowitz 1996: 216; Davis and Hart 2002: 75-76; Hassall 2009: 170-171). Since then, Palauan politics have become more tranquil, although factionalism, polarization, and intrigues continue to characterize politics in the archipelago (Shuster 1994: 197-198). After having observed some of the errors that politicians in the nearby FSM and RMI made with regard to their COFA-funds, Palauan politicians have used their resources more shrewdly, as a result of which Palau is now economically much more successful than its neighbors (Mita 2009: 161).[26]

In recent years Palau has vied to establish a lucrative tourist industry, and the number of visitors to the islands rose sharply in the 1990s and 2000s. After brief negotiations, in 2010 the Palauan government agreed with a prolongation

[24] Whereas Tmetuchl was still the country's most popular and prominent leader, various clans and interest groups opposed his dominant position, and supported the less sophisticated but more nationalistic Haruo Remeliik for President (Leibowitz 1996: 29, 36).
[25] In addition, 1982 an assassination attempt was made on Roman Bedor, a prominent Palauan lawyer and opponent of the COFA, that instead of him killed his father Bedor Bins.
[26] Whereas Palau has a GDP per capita-level of US $8.100, the figure for RMI is $2.500 and that for FSM $2.200. Palau's GDP per capita-figures are also much higher than those of larger neighboring states like the Philippines ($3.500), Indonesia ($4.200), and Papua New Guinea ($2.500).

of the COFA with the United States, which envisages the assignment of US $250 million in economic assistance up to 2024. The country briefly made it to world headlines in June 2009, when President Toribiong agreed to 'temporary resettle' seventeen former Uyghur detainees of Guantánamo Bay detention camp on Palau, whom the United States refused to repatriate to China. Since Palau has diplomatic relations with the Republic of China (ROC) on Taiwan and not with the People's Republic, resettling the Uyghurs on Palau provided a very practical solution to the US-government. In table 8.2, an overview is provided of Palauan presidential elections since 1980, in which votes and vote percentages of the winner and runner-up of each presidential election are presented.

Table 8.2: Presidential Election Results in Palau[27]

Year	Winner	Votes	Runner-Up	Votes
1980	Haruo Remeliik	1.955 (**31.2%**)	Roman Tmetuchl	1.608 (**25.7%**)
1984	Haruo Remeliik	4.050 (**50.9%**)	Roman Tmetuchl	2.482 (**31.2%**)
1985	Lazarus Salii	4.077 (**53.9%**)	Alfonso Oiterong	3.484 (**46.1%**)
1988	Ngiratkel Etpison	2.392 (**26.3%**)	Roman Tmetuchl	2.361 (**26.0%**)
1992	Kuniwo Nakamura	4.841 (**50.7%**)	Johnson Toribiong	4.707 (**49.3%**)
1996	Kuniwo Nakamura	6.052 (**64.3%**)	Yutaka Gibbons	3.356 (**35.7%**)
2000	Tommy Remengesau	5.596 (**53.2%**)	Peter Sugiyama	4.922 (**47.8%**)
2004	Tommy Remengesau	3.443 (**63.6%**)	Polycarp Basilius	1.960 (**36.4%**)
2008	Johnson Toribiong	4.942 (**51.1%**)	Elias Chin	4.726 (**48.9%**)

3. Explaining Democracy in Palau

Now that the most momentous events in Palauan political history have been outlined, in this section an attempt is made to list a number of factors that contribute to or explain Palauan democracy. Similar to St. Kitts and Nevis and Seychelles, democracy was brought to Palau by Western colonial administrations; in this case the United States. As the eminent Pacific scholar Peter Larmour points out (1994), in this sense democracy in the Pacific region was imported as a 'foreign flower', that had to root in the soil of Pacific island states. Whereas pre-colonial systems of rule in the Pacific often allowed for a significant degree of participation of citizens, these systems were predominantly based on the authority of traditional leaders, mostly called 'chiefs' in the Pacific context (White and Lindstrom 1997: 1-5). The Palauan pre-colonial political system was democratic to the extent that decision-making was based on consensus and discussions between various chiefs, which means that minimum degrees of contestation and inclusiveness were present. Political participation

[27] Data retrieved from the website of International IDEA (International IDEA 2011). A second round between the top-two candidates was introduced in 1992, as a result of which one candidate obtains the support of a majority of Palauans (cf. footnote #34).

was however limited to traditional leaders, whose chiefly titles were hereditarily passed on. This means that most of the people (the commoners) were excluded from participation.

Whereas St. Kitts and Nevis has been ruled by one colonial power and Seychelles by two, in approximately one hundred years Palau witnessed four colonial administrations. At least two of these colonial authorities were markedly non-democratic themselves (Germany and Japan), which means that the Americans were the ones who eventually carried democracy to the islands. The United States initiated and supervised the establishment of the Congress of Micronesia in 1965, which was the first democratically elected institution on the islands. However controversial the subsequent process of decolonization may have been, the establishment of a democratic political system based on the American model was never in question, and was also strongly encouraged by the United States (Wilson 1995: ix-x, 7). This is also strongly reflected in the extent to which the current Palauan political system resembles that of the United States, as will be demonstrated in the following section.

According to the academic literature, the process of decolonization in the Pacific took place on the basis of different logics and mechanisms than decolonization in Africa and Asia, which is primarily a result of differences in size (Baldacchino 1993: 31). In contrast to larger ex-colonies, Pacific island states had relatively weak independence movements, and the attainment of independence was more often a wish of the colonial power than of the people in the colony itself (Mita 2009: 188-189). As a consequence, the process of decolonization in the Pacific was much less confrontational, chaotic, and violent than elsewhere, and this has been advanced as a major factor in explaining the prevalence of democracy in the region (Baldacchino 1993: 30-34). In light of the problematic and often dramatic process of decolonization in Palau, this argument however appears to bear less relevance to this microstate.

Several scholars have sought to explain the prevalence of democracy in small states on the basis of their geographical proximity and linkages with larger democratic powers (Sutton and Payne 1993: 589; Masala 2004; Levitsky and Way 2005). Both because of its colonial history and the country's continuing strategic-military significance to the United States, democracy in Palau appears to be largely guaranteed by the scope of its economic and political relations with the US (Wilson 1995: 30).[28] In the academic literature, the autonomy of Palau

[28] In fact, Wilson believes that the United States deliberately vies to ensure that Palau remains dependent on it, as she asserts that "[d]espite repeated critiques, US officials continue to

(and the FSM and RMI) is sometimes even questioned, because of the limits to sovereignty that follow from these countries' COFA's with the United States (Mita 2009: 98).[29] Under the rules of the Compact, the United States is the only nation that can have military access to Palau's territory and maritime zone, Palau has to consult with the United States about the conduct of its foreign affairs, and the country maintains the US dollar as its currency (Palau Compact of Free Association 1986: Sections 123, 251, 311, and 321). Because of these reasons, both the academic literature and respondents assert that Palau is financially, economically, politically, and in terms of security almost completely dependent on the United States, which means that the American influence on domestic Palauan politics is at least potentially quite significant.

Whereas military coups d'état or uprisings have in recent decades occurred in larger Pacific island states such as the Solomon Islands and Fiji (both in 2000), both Australia and the United States have declared their readiness to intervene should something similar happen in a smaller Pacific island state (Kabutaulaka 2005; Connell 2006b). Multiple Palauan respondents indeed asserted that the United States would indeed never accept the establishment of an authoritarian regime on Palau, especially because instability in Palau would imperil US strategic interests in the region.[30] Due to the stipulations and regulations of the COFA, the disciplining influence of the United States on Palauan democracy appears to be even greater than in St. Kitts and Nevis and Seychelles.

Like that of other microstates, the foreign policy of Palau can principally be understood according to the logics of the international patron-client model (cf. Carney 1989). The United States unmistakably functions as the main international patron of Palau, and by means of the COFA continues to support the microstate both economically and militarily. All my respondents and secondary sources confirm that in exchange for this support, Palau not only allows the US army and navy to use its territory, but also streamlines its foreign policy with

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implement policies that create economic dependency in order to ensure the United States' permanent access to the islands for military purposes" (1995: 29).

[29] According to Mita, "[i]t is controversial whether Palau is a full sovereign state or not. This is because Palau does not possess defense and security rights, which are crucial and fundamental elements of a modern sovereign state" (2009: 100). In fact, paradoxically in 1960 the UN General Assembly adopted a resolution (no. 1541 XV) in which the political status of 'freely associated state' is not considered to be full independence. Nevertheless, upon ratification of their Compacts Palau, the FSM and the RMI were accepted as UN-member states.

[30] As one chief I discussed the matter with remarked, "[t]he politicians say that we are independent, but they are in the government. But the regular people and the chiefs don't feel that we are independent; we are still at the mercy of the United States. (…) They [the United States, WV] are controlling us."

that of the Americans. This is most clearly the case in the UN General Assembly, where Palau is in 2011 with over 96 percent of congruence the UN-member state whose voting behavior matches most closely with that of the United States.[31] In addition to the United States, the establishment of diplomatic relations with Taiwan in 1999 has resulted in significant investments to Palau from this country, and also Japan has made noteworthy financial contributions to the development of the microstate.[32]

Even though democratic institutions have now been employed in Palau for a couple of decades, tensions continue to persist between democratically elected leaders and traditional leaders with hereditary titles (Shuster 1994: 202; Rosenberg 1996: 17; Mita 2009: 139-140). According to Erica Rosenberg, this actually means that democratic institutions are "not fully embraced by or assimilated into Palauan society" (1996: 17). This opinion is shared by Lynn Wilson, who asserts that the introduction of Western democratic institutions brought confusion to Palau, because there are now two sets of leaders who also derive their legitimacy from different sources (1995: 7). According to many sources, clan relations, traditional titles, and customs and rituals continue to determine the course of Palauan politics, and there is little evidence that the importance or relevance of these factors is declining as an effect of the introduction of democratic institutions. If this is indeed the case, the persistence of Western-style democracy appears to be primarily an effect of the continuing American influence and control on Palauan politics.

4. Political Institutions of Palau

Analogous to the extent to which the Westminster system of St. Kitts and Nevis resembles that of its former colonizer, Palauan political institutions are almost completely modeled on the American example. The microstate is a presidential republic, with a directly elected President as both head of state and head of government. Presidents can serve for maximally two terms of four years, and

[31] According to Palau's Ambassador to the United Nations, in 2011 Palau in this regard overtook Israel, as 96.5 percent of Palau's votes were in line with the Americans against 91.8 percent of Israel's votes.

[32] Like other microstates among which St. Kitts and Nevis, Palau endorses Taiwan's bid to become a UN-member state, and the country receives ample financial and economical aid in exchange for doing so. In this sense, Palau is playing what Stringer calls 'the two-China game', as part of which it plays out the two Chinas against each other by occasionally threatening to switch its support for either of them (Shuster 2000: 219; Stringer 2006). Partly as an apology for the past and partly in exchange for political support for issues such as whale-hunting, Japan's government has also been very generous to Palau since the microstate's independence. The main example in this light is the fact that Japan paid and constructed a new bridge that links Koror to Babeldaob, after the former bridge collapsed in 1996.

presidential elections are traditionally held on exactly the same day as in the United States (Constitution of Palau 1981: Art. VIII: 4). Unlike the United States, with the exception of the most recent presidential election (in 2008) separate elections are held in Palau to elect a Vice-President (Hassall 2009: 173).[33] Presidential and Vice-Presidential elections are held under the two-round runoff system, with the two candidates receiving most votes in the first round progressing to the second round.[34]

As in other presidential systems, the ministers in the government of Palau are appointed by the President upon the advice and consent of the Senate (Constitution of Palau 1981: Art. VIII: 5). Ministers cannot combine their function with membership of one of the two Houses of parliament, and according to the Constitution they "shall serve at the will of the President" (ibid.). In addition to appointing ministers, the President has the constitutional authority to appoint judges, ambassadors, and the Public Auditor, to declare the state of emergency, to propose the annual budget, to sign and ratify laws, and to establish agreements with other nations (Constitution of Palau 1981: Art. VIII: 7). In contrast to Seychelles, the Palauan President however does not have the competence to dissolve the legislature, and has less influence in the appointment of the commissions that nominates people to important posts.[35]

The Palauan legislature (the National Congress or *Olbiil Era Kelulau* (OEK) in Palauan) is bicameral, and consists of a thirteen-member Senate and a sixteen-member House of Delegates (Davis and Hart 2002: 167-168; Hassall 2009: 170). In contrast to the United States the Palauan House of Delegates is devised for the representation of states, and each of Palau's sixteen states is represented by one delegate in the House, elected under the rules of the first-past-the-post plurality system in single-member constituencies (Constitution of Palau 1981: Art. IX: 3; Levine and Roberts 2005: 280-281). The thirteen senators, by contrast, are elected in one nation-wide constituency under the block vote (plurality-at-large) system. Palauan presidents, senators, and delegates all serve four year-terms, and presidential and parliamentary elections are held simultaneously. Each

[33] During the Second Constitutional Convention of 2005, the regulation that provided for separate Vice-Presidential elections was modified, and it was decided that candidates should run on a joint ticket. The elections of 2008 occurred under this new rule, but since many people were unsatisfied with it, the modification was repelled immediately after the elections.

[34] Until the 1992 elections Palau employed the first-past-the-post plurality system to elect its President, but in advance to this election the two-round system was introduced in order to ensure that one candidate obtains at least a majority of the expressed votes.

[35] The Judicial Nominating Commission, which has the task to nominate judges, consists for example of seven members, of which only three are appointed by the President, and the others are appointed by judicial officials (Constitution of Palau 1981: Art. X: 7).

House of parliament elects a presiding officer (or Speaker) from amongst its members, and there are no fixed rules on the division of tasks and competences between the two Houses. If the combined number of MPs from both Houses is taken, twenty-nine MPs represent Palau's population of 20.000 people, which translates into a ratio of less than 700 people per Member of Parliament.[36]

Similar to several other countries in Micronesia and the Pacific, no political parties exist in Palau (cf. Anckar and Anckar 2000; Rich et al. 2006).[37] Whereas political groupings have existed in the past, these were enforced by the American administrators, organized primarily along clan lines, and disintegrated already before the attainment of independence (Davis and Hart 2002: 118-119). At present Palauan politicians all run and serve as independents, which means that there are no formalized government and opposition groupings in the Palauan legislature. Whereas this situation could be hypothesized to generate political instability, informal coalitions between MPs exist in the Senate and the House of Delegates, and these allegiances are primarily based on clan and family relationships (Shuster 1994: 197-198). In the subsequent section more attention will be paid to the role of cleavages and ideology in Palauan politics, and also to these informal political alliances.

The judicial sector of Palau also strongly resembles that of the United States, with a Supreme Court that is headed by a Chief Justice, and a number of 'inferior courts of limited jurisdiction' (Constitution of Palau 1981: Art. X: 1; Davis and Hart 2002: 183-184). In addition, the Palauan Constitution calls for the establishment of a National Court, but this has proven not to be needed and has therefore never become part of the country's judiciary. Palauan judges are appointed for life by the President upon the advice of the Judicial Nominating Commission, and just like in the three previously examined microstates they have often been nationals of another country, most commonly the United States (Hassall 2009: 172). Since the ratification of the Constitution in 1981, Palau's Chief Justices have however been Palauans, who both received their education at American universities.

[36] In most of such calculations for bicameral systems however, only the MPs from the lower House of parliament are taken in consideration. If the Palauan Senate can be seen as the lower House (since the House of Delegates provides for the representation of states), the number of citizens per each of the thirteen MPs would rise to a little over 1.500.

[37] In addition to Palau, the Marshall Islands, the Federated States of Micronesia, Nauru, and Tuvalu have no political parties, whereas loose groupings of parliamentarians that hardly deserve the label of political party exist in Kiribati, Samoa, and Tonga. The absence of parties in these democratic microstates disproves Schattschneider's thesis that "modern democracy is unthinkable, safe in terms of political parties" (1942: 1).

In addition to the three branches of government that have been adopted from the American presidential system, Palau has a fourth branch of government, which consists of the sixteen-member Council of Chiefs (Constitution of Palau 1981: Art. VIII: 6; Davis and Hart 2002: 159; Hassall 2009: 174-175).[38] Although this Council is often perceived to be a remnant of the pre-modern Palauan system, it was actually created by the American administrators. In the Council, which is jointly presided over by High Chief Ibedul and High Chief Reklai, the highest chief from each of Palau's sixteen states is represented. According to the Constitution, the Council of Chiefs has the competence to advise the President on matters of tradition and custom. In addition, High Chiefs Ibedul and Reklai typically accompany the President during official meetings and ceremonies, and are occasionally referred to as Palau's 'royalty' (e.g. Gerston 1990: 178). Whereas the constitutional role of the Council of Chiefs is restricted to advising the President on matters of custom and tradition (Constitution of Palau 1981: Art. VIII: 6), in practice the Council also often meets with senators, delegates, and ministers, either on the instigation of the Council itself, or on the initiative of elected politicians (Shuster 1994: 193; Hassall 2009: 175). The Council of Chiefs convenes at least once a month in sessions that are closed to the general public.

In addition to the national layer of government, in line with the American model Palau is subdivided into sixteen states, which have a fairly extensive degree of autonomy (Davis and Hart 2002: 199-200; Mita 2009: 135).[39] Every state maintains its own Governor, executive branch, state legislature, traditional leaders, state treasury, and bureaucracy, and as can be seen in table 8.3 the composition of state governments differs from state to state. In general however, it can be said that traditional leaders exercise much more power on the state level than on the national level, and in several states chiefs are clearly more powerful than elected officials (Shuster 1994; Rosenberg 1996: 16; Davis and Hart 2002: 202-204).[40] The fact that every state maintains its own set of institutions is often regarded as inefficient, since most states have less than five hundred inhabitants (Mita 2009: 135). An extreme example is the state of Hatohobei, which has a population of only around forty souls, but maintains a nine-member legislature, a Governor, a Lieutenant-Governor, traditional leaders,

[38] This Council is called *Rubekul Belau* in Palauan.

[39] The Constitution determines that state legislatures have the power to impose taxes and to borrow money to finance public programs (Constitution of Palau 1981: Art. XI: 3-4). In addition, the national government may constitutionally delegate powers to the state government. In comparison to US states the powers of Palauan states vis-à-vis the national governments are rather restricted, as will be explained in more detail in section 4.2 of this chapter.

[40] The most obvious example is the state of Ngatpang, in which the legislature is entirely and exclusively composed of chiefs.

a legislative clerk, a treasurer, a Hatohobei Island projects supervisor, and two officials in charge of Hatohobei Island maintenance.

Table 8.3: The Sixteen States of Palau and their Governments

State	Area	Population[41]	Elected MPs	Traditional Leaders
Aimeliik	52 km²	270	9	Council of Chiefs
Airai	44 km²	2.723	15	Council of Chiefs
Angaur	8 km²	320	5, + 4 chiefs	4 Chiefs in legislature
Hatohobei	3 km²	44	9	Council of Chiefs
Kayangel	3 km²	188	12	Council of Chiefs, Chief *Rdechor* is Head of State
Koror	65 km²	12.676	16	Male + Female Council of Chiefs
Melekeok	28 km²	391	5, + 10 chiefs	Chiefs are majority in legislature, Chief *Reklai* has executive power
Ngaraard	36 km²	581	10, + 5 chiefs	5 Chiefs in legislature
Ngarchelong	10 km²	488	8, + 8 chiefs	8 Chiefs in legislature, Chief *Uong-Er-Tei* is Head of State
Ngardmau	47 km²	166	9	Council of Chiefs
Ngatpang	65 km²	317	-, 10 chiefs	Only Chiefs in legislature, Chief *Rebelkuul* Head of State
Ngchesar	47 km²	464	9, + 8 chiefs	8 Chiefs in legislature, Chief *Ngirakebou* Head of State
Ngeremlengui	41 km²	254	11	Council of Chiefs
Ngiwal	26 km²	223	7, + 10 chiefs	Chiefs are majority in legislature
Peleliu	13 km²	702	10, + 5 chiefs	5 Chiefs in legislature
Sonsorol	3 km²	100	6, + 4 chiefs	4 Chiefs in legislature
Palau	**488 km²**	**19.907**	**29**	**Council of Chiefs**

As the present overview of Palau's political-institutional framework reveals, the country's (modern) democratic system is in coexistence with a centuries-old traditional system of government. Although the Constitution clearly establishes the supremacy of democratically elected institutions over traditional ones, both secondary sources and all my interviewees point to the continuing influence and authority of traditions and traditional leadership (Shuster 1994: 193; Hassall 2009: 174). In addition, academic publications about politics and democracy in the broader Pacific region highlight a number of political features and practices that can potentially harm democratic development, such as the prevalence of clientelism (Duncan and Nakagawa 2006), the lingering authority of non-elected traditional leadership (Haglelgam

[41] According to the 2000 Palauan census (Davis and Hart 2002: 202-203).

1998), the pervasiveness of corruption (Larmour 2005), and authoritarian, Big Man-style leadership (McLeod 2007).[42] In the following sections, the applicability of this literature to Palauan politics will be examined by analyzing the influence of size on contestation and inclusiveness in this Pacific microstate.

5. The Influence of Size on Democracy in Palau

Whereas Dahl's dimension of contestation can be translated into the presence of a political opposition (Dahl 1971: 3-4), the absence of a party system in Palau obfuscates attempts to examine the opposition, if it exists in the first place. In addition, indicators like party system fragmentation and alternation in office are either hard or impossible to measure in a situation in which no parties exist. In spite of these conditions however, both parliamentary and presidential elections in Palau have been contested by multiple individuals, which indicates that voters do have the opportunity to choose between different alternatives. Since both secondary sources and all my respondents confirmed that elections in Palau are free and fair, it can furthermore be ascertained that contestation is sincere, and that challengers to the incumbent politicians have a real chance of gaining office. According to Freedom House, which is the only aggregate index of democracy that does not exclude Palau, the country acquires most favorable scores on both political rights and civil liberties (Freedom House 2012).[43]

With regard to inclusiveness, the Palauan Constitution ensures that adult citizens have both active and passive suffrage rights. Whereas every Palauan citizen of at least eighteen years has the right to vote in both national and state elections, the minimum age for membership of parliament is twenty-five, and in order to contest presidential elections a candidate must at least be thirty-five years of age (Constitution of Palau 1981: Art. VIII: 3; IX: 6). Although the restrictions on passive suffrage rights are thereby somewhat higher than in the other microstates, in general it can be concluded that the Palauan system is, at least legally, inclusive to its citizens. In order to comprehensively investigate the effects of size on contestation and inclusiveness however, in the following sections an analysis is provided of the role of cleavages and ideologies, the horizontal balance of power between institutions, citizen-politician relations, and the characteristics of political participation and elections in Palau.

[42] In addition, in a cautionary article that was published in 2000 and is ominously titled the 'Africanisation of the South Pacific', Ben Reilly observes a negative trend with regard to democratic development in the region (Reilly 2000).

[43] Since its independence in 1994, Palau has always received a score of 1 on both Freedom House-dimensions, based on a 7-point scale in which 1 is most free and 7 least free (Freedom House 2012).

5.1. Contestation: The Role of Cleavages and Ideology, and the Absence of Parties

In the absence of political parties, elections in Palau are exclusively contested by independent politicians. Parliamentary and presidential elections are held once in every four years, and on the state level elections are organized once in two, three, or four years.[44] Since the President of Palau has the constitutional right to appoint the ministers in his government, the presidential election indirectly also constitutes a vote for the entire Palauan executive. As a consequence of passive suffrage rights, which are however due to age limits somewhat restricted, most Palauans have the right to take part in contestation and to stand for election. This means that the Palauan constitutional framework offers virtually all the opportunities for meaningful political competition to occur, and that political alternatives are at least legally and formally available to the Palauan electorate.

The population of Palau is religiously and ethnically rather diverse, and the country receives a score of 0.43 in Alesina et al.'s fractionalization index (Alesina et al. 2003).[45] Since the thirty percent of non-Palauans however do not have voting rights, on the basis of my interview data it appears that these societal cleavages are not really politicized.[46] Since the articulation of interests on the aggregate party-level does not exist in Palau, individual politicians each campaign and fulfill their mandates based on their own political platforms. Fourteen of the fifteen respondents indicated that in doing so, individual politicians hardly campaign on the basis of substantial political issues, and often do not have a specific political program to run on. Whereas previous chapters have demonstrated that the absence of ideological demarcations in San Marino, St. Kitts and Nevis, and Seychelles has led to the prevalence of personalistic politics in these microstates, in Palau the absence of parties necessarily and automatically generates a personalized political environment as well. In contrast to the other microstates however, the Palauan political environment is primarily determined by clan-membership and inter- and intra-clan relationships, which according to Larry Gerston essentially assume the role of political parties (1990:

[44] The states of Angaur and Kayangel organize elections every two years, Ngatpang and Peleliu once in three years, and the other Palauan states once every four years (Davis and Hart 2002: 206).

[45] This index measures ethnic, religious, and linguistic fractionalization, and ranges between 1 and 0, with 0 indicating the absence of fractionalization, and 1 indicating a completely fractionalized society.

[46] Whereas thirty percent of the Palauan population consists of foreigners, these people have no suffrage rights and are therefore not represented in Palauan politics. In recent years tensions have been growing between native Palauans and Filipino guest workers (Hassall 2009: 174).

178). This is also confirmed by one of the politicians whom I interviewed, who pointed out that:

> "They [the US TTPI-administration, WV] tried political parties, but it never really matured and did not become strong because of the clan system. The clan system is absolutely more predominant and stronger than parties."

The vision expressed in this quote is shared by all fifteen of my respondents, of whom many also indicated that political alliances between politicians are primarily based on clan and family relationships (cf. Shuster 1994: 197-198). As a consequence, the absence of political parties has not led to a hopelessly instable or unstructured political state of affairs in Palau, and virtually all of the people I interviewed could consistently indicate which MPs supported the government and which ones belonged to the informal 'opposition'. Because these political alliances are based on kinship- or clan-relations instead of ideological congruence or agreement, although invisible to an outsider these bonds are arguably even stronger than political parties. A wide majority of my respondents indicated that government-opposition dynamics are principally determined by clan relationships and the hierarchy between clans, and that politicians virtually never act against the interests of their own clans. In any case, on the basis of interviews it can be asserted that a political opposition has always been present in both Houses of the Palauan legislature.

Since interviews with Palauan respondents reveal that political dynamics and inter-elite relations are all primarily determined by clan membership, political ideas, programs, and policies appear to play an even more marginal role in Palau than in the other microstates. During my interviews, Palauan ministers and (former) members of the Senate and House of Delegates were unable to say which sort of ideology or ideas they supported and articulated, and could not even say whether they thought of themselves as being more left-wing or right-wing, or more progressive or conservative. In short, as one journalist mentioned;

> "It's really hard to pin them [Congressmen, WV] down on any particular ideology; they kind of move back and forth. I guess that is in a nutshell the whole politics of Palau."

According to some respondents, the formal institutional structure of Palau obscures the fact that politics is essentially personality-driven. As a high-ranking public official emphasized;

> "Many people say that in Palau you have an American system. But you know, it's sort of like a façade. You can't say that they don't follow the rules and regulations, but it's just that personal relations or clan relations are really, really more important."

Since clan relations are the driving factor of Palauan politics, political candidates are not induced to present any political platform or manifesto in advance to elections. Most candidates announce their candidacy in the (social) media, and in doing so make a number of pledges and promises on varying issues. Even if candidates do announce programmatic issues in their election campaigns, it appears that they are not really held accountable to them, as one politician and traditional leader explains:

> "Everybody has a platform and ideas, but they forget them when they come to office. (…) They are not elected because of this, but because of family and clan relationships, and their personality."

Since contestation is thus personalistic rather than programmatic, political representation is also not based on substantive responsiveness, but appears to be descriptive or symbolic instead (cf. Pitkin 1967). When asked about it, respondents pointed out that there are no substantial differences between clans in terms of political preferences, and that the competition is in that sense primarily a struggle for power and control among clans rather than for the realization of specific political interests. This means that the articulation of substantive political interests appears to be virtually absent in Palau, as no substantive political cleavages exist in the country.

Whereas various scholars hypothesize that small states have a more accommodating and consensus-oriented political culture, virtually all available sources indicate that Palauan politics is highly competitive, divisive, and polarized (Quimby and Iyechad 1983: 103, 108). According to the Palau-specialist Donald Shuster, "[c]ompetition, factionalism, and intrigue characterize nearly all political activity in Palau. (…) There have been intense clan rivalries" (1994: 197-198). Interviewees from different backgrounds confirm this observation, and also highlight how personal relations can impede on rational decision-making;

> "I would say that Palauan politics is very emotional, that the personalities are a very big part of the politics. (…) Interpersonal relations become part of how the discussion will be successful or not. So the success of policy-making is much more sort of a politicking process; all really depends on how well the people are cordial."

Within the clan-hierarchy some clans are traditionally more dominant than others, and members of the largest and most influential clans are usually most successful at the polls (Gerston 1990: 178). The current Palauan president Johnson Toribiong is for example member of one of the most prominent Palauan

clans and families,[47] and is presently supported by a majority of senators and delegates, many of whom are in some way related to him. Furthermore, multiple respondents emphasize that the sheer size of the clan in large part determines a candidate's electoral success, as the following politician points out;

> "It is very much those who have big families and clans, you know that they will win for sure. (…) A social network normally runs through the family and the clan, and so if you don't have that as your base to run, it's very slim to none for you to win".

This quote also accurately indicates that voting behavior in Palau is chiefly based on clan and family-relations, and more attention will be paid to this issue in section 4.4.

While contestation for elected offices in Palau is thus strong and divisive, respondents asserted that the same is true for the selection of traditional leaders. Palauan chiefs are traditionally selected by councils of female elders (Wilson 1995: 5; Hassall 2009: 175), and usually a choice has to be made between a handful of potential heirs to a deceased chief. Although this selection is by no means democratic, various interviewees point out that a certain degree of contestation for chiefly titles is unquestionably present, and that this system ensures that only qualified individuals can acquire positions of traditional leadership. One of the male traditional leaders I interviewed said that;

> "If you want to become a traditional chief, you have to be smart and you have to serve the people. So people who become traditional leaders are also well-respected; they also perform. And so it's not enough that you are from a high clan and simply push your ideas around."

In its own way, the traditional system of leadership therefore also offers minimal degrees of contestation and inclusiveness, and chiefly titles are not just hereditarily passed on, but are only granted to persons who are seen as capable of being a chief.

Although political ideas do not seem to play a large role in the Palauan political context, contestation for political offices is not only present, but is also fierce and divisive. Whereas the traditional clan-system is responsible for personalistic contestation and appears to have assumed the function of a political party system, the size of Palau facilitates and exacerbates this tendency. As a consequence of the smallness of electoral districts and the country as a whole, political candidates can win elections on the basis of their clan affiliations

[47] Toribiong is the nephew of Roman Tmetuchl, who was Palau's most prominent politician for a large part of the 1960s and 1970s, and spearheaded the movement that advocated separation of Palau from the rest of Micronesia. Two of his closest political allies are Senator Joel Toribiong, who is a brother of the President, and the President of the Senate Mlib Tmetuchl, who is a cousin of the President.

alone, which would never be possible in a large country regardless of whether its society is clan-oriented or not. In similar fashion to the other three microstates, the size of Palau therefore generates the prevalence of personalistic over programmatic contestation. Furthermore, the personalistic politics and social interconnectedness that result from size can also be deemed to foster the polarization and divisiveness of Palau's society as a whole.

5.2. Contestation: The Horizontal Balance of Power between Institutions

In line with part of the small-state literature, in earlier chapters the governments of St. Kitts and Nevis and Seychelles were found to occupy a supremely powerful position in their respective political systems, with very few checks and balances being provided by other societal and political institutions. In Palau a somewhat similar situation can be found with respect to Congress, state governments, and the media, whereas the judiciary and especially the Council of Chiefs do have the authority and independence to function as a restraint on executive power in the microstate. A first major similarity with the other three microstates can however be found in the difficulties that institutions face in trying to maintain an image of neutrality and impartiality. As a consequence of intimate social contacts and multiple-role relationships, the Palauan judiciary, media, and public service are repeatedly plagued by allegations of being biased, and this was confirmed in interviews with representatives and officials of these institutions, as the following quote from the Chief Justice shows;

> "You see, if I were having lunch with one lawyer more often than with others, that does not look good. So if that lawyer were to come to court and the case comes before me and he wins, now there is that perception; the appearance of impropriety. And that is what we are trying to avoid; it's not just the reality but also the appearance of impropriety that we want to avoid. And in a small state that's tough, it's very tough."

In line with other presidential systems, the President of Palau is as head of state a dominating factor in the country's political framework. Since they are appointed by the President and constitutionally serve at his will, other ministers in the government occupy a subordinate and dependent position in the cabinet. Interviews with Palauan respondents however reveal that most of the presidential power stems from his clan- and family-relations with other politicians, as one journalist pointed out;

> "You wonder if there are really checks and balances, because right now we have a lot of relatives of the President in parliament. The President is now so powerful and influential that the OEK at least comes out as being subservient to the President."

As the quote above reveals, in terms of executive-legislative relations a wide majority of twelve out of fifteen respondents expressed dissatisfaction with the functioning of the Palauan Congress (the OEK). During interviews with Palauan citizens and politicians (including members of parliament themselves), Palau's legislature was mostly argued to be weak and submissive in relation to the government. According to most interviewees this situation is mainly an effect of personal relations, because as many Congressmen are related to the President or other government members through family or clan lines, they are supposedly unable or unwilling to effectively control government. As one politician remarked:

> "Well, there are supposed to be three equal branches of government. But the way the members of Congress are doing, I have not seen them to exercise their rights as an independent legislature. They have not exercised checks and balances with the executive branch. (…) There are too many friends of the President in the parliament, who are in the key positions."

The senators and delegates who are not aligned to President form the parliamentary opposition, but they are a relatively small minority.[48] Although opposition members are often outspoken and critical of government, due to the significance of clan relations they told me they had little hope of attracting the support of other MPs. In short, Palau's legislative branch appears to be not really independent from its executive counterpart, and the strict separation of powers that characterizes the American system on which it is modeled appears not to exist in Palau. More than the other microstates, the smallness of Palau appears to lead to political alliances based on relations and bloodlines, and this largely turns out to limit the capacities and autonomy of parliament. Although no data are available to prove it, my personal correspondence with ordinary Palauans furthermore reveals that people are very skeptical and suspicious of elected politicians, and trust in them in general appears to be quite low.

As an alternative to parliament, both the literature on Palau and my own sources reveal that the Council of Chiefs is the institution that most effectively controls the actions of government. Whereas this institution itself is not democratically elected, all fifteen of my respondents cherished and praised the role of traditional leaders in the Palauan system, and perceived the chiefs to be a highly valuable component of Palau's democracy. In this sense, some actually

[48] Palauan citizens and politicians have been consistently able to name the persons that formed the opposition in the Senate. In 2011, four out of thirteen senators were identified as part of the opposition, among whom former President Remengesau and former Vice-President Chin.

perceive the Council to be a substitute for parliament, and as one of the members of the Council itself pointed out;

> "The Council of Chiefs is providing the check on the government; the one that our Congress is supposed to be doing, but is not doing".

Although the constitutional role of traditional leadership is quite restricted, all available sources confirm that the influence of chiefs on Palauan politics is really extensive. According to Shuster "[g]enerally few things of significance can take place in Palau without the advice and consent of chiefs" (1994: 193), and Mita argues that "[w]hile what is prescribed in the Constitution is only an advisory function to the President, no modern leaders in the governments within Palau can be oblivious to the presence and role of traditional chiefs" (2009: 139-140). Moreover, Hassall points out that "[i]n practice, the authority of the chiefs is respected in ways beyond those called for in the constitution. Government departments may for instance seek permission from chiefs before undertaking a major investment in a region" (2009: 175). This observation is confirmed by interviews with Palauan politicians, and one of the leading figures in the government highlighted that:

> "The traditional leaders and traditional women leaders are still meeting to make sure that we keep and maintain our traditional way of doing things. Sometimes they notice that they way we [elected politicians, WV] do things are a little bit excessive, because of the new way of life and doing things. So then they try to talk to people to slow it down."

As this quote exemplifies, in many ways the Council of Chiefs can be seen as a very influential interest group that every now and then attempts to correct or stop supposedly misguided politicians.[49] Conflicts between the Palauan government and traditional leaders often boil down to questions of modernization versus tradition, and the protection of Palauan identity, culture, and customs. Whereas the Council operates as a conservative entity that habitually opposes changes that affect Palauan society or lifestyle, the government appears to be mostly attempting to modernize the country and to stimulate economic growth and foreign investments. One general concern of Palauans that the traditional leaders often refer to is the fear of being taken over by foreigners and larger countries, and the ensuing weakening or disappearance of Palauan customs and traditions. In this sense a political cleavage that centers

[49] A clear manifestation of this continuing influence is the Council's resistance and subsequent action concerning a bill that would allow for the establishment of a casino in the winter of 2010-2011. Whereas this bill was already approved by both Houses of the *Olbiil Era Kelulau*, the chiefs mobilized opponents to the bill to force President Toribiong to organize a referendum on the issue, in which an overwhelming majority of Palauans rejected the law proposal.

on the preservation of Palauan traditions appears to exist between the elected politicians and the traditional leaders.

Like in other Pacific island states, Palauan politics is thus characterized by friction between modern and traditional forms of leadership. This was confirmed during the interviews, in which politicians and chiefs repeatedly criticized each other's position in the Palauan system.[50] In short, the relations between the two forms of leadership are sometimes far from harmonious, and this was confirmed by both politicians and traditional leaders. As one high-ranking politician stated;

> "I think it's ongoing that the elected leaders want to assert themselves, trying to say that they are the legitimate ruling body, without being aware of it, or being aware of it without saying it. I think they [the two systems, WV] are competing; you cannot have two ruling entities in one society."

In this sense, the clash between traditional forms of leadership and modern democratic institutions that several scholars observe throughout the Pacific is therefore also clearly and continuously present in Palau.

In addition to the Council of Chiefs, respondents pointed to the Palauan judiciary as a strong, impartial, and autonomous institution that lives up to its constitutional role. In similar fashion as in St. Kitts and Nevis, the Palauan judiciary somehow manages to escape the microstate's polarized political climate, and with one exception all interviewees and other sources confirmed its neutrality (cf. Freedom House 2012). Whereas the pre-independence period in Palau was marked by strong political pressure on judges to rule in favor of the COFA, the country's judiciary retained its independence and appeared immune to pressure (Leibowitz 1996: 93-94). According to a journalist I talked with, this is contemporarily still the case:

> "In the past, when we were debating the Compact, there were citizen groups who were pressuring the former Chief Justice, late Chief Justice Nakamura. (…) But the court has been able to withstand those, and I think it is much stronger now because of that experience."

In a small society like Palau where everyone knows each other, judges have to be extremely cautious not to run into conflicts of interests. Whereas this is easier for foreign judges, native Palauan judges are likely to personally know many of the lawyers, plaintiffs, and defendants that appear before them. The Palauan Chief Justice explained to me that social isolation is the most practical strategy in this respect;

[50] This was especially the case with regard to criticism from traditional leaders about elected politicians, and somewhat less so in the other direction.

> "In our private life, we [judges, WV] avoid controversies (…). If we are seen to be mingling with people and their cases would come to court, we would not be able to hear those cases. When you have a small island, that becomes really, really much of a problem. It means isolation for judges; our social life is pretty confined."

Like their colleagues in the other three microstates, in order to safeguard impartiality judges in Palau are often foreigners. In the Palauan case, the hiring of foreign judges however results in conflicts because these judges are not always familiar with, or do not always accept the influence of traditions and traditional leadership (Hassall 2009: 172).[51] Several Palauan chiefs that I talked to expressed discontent with the court's handling of cases involving custom and traditions, for example when it comes to clan rivalries, as one academic mentioned to me:

> "What preoccupies a lot of people today is that there is very fierce confrontation within clans and among clans. And they are bringing this to the courts, and the court system is beginning to realize that the template of the modern system is just not the cut that is required to totally resolve the nature and complexities of a different system."

In general, both interviews and secondary sources reveal that Palauan society is very litigious, which is mostly ascribed to the broader polarization of Palau's society, and the fierce inter-clan rivalries and competition for chiefly titles (Leibowitz 1996: 93).

The role of the media in the Palauan political system is in many ways similar to the other three cases that were studied. *Tia Belau* and *Island Times* are the two newspapers that are published in Palau, and both appear once a week and are confronted with financial troubles resulting from limited revenues and a small readers' public. Nevertheless, in the Freedom of the Press-index Palau has consistently received favorable ratings, and in 2011 the country obtained a score of 14 (or 'free') on a 100-point scale in which a score of 100 represents the least free situation (Freedom House 2012). In addition to the two newspapers, a handful of radio-stations are also active in Palau. One of these, WWFM 89.5, is owned by Senator Alfonso Diaz, who has used his broadcasts to draw attention to corruption and clientelism. Whereas Diaz' radio station was popular and played an important role in anticorruption awareness in Palau (Shuster 2004b: 17), after his election to the Senate Diaz was repeatedly accused of using his radio station for his own political gain, and many of my respondents blamed him for doing this as well.

[51] As Hassall argues, "[d]omestic Palauan politics has in recent years featured clashes between American expatriates working for government agencies in Palau and Palauan high chiefs" (Hassall 2009: 172).

Due to an inherently small public and the relatively high costs of printing, publishing a newspaper in Palau is not a lucrative business, which is why most journalists are volunteers, or see journalism merely as a hobby. As a consequence, like in other microstates many people and especially politicians complain about the quality of the news, as the following MP argues;

> "Palauan media is sufficiently independent; my complaint is the quality of it. They can say whatever, but it's the quality you know; there are rumors and gossips and all that, and not so much informing the public. And you wonder, because some of our folks who are doing the media are not really journalists; they didn't get out of journalism schools and it's just a part-time job or a hobby."

The low quality of newspapers allows politicians to scorn and mock the media, as a result of which the position of journalists is further emasculated. Since there are no political parties in Palau, it would appear hard to pinpoint individual newspapers as being supportive of the government or the opposition. Nevertheless, in light of the polarization between individual politicians and especially clans, many respondents still complained about biases in news reporting.

The final institutions that at least constitutionally have the ability to restrain the power of the executive are the state governments of Palau. Although Palau is constitutionally a federation, most of my respondents argued that the state governments do not really serve a purpose, and primarily function as a massive drain on public resources. According to one journalist:

> "What makes the state governments not strong is that they don't serve a real function to improve the life of the people. (…) The thing that weakens them in the eyes of the public is that they bring this 250.000 dollars budget from the national government. Most of that will go to the legislators in the government and the employees, and less is available for the important projects in the states."

Whereas the Palauans adopted the federal model from the United States, it seems particularly inefficient and costly in a country with such small dimensions. The duplication of political structure from the colonial power was also observed for the cases of St. Kitts and Nevis and Seychelles, and is discussed as one of the core features of microstate-politics in the academic literature (Sutton and Payne 1993: 586-587; Sutton 2007a). Many Palauans however believe that it was a mistake to create a federation in Palau, as the following senior public official notes;

> "I think the biggest mistake we made is that we did not change or modify the system to improve it to fit us. And we instead created I would say a monster; a system that is totally ridiculous, with two Houses in the Congress. I mean that is ridiculous, and then we have eight ministers, with a President and a Vice-President. We have sixteen traditional leaders and sixteen governors; sixteen speakers, and each state

> has its own executive and legislative branch. This is stupid; it costs too much. How can you have thirty-five people staying in Sonsorol and they are considered as a state?"

Most of my respondents named financial arguments as the main disadvantage of Palau's federal system, as the leader of the Chamber of Commerce pointed out:

> "Each Palauan state has a massive bureaucracy; massive in proportion to the population of that state. (…) You have a governor, their staff, their legislature; I mean it just doesn't financially make sense. It's not at all logical."

Since the national government has the final say with regard to the amount of money that state governments have at their disposal, state administrations are ultimately dependent on the generosity of the national executive, and therefore not as powerful as the label of 'federation' suggests (cf. Constitution of Palau 1981: Art. XI: 4).

In analyzing the relations between Palau's various political and societal institutions, the expectations that can be derived from the academic literature on politics in small states are partially confirmed. The governmental dominance that several authors refer to (e.g. Sutton 1987: 8; Sutton and Payne 1993: 592-593; Srebrnik 2004: 334-335) is found to exist in Palau as well, but to a lesser extent than in St. Kitts and Nevis and Seychelles. Palau's judiciary is an unquestionably independent and neutral third branch of government, and the Council of Chiefs also functions as an effective check on governmental power. At the same time, Palau's parliament, media, and state governments are weak or overshadowed by the national government. In large part, the weakness of these three institutions appears to be a consequence of the smallness of Palau, which leads to a lack of resources, a lack of professionalism, and the prevalence of personalistic over programmatic contestation. In short, the horizontal balance between Palauan institutions is still skewed in favor of the country's executive, but apparently to a lesser extent than in the Caribbean and African cases that were studied in earlier chapters.

5.3. Inclusiveness: The Relations between Citizens and Politicians

To even a greater extent than in the three previously studied microstates, citizen-politician linkages in Palau are marked by closeness, direct contacts, and multiple-role relationships. This is partly a result of the fact that the population size of Palau is even tinier than that of the other cases, but it also derives from the federal nature of the Palauan system, as a result of which the state politicians are even closer to their people than those in the national government. The five smallest Palauan states have less than 250 inhabitants, and it is not only evident

that the legislatures and executives of these states are highly accessible to their constituents, but it can also be assumed that political dynamics in such an environment are markedly different from those in larger microstates without noteworthy sub-national administrations (like Seychelles). As a general conclusion, it can be said that the findings of the field research in Palau reveal that the effects of size with regard to citizen-politician relations are stronger and more perceptible than in the other microstates that were analyzed.

In line with part of the academic literature, many Palauan interviewees highlight the positive consequences of closeness and face-to-face contacts with regard to the quality of political representation (Dahl and Tufte 1973: 87; Anckar 2002b: 387). As a result of proximity, Palauan voters appear to be generally aware and involved in politics, and according to many respondents talking and gossiping about politics is one of the favorite pastimes of the country's citizens. According to one politician I interviewed:

> "You can look at it [closeness, WV] as positive, because you have direct contact with your constituents; you know what they want and what their concerns are, so you can address those".

In addition to greater opportunities for responsiveness of politicians to citizens, closeness also has advantages in the opposite direction, and the following academic explained to me how smallness results in increased awareness among citizens:

> "It's good that everybody knows what's going on; I mean even taxi drivers. So the checks and balances are there, because even people who are at the village level talk about issues and they discuss among themselves".

Although no data are available to support it, on the basis of interviews and my own observations, levels of awareness and political efficacy appear to really high in Palau. Talking or gossiping about politics appears to be one of the favorite pastimes of Palauans, and social media have offered additional opportunities in this regard.[52]

Whereas citizens thus because of closeness have amplified opportunities to voice their political attitudes to their representatives, politicians on the other hand have the opportunity to know and talk to all their constituents. As one politician highlighted;

[52] Palauans are especially active on facebook, which has become a forum to discuss political issues, declare candidacies for public office, announce political events, or spread rumors about individual politicians. Several facebook groups have become very big online communities, and have several thousand members, which in light of Palau's total population of 20.000 constitutes a major part of the population. One of the biggest facebook groups is *Ngelekel Belau*, which translates into "Children of Palau" and is also the title of this chapter.

> "I know maybe 95% of the people in the Republic. Now, I may not know their name, but when I see them I know their faces, and probably 80 – 85% of the time I know where that person lives. Because you campaign a couple of times and you meet these guys, the same people. And so these are our constituents, you know their mandate; they talk to you, get your number and talk to you, so it's very, very close".

Since politicians and citizens are in constant contact with each other, in interviews Palauan politicians confirmed that they are incessantly questioned or pressured to act according to these citizens' interests, and because the loss of a few supporters can make the difference at the polls the pressures by citizens can be more severe than in larger states.

As suggested by the academic literature, many prominent Palauans combine a number of societal and public functions, which leads to the emergence of multiple-role relationships. Most Palauan politicians and chiefs for example also have a private business, or are concomitantly active as journalists or interest group-representatives. Many of my interviewees combined several of such functions, and this evidently leads to problems, as one illustrative individual points out;

> "I have all these functions; I publish a newspaper, I have a traditional role, I have my own role in the court, a newspaper role; I run into conflicts all the time but I guess that's the nature of the business. It's a small country so we cannot afford to specialize in a particular mission or profession; practically all Palauan leaders are traditional leaders also, or church leaders, and they often have an own business."

In addition to having multiple jobs however, many politicians and citizens also know each other because of their connections and relations in the private sphere. Whereas this holds for the three other cases as well, in the Palauan case an extra type of relationship can be added: the clan or extended family. Respondents and secondary sources underscore that clan-relations are of tremendous significance in Palau, and clan-members have strong social obligations towards one another. This can generate an additional form of conflicting interests, as an interest group-leader mentions:

> "They [politicians, WV] are in constant conflict between their private businesses and the good of the country; and then confused by the good of their clan".

Indeed, virtually all my respondents – also the politicians themselves – named conflicts of interests as the primary negative effect of closeness and multiple-role relationships. Especially the combination between being a politician and owning a business was often cited as problematic, because it leads to bad decisions at both the political- and business-levels. According to a spokesperson for the private sector:

> "From my personal perspective, it drives me crazy. Because consistently bad decisions are being made; both business decisions and political decisions. Just really bad because they [politicians, WV] are trying to protect their own interests."

In addition to politicians however, most traditional leaders also have their own business. This is especially problematic because their chiefly titles provide their businesses with unfair advantages, which undermines fair competition and efficiency, as the same respondent argues:

> "Most traditional leaders have businesses (…), they have been successful families for a long time and so they have first-movers advantage when it comes to business. But they are not particularly good at performing business, and they are not the best in class; it's just the status that got them the head start."

Just like in the other three microstates, patron-client networks and particularism are key characteristics of Palauan politics. For the specific case of Palau however, the general literature on Pacific politics and societies also mentions clientelism as a core aspect of the islands in this region (Larmour 2005: 4-5; Duncan and Nakagawa 2006). As for example various country reports of Transparency International emphasize, in Pacific countries the line between manifestations of traditional culture and corruption or clientelism is often difficult to draw, because the provision of money and gifts to clan members is an essential component of Pacific island cultures (e.g. Shuster 2004a: 8-10). In Palau wealthier individuals are expected to contribute and support their friends and families, and family occasions such as funerals, weddings, childbirths, or housewarmings are instances where politicians are expected to make donations to family members. This is however often linked to the substituted provision of political support, thereby creating a clientelistic exchange. As one politician mentioned:

> "In Palau there is a culture of offering food, this is a cultural tradition. An so they say that those who are affluent in terms of money or just other resources or wealth, tend to have a stronger influence because they have the capability of distributing food. And I have to admit, it's very hard to win votes without giving food."

Various non-public respondents also pointed to the pressures that politicians face in this regard, as one chief explained to me:

> "A lot of these politicians, especially senators, delegates, ministers, and the president, I think their feeling is: (…) "I have to show up and give money. If I want to get reelected, I have to go to all these people whose funerals come up, or first births, or a new house custom." And they have to give money, they have to represent."

The smallness of Palau can be argued to foster clientelistic tendencies, since candidates for public office are generally well aware of the size of their support

base, and can reasonably estimate how many and which people they have to convince to vote for them. Conversations with ordinary Palauans demonstrated that they also strongly expect their politicians to provide them with services and benefits, even though most of them (paradoxically) denounced clientelistic practices. In trying to gain the support of citizens in a specific district or state, politicians often turn to traditional leaders, who appear to have a large influence on the voting behavior of citizens, as one of Palau's academics told me:

> "They [the chiefs, WV] also control votes in their states, you know what I mean? Not so much control, but they have influence. (…) And when it comes to us [politicians, WV] and it comes to the President, he goes and says "ok, let's see who has the most population, which state". And then they kind of rub elbows with that particular chief in that state, and so on."

In addition to clientelism, patronage and nepotism (and mostly a combination of the two) also play a strong role in the Palauan political context, and again this can largely be ascribed to the smallness of the island state. As the literature on public administration in small states indicates, small-state bureaucracies tend to be oversized, dominated by government, and filled with political supporters, friends, and family members (Singham 1967; Sutton 1987: 12; Bray 1991: 25-26; Sutton and Payne 1993: 587). All this appears to be true for the Palauan civil service as well, at least according to a journalist whom I interviewed:

> "It [patronage, WV] is definitely expected; if I am going to support you, you better give me a job. And the benefits of working in government are actually really, really phenomenal compared to working in the private sector. (…) The public sector is huge. I mean it's ridiculous, it's almost 2.500 people employed just in the national government."

The absence of parties can be hypothesized to limit patronage, because the selection of civil servants cannot be controlled by a party apparatus. Instead however, it appears that clan- and family-relations - which as we have seen to a certain extent replace political parties – are decisive factors in the hiring of bureaucrats. Whereas nepotism and cronyism were not found to play a large role in the political systems of the other three microstates, at least five respondents stressed their negative influence on Palauan politics, perhaps due to the fact that this microstate is even smaller than the other ones that were studied. As one traditional leader highlighted:

> "That is the number one problem: nepotism. Man, I can name people; brothers and sisters and cousins and cross-relatives, but I don't want to name them. And people who are close political allies are not working and stay home while getting paid. The government is way too large for us; we are only a few people."

The number of people working for the national government is deemed excessive by a clear majority of respondents, but in addition to that a great number of Palauans is employed in state governments. In this light, a great difference can be seen between ethnic Palauans and guest workers; whereas a significant majority of Palauans (57%) are employed in the public administration, most private sector-jobs (about three-quarters) are being exercised by Filipinos and other Asians (Mita 2009: 133-134). Political patronage clearly damages the quality and efficiency of the Palauan bureaucracy, as incompetent or even criminal persons are being hired (ibid.). The costs of running the overstaffed and overpaid Palauan civil service are excessive, and can only be paid with money that flows from foreign investments.[53]

In combination with conflicts of interest, the size of the public sector also entails a number of negative consequences for Palau's private sector. The absence of strict separations between the public and private sectors of Palau not only leads to politicians defending their private interests, but also to the establishment of an uncompetitive business climate. As one private sector-representative complains:

> "If you are in politics and you have a store or a tour operation, you're always going to be kind of mediocre. You're never going to best in class, because you are not operating in a competitive environment. And this has long-term devastating effects, because (…) you are thinking "oh, is my business not going to do well because I am making this decision?" I mean it all gets too convoluted."

Palauan politicians have personal and private reasons not to implement economic reforms, even though Palau's budget deficits continue to grow and the country's external debt is increasing as well. As Mita argues, Palau's economy is almost completely sustained by foreign investments and aid, which means that the country is almost completely dependent on external sources, especially the United States (Mita 2009: 3). In short, it can be concluded that the smallness of Palauan society has a mixed influence on linkages between citizens and politicians, whereas it appears to obstruct economic development in the microstate. Palauan traditional culture entails certain features that facilitate the development of particularistic linkages, as a consequence of which the pressure on politicians to bestow their constituents with favors is arguably even stronger than in the other microstates.

[53] According to Mita, "[t]he structure of Palau's government and its national economy can only be sustained as long as foreign actors continue to invest capital in Palau, and if the scale of such activities were to shrink, Palau's economic and political situation would deteriorate" (2009: Abstract).

5.4. Inclusiveness: Political Participation and Elections

When it comes to the characteristics of political participation in Palau, it should first be mentioned that regrettably data are only available with regard to voter turnout, which means that the country's score on indicators like participation in rallies, campaigns, or demonstrations is unknown. The absence of political parties further entails that figures of party membership are evidently unavailable as well. By and large, conclusions about participation therefore have to be drawn from the available interview data, which like in the other microstates suggests high levels of political involvement among the Palauan citizenry. Politicians indicated that they were in constant contact with their constituents, either on their own instigation or upon the initiative of citizens. Most interviewees emphasized that higher levels of participation in Palau are a consequence of higher levels of awareness and attachment to politics among voters, which they believed to stem from the smallness of the country and the psychological and physical closeness between politicians and the electorate.

The heavy involvement of Palauan voters in their country's politics does not appear to result in the existence of an identifiable public opinion in the country. Several respondents indicated that citizens do not really have strong attitudes on substantive political issues, and that a public discourse about major substantive political or ideological issues is lacking;

> "One thing that Palauans have not reached is that they do not see how public opinion – individual and collective public opinion – is a critical component of a working political and democratic system. That is not happening here in Palau; there is no public discourse, for example when they brought in the Uyghurs there was no public debate on that."

Instead, political involvement of Palauan citizens appears to center on more particularistic exchanges with politicians, and on talking and gossiping about personal rivalries and intrigues. In light of the seeming insignificance of programmatic issues and the closeness between citizens and politicians, it is obvious that voting behavior or electoral participation is primarily motivated by personalistic concerns as well (Mita 2009: 24). None of my respondents named ideology or programmatic issues as a major source of voting behavior, but instead they named a whole list of other things;

> "We vote for people because of who they are, not for their performance. It's really because they came to your funeral, or they assisted your kids with some problem, or your relatives go for medical treatment, or you had a house party where they donated to you. There are just too many factors that kind of sway the people."

Because every Palauan citizen personally knows at least one but mostly a number of politicians, the tendency to vote on the basis of personal relationships is largely a consequence of the smallness of the country. Because of this reason, but according to multiple sources also as a result of the fact that the direct consequences of voting are more clear to voters than in larger states, as table 3 shows turnout figures in Palau have mostly been rather high. In most elections approximately 80 percent of Palauans have voted, but in the most recent two elections this figure has been markedly lower. Although I posed the question to various respondents, nobody had a clear idea why this was the case.

Table 8.4: Voter Turnout at Palauan Elections[54]

Election Year	Voter Turnout
1980	80.0 %
1984	84.0 %
1985	79.1 %
1988	82.5 %
1992	83.4 %
1996	79.3 %
2000	81.2 %
2004	74.8 %
2008	67.7 %

In addition to turnout at the election itself, nearly all respondents emphasize that Palauans eagerly participate in the pre-election campaigns. Like in St. Kitts and Nevis and Seychelles, this appears at least partly a consequence of the many gifts and favors that are distributed by candidates for public office.[55] On the basis of interviews, it seems that the clientelistic link is hence most clearly visible in the campaign period:

> "I think quite a few people look forward to election time, because they look forward to making a lot of money. Because they know politicians will give them money to buy their fuel and their travels, they are trying to sell themselves. And some people are just very good at milking these politicians."

Although higher levels of participation at elections surely appear to be related to the size of the Palauan population, it appears that smallness primarily induces greater levels of particularism-based participation, and does not generate a greater interest in substantive political issues.

[54] Source: International IDEA website (International IDEA 2011).
[55] According to Mita, "[i]n the last few weeks before an election, a carnival atmosphere takes hold. Some candidates hold campaign barbecues and rallies. At these events, voters are treated to free food, drink, entertainment, and gifts. Some Palauans are critical of this kind of campaigning, while others are more relaxed about gift-giving" (Mita 2009: 122).

Table 8.5: Results of the 2008 House of Delegates-Election in Palau

State	Candidate	Votes	Percentages
Aimeliik	K. Ngirturong	269	59.6
	W. Umetaro	182	40.4
Airai	T. Rengulbai	525	57.4
	N. Secharraimul	389	42.6
Angaur	H. Rafael	172	58.7
	N. Misech	121	41.3
Hatohobei	W. Andrew	40	37.0
	H. Hosei	33	30.6
	S. Marino	35	32.4
Kayangel	N. Kemesong	180	60.0
	J. Titiml	120	40.0
Koror	A. Merep	1.845	72.5
	S. Tellames	700	27.5
Melekeok	L. Basilius	171	41.6
	T. Rengulbai	99	24.1
	K. Asanuma	81	19.7
	D. Ongelungel	60	14.6
Ngaraard	G. Kanai	422	54.1
	S. Remoket	358	45.9
Ngarchelong	M. Madrangchar	203	27.2
	F. Rehuher-Marugg	191	25.6
	D. Saiske	188	25.2
	D. Bukurrow	164	22.0
Ngardmau	R. Kesolei	193	67.7
	B. Kumangai	92	32.3
Ngatpang	J. Nabeyama	97	52.2
	V. Emesiochel	89	47.8
Ngchesar	S. Eldebechel	112	30.2
	M. Uludong	99	26.7
	S. Hideo	52	14.0
	Z. Kotaro	44	11.9
	M. Ngirkelau	42	11.3
	B. Basilius	22	5.9
Ngeremlengui	S. Ongidobel	218	49.9
	P. Franz	136	31.1
	A. Kyota	83	19.0
Ngiwal	N. Idechong	125	57.3
	K. Termeteet	52	23.9
	F. Llecholch	41	18.8
Peleliu	J. Isechal	338	56.9
	S. Soalablai	256	43.1
Sonsorol	C. Yangilmau	61	45.9
	E. Mario	42	31.6
	M. Xavier	30	22.6

Furthermore, as Mita points out, the smallness of Palau provides politicians with better opportunities to control whether citizens actually fulfill the duties that follow from clientelistic linkages;

> "Toward the end of the voting day, tally-keepers check their lists to make sure that all known supporters of their candidates have voted. If some have not, they send out cars to bring those voters to the polls. This practice helps to maintain a high voter turnout in Palau" (Mita 2009: 125).

In table 8.5, the state-level results of the 2008 House of Delegates-Election in Palau have been presented. The table shows that at least two candidates contested elections in each of the states, whereas some states had four or even five candidates for office. According to several respondents, the limited number of candidates at elections can on the one hand be explained by the fact that people from the same clan mostly hesitate to run against each other, and on the other hand by the fact that candidates can often accurately estimate their chances of winning, which already discourages many less popular candidates from running. As one of the candidates in these elections explains:

> "Where I ran, there were four of us. And because of this it was really hard, since we all have connections; we are all related to one another at the same time, so that we kind of split the relationships in terms of the ones who are closer to me versus the ones closer to the others. If you are related and you run together, you sort of split the clan relations."

The table however also demonstrates that whereas in several states a few hundred voters participate in the elections, in the smallest states (Hatohobei, Ngatpang, Ngiwal, and Sonsorol) this figure is below 250. It is obvious that a single vote can make the difference in such elections, and also in some comparatively large states (like in this case Ngarchelong) a handful of votes determine the election outcome. In light of these factors, it is clear that the inclination of politicians to attract voters by means of material rewards is augmented in comparison to larger settings. The number of voters that have to be attracted by means of favors is never really high, which means that politicians can also afford to use their private resources to win elections.

In addition to elections the referendum is recurrently employed as a mechanism to obtain popular approval for policy proposals in Palau, and the country has had notorious experiences with it in trying to establish its COFA with the United States between 1980 and 1994. Since independence, four referendums have been organized (in 1996, 2004, 2008, and 2011) to gain approval for constitutional amendments, dual citizenship, and on the legalization of casino establishments in the country. In table 5, all Palauan referendums and

their respective levels of voter turnout have been presented, and it can be seen that turnout has generally reached above seventy percent. In the most recent referendum, this figure was markedly lower (31.3 %), which is probably a consequence of the fact that this referendum was not held in conjunction with a general election. Also with regard to referendums, Palau is therefore characterized by rather high levels of political participation.

Table 8.6: Referendums in the Republic of Palau[56]

Year	Issue	Voter Turnout	Yes	No
1979	Constitution of Palau	n.a.	92.0	8.0
1983	COFA	78.5 %	62.1	37.9
1984	COFA	71.3 %	67.1	32.9
1986 (Feb.)	COFA	71.3 %	72.2	27.8
1986 (Dec.)	COFA	82.0 %	66.0	34.0
1987 (Jun.)	COFA	76.1 %	67.6	32.4
1987 (4 Aug.)	Constitutional Modification	n.a.	73.3	26.7
1987 (21 Aug.)	COFA	74.7 %	73.0	27.0
1990	COFA	69.2 %	60.8	39.2
1992	Constitutional Modification	83.2 %	62.4	37.6
1993	COFA	64.4 %	68.4	31.6
1996	Constitutional Modifications	n.a.	46.2	53.8
			48.2	51.8
2004	Constitutional Modifications	74.8 %	n.a.[57]	n.a.
2008	Constitutional Modifications	67.7 %	n.a.[58]	n.a.
2011	Legalization of Casinos	31.3 %	24.5	75.5

As in San Marino and St. Kitts and Nevis, Palauan expatriates also have voting rights. Most of the Palauan emigrant voters live on nearby islands like Guam, Saipan, and Hawaii, and respondents indicated that politicians always spend some time on these islands to campaign and appeal to voters who live there (Rechebei and McPhetres 1997: 354). In contrast to the other microstates however correspondence-voting is allowed in Palau, which means that irregularities such as paying for the travels of expatriates do not occur in this microstate. Nevertheless, Palauan politicians are aware of the potential influence of the external vote:

> "I have not really looked into it at the national level, but the number of external votes is a number to contend with, a significant number. So there are many who go to Guam and Hawaii to campaign, it can actually alter the balance."

[56] Data retrieved from Nohlen et al. (2001), and Direct Democracy website (www.sudd.ch).
[57] Although the specific percentages are unknown, four out of the five proposed constitutional amendments were approved, whereas one proposal (the creation of a unicameral parliament) was rejected (Shuster 2006: 116).
[58] No less than twenty-three issues were at stake during this referendum, with varying results.

In summary, it can be said that the smallness of Palau creates a number of particular characteristics with regard to political participation. Like in the other three microstates, political involvement of Palauan citizens appears to be inspired by personalistic and individual consideration rather than out of a concern for public issues. Although political participation in Palau is generally quite high, this can primarily be interpreted as a manifestation of particularistic exchanges.

6. Discussion and Conclusion

As the smallest of the four microstates that have been analyzed in this dissertation, politics and democracy in the Republic of Palau are to a significant degree comparable to the other three microstates. When it comes to aspects like the absence of ideology and the prevalence of personalistic and particularized politics, it appears to be the case that these factors play an even larger role in Palau than in the other microstates. This is most clearly palpable with regard to the absence of political parties in Palau, since parties are, however personality-oriented and non-programmatic, still clearly at the basis of contestation in the three other examined cases. In addition, like in the other microstates the Palauan media and parliament are in a subordinate position in relation to the country's executive branch of government, whereas its judiciary appears to be neutral, strong, and virtually free from government influence. In table 8.7, Palau's scores on the various indicators of contestation and inclusiveness have been presented.

The key thing that sets Palau apart from the other cases is the ongoing significance of its traditional culture and the persisting authority of traditional leadership. The uneasy coexistence of indigenous traditional leadership and imported democratic institutions strongly characterizes Palauan politics, and the ongoing power struggles between chiefs and elected politicians bear witness to this. As Erica Rosenthal argues, "[s]ome elements of Palauan tradition remain strong, either coexisting or conflicting with the superimposed system, while others are adapted to or superseded by the new ways" (1996: 17). As this citation reveals, the introduction of Western institutions has not been able to supersede Palauan culture and traditions, and there are no indications that it will do so in the near future. Paradoxically, virtually all my respondents argued that the influence of non-elected chiefs actually increases the quality of Palauan democracy, and they extensively praised and cherished the role of traditional leaders in preventing for abuses of power and misconduct on the part of elected politicians. In this respect, the case of Palau underlines the tentative conclusion

that the democratic political-institutional structure as it exists in larger Western countries is largely unsuitable to the small-state social and societal context.

Table 8.7: Palau's Scoring on the Indicators of Contestation and Inclusiveness

Dimension	Section	Indicator	Classification of Palau
Contestation	Presence of Political Alternatives and a Political Opposition	Free and Fair Elections	Present
		Party System	Not applicable
		(Frequency of) Alternation in Office	Hard to measure exactly, but present
		Interest Articulation by Parties	No parties, interest articulation by individual candidates minimal
		Freedom to Support the Opposition	Present, but political branding is common
	Horizontal Balance of Power between Institutions	Freedom of the Press	Press free (FotP-score 14), but weak and unprofessional
		Status of the Legislature	Largely ineffective, not autonomous from government
		Status of the Judiciary	Impartial, strong, and autonomous
		Status of the Bureaucracy	Oversized and influenced by government due to patronage
Inclusiveness	Relations between Citizens and Politicians	Contact with and Access to Representatives	Continuous contact and access
		Nature of Contacts between Citizens and Politicians	Particularistic and personalistic
		Political Awareness and Feelings of Efficacy of Citizens	Appears to be high
	Political Participation of Citizens	Universal Suffrage	Present
		Turnout at Elections and other Plebiscites	High at both elections and referendums
		Party Membership	Not applicable; no parties
		Participation in Political Activities	No data, but appears to be high (especially in social media)

As Palauans themselves are acutely aware of, the economic and political future of the microstate is closely bound to that of the United States. Although the microstate is broadening its foreign policy objectives in the sense that it has

recently established international relations with the United Arab Emirates and is making cautious but definite apertures to mainland China, as one respondent remarked; “we live beyond our means, and the United States keeps the lights on”. In this sense Palau is absolutely the least independent of the four microstates that are analyzed in this dissertation, and despite the persistence of traditional Palauan culture and leadership, democracy in Palau is safeguarded as long as the country is economically, politically, and militarily tied to the United States. Although friction between traditional and modern institutions is at the order of the day, on the basis of my interviews it paradoxically appears that through their continuing influence, non-elected leaders actually contribute to good governance and democracy in Palau.