**Development in Palau**

What’s development and what does it mean here?

Development is growth or progress. But towards what? What’s the goal? What do we use as the measure?

* Wealth.

We can use the economic index of GDP. Palau is doing well by this standard. Per capita GDP is now $7,000–three times as high as its neighbors (FSM and RMI) and higher than most of the countries in the world. Not only is it high, but it’s getting higher by the year. Since 2003, average economic growth has been 4% a year. Not bad!

* Division of wealth.

How well is the wealth divided up in the population? Is everyone getting a fair share of the pie (and by “fair” I don’t necessarily mean “equal”)? In the US over the past 30 years there has been a growing gap between the top 1% of the population and all the rest. At the top end, a sports star, celebrity or business executive might earn $20 or $30 million a year, while the checkout person at the supermarket is earning $15,000. So the star makes 2000 times as much as the simple worker. Is this the kind of society we want?

* Sustainable wealth.

Can this development continue indefinitely into the future, or is it a short-time flash? A shooting star–there for a short time, and then gone? This is the US and World Bank’s concern with Palau’s economic progress–that it might be a short-term spurt that can not be sustained after the Compact money ends. (There are many things that could be said about this, but let’s not go there)

But in all this we’re assuming that development is somehow rooted in wealth. Money isn’t everything, and we’ve been told over and over again since we were kids that money can’t buy happiness.

Surveys done around the world repeatedly show that the richest are not really the happiest. Studies show that there is a very rough correlation between money and happiness up to an income of $10,000 per year–but certainly not beyond that. In other words, people who lack the basic necessities of life can’t be called happy. At the same time, those who have the basics are not more satisfied with life, more happy, as they acquire more money, the studies suggest. (We’re taking here about *this* life here. Never mind all the scriptural passages about the next life!)

Then, what is the formula for happiness? Don’t expect me to do what people much smarter than I haven’t yet done. I have no formula for happiness to present today, but I can and will make suggestions on other elements than wealth that ought to be considered when we speak of development.

Let’s go back to the past, to Palau’s history (as an outsider understands it), to find some answers for our question. What did Palau regard as “development” back in the good old days of early contact with the West?

* First sustained contact with the West

Sustained contact with the West began with Captain Henry Wilson’s misadventure in Palau, when his ship was famously wrecked on the reef near Ulong. It’s obvious from the accounts of this and other visits during this period that Palauans desperately wanted guns and powder more than anything else. Not as ends in themselves, but as means of attaining prominence in what was a very mobile society.

Madan Blanchard, one of Wilson’s crew, stayed behind in Palau to train Koror’s “army” in the use of guns. Of course, the purpose was not to take as many lives as possible, but only to win battles so that one’s village could outrank others–or move up the hierarchical ladder.

Palauans were willing to sacrifice less important gains for this. They eschewed the clothes and most of the ironware that other island groups would have died for. By the end of the century, then, Palauans were still wearing loincloths and grass skirts when their neighbors well to the east were clothing themselves in bright colored dresses, and when Marshallese chiefs were wearing three piece suits and top hats.

The competition for rank in Palau continued through the 19th century, but so did the war party raids and the headhunting. People had their guns with which to maintain the rivalry that was so important in a competitive society, but they paid a great price for it. Settlements once located on the shores moved inland so as to be better defended. The society was upwardly mobile, but it was also insecure.