

Palau

Country:

[Palau](#)

Year:

2016

Freedom Status:

Free

Political Rights:

1

Civil Liberties:

1

Aggregate Score:

92

Freedom Rating:

1.0

Overview:

Political Rights: 37 / 40 [Key]

Civil Liberties: 55 / 60

The economy of Palau depends heavily on tourism, foreign assistance, and remittances from workers overseas. Growing tourism from China in particular has created jobs but also raised the cost of living, and some locals regard the presence of Chinese businesses and foreign residents with hostility. The government has sought to license a tourist casino to bring in additional revenue, but the Senate rejected legislation to that end in January 2015.

Foreign workers, who account for about a third of the population, remain vulnerable to sexual exploitation and forced labor. In September, several women from the Philippines alleged human trafficking and forced prostitution at bars that were partly owned by Taiwanese nationals.

High-ranking public officials have faced corruption charges in recent years, and several have been convicted. In March and June, respectively, a House delegate and a former vice president were charged with official misconduct. In August, the Office of the Ombudsman asked for a clearer legal mandate with greater independence, as it currently operates as part of the president's office under an executive order.

Palau's Compact of Free Association with the United States—which obliges Washington to provide for the country's defense through 2044—has been in effect since 1994. A scheduled 15-year review of the compact resulted in a 2010 agreement on development aid and other benefits to last until the next review in 2024, but legislation to implement that agreement remained stalled in the U.S.

Congress as of 2015. In the meantime, Congress continued to appropriate basic aid funds on an annual basis.

The last of six ethnic Uighurs from China who had been transferred to Palau from the U.S. detention center in Guantanamo Bay, Cuba, in 2009 reportedly left the country in March 2015 to resettle elsewhere. The U.S. government had promised to pay for their settlement in Palau, but the funding expired in 2013; the decision to accept the Uighurs and the handling of the funds had been the subject of political and legal disputes in Palau.

The country's next national elections were scheduled for late 2016.

This country report has been abridged for Freedom in the World 2016. For background information on political rights and civil liberties in Palau, see Freedom in the World 2015.

Scoring Key: X / Y (Z)

X = Score Received

Y = Best Possible Score

Z = Change from Previous Year

Full Methodology

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