



Asia Pacific Bulletin

EastWestCenter.org/APB

Number 199 | February 7, 2013

Tourism in Yap and Micronesia: Will China Run the Show?

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Adam Thompson, Archaeologist at the Federated States of Micronesia National Archives, Culture, and Historic Preservation Office, explains that “Whether China or the United States will have a greater influence over this region has yet to be determined, but the process of competition is underway now.”

Micronesia, the collection of tiny islands in the Western Pacific between Hawai‘i and Japan, is probably most familiar to Americans for the island of Guam which hosts a large strategic US military base. Less familiar are the Federated States of Micronesia (FSM), a freely associated state that receives US funding and enjoys open access for its citizens to America. Of the four main FSM islands, Yap has remained the most traditional. Historically, it was one of the first islands in the Pacific to be settled and many ancient cultural norms and practices continue to this day. For the past half millennium, people from Yap have traveled to the neighboring island of Palau—300 miles away—to carve large circular pieces of crystalline limestone to bring back as gifts to their chiefs. These large pieces of stone were historically traded for knowledge and land, and today remnants of this “stone money” are evident throughout the island. Therefore, it is unsurprising that Yap is currently under the scrutiny of prospective tourism developers.

Recently, the private Chinese tourism company Exhibition Travel Group (ETG), whose owner has ties to the Chinese government, has proposed to build a 20,000-room hotel, along with a convention center, shopping mall, and golf course on the island. Since first proposing its plan, ETG has met resistance from the local population and has since reduced the ambitious size of the project to include fewer rooms, and Yap legislators are considering prohibiting casinos as part of the development. Even with these changes however, the problem of available physical space amongst the ancient villages to build even small boutique hotels remains an issue of concern. Furthermore, ETG has already made inroads in acquiring influence over some of Yap’s traditional leaders and the company demonstrates an arrogance that appears to reflect no limits to its power, despite ongoing widespread opposition from the local population.

Many developing countries are very receptive to the economic support that China offers, but often there is a cost. Historical evidence also indicates that developing countries that rely on foreign aid do not develop their economies as efficiently as those states that pursue their own economic development. While it is in the best interest of islands like Yap to develop their tourism sector—their most valuable export—the development on the scale proposed by Chinese companies would potentially destroy the traditional culture that is the very foundation for that industry. Yap’s northern neighbor Guam is currently a major tourist destination for visitors from Japan, and combined with the presence of the US military, the island’s traditional culture is slowly eroding. The effect on Yap would be far more devastating as profits would flow out of Yap directly to Chinese companies and it is anticipated that proposed tourists would outnumber the local population four- or

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five-fold. Yap’s traditional culture would become a commodity that the indigenous population no longer controlled and would doubtless lead to increased development from China across Micronesia. Indeed, China has already been investing in other FSM islands and there no evidence of this abating as the United States reduces its foreign aid to the region.

A much more culturally-sensitive and ecotourism development project that works is UNESCO’s World Heritage program. However, sites throughout the Pacific are greatly under-represented on this United Nations list. There are efforts currently underway to nominate Yap’s stone money as a World Heritage site granting the population of Yap the opportunity to promote tourism in a more sustainable manner. The problem is that World Heritage nominations take a long time to process and require a significant amount of bureaucracy, while China’s offer provides a quick and easy alternative but with enormous hidden sacrifices.

Another alternative is the World Park initiative, which is a program based on the World Heritage model. This project would designate the FSM as an ecological conservation zone under protection for cultural preservation and which only a specified number of tourists would be privileged to visit. If successful, this will be the first “cultural park” of its kind ever developed and provide protection for the area’s environment and cultural heritage, as well as facilitate much needed economic development. UNESCO supported workshops conducted over the past year in consultation with the islanders of Pohnpei and Kosrae are designed to facilitate nominations for inclusion onto the UNESCO list for their respective Lelu and Nan Madol historical sites. While both of these endeavors are time consuming and heavily bureaucratic, they are deemed worthwhile due to the fact that they are more environmentally sustainable and focus more on the welfare of the indigenous populations of the islands.

Currently, the states of the FSM depend heavily on foreign aid from the United States, along with revenues from industrial fishing permits for their economic development. The islands have limited terrestrial resources sufficient for large-scale export, while in contrast the cultural and historical resources for heritage tourism are immense. The significance of this reality becomes more pronounced when one considers that the Compact of Free Association grant funds from the United States are set to expire in 2023. Indeed, the future uncertainty surrounding this withdrawal of funds has facilitated fear-based arguments supporting the necessity of ETG’s proposal to provide revenues that can replace current levels of compact funding. The implications of this shift in patronage from US support to heavy Chinese investment should be noted by those in strategic policy circles.

Palau provides the best example of an island nation sustaining itself through tourism while continuing to preserve its natural and cultural resources for future generations. Palau has successfully nominated the Rock Islands to the World Heritage list as a mixed site of both natural and cultural universal value to humanity, and has a joint nomination with Yap to nominate the “stone money” and associated quarries as cultural heritage sites.

Decisions regarding the future of the tourism industries and cultural sites of the FSM are currently being decided and could have wider strategic implications for US interests in the region. The national government of the FSM supports the World Park model for sustainable tourism, but given the opportunities being discussed with Chinese investors it is uncertain what decisions individual state governments will decide upon and based upon what incentives. Whether China or the United States will have a greater influence over this region has yet to be determined, but the process of competition is underway now.

The *Asia Pacific Bulletin* (APB) series is produced by the East-West Center in Washington.

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