

Papua New Guinea in the twenty-first century.

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PNG is geographically diverse. Its terrain ranges from high interior mountains to jungle lowlands, in addition to tiny islands and archipelagos. Rainforests cover approximately 75% of the country, making PNG the third largest rainforest in the world, after Brazil and the Congo. PNG is still largely a rural country, with only 13% of the population living in urban areas. It is home to Melanesians, Micronesians and Polynesians as well as people originating beyond the Pacific.

Papua New Guinea in transition

PNG is emerging from a complicated past into the twenty-first century. It is the largest Pacific island country, with a population of over seven million people speaking 800 different languages. That is in itself a huge challenge to development. It causes difficulty in achieving a sense of unity – we see ourselves as different from each other. Differing cultural practices also contribute to different interpretation of laws such as ownership of minerals and reefs. It is these differences that uniquely define us and, as a matter of policy, we promote our diversity as our strength.

The way forward in the twenty-first century

Papua New Guinea has a 40 year plan called Vision 2050 which lays out what should be done and how to achieve this vision of a Smart, Wise, Fair, Healthy and Happy Society. This plan was put together at the time when PNG was experiencing an unprecedented period of political stability. Up to 2002, governments were only two or three years in power, planning was haphazard and funding for the plans was scarce. The discovery of natural gas which could be harvested over a 30 to 40 year period to bring in a steady and large stream of revenue brought hope and a completely different way of thinking. Very long-term plans were possible and could now be funded. It meant Papua New Guinea could dream, and dream big.

Vision 2050 is simple. It aims to have ordinary people in a state of less want and more contentment. It does not raise hopes for personal wealth but implies the reduction or elimination of poverty. It implies a society of mature thinking, mature systems, mature policies, quality services, and a mature people.

Given PNG's physical challenges as well as cultural diversity and poor social indicators at present, the road will not be smooth. However, key strategies to achieve the kind of PNG envisaged by 2050, are:

1. Human capital development and empowerment of youth and women as well as men.
2. Wealth creation, natural resources, and economic growth.
3. Institutional development;
4. Security and International relations;
5. Environmental sustainability to address climate change;
6. Spiritual, cultural and community development;
7. Strategic planning, integration and control.

Trigger programmes being emphasised in terms of funding and implementation in 2014 and in the medium term are education, infrastructure and health care. These will also underpin PNG's strategies for post 2015 Millenium Development Goal (MDG) programmes. The sustainability of the seven key strategies will very much depend on good governance and political will, as finance is no longer a significant impediment.

Political Stability

Political stability had been elusive to the extent that PNG had had twelve governments over the 39 year period that should have seen only seven. But measures including raising the eighteen month grace period in which votes of no-confidence can be raised against a prime minister or government to 30 months are being put in place. Others include the reform of state-owned enterprises, increased support for indigenous businesses, and as already mentioned, an increase in education, health and infrastructure budgets. These are some of the measures likely to create political stability.

Governance

PNG does not have a monopoly on corruption. Last year a group of UK parliamentarians returned from a visit to PNG and the Solomons and reported about nothing but corruption in PNG. The difference, I said to them, is that in the UK, governance systems work and people are called to account. In the past year in the UK about five or six members of parliament have resigned, banks have been penalised and newspaper editors convicted of criminal acts. This balancing out is still nascent in PNG, but taking hold.

I am pleased to say that early this year, the bill on the Independent Commission Against Corruption (ICAC) was passed into law, to become operative in 2015, after over ten years delay. Its passage should be taken as an important indication of the desire for change toward better governance and accountability. At the bureaucratic level a mechanism called the Task Force Sweep has been established in the last two years with powers to investigate and prosecute corruption and it is producing results. In the G7 meeting last year in Belfast, Prime Minister Cameron was insistent that companies operating in developing countries and avoiding taxes by continuous diversification

are operating in a non-transparent manner, meaning they are corrupt. PNG may have to review its laws to respond to this issue, because this corporate behaviour must be watched.

The role played by youth will be important in calling leaders to account. Youth have IT skills and access to social media, which are ahead of their governments and are therefore shaping attitudes across the population. Certainly in PNG, this phenomenon will affect the future choice of leaders.

Natural Resources

PNG is now the fastest growing economy anywhere, at a rate of around 10% in the past decade, dropping to 4% in 2013. With the first shipment of gas this year to Japan, it will climb steeply toward the 20% mark, as other gas fields also come on stream. PNG also has minerals, oil, agricultural commodities, fish and timber. The challenge for the government will be:

1. managing production risks;
2. managing revenue earned;
3. managing the revenue earned to result in the Smart, Wise, Fair, Healthy and Happy Society envisaged by the Vision 2050;
4. preventing Dutch Disease.¹

Papua New Guinea in the Region

PNG straddles two regions: the Pacific region where it is a member of the Pacific Islands Forum and the Melanesian Spearhead Group and the South East Asia region where it is still trying for membership of the Association of South East Asian Nations (ASEAN).

In the Pacific region, PNG shares common challenges in vulnerability, in particular poor communications, the effects of climate change and small scale economic institutions. It has the largest economy and the potential to be most proactive in the region, as indeed it has already begun to be in terms of aid and investment.

With this century dubbed the 'Asian Century', PNG is reviving its 1980s Work the Pacific Look North Policy. Asia is now the growth centre and China, Japan, Korea and India are markets for most of PNG's minerals, oil, and now gas. PNG has increased presence in the region through diplomatic missions and is also increasing its aviation access into Asian ports. There is no reason why PNG should not be the transit point between the two regions.

Major development programmes

I have already mentioned the government's priority programmes as catalysts or triggers for development. These are education, infrastructure, and health care. Others include public-private partnership programmes and injecting resources into district levels where most of the population is concentrated.

Education will do many things. It will bring innovation and promote gender equity, for smart policies, for smart choices, for smart planning. It will grow the emerging middle class. It will poise PNG to engage meaningfully at the global level. PNG needs the critical mass at managerial levels. Post-graduate training in these areas needs emphasis.

Infrastructure will provide homes, schools, clinics. It will provide access through roads, ports, shipping, aviation, telecommunication and cyber communication. It will provide growth centres around the country to reduce pressure on the urban centres of Port Moresby, Lae, and Madang.

PNG's social indicators are poor and it has under-achieved in meeting the MDG targets. High maternal and infant mortality rates have to be arrested and turned around. Health therefore is another budget-focused programme.

The PNG government will not only work with private sector partners in delivering programmes but also recognise the importance of NGOs and in particular faith-based organisations, and work in partnership with these agencies to bring development to rural areas.

Globalisation

PNG is pursuing globalisation, as indeed it must as the process cannot be avoided. If we think of globalisation as speedy and smart decisions in commerce, policy, security, education and all other facets of development, as well as speedy results at least cost, then it is easy to understand why globalisation has to be embraced. Trade and investment depend on globalisation and globalisation means competition for information, markets, resources, the investment dollar. PNG is gearing itself up to engage meaningfully in globalisation.

Conclusion

Papua New Guinea still has a lot of ground to cover before it can reach its target of a Smart, Wise, Fair, Healthy and Happy Society. But there is increasing confidence about the future, and a feeling that tomorrow will be better than today.

Editor's Note

¹ *Dutch Disease refers to the potential negative impact of strong inflows of foreign money, especially as a result of development of a natural resource such as oil or gas – with the possibility of decline in international competitiveness in other economic sectors such as agriculture or manufacturing.*