

Sense of Revived Cooperation in the 2011 CIMC National Development Forum

Despite a public holiday during last week's National Development Forum, this year's event, held, as usual, at the National Parliament, was packed by people from all walks of life from across PNG. This year's theme of "creating employment and broad-based economic opportunities" clearly struck a popular chord. The public has heard incessantly of the country's strong growth rate and 'windfall revenue'. They've also seen new buildings rising up and fleets of trucks and luxury vehicles. Many have benefited from recent job growth in the (small) formal sector or from booming prices (and 2011 bumper yields) for their cash crops. However, much of the community, including those with formal jobs, have seen costs of living sky-rocketing, especially accommodation (even in squatter settlements) and food, and observed how unevenly the benefits of this development are spread, involving certain resource companies and contractors, some enjoying attractive concessions, and a small elite, including some politicians, bureaucrats, landowner leaders and 'compensation' recipients seemingly wealthy overnight.

Is this just a case of envy? That's certainly a factor, but at the core are justified concerns that PNG is a resource wealthy country, which has poorly managed and invested the proceeds over many decades, allowed some companies/industries excessive concessions, and with government failing to perform its functions effectively, notably of empowering the wider community (including small-medium enterprises) to benefit through provision of all weather transport access, basic health, education and practical skills training and law and order services. Major resource development, like LNG and mining, clearly require massive capital input, as does oil palm processing, but logging has relatively low capital requirements. Requirements under the *Forestry Act* for formal projects are demanding (if applied properly); however, over the years various companies have concentrated upon securing PNG's forest resources by sidestepping these rules, using Timber Authorities, vast "extensions" or SABLs, supposedly for agriculture, highlighting the readiness of authorities to collude with unscrupulous 'developers' in undermining tangible and sustainable benefits to resource owners (other than a few complicit leaders). The public is astonished how such firms secure tax and labour concessions, claiming their operations are unprofitable, then acquire vast slices of urban real estate, businesses (even exploration licenses), whilst most resource owners live in relative poverty, without basic services in remote rural areas.

The Forum heard concerns that employment must be meaningful and not marginal or exploitative. Details were given of kids of 12-13 in Pomio taking work clearing bush and planting nurseries to pay school fees, but who now, 3 years later, still haven't entered school but are working full time for K50/fortnight, whilst others in logging projects in Western Province also earn a fraction of the minimum wage.

There were positive reports of the number of schools increasing nearly fourfold since 1992 and teachers more than doubling to 40,000, although capacity, standards, entry retention (especially for girls) and literacy all remain well below what's needed, especially in rural areas. Telecommunication have shown the way, with private

investment and competition bringing mobile phone coverage to nearly 75% in just 4 years and reducing the digital divide from its extremely low level in early 2007.

Many new studies, policies and plans have been introduced, like the police review and gun control report, PPP policy, Vision 2050, DSP and MTDS/MTDP, national transport strategy and other sector strategies, but many remain unimplemented or need some revision. The Forum was heartened to hear the police and guns reports are now receiving attention. Some informal public-private partnerships are occurring, but major opportunities for private investment and partnership not yet adopted. Vision 2050 should include mainstreaming for women and people with disabilities, not limiting attention for example to women's parliamentary representation. At least 15% of the population is subject to disabilities, increasingly with age, and government and society should empower women, people with disabilities and the 80,000 youths entering the workforce annually to use their talents and making the most meaningful contribution to the economy and country, including through productive self-employment.

The Forum heard how 17% of the world's tuna catch in 2010 came from PNG waters, but that, whilst other countries and companies make fortunes from 265 international fishing vessels operating in PNG waters (e.g. 65 from Taiwan, 40 US, 35 Japan, 28 S-Korea etc) or their factories, notably in Thailand, PNG should benefit much more, including from employment and value-adding. Mining continues to provide the core of government revenue, with PNG attracting international interest in exploration but, on the basis that explorers retain subsequent tenure and development opportunities. The bulk of employment remains in agriculture, with continued strong opportunities, particularly through empowering villagers to use their land and labour more productively through improved access to markets and financial services, law and order, and effective research, information and extension services from responsive private sector, non-government and government bodies.

A wide range of recommendations were provided by Forum participants geared largely to using PNG's land, minerals, fish and other natural resources, plus human capacity and public funds, more effectively to provide broad-based income and opportunities, without the short-sighted land, other resource or labour sweet-deals experienced in recent years.

The Forum included excellent and informed presentations and discussion on diverse topics, including the need for government, private sector and the wider community to take responsibility to work together and hold each other accountable, including using new technology, such as mobile phones and cameras, to ensure public (including DSIP) funds are used properly as Budgeted, and not squandered or diverted into private accounts. This responsibility stretches also to adults taking responsibility for their lives and not producing incessant sometimes abandoned children, and for society creating the loving, respectful and non-violent environment in which children are raised.

Apart from the Forum's theme, another reason why the event attracted so much constructive and intelligent participation was that finally it seemed the authorities were responsive to public concerns. Whilst attendance by Ministers, other MPs, and senior

bureaucrats remained limited, there was some and it seemed attentive, with statements by the Prime Ministers, Ministers and officials, both within and outside the Forum providing welcome dynamism. Hopefully, it's not just pre-election political rhetoric. In the Forum the Planning Minister set the positive tone, namely, that, whilst the new Government has limited time, it's listening, wants constructive consultation and partnership, with the focus on economic and social needs of ordinary people and safeguarding their natural environment. The Central Bank Governor emphasised the need to balance high growth with problematic inflation and ensure broader-based sustainable benefits. With LNG absorbing so much of our domestic capacity, government should avoid major new public projects now, which compete for limited domestic capacity, but concentrate upon maintenance and restoration of core infrastructure and investment in human resources, through education, training, literacy, extension and empowerment, including partnerships in addressing crime. Government representatives, from Planning to Police, emphasised implementing commitments, and better reflecting public priorities in plans, tackling corruption, including within their agencies, e.g. using NACA (perhaps upgraded into PNG's home-grown ICAC), but emphasising that government cannot address the country's challenges alone, even, for example, with double police numbers, unless the public is supportive. Community representatives reminded the police of the need to respect human rights, including over domestic violence amongst their own ranks.

PNG's opportunities should be immense. Government must respect the Constitution and laws (including safeguarding its natural resources) and truly work with and for its people (not just an elite), creating the needed enabling environment for private sector and competition, including small business and helping, not handicapping, the informal economy.

Paul Barker
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