

## **‘Necessity is the Mother of Invention’ –Facing our Difficulties and Challenges to meet Needs and drive overdue Reforms**

There’s an old saying that ‘necessity is the mother of invention’. PNG is a land which, by its geology and location, experiences major natural events, like floods and (more infrequently) droughts, earthquakes, tsunamis and volcanoes, but also man-made disruptions, such as periodic slumps in commodity prices. Can we learn from our traumas, to reduce risk or social and economic impact, better prepare or diversify the economy, by strengthening our society, institutions, economy and food security, through invention, reform, conciliation and simply doing things right, or is PNG doomed invariably to be impacted severely and miss its opportunities?

We now have a serious new challenge with the closure of the Highlands Highway in Chimbu Province following a major landslide. This is nothing new for this core thoroughfare, and it won’t be the last major slip on this unstable section of the road either, but the slumpage last week is extensive, potentially causing extended social and economic disruption in four Highlands provinces, unless concerted and well coordinated effort is made by the authorities, working with the wider community, including affected landowners, private sector, consumers and producers throughout the region.

Our capacity to address this problem effectively and cooperatively will be a major test, not just of ‘moving mountains’ promptly, applying interim solutions (like pumping fuel across, using temporary alternative routes, addressing landowners’ genuine concerns sympathetically but firmly, ensuring food and other critical supplies – including medicines and hospital provisions - remain available throughout the region without hoarding or significantly price increases, and that coffee and other cash crop prices are sustained and produce readily traded), but also that longer term solutions are identified, including minimising future risk (e.g. stabilising steeper slopes and reintroducing weigh-bridges to prevent vehicle overloading) and identifying, developing and maintaining back-up access routes for this major area of population and economic activity (running north -e.g. through Baiyer-; parallel -south of Chuave-; and/or south- e.g. Kikori-). The Highlands Highway was, merely a kiap track, progressively upgraded. The cost of extensive re-routing may remain prohibitive, but the cost of failing to ensure reliable all weather road access through the Highlands region, with its 2+ million population, and major existing and prospective economic potential, would be unthinkable.

Traditionally, PNG communities had developed some resilience to natural disasters, such as seasonal droughts or frosts, notably through systems of exchange with neighbouring clans. Rural communities and households have improved food security by supplementary cash crop income and remittances from relatives. But traditional systems have weakened, with growing numbers without access to food gardens, and expectations of handouts. New risks, from climate change, diversion of food for bio-fuel, and international trade restrictions, threaten availability and affordability of food imports. Whilst hopefully temporary, they re-emphasise the need for a vibrant agriculture sector, including reliable but competitive staple food supply. Trade improves food security, but over-dependence undermines it.

The INA's last Focus column considered sky-rocketing commodity prices extending from minerals now also to agricultural products.. This leaves winners but also losers, and the article emphasised the need for constructive action to safeguard the losers (notably low income consumers) facing high food prices, whilst ensuring benefits from high commodity prices are spread throughout the community. PNG, uniquely in this region, is a major net beneficiary from these high prices, but will only gain in the longer run if managing the situation well, notably: - avoiding spiralling inflation and exchange rate, addressing crime at all levels, ensuring effective investment in infrastructure (particularly restoration and maintenance), education and skills training, health services, and cutting waste (including tackling corruption, and avoiding white elephants, like Central City and government jets, flash 4x4s, superfluous overseas travel and office rentals), whilst freeing up constraints on private sector investment and growth (to provide affordable and reliable goods and services on a competitive basis), including removing cumbersome red-tape and discontinuing protection for State-owned enterprises (e.g. with telecommunication services), whilst applying sound rules and standards upon resource extraction to ensure sustainability, fair distribution of benefits and minimise environmental impact.

Increased revenue over recent years alone will not solve PNG's problems (including low social indicators), and could make them worse over time unless government and the whole community come together, clearly recognise and address the problems. Without effective planning, adequate capacity and strong public oversight of the K10+ million funding per District, these funds will be misused widely, as will other Trust Funds, including the National Agricultural Development Programme (NADP).

Government has allowed the country's stock of public goods and institutional capacity to collapse badly over recent decades, and corruption to become so ingrained in the public sector, that it will require very concerted collaborative effort to overcome it. Some in government (and provinces) are aware of the problems, others seem oblivious or indifferent, whilst others clearly thrive from it. Why would major inquiries exposing extensive abuse of funds and due process, result in so few prosecutions, or be abandoned (as now happening to the Finance Inquiry), unless there is an orchestrated effort to protect wrongdoers? Why do monopolies, such as Telikom, remain protected from full competition, against the public interest which government is there to serve?

It is competition which provides business the stimulus, or necessity to invent, and provide affordable, expanded and reliable services. What pressures the public sector to serve and be efficient? There are currently few pressures and penalties for poor performance. Installing and reinforcing mechanisms for public accountability is crucial, including adequately funding formal and community watchdogs, at the national, institutional and local levels, backed by an effective probing press, and strong and independent prosecution and judicial system, with prosecution powers not monopolised, but held also by the Auditor-General, Ombudsman-Commission and civil society bodies.

Unless our leaders and public servants (as well as businesses and wider community) learn and follow applicable laws and regulations, and unless the State is prepared to penalise wrongdoers, at whatever level, then the abuse will continue and the country's development opportunities undermined. The losers miss out on access, schools, health

services and opportunities, especially in rural areas, often ending up frustrated, migrating to towns and struggling to make a living there, usually in the informal sector, but often dependent upon crime, prostitution and or scraping a living, as part of PNG's growing population of marginalised and vulnerable adults and children.

PNG's experience since Independence has been one largely of avoiding hard choices (whether political, public sector reform, dealing with landowners, or developing suitable power and water supply options), letting institutional capacity and services decline (especially in rural areas), whilst jealously guarding powers and controls (including board appointments), but often misusing them, against the public interest.

We should not ignore the many positive achievements over the past 33 years, and that PNG remains a land of opportunity. The major impression, however, is of a land, not only of the unexpected, but of missed opportunities, for which leaders must take principal blame, for lack of leadership. The public feels frustrated and disempowered, with leaders making decisions without public dialogue, even in Parliament. But how are tough but needed reforms effected, e.g. for sound district administration, when MPs are dependent upon District funds for re-election (the only occasion they are held accountable)?

Is PNG going to sit back, do the minimum and let the opportunities slip by and the problems recur and grow, or respond vigorously in the face of immediate necessities, notably: - reopening the Highlands Highway and ensuring supplies reach and produce leaves the Highlands region with minimum disruption, ensuring adequate food security and affordability to the PNG population in the face of international supply constraints, reconciling conflicting factions in south Bougainville; and longer term challenges and opportunities from higher commodity prices, and possibly LNG production and carbon trading?