



## **Nutrition Feature Part 2: the need for quality Economic Development in enabling Human Development in PNG**

In this second special focus piece on nutrition, for the Institute of National Affairs (INA), Prof Peter Heywood emphasises the critical importance of quality economic development in enabling good nutrition and human development in PNG, and especially, the need for equitable access to quality education and health services and employment (including from land and agriculture)

What to do about malnutrition? While there are many specific actions that individuals and families can take to ensure that young children are well-nourished (nutrition during pregnancy, feeding of young children, making sure that young children are immunized and receive adequate treatment when ill), we also know that children who live in families with low incomes (in cash and in kind) are much more likely to be malnourished. Improving incomes is one of the most important ways to lower rates of malnutrition. That means paying more attention to the extent and quality of economic development is critical. If human development is to occur at the same rate as economic development, more effective attention must be paid to employment, education and health services.

PNG is in the midst of extraordinary economic development. In the next decade it is predicted that value of goods and services produced by the country will double, mostly a result of the LNG and mining boom. But, at the same time, it also seems that PNG will not meet the Millennium Development Goals for infant and maternal mortality; and within the country there are great differences between the regions in health and education status. One of the main factors behind this problem is poverty (low levels of income in cash or in kind) – overall, poor people have lower levels of nutrition and less access to good health and education services, they have higher mortality rates and lower levels of education. How is it that a country that is showing such rapid economic development is having trouble with basic human development; that is, making sure that the population has access to a reasonable level of income and that there are good health and education services available to most of the population? An important part of the answer to this question is about distribution of the benefits of economic development across the population.

We know that the mining sector employs a small number of people compared to the rest of the economy. Mining accounts for about 5% of employment, agriculture (for subsistence and cash) for about two-thirds of the population and the rest are in other sectors like retail and construction. So if the benefits of the mining boom are to be available across the economy it is vital that the government not only collects the revenue due to it from the mining activity, and also ensures that the mining is carried out with as little harm to the environment as possible, but also makes sure that the benefits of the increased revenue are distributed across the country on activities that improve human development. But government cannot do all this by itself, it is important that the private sector is also included as a partner in development.

So what should be the priorities for government spending to ensure that the benefits of rapid economic development are distributed in a way that promotes human development with emphasis on a sustainable reduction in poverty? No doubt, there are many claims for increased attention in human development, but the three that underlie the ongoing and sustainable development of PNG are education, health and infrastructure. Each of these sectors has deteriorated in recent years and badly need renewed attention.

A good basic education is critical to participation in the PNG economy as it develops further. A good basic education helps farmers understand the advice from government departments and research stations; it helps mothers understand the health advice they receive; it makes it possible for people to participate in the changing economy. But the current situation is that even basic literacy levels are low, particularly in some provinces. The result is that many youth, a large proportion of the population, are locked out of participation in much of the modern economy, including the mining sector, but all also other sectors like construction and retail, because they lack basic literacy and numeracy, as well as other more technical, skills. In addition, the economy will have increased need for skills in, for example, accounting, finance and IT, all of which require tertiary training not available to those who do not finish high school, which itself requires a good quality basic education. A strengthened tertiary education sector is essential for providing the engineers, nurses, doctors and teachers needed to develop the economy further. So it is at all levels that the performance of the education sector must improve if the PNG population (rather than people from outside the country) are to be able to provide the skills required as the economy develops further. Greater participation in the economy, whether it be by selling food crops and cash crops, gaining and using the skills needed in the modern economy, will help decrease poverty.

Normal development of children during pregnancy and after birth, effective training at college and university, working in a garden, a mine or an office are all dependent on the people being healthy – mothers are particularly critical to the health of their children, farmers need to be strong to carry out their work, students need to be healthy to learn effectively, everyone needs to be healthy to work effectively. In addition, the new economy brings new health problems, as different as overweight and heart disease and HIV/AIDS, all of which increase the demand for health services and require different skills from the health workers that are different to those required up to now. People who are poor often have less access to health services, may be less educated and less able to take advantage of the services provided, for example, less able to plan the size of their family, less able to understand instructions or the importance of drugs needed to treat an infection.

The fact is that good quality education and health services are both critical to human development – it is not enough to have one without the other, they are complementary.

Because of PNG's rugged and unique geography and scattered population, infrastructure like roads and telecommunications are critical to the participation of its rural population in the modern economy. Roads are needed to get mothers in labour and children with pneumonia to hospital, for children to come to clinics, for farmers to get their produce to market, for students to travel to education, for farmers to go to town to access credit. In recent years much of the road network in PNG has deteriorated badly resulting in greater isolation for many rural dwellers, just at the time they need greater participation in the economy if their incomes are to increase. Telecommunications are similarly vital for families to know when a clinic is being held, for farmers to know what prices

are offered at the market today, for health workers in isolated areas to get advice about treatment of a patient with a serious disease, for governments to communicate with the population.

The PNG economy is in the process of a change unlike what it has seen before. As the restructuring needed to take advantage of these changes occurs new skills are required, different health problems must be dealt with, a renewed emphasis on human development is needed.

PNG has a fantastic opportunity to use its improved income in the coming decades to invest not only in mines and gas pipelines, but also to make sure that it invests the increased government revenue in its much more important and long lasting resource, its people. This will require a rapid improvement to social services, an improved performance by the public sector and greater commitment by the private sector to ensuring that it too invests in the people of PNG. If PNG pays more attention to distributing the benefits of the mining boom across the population and to the regions through better public and private services, then human development will occur at the same time as economic development. If PNG fails in this effort, the benefits of the mining boom will be captured by a small number of people and poverty (and malnutrition) will increase. The time to tackle this critical problem is now.

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