

A Reflection on 2007 and Direction for 2008

Another year passes, with a new one at hand!

A year of events and contrasts, for PNG and its closest neighbours, in economic, political, social and environmental arenas. PNG has suffered tragic events, conflict and abuse, contrasted with endeavour, fortitude and community spirit.

It's been a further year of strong growth and revenue, led by high commodity prices, particularly for minerals. The challenge is to utilise this short-term opportunity to extend benefits through the economy and generate more sustainable development. The risks are growing inflation, expectations and rising exchange rate, undermining opportunities outside the mining/oil/gas sector. The danger is also of failing to reinforce planning, management and oversight capacity to utilise 'windfall' revenue effectively, wasting it on frivolous, white elephant or phantom projects, when the focus should be on reducing debt and restoring and maintaining run-down infrastructure and core services, like education and health. Commercial services should be left to the private sector, to invest and run competitively, or with some utilities through public-private partnerships.

How long PNG's current faster economic growth continues depends partly on global conditions, including high oil prices impacting market demand, US banking crisis and US Budget deficits. A US recession would have global repercussions. PNG must plan for the longer term, utilising but not unduly dependent upon the current windfall, making necessary reforms to diversify and safeguard the economy from downward cycles and streamlining its defunct public sector. A perceived oil monopoly is being blamed for increased domestic fuel prices. Current high prices will certainly impact inflation, businesses and households, but the cause is higher world prices, not the local refiner, which in this case is merely the messenger.

One of 2007's biggest economic phenomena has been opening up mobile telephony to competition. Extending the network, reducing costs and improving reliability have had a huge beneficial impact for the community and economy, boosting opportunities for rural businesses, including farmers and fishers to market produce. This competition should be extended to internet and other services (including aviation), to start providing households, schools and businesses opportunities long available overseas. Government should focus on removing impediments to legitimate business (large and small), including crime, corruption, poor utilities and standards, avoiding State (and private) monopolies in service provision. PNG should have sound economic prospects, but industries like tourism, cannot progress, with such unreliable and costly aviation or tele-communications services and overheads.

The election provided political continuity from the 2002-2007 Government, minus some former star performers, notably Philemon, Namaliu and Kimisopa. In contrast MPs finally toppled the controversial Sogavere Government in Solomons and voters went for the jugular with Australia's coalition. 2007 saw the first full application of the LPV voting system, designed to enable better representation for each entire electorate, rather than domination by the largest local tribe or faction. The 2007 Election was more peaceful than 2002, with improved logistics, particularly in the

Highlands, with security forces concentrating efforts. LPV may have provided some stabilising impact and diminished early disputes.

Old tricks die hard, however, and extensive abuse was prevalent in some provinces, with apparent manipulation or sidelining the Common Roll. As one observer said of one province, “one million were correctly on the Roll initially; somehow another half million were added, and who knows whether the legitimate million actually had a chance to vote”! Unfortunately, there remains undue pressure to become an MP, with Membership seen as a ticket to control resources, including at district level.

Project and financial control is not an MP’s role. His/her principal roles are representing their electorate, approving or amending laws and overseeing executive government (Ministers and public service), whilst providing entry to executive government.

Expectations from candidates and pressures from supporters are so strong that abuses are inevitable. Reforming political processes and improving legitimacy of electoral results requires wide community and Parliamentary commitment. Community awareness is growing, but those with vested interests, including some sitting MPs, may be reluctant to see fundamental changes and improved transparency, when the current mechanisms serve them well. Removing legislators from apparent roles as District fund controllers and distributors of largesse, requires that public service capacity in Districts is restored.

2007 saw climate change and environment centre-stage, and perhaps taking their first electoral casualty, with Howard widely perceived (with Bush) as dinosaurs, denying increasingly unified scientific evidence. The recent Bali Climate talks achieved little more than agreeing to further talks to determine rules replacing Kyoto from 2012. This requires international action and cooperation by developed (traditional polluters), newly industrialised (notably China and India) and tropical rainforest countries, wherein major stocks of global carbon have been stored, but continually being released from deforestation, including fires and landuse conversion.

PNG has taken a role in urging overdue inclusion of existing forests in this equation (not merely new plantings). This positive effort, however, is undermined by continued direction for fast tracking extensive new logging concessions and conversions to mis-named “agro-forestry” projects, most seemingly disguised logging operations without serious agricultural development.

Climate change is expected to provide more extreme and unseasonal events, and the November’s Cyclone “Guba”, may have fitted that description, occurring (unusually) concurrently with a northern Hemisphere cyclone (devastating Bangladesh). The damage from Oro’s floods was exacerbated by logs carried by floodwaters, with suggestions that ill-managed logging in foothills was partly responsible

Wider recognition now prevails that South Pacific’s extensive marine resources have reached or exceeded sustainable harvest limits already, notably southern bluefin, and, locally, bigeye and yellowfin tuna. Everyone gains ultimately from effective resource planning, management, conservation and enforcement. Over-extraction by some

companies or countries will leave producers, consumers and the marine habitat poorer; with determination and cooperation by authorities across the region critical.

Law and order in NCD and some provinces was acknowledged by the Police Commissioner as out of control, whilst family and sexual violence, especially against women and children, shocked the nation (and world), with renewed determination through the community to tackle this serious social malaise, which, along with spreading corruption, eats at the country's soul. With so much positive in PNG society, why should this behaviour destroy so many lives and undermine the country's future? Why would some leaders, who should set society's standards, impose sexual relations upon innocent youths, when aware of harbouring contagious and potentially deadly diseases? This is surely the lowest behaviour.

With rapid social and economic change, growing income disparities, boom and forgotten sectors/districts, decaying infrastructure, educational and health services and inadequate employment opportunities, it is understandable that crime prevails, with sectors of the community struggling and alienated. The leadership and whole community must unite in 2008 to address (not deny or sidestep) social and economic marginalisation, crime, corruption and poor governance, PNG's atrocious social indicators, and remove impediments to wide-based economic development, notably by the private (including informal) sector. Rather than simply mouthing Christian principles, national and community leaders must help restore ethics and standards to public and family life, whether managing public money, appointments or natural resources or setting behavioural standards in schools and households and outlawing violence and gun use.

2007 has seen communities and businesses individually and collectively stand to address social problems, like HIV/AIDS and growing numbers of orphans, whether large initiatives like BAHA or individual businesswomen, like Mary Tengi, providing food and practical opportunities to street-kids. The State must be more active in recognising and addressing these problems and avoid wasting fortunes on frivolities, like Central City, Konebada Park or new Government aircraft, with so many outstanding priorities to address!