Introduction

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Papua New Guinea (PNG), a nation of now almost nine million people, continues to evolve and adapt. While there is no shortage of recent data and research on PNG, the two most recent social science volumes on PNG were both written more than a decade ago. Ron May’s edited volume *Policy making and implementation: Studies from Papua New Guinea* was published in 2009 by ANU Press, and Thomas Webster and Linda Duncan’s edited volume *Papua New Guinea’s development performance 1975–2008* was published in 2010 as a National Research Institute report. More than a decade on, much has changed, much has been learned, and there is a clear need for a volume that brings together the most recent research and reports on the most recent data.

This volume, *Papua New Guinea: Government, economy and society*, written by experts at the University of Papua New Guinea, The Australian National University (ANU) and other universities, does just that.

The book includes seven chapters, in addition to this introduction. The first part, ‘Politics and Governance’, includes chapters on elections and politics, decentralisation, and crime and corruption. The second part, ‘The Economy’, includes two chapters that track trends in the macroeconomy and household living standards. The third part, ‘Society’, interrogates uneven development and communications.

The chapters are a mix of literature surveys and data analyses. The surveys provide up-to-date summaries of the vast amount of research undertaken, research the authors have themselves often been involved in generating.
in their respective fields. Most take a historical perspective, looking at changes over time, mainly since, but sometimes also from before, independence. Among their many fine contributions, the reference lists of these chapters are invaluable. The chapter on politics and the two economics chapters (i.e. Chapters 2, 5 and 6) are more data-based. They look at a range of data, collected over time, to assess, respectively, electoral and political trends, macroeconomic performance and changes in living standards. Our introduction provides a summary of each chapter and briefly draws out some common themes and links.¹

Part I. Politics and Governance

Elections and politics

Nothing is more important for a country than its political system. It is appropriate, therefore, that the book begins with an overview of PNG’s political system and, since PNG is a democracy, an analysis of the country’s electoral politics.

The authors of Chapter 2, ‘Elections and politics’, Michael Kabuni, Maholopa Laveil, Geejay Milli and Terence Wood, begin with an analysis of electoral quality, and show that PNG ranks poorly on international comparisons of electoral quality due to violence, problems with the roll and polling fraud, vote buying, and violence and coercion. It is certainly sobering to read that in 2017 one-third of voters reported that they were intimidated when voting. On the positive side of the ledger, electoral quality is higher in some parts of the country than others, and the actual process of vote counting is generally fair.

Moving on to a more general discussion of electoral trends and patterns, the chapter shows that voter participation is high, and that the number of candidates per seat has grown over time and is now very high. Winner vote shares are very low (less than 20 per cent in 2002, but, with the shift from first-past-the-post to limited preferential voting, up to around 30 per cent more recently) and incumbent turnover is high (about 50 per cent at most elections).

¹ The summaries of Chapters 3 and 6 are taken largely from the introductions to the relevant chapter.
One feature of PNG politics is that very few women have been elected to parliament. There are 111 members of parliament (MPs). At any one time, at most three have been women. In the current parliament there are none. The authors provide three reasons: cultural factors, insufficient finance, and violence and intimidation. They argue in favour of Temporary Special Measures designed to lift the number of women in parliament.

A unifying theme for this chapter is provided by the idea of clientelism: politics based on local, personal benefits rather than on national issues. Again looking at international rankings, PNG appears to be one of the most clientelistic countries in the world. This has fundamental implications for the country’s political system and in particular explains why its political party system is so weak: since a candidate’s party affiliation is not normally relevant to voters, candidates do not feel much loyalty to the party they run for.

Because no one party dominates in PNG and because party allegiances are fluid, it is not surprising that the country has, since independence, been governed by coalitions rather than individual parties. As the authors show, these shifting, ruling coalitions are bound by interests in gaining positions of power rather than by policy commonalities. The inevitable outcome would seem to be political instability and, indeed, this was a characteristic of the country’s political system until the turn of the century. Since then the average tenure of the position of prime minister has increased greatly. The authors explain the reasons for this, while wisely leaving open the question of whether political instability has been permanently or only temporarily banished.

### Decentralisation

Chapter 3, ‘Decentralisation: A political analysis’, is by Stephen Howes, Lawrence Sause and Lhawang Ugyel. They provide an updated historical account of decentralisation in PNG, with a focus, as their title suggests, on political decentralisation. They argue that the country’s decentralised system has several distinctive and, in some cases, unique features. First, it is constantly evolving – in fact, heading in different directions – with major reforms in 1977 and 1995, and other important changes before, since and proposed. Second, the system has evolved to be highly complex. At independence, PNG was a unitary state. Since then it has provided constitutional recognition to another three tiers of government: first provincial, then local-level and then district. Third, PNG’s system of
decentralisation relies heavily, perhaps uniquely heavily, on indirect representation, with no one actually being elected, as against appointed, to provincial assemblies or district boards, both of which are dominated by national politicians from that province and/or district.

Why is PNG’s decentralisation experience so distinctive? The authors note that, given the clientelistic, fragmented and unstable nature of PNG’s politics, political contestation is intense, and shaped almost exclusively by local factors. Therefore, it is hardly surprising that decentralisation has been the site of deep political conflicts. Four political forces, they argue, have shaped and will continue to shape PNG’s decentralisation reforms: the political dominance within the country of national MPs; the dominance, within that group, of district over provincial MPs; as a countervailing force, strong, though variable, political support for provincial autonomy; and the aforementioned underlying clientelistic, fragmented and unstable nature of PNG politics. While these findings are consistent with generalisations across Western countries (Spina [2013] finds that stable governments subject to ethno-regionalist forces are more likely to decentralise), the specific combination of these four forces, often pulling in opposite directions, has set PNG on a decentralisation journey that is as unique as it is incomplete.

The authors’ aim is to explain decentralisation in PNG, not to predict its future nor to make policy recommendations. However, their analysis does clarify a number of important questions that need to be asked in relation to decentralisation policy, and they conclude that PNG’s decentralisation arrangements will continue to evolve for many years to come.

**Crime and corruption**

In Chapter 4, Grant Walton and Sinclair Dinnen tackle what are sometimes regarded as PNG’s twin curses: crime and corruption. Both topics are colossal, but the authors provide a masterful survey.

As the authors show, concerns about both violent crime and corruption predate independence. Trends in both are very difficult to define with any confidence due to data weaknesses and the diffuse, multifaceted and difficult-to-quantify nature of both problems. Certainly, the two regularly rate among the top concerns of businesses whenever they are surveyed.
Urban crime levels appear to be stabilising, and may even be falling. Conversely, tribal conflict appears to be intensifying, with greater use of high-powered weapons, local mercenaries (‘hire-men’) and guerrilla tactics. The authors also note that violence against women and girls, including rape and other sexual offences, has been a longstanding concern in PNG, and that there is a growing problem of sorcery-related violence.

Corruption has certainly worsened since independence, the authors argue. Whether it is still worsening is unclear, but it has become widespread. The authors cite one survey of citizens in five provinces that found that 51 per cent of respondents had witnessed some sort of corruption. Another survey found that two-thirds of public servants across four provinces agreed that it is difficult to get things done without bribing government officials. While PNG’s international corruption rankings have improved modestly in recent years, in a 2015 survey of citizens, 90 per cent of respondents reported worsening corruption over the past decade.

The drivers of both phenomena are complex and interrelated. Various theories explain them in terms of culture, poor governance and limited economic opportunities. The authors argue that a complete explanation must also take into account international forces, given the prevalence of transnational crime and corruption.

Both crime and corruption are serious and longstanding enough to have generated a significant response, but, interestingly, a very different response in each of the two areas. Despite much donor support, the police response to violent crime has been ineffectual. Police numbers have increased by only around 30 per cent since independence, while the overall population has more than tripled. There is little public confidence in the police, and police brutality and prison breakouts both constitute major failings. Inadequate policing has led to a dramatic growth in the private security industry. More than two-thirds of businesses in PNG employ private security staff. The number of licensed security companies grew from 174 in 2006 to 566 in 2018, and the number of security guards working for these licensed firms is now over 30,000, four times the number of serving police officers.

One limit of this reliance on security guards is that it does nothing to improve security in areas that are irrelevant to the formal private sector. The authors argue that community responses have been effective in some
urban settlements and rural areas, and advocate for a rebalancing of donor support away from police reform (something of a lost cause) towards community groups.

Corruption, also perceived to be a threat even before independence, has been the subject of various government prevention and containment strategies, starting with the Leadership Code and Ombudsman Commission, both of which were written into the PNG constitution. In general, however, none of these strategies has been effective, at least over a sustained period. Unlike violent crime, official corruption is not a problem susceptible to private sector solutions. Drawing on recent research, the authors argue for focusing efforts on transnational corruption networks, improving the mandate and resources of anti-corruption institutions, enhancing educational efforts and highlighting the impact corruption has on local communities.

Part II. The Economy

The two economic chapters in the book are complementary in nature. Chapter 5 looks at macroeconomic trends (i.e. at the economy-wide level), while Chapter 6 looks at microeconomic trends (i.e. at the household level).

PNG’s economic trajectory

Chapter 5, ‘PNG’s economic trajectory: The long view’, by Stephen Howes, Rohan Fox, Maholopa Laveil, Luke McKenzie, Albert Prabhakar Gudapati and Dek Sum, is based on a new database put together by the authors to solve the problem of a lack of time series data from independence to the current time. While there are some longer time series for PNG on international databases, many are missing, and some of those available are not consistent over time. To fill this gap, the authors have created the PNG Economics Database (available at devpolicy.org/pngeconomic), which is used in the chapter to tell a data-based story of PNG’s post-independence economic history.

The chapter’s authors note that, given the heavily capital-intensive nature of PNG’s resource projects and their high levels of foreign ownership, development in the resources sector may have little impact on the broader economy. On this basis, they argue that non-resource GDP (excluding the
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resources sector but including its spillover effects to the broader economy) is a better indicator of the state of the PNG national economy than GDP as a whole. (Ideally, we would use gross national income, but this is not available for PNG.)

Looking at non-resource GDP per capita, the authors divide the post-independence era in PNG into four periods: 1975–88, a period of slow but stable growth; 1989–2003, a period of instability; 2004–13, the resource boom; and 2014–19, the post-boom bust.

The authors reach a number of interesting conclusions on the basis of the new time series they have collated and, in some cases, constructed. They summarise their findings through a list of 15 claims. Here we highlight four of the less expected findings.

One is that the minimum wage paid to urban workers is half its level at independence, taking account of inflation. This shows just how relatively difficult life has become for those working in unskilled labour jobs in PNG’s urban areas, such as cleaners and security guards. Given falling formal sector employment rates, the authors caution against an increase in the minimum wage at the current time, however.

A second point of particular interest is that, at independence, the value derived from the export of agricultural commodities and from the export of resources (minerals and petroleum) were roughly equivalent. Now resources make up 90 per cent of commodity exports. One can only speculate on how different PNG would be today if that 50:50 ratio had been sustained.

A third point is that the import-to-GDP ratio is at its lowest level since independence. PNG’s high dependence on imported goods is often commented on, but this trend away from imports is rarely noted. The authors argue that it is a telling indicator of how little spillover there is now from the resources sector to the broader economy, since resource exports are booming.

Fourth and finally, PNG’s banking system is famous for its profitability and the large spread between lending and deposit rates. But this has not always been the case. At independence, the banking sector was highly regulated. The main effect of deregulation seems to have been a decline in deposit rates to virtually zero. The spread between deposit and lending rates has risen from well under 5 per cent to well above it, meaning lending
rates have not fallen by nearly as much as deposit rates. This is perhaps a lesson on the dangers of deregulation in a non-competitive environment. Getting those spreads down is one of the major economic challenges facing the country today.

**Poverty and the standard of living**

The lack of consistent, reliable and up-to-date data remains a major obstacle to assessing progress in living standards in PNG. The chapter by Manoj K. Pandey and Stephen Howes, ‘Have living standards improved in PNG over the last two decades? Evidence from Demographic and Health Surveys’, draws upon three PNG Demographic and Health Surveys (DHSs) for 1996, 2006 and 2016–18 to examine whether the standard of living in PNG has improved over the last two decades.

The last two DHSs are of particular value because they were collected either side of PNG’s resource boom. High commodity prices and the construction of the large PNG liquefied natural gas project led to the strongest period of economic growth seen in PNG post-independence. Did it make a difference in terms of living standards?

The findings of this chapter can be divided into three groups. First, there are clearly some ways in which living standards have improved over the last two decades: many more households have cars and rainwater tanks; more children are at school, albeit from a low base; and childhood mortality rates have continued to fall. These improvements reflect the positive impacts of economic growth on household income, and on increased government revenue and therefore spending in the case of education.

The second group of results are areas of regress. Vaccination rates and access to traditional media have both plummeted. These would seem to be cases of worsening governance leading to poorer service delivery (e.g. radio broadcasting capacity) despite economic growth.

Finally, there are areas of stagnation. There is no growth in the share of non-agricultural jobs post-2006, a key indicator of economic transformation. There is also little sign of significantly improved status for women. Women are more likely to be heads of households, but they are hardly marrying later, or having children later, or having fewer children. While access to contraception has improved, it remains very low, and women are no more likely to receive antenatal care now than they were 20 years
ago, and hardly more likely to give birth in a health facility. This third group of results is perhaps the most worrying, as it suggests that, despite some short-term benefits from growth, there is little sign of the structural transformation needed for sustained and successful development.

Interestingly, the analysis also shows that urban areas are less likely to show improvements in living standards and are more likely to show declines than rural areas. The authors interpret this as being due to the growth of urban settlements. The result is a tendency towards convergence between urban and rural living standards.

**Part III: Society**

**Uneven development**

The third part of the book moves beyond politics, governance and the economy to consider a number of what could be described as social issues. Chapter 7, ‘Uneven developments and its effects: Livelihoods and urban and rural spaces in Papua New Guinea’, by John Cox, Grant Walton, Joshua Goa and Dunstan Lawihin, moves beyond what the authors call ‘methodological nationalism’ and tackles issues of spatial inequality and social diversity in PNG. As the authors note, PNG is, according to World Bank data, the most rural country in the world. But it is also a top-20 country for resource dependency and very ethnically and geographically diverse. It is not surprising, therefore, that it is a country that both defies generalisation and shows high inequality.

Although PNG remains a predominantly rural country, for several decades people from all areas of the country have been making their homes in Port Moresby, Lae and other cities. New generations have made cities their permanent homes. Nevertheless, the authors comment, the ‘legitimacy of Melanesian urbanism is yet to be established’. While, in general, urban conditions are better than rural, the life of an urban resident is often not an easy one, with high costs of living, and often a large number of extended family dependents. Financial hardship and a sense of relative deprivation fuel, on the positive side, urban engagement in microenterprises, but also, on the negative side, the widespread practice of (extortionary) payday loans and various pyramid or Ponzi schemes.
Regarding rural areas, the authors write that:

In public discourse, rural people in PNG are often spoken about (by development agencies or by the national middle class) as if they were frozen in a pre-colonial past, living on customary land according to the ways of their ancestors and providing for themselves without money.

In fact, as the authors show, the reality is that ‘a range of capitalist enterprises interact with rural life in various ways and rural people actually move from place to place in significant numbers’. Rural people engage with plantations, smallholder commodity and fresh food production, and (sometimes with far-reaching consequences, for better or worse) large-scale resource projects. Rural development has been a constant preoccupation for government, but the means by which it might be promoted remain controversial and elusive, as the various attempts to introduce free education have shown.

Development might be uneven in PNG, but the nation is increasingly connected, whether through internal migration, the nationwide betel nut trade, or the growing phenomenon of ‘mixed marriages’ of people from different parts of the country. Interconnectivity itself is a good thing, but it also means that many are more aware of their own deprivation.

Not only is inequality high, but increasingly PNG appears a land of contrasts. The boom years of the 2000s and early 2010s reshaped parts of the country, especially the capital. This peaked in 2018, when the country splurged on buildings and luxury cars to host the Asia-Pacific Economic Cooperation (APEC) summit. But the boom also heightened inequalities and disparities. At the same time as it was preparing for APEC, PNG became one of the few countries of the world where polio has mounted a comeback.

The authors conclude by: stressing the importance of capturing the fluid nature of uneven development and moving beyond analysis that is bound to administrative territories or particular places; highlighting the need to prioritise the needs of rural communities, by far the largest section of PNG’s population, and the poorest; and suggesting that it is unlikely that the radical reshaping of urban spaces associated with the resource boom of the 2000s will be repeated any time soon.
Communication and the media

In the final chapter, ‘Communication, information and the media’, Amanda H. A. Watson covers a range of critical issues that are too often ignored or sidelined in social investigations. Watson shows that, while there have been some examples of a decrease of media availability, such as the end of Radio Australia shortwave broadcasts, there have also been concurrent increases in the number of television stations, in the amount of PNG-related material that is available online, and in terms of types of media offerings available.

Watson argues that access to the media in PNG is becoming increasingly unequal. The level of access to a variety of news sources is increasing for urban internet users, with the establishment of various online news outlets as well as additional weekly newspapers and television services. However, even in urban areas, some people have limited or no access to the internet, and in rural areas, communication options continue to stagnate or even decline.

Freedom of the media is a strength in PNG, but not an unmitigated one. The author is particularly concerned about the weakness of investigative journalism in PNG, which she attributes to a mix of funding, cultural and political factors.

Watson also explores the role of gender in the media. The gender composition of the media workforce has improved – a survey as long ago as 2001 found that about half of PNG’s journalists were female – but female journalists are still disadvantaged in a range of ways, and the portrayal of women in the media needs to be enhanced.

The author also explores the dramatic changes relating to mobile telephony since 2007 (when Digicel started operations). The explosive growth in the number of mobile phones from 60,000 in 2006 to 2,650,000 in 2013 tells the story. But there are also many challenges ahead. Digicel (with a 92 per cent market share) has emerged as a monopoly provider, and prices its services accordingly. Competition from state-run providers is weak. One-third of PNG’s people still live without mobile network coverage, and internet access is slow, costly and unreliable – though this has not stopped 600,000 people buying smart phones and 750,000 using Facebook.
Watson is largely positive about the social benefits of the mobile phone and internet revolution, and the greater connectivity it has provided. She summarises various experiments in using mobiles for development (e.g. to improve learning at school or to report corruption), and finds a mix of failures and successes. With regards to social media, misinformation can be a problem, but research has shown that in many cases social media has been used to share factual, useful information among and between communities. The distribution of pornographic and abusive material, however, is a real concern.

**Conclusion**

We conclude by drawing out some of the common themes of this book. First, the chapters in this book point to the many and rapid changes PNG is undergoing. Twenty years ago, the job of a political scientist writing on PNG was to explain endemic political instability. Now one has to explain why instability was replaced by stability in the 2000s and wonder about whether the change will last. Fifteen years ago, PNG was a country that had missed out on the mobile revolution; today, mobile phones are a transformative feature of PNG life.

Second, it is not easy to reach an overall assessment about progress in PNG. As the chapter on uneven development (Chapter 7) shows us, PNG is a country on which one generalises at one’s peril. Further, as the chapter on living standards (Chapter 6) shows, one observes a mix of progress and regress over different dimensions. Other areas of interest are not easy to measure. How does one tell if corruption has worsened or not? It is also unclear how to weigh achievements (the maintenance of democracy) relative to shortcomings (the low quality of the electoral system). All that said, we do take from the two economics chapters (Chapters 5 and 6) support for the position advanced by John Connell (1997, p. 317) in the late 1990s that ‘neither consistent growth nor sustainable development have been achieved’ in post-independence PNG.

Third, there is a clear value to looking at interlinkages between disparate topics and disciplines. Clearly, if one wants to explain poor economic performance one should look at politics. If, as is argued in Chapter 2, politics in PNG is clientelistic, then citizens will not be voting on the
basis of economic policies. In such a scenario, why would one expect good economic policies to emerge? Two-way linkages are also common: poor economic performance fuels crime and crime undermines the economy.

Fourth, gender is a major issue in contemporary PNG – and in this book. It features prominently in the chapters on politics, the media, crime and living standards. There are certainly signs of progress: for example, more women in the media and more concern with gender-based violence. But there are also signs of resistance to change and of inertia. There are no women in the current PNG parliament, and there are few signs of progress in key areas of women's empowerment, such as women marrying later, having children later or having fewer children.

Fifth and finally, there are often complaints that PNG lacks adequate data, but what this book suggests is that, in fact, if you go out and look for it, you can find plenty of data, and more broadly research into PNG. What has been missing in recent years – or really over the last decade – is much of an attempt to summarise and synthesise existing data and research. It is that gap which this book aims to fill.

We hope that *Papua New Guinea: Government, economy and society* will be an asset especially to students in and of PNG, but also to policymakers and researchers looking for overviews of particular topics or a starting point for further research. That this volume is open access (available to download for free) should greatly add to its utility and use.

Of course, we make no claim to be comprehensive. There are many other important topics deserving of their own chapters, and one can only hope that our efforts inspire others to follow suit. For our part, we would like to end by thanking all the individuals and institutions involved in this enterprise: the contributors for their chapters; all those who commented on chapter outlines and drafts, especially at our book workshop in October 2020 (see each chapter for individual acknowledgements); ANU Press, in particular Pacific Editorial Board Chair Dr Stewart Firth; ANU Development Policy Centre Managing Editor Lydia Papandrea and the volume's copyeditor, Rani Kerin; and the PNG–Australia Partnership for its financial support to the partnership between the University of Papua New Guinea School of Business and Public Policy and The Australian National University Crawford School of Public Policy.
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