

PAPUA NEW GUINEA DEVELOPMENT STRATEGIC PLAN 2010-2030 AN ASSESSMENT OF ITS CONSISTENCIES AND CORE ASSUMPTIONS



BY PATRICK KAIKU

Cover imagery:

1. Hand woven garments (bilum wear) and bags (bilums) for sale in Goroko. Many women earn a substantial income from such craft industries but lack decent markets to sell their products.
2. Locally owned coconut plantation in New Ireland Province. The coconut industry has been sadly neglected by a government focused on large-scale foreign owned resource extraction.
3. Coffee is another vibrant locally owned industry. Coffee producers can sell bags of beans at the roadside to local entrepreneurs who then sell to exporters in the towns.

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Report commissioned by ACT NOW!

This report is a follow-up to A Critical Analysis of Papua New Guinea Vision 2050 (2015) which is available here: <http://actnowpng.org/publications/reports>

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LIST OF ACRONYMS

ADB – Asian Development Bank

BPNG – Bank of Papua New Guinea

DNPM – Department of National Planning and Monitoring

ECIA – Economic Corridor Implementation Authority

GDP – Gross Domestic Product

GoPNG – Government of Papua New Guinea

HDI – Human Development Index

INA – Institute of National Affairs

LNG – Liquefied Natural Gas

MDGs – Millennium Development Goals

NGDPs – National Goals and Directive Principles

NSPT – National Strategic Plan Taskforce

PNG – Papua New Guinea

PNGDSP – Papua New Guinea Development Strategic Plan 2010-2030

PNGGEM - PNG Government's computerised General Equilibrium Model

PRAEC – Petroleum Resource Area Economic Corridor

StARS – National Strategy for Responsible Sustainable Development

SWF – Sovereign Wealth Fund

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EXECUTIVE SUMMARY

The Papua New Guinea Development Strategic Plan 2010-2030 (hereafter PNGDSP) is a follow up development blueprint from the Vision 2050. Under the PNGDSP, Papua New Guinea (PNG) aspires to realize the ambitious aim of “becoming a prosperous middle income country by 2030”. Unlike the Vision 2050 which aims to bring PNG within the middle income country status by 2050, the PNGDSP seeks to achieve this goal within a 20-year period.

This study was commissioned by Act Now! The project’s Terms of Reference established the parameters of the present analysis. The primary objectives were to:

1. Provide a brief of the PNG Development Strategic Plan 2010 – 2030;
2. Determine the consistencies (or inconsistencies) with the Vision 2050 and the National Goals and Directive Principles (NGDP); and,
3. Determine if the National Strategy for Responsible Sustainable Development (StaRS) is consistent with the sustainability commitments of the NGDP and Vision 2050.

The analysis involved a desktop review of the PNGDSP. Reading of the PNGDSP was complemented with additional research from development literature pertaining to the political economy of post-Independence PNG. Material was also sourced from the internet. The availability of updated and current materials on the internet provided useful information for comparative purposes.

The PNGDSP takes a significantly interventionist tone where government undertakes serious public investment in creating the environment for economic growth and economic participation by Papua New Guineans. Not only is the Department of National Planning and Monitoring (DNPM) at the driver’s seat of its implementation but there is also a concerted effort to address the apparent disparities in the distribution of economic benefits and the lack of equal opportunities available to Papua New Guineans. In the main the PNGDSP uses the case of unequal distribution as the basis for intervention through the economic corridor concept.

Within the structure of the economic corridor concept is specific reference to infrastructure development and specifically participation of Papua New Guineans in entrepreneurial and income-earning initiatives. The premise of the PNGDSP therefore is that rural poverty can be defined as the institutionalize disenfranchisement of the rural majority who remain less “integrated into the mainstream economy”.

The study establishes that though the intentions of the PNGDSP are noble, the growth-oriented approach to development planning is at odds with the intentions of the National Goals and Directive Principles. Indeed, in the third part of this study (where the National Strategy for Responsible Sustainable Development’s commitments to sustainable development are analyzed), it becomes obvious that the relentless push for economic growth under the PNGDSP and the Vision 2050 is undertaken without acknowledging the associated problems of the environmental and social costs to PNG society. Where much of the attention in the PNGDSP and Vision 2050 is on achieving economic growth, there is an emerging consensus that such models of development come at the expense of ecological sustainability and collective well-being. Likewise, using the

yardstick of the Human Development Index (HDI) and Gross Domestic Product (GDP) are not wholly realistic measures of human well-being. The timeliness of the National Strategy for Responsible Sustainable Development is noted here because it has regenerated attention on our appreciation of the NGDPs in the context of development discourse in PNG.

Key findings:

- The PNGDSP is a technocratic tool that seeks to guide how government addresses the maladies of PNG's distorted economic development – with the emphasis on mass-based economic growth and targeted investments in impoverished regions of the country intended to spawn economic integration of these poverty corridors into the mainstream economy. Using the concept of economic corridors and specifically the “Petroleum Resource Area Economic Corridor” (PRAEC), it is envisaged that petroleum-producing provinces of Southern Highlands, parts of Enga, Gulf, and Central provinces will benefit from additional long term sustainable spin-off economic activities. A learning curve is reflected in the PNGDSP where for decades, PNG's experience with large-scale mining projects had not created the transformation of the surrounding communities into distributional hubs of economic connectivity.
- The PNGDSP defines a “high quality of life for all Papua New Guineans” as its ultimate goal. Towards achieving a “high quality of life for all Papua New Guineans”, the assumptions about economic growth and income as definitive measures of social and economic well-being in PNG are promoted exhaustively in the writing of the PNGDSP. There is not much dissimilarity with the Vision 2050 in the methodological use of economic yardsticks in defining development. The National Strategy for Responsible Sustainable Development on the other hand seeks to go beyond GDP as the measure of development to include other measures of human development and well-being
- There is an oversight in the PNGDSP's failure to relate to the Constitutional Planning Committee's question, “What kind of society do we want?”. Answering this question is the first step in our understanding the model of development that is being espoused in the NGDPs and the importance of adhering to this model of development. For mine, the Constitutional Planning Committee was intent on the communal well-being of society, whereas the PNGDSP is blatantly concerned about the individual well-being. Experiencing development as a process of wholesome, communal progress was the intention behind the framing of the NGDPs. The question “What kind of society do we want?” generates deep insights into the inclusive process of development sought by the Constitutional Planning Committee. On the other hand, the PNGDSP's emphasis on “high quality of life for all Papua New Guineans” measures development through the statistical reference to income levels and global measures such as HDI. A “high quality of life” for all citizens does not necessarily suggest the creation of a humane society where the dignity of the human person is evident
- Development that privileges exclusively the economic indicators does not necessarily mean that social and environmental conditions of Papua New Guineans will improve. The blind faith in the growth model of development will generate unintended costs. The degree to which such a model of development affects the social and cultural fabric of PNG society is not calculated or understood in the structure of the PNGDSP. Whilst the PNGDSP is driven mostly by the unceasing urge to put a monetary value on virtually all

potential economic factors – culture, land, human resource, and so forth – it may have the adverse effect of miscalculating the importance of these aspects of society in the hitherto well-being of society

- Any implementation of the Vision 2050 and the PNGDSP will compromise Papua New Guineans' control over their food security and other subsistence manners of living in an agrarian society. Customary ownership of land and the promotion of subsistence-based land use need to be considered for the non-monetary benefits that are associated with them. There are real benefits in terms of Papua New Guineans having access to their customary land and using it for their collective benefits. Indigenous ownership of land is an expressive element of the sense of control Papua New Guineans have over their way of life and destiny
- The obsession with the economic model of growth is very much reflective of the uniformity and perceived universalism of neo-liberal economic ideas, and one that is part of a complex web of intellectual and policy exchange at the multilateral and bilateral level. It is a model of development that privileges the open-ended liberalization of PNG's economy to the global environment. What is left by the wayside however in this whole discourse about economic models is the home-grown essence of development as envisaged by the Constitutional Planning Committee. This is not revisited in either the Vision 2050 or the PNGDSP. In this model of development, government is expected to play the role of creating a conducive environment for business and invest in the sectors of the economy that are expected to regenerate productive returns. It is apparent that the Vision 2050 and the PNGDSP simply restate economic policies that are driven and supported by multilateral institutions such as the World Bank, International Monetary Fund and the World Trade Organization. The two policy documents are framed on the overall economic principles that have impacted developing countries such as PNG in the post-Cold War era
- Mass-based participation in economic activities is perceived as the ultimate agenda in the PNGDSP. In very similar outlook with the Vision 2050, the PNGDSP espouses a broadening of the economic base of the economy beyond the excessive dependence on mining and petroleum. However, the fact that land reform is part of the equation in the priorities of the PNGDSP throws into question the capacity of customary landowners to actually participate and benefit from customary land.
- The implementation of the economic corridor concept and PRAEC under statutory regimes also raise questions about the constitutionality of such entities. If provincial and local-level governments are the legally constituted entities in PNG's decentralized system of government, are economic corridors merely a duplication of existing legitimate institutions?
- The PNGDSP merely reinforces the centralized and hierarchical system of government in PNG which the Constitutional Planning Committee recognized too well. What the Constitutional Planning Committee foresaw was that in a post-Independent PNG, there should be no such thing as a predetermined, pre-packaged "avenue for the people's participation in their own government". The PNGDSP maintains the entrenched Port Moresby-based power of government, much to the detriment of the majority of Papua New Guineans in the rural areas. And the fact that the Department of National Planning and Monitoring is solely responsible for managing the development budget and coordinates the PNGDSP is illustrative of this concentration of the powers of resource and information in the hands of elitist and rigid structures. The warning against the creation of non-

participatory structures and avenues of government are not heeded to when one considers the powers that the central agencies such as the Department of National Planning and Monitoring wield

- Public sector management is also given a development agenda in Part 6 of the PNGDSP. The most peculiar feature of public sector management as outlined in the PNGDSP is its vague emphasis on the issue of corruption. Indeed, corruption does not even feature as a developmental challenge in the PNGDSP although public sector management and “Policy initiatives for cost savings” (DNPM, 2010:142) are referred to. Whilst the PNGDSP employs the PNG Government’s computerised General Equilibrium Model (PNGGEM) in determining that the developmental goals are quantitatively targeted and scenarios derived, corruption and mismanagement of public resources are not factored in as variables capable of derailing the projections and scenarios in the PNGDSP. It is rather alarming that from a planning point of view the lost opportunities through corruption and misuse of public resources do not feature in the PNGDSP. Corruption and the misallocation of resources in the implementation of the PNGDSP will directly impact the intended projections of PNGDSP. It is a disservice to realistic implementation of the PNGDSP that the worse case scenarios associated with corruption are not considered important in this so-called “strategic plan”. When one considers how corruption and various practices of wasteful mismanagement of the national resources of the country deny effective implementation of national plans, the PNGDSP’s projections are premised on a public service delivery mechanism that is neither efficient nor accountable
- Finally, the National Strategy for Responsible Sustainable Development (StaRS) is a timely inclusion into policy debate and specifically the development discourse. StaRS intentions and orientation are consistent with the NGDPs and markedly challenge the economic-growth model espoused by the PNGDSP and the Vision 2050. Under StaRS, the notion of inclusive development seeks to integrate economic, social and environmental challenges into national planning efforts. This is perhaps a reflection of a middle-ground approach between the growth-oriented outlook of the PNGDSP and the Vision 2050 and the NGDPs.

1. THE PNG DEVELOPMENT STRATEGIC PLAN 2010 – 2030

In this first part of this study, I provide an overview of the Papua New Guinea Development Strategic Plan 2010-2030 (hereafter PNGDSP) in its current form. This section of the study is divided into three components. Reference to central themes of the National Strategy for Responsible Sustainable Development (hereafter StaRS) will also be highlighted in this section.

I will begin firstly by describing in very general terms the rationale in the creation of the PNGDSP. Here I pay particular attention to the background and context within which the PNGDSP was created.

The timing and the justifications for the writing up of the PNGDSP provides invaluable insights about the history of planning in the country. In this study the developmental challenges that Papua New Guinea (PNG) experienced in the intervening years after Independence shed light on the failure of successive governments to translate the National Goals and Directive Principles (hereafter NGDPs) into actual policies. Some of the priorities that are addressed in the PNGDSP are in fact issue areas that the Constitutional Planning Committee sounded in their writing up of the NGDPs.

Moreover, the critical role the mining and petroleum sector plays in the framing of the PNGDSP is evident. I will argue that the PNGDSP, just like the PNG Vision 2050, are policy documents that preempted the anticipated revenue flows into the PNG economy from the PNG Liquefied Natural Gas (LNG) project. The mining and petroleum sectors indeed played a significant role in the serious attempts at long-term strategic planning during the mid-2000 period. I will go about this section of the introduction by relating to one specific question: What purposes does the PNGDSP serve?

Secondly, I will provide a brief overview of some of the most salient features of the PNGDSP. The PNGDSP advances some core assumptions that are consistent with those of the PNG Vision 2050. Understanding the core assumptions of the two policy documents will help in comprehending the approaches – some quite radical (and to some extent unconstitutional), in achieving the expressed goal of equal distribution of economic development in both the PNGDSP and the Vision 2050.

And finally, I will conclude this first section of the study by summarizing the relevant Chapters of the PNGDSP. The aim of the exercise is to understand how the different parts of the PNGDSP relate to each other in the broader picture of government priorities. And since the PNGDSP seeks to advance specific agendas of the Vision 2050, I will elaborate on some of these specific policy directives of the Vision 2050 and how they are manifested in the PNGDSP.

1.1. What is the rationale for the PNGDSP's creation?

Part 1 of the PNGDSP introduces the strategic plan and most importantly situates the PNGDSP within the overarching aspirations of the National Goals and Directive Principles (hereafter NGDPs) and the PNG Vision 2050. There is also a brief reference to the historical development of planning initiatives in the post-Independence period, and the projected outcome when the

implementation of the PNGDSP is comprehensively undertaken. Readers will automatically find some similarities in the introductory sections of both the PNG Vision 2050 and the PNGDSP.

Both policy documents give the impression that they are heralding a “new approach” to development thinking – breaking off with the “past” where rhetorical pronouncements and the business-as-usual practices in national policy priorities were prevalent. The writers of the PNGDSP use the document as a distinctive political tool when they reaffirm a renewed sense of national mobilization. When one analyzes the Vision 2050 and the PNGDSP, it is apparent that there is a certain sense of optimism. I believe that at the heart of the PNGDSP’s optimistic outlook, much like the Vision 2050 is the LNG project. The LNG project is the cornerstone of both policy documents in significant ways. Let me briefly dwell on the role of the LNG project in the projections of the PNGDSP.

In the post-2007 General Election period after the National Alliance-led government came to power, the then government oversaw the successful negotiations for the construction and production of the billion kina PNG LNG project. With its projected contribution to the growth of the PNG economy over its lifespan, this project was the catalyst for the need to have an overarching development framework to guide the expenditure of the anticipated revenue from the LNG project.¹

The anticipated benefits of LNG project jolted the government into action. The idea of having a long-term strategic plan was in part generated as a reaction to the LNG project. In fact “the LNG project alone is expected to generate upwards of K11 billion a year in export revenues” (DNPM, 2010:96). The challenge according to the PNGDSP is in “broadening the benefit” of this revenue source. The rationale for the creation of the PNGDSP is as follows:

“It is therefore crucial for the Government to take measures to spread the benefits to the broader economy. A key strategy for this is the building of a Petroleum Resource Area Economic Corridor as outlined in Part 2. Through this economic corridor, project related infrastructure will be connected to the wider region to provide access and opportunities to agricultural, manufacturing and tourism businesses” (DNPM, 2010: 97).

It is very logical that the thinking then was to maximize the revenues from the project, ensuring that it is reinvested through sustainable projects beyond its lifespan. Evidently in the writing of the PNGDSP, the government did not want a repeat of previous resource project scenarios. The Somare government was informed by previous unsuccessful attempts at maximizing the returns from other equally sound resource projects. Typical of the overdependence of the mining sector in cushioning PNG’s economy, some notable lessons were learnt. These are reflected in the PNGDSP’s internal logic.

¹During the second term of the Somare government in 2007, the PNG government began negotiations for the LNG project with ExxonMobil. The construction phase of the LNG project began in 2010. The LNG project was acclaimed at that time as a single most important economic venture for the PNG economy.

For instance the proverbial “Dutch disease”² continues to be a recurring theme in the political economic discourse of PNG since the 1980s (see for instance Garnaut and Baxter 1984; Goodman et al. 1985; Sugden 2002). But not only is the problem of the Dutch disease a concern in successive economic policies of PNG governments. The mining sector of which PNG is heavily dependent on is characterized as an enclave sector – where only a few stakeholders are involved directly or indirectly in its activities. Much of the abysmal track record of successive governments in fully maximizing the rents from extractive industries featured prominently in the PNGDSP.

And as the case of PNG aptly demonstrates, the mining sector is a non-renewable revenue base and for the long-term, an unpredictable source of revenue for the country given the global fluctuations in the commodity prices of mineral or petroleum resources. The logical agenda for any strategic-thinking policy planner would obviously include the need to re-invest the revenues from the non-renewable sector in sustainable sectors of the economy that will generate mass-based economic growth. Michael Baxter (2001) captures the sentiments associated with the unpredictability of the non-mining sector when he states:

“Non-renewable resources are eventually exhausted. Given the dominance of resource income in government revenue, the decline of these industries will force radical change in public expenditure. Public revenue from the resources sectors is windfall income that should be used on sustainable activities and for the long-term benefit of the entire population. Instead it has been used as general revenue rather than as a pool of savings for investments (through, for example, the now defunct Mineral Resources Stabilization Fund)” (Baxter, 2001:51).³

Hence the PNGDSP sought to address the dual maladies of PNG’s distorted economic development – one with the emphasis on mass-based economic growth and targeted investments in impoverished regions of the country that will spawn economic integration of these poverty corridors into the mainstream economy.⁴

For instance, economic corridors and specifically the “Petroleum Resource Area Economic Corridor (PRAEC)” are radically new concepts. Covering the petroleum-producing provinces of

²“Dutch disease” can simply be understood as the adverse effects associated with overdependence on the mineral sector. Revenues from the mining sector are not invested into the non-mining sector resulting in a limited diversification on the wider economy. In the absence of a thriving non-mining sector mass-based participation in the economic life of that economic system results in increasing costs of living for consumers and cost of doing business for economic entities.

³ The PNGDSP also factors the Sovereign Wealth Fund (SWF) where “Dividends from the Government’s equity holdings in major gas projects will be directed to a sovereign wealth fund”...[to be used]...“as investment in infrastructure projects through the Development Budget and to provide future back-in costs for PNG to participate in future projects” (DNPM, 2010: 144).

⁴As indeed I will continue to stress throughout the course of this study, the PNGDSP must be seen as the culmination of a series of national discussions about the failure of equal distribution. Periods of macroeconomic stability and the wealth from natural resources projects were not translated into actual improved standards of living for an increasingly marginalized rural majority. The PNGDSP is therefore an augmentation of scholarly and policy discussions that were becoming very pronounced towards the early 2000s (see for example, Baxter, 2001; Batten, et al., 2008).

Southern Highlands, parts of Enga, Gulf, and Central provinces, the PRAEC seeks to address the problems associated with resource-rich provinces being unable to generate long term sustainable spin-off economic activities. For decades, PNG's experience with large-scale mining projects had not created the transformation of the surrounding communities into distributional hubs of economic connectivity.⁵

Where major resource projects are situated, especially petroleum development, the PRAEC is envisaged as the vehicle through which the state facilitates the diffusion of benefits beyond the immediate landowners and direct beneficiaries. The PNGDSP is specific about the objectives of the PRAEC, factoring in the LNG project in its calculations:

The PNG Liquefied Natural Gas (LNG) project will be one of the big impact projects for PNG during the PNGDSP period. The Petroleum Resource Area Economic Corridor (PRAEC) will extend the benefits of the LNG project beyond the gas site to the nation as a whole. The PRAEC will direct LNG revenues into a network of transport, utilities and services in the PRAEC area that is fully integrated with the national network. The PRAEC will be one of the first economic corridor implemented under the PNGDSP, together with the border corridors (DNPM, 2010: 20).

One can see how the concept of the PRAEC effortlessly enters the national discussions at this juncture. As it sought to advance the pro-rural, pro-poor agenda of the government then the idea of the PRAEC was also important as its implementation would coincide with the LNG project.⁶ And as a government, the Somare-led regime was preparing these mechanisms in advance – mechanism that would manage the trickle-down effect of the LNG project to the inaccessible sectors of the economy. The assumption here is to ultimately integrate these sectors into the mainstream economy.

Another aspect of the PNGDSP that is worth dwelling on at the outset is that it seeks to identify expenditure priorities areas prior to committing resources. The Somare government oversaw a period of relative political stability as well as improved economic indicators. The PNGDSP attributes these improvements to the well managed fiscal policy of government, the reforms of the Central Bank and financial system and a “boom in commodity prices between 2003 and 2007 provided a surge in revenues that underpinned the strong budget position in those years” (DNPM, 2010: 30). The PNGDSP estimates that revenues rose “sharply from around 28 per cent of GDP in the early 2000s to 33 per cent of GDP in 2008” (ibid.).

⁵ A case study into the Economic Benefits to the Landowners of the Porgera Gold Mine noted that: “Papua New Guinea (PNG) is a land rich in natural resources, yet it struggles to provide its people with the finances to live secure lives. PNG's economic development has a history of boom and bust, feast and famine, hope and despair. Its people and its communities question where all the money has gone and why their expectations have not been fulfilled” (Johnson, 2012: x). The track record of extractive industries in PNG has not been an illustrious one. Informed with this hard lesson in the extractive sector, the PNGDSP was framed to avoid the experiences through its targeted intervention in the petroleum sector via the creation of the PRAEC.

⁶ This point is important in the context of the discussion. The PRAEC targets the petroleum-producing provinces and regions of the country. Landowners and the communities around petroleum project areas would be accommodated in such an arrangement without thus containing grievances associated with land issues. The PRAEC could also be seen in the context of the re-distributional functions it will play.

It is also on the basis of this sound economic management that the PNGDSP was framed. The then Somare-led government boasted of the cost-saving measures and the rehabilitations at the macroeconomic level. The PNGDSP notes at great length the fiscal achievements of the Somare government:

Until 2004, fiscal mismanagement and monetary instability typified PNG's economy, constraining development. Large and persistent fiscal deficits led to gross underfunding of public investment in developing and maintaining infrastructure...Since 2004, there have been significant improvements in macroeconomic management...As a result, the private sector has responded with a new confidence to invest (DNPM, 2010: 11-12).

Government (through its central agencies) tasked with coordinating national plans envisage itself as the custodian of the coordinator role in national development. It sought to do away with the mundane, ad hoc bureaucratic practices of past governments. To an extent it attempted to serve as the juncture between previous "failed attempts" and the more optimistic future going forward. Part of the institutional orientation associated with the implementation of the PNGDSP was the responsibility given to the Department of National Planning and Monitoring.

Indeed the PNGDSP formally recognizes the Department of National Planning and Monitoring as the central agency...."responsible for the development budget" (DPNM, 2010: 31). The Somare government demonstrated its confidence in the Department by delegating the Development Budget to the Department. The Department of National Planning and Monitoring has ever since been tasked with implementing development policies and priorities that are part of the government's public investment program (DPNM, 2010: 31).

The bureaucratic restructuring was part of the wider agenda by the Somare-led government announcing to redefine the role of government in fostering the elusive challenge of development in the country. And here the Somare government had to distinguish itself from previous governments through this development blue-print. The then Minister for Planning and District Development, Hon. Paul Tiensten captured these sentiments well when he said:

At a time when our country enters a critical phase of its development progress after three decades as a sovereign nation, the PNGDSP is critical in charting us forward. Taking stock of our past mistakes, meaningfully gaining the rewards out of the opportunities ahead, and taking new approaches to the development process in view of rapid globalisation are central to the strategy that the PNGDSP document tries to pronounce (Hon. Paul Tiensten, in DNPM, 2010: ix).

Understood simply, policy documents such as the PNGDSP genuinely reflect the mood of the political leadership at the particular time of their inception. They are also created to reflect a reaction to national discourses about the progress of the country. So in essence the PNGDSP is not only a policy document about charting a development path for PNG, but in the context of national debate about development approaches it is a watershed moment in how "best practices"

of development planning ought to be undertaken. Strategic planning was indeed the latest buzzword of bureaucratic talk at this time.

But in introducing this section of the discussion, I must add that one of the critical weaknesses of the PNGDSP, just as in the Vision 2050, is its capacity to legitimize itself. As a policy document there are directions provided in the document that calls for government to go through with enabling legislations to give effect to its implementation.⁷ To date there are serious doubts about the political will of government to implement this planning document. In the same vein as the Vision 2050, the ambitious timeframe earmarked for the implementation of the PNGDSP (20 years) is seriously undermined by the absence of its statutory relevance.⁸

For instance, one of the expectations for the Department of National Planning and Monitoring under stage C of the PNGDSP Conceptual framework (see Figure 1) is to “ensure that the PNGDSP and all relevant sector interventions are legislated to achieve the outcomes anticipated under the PNGDSP” (DNPM, 2010:8-9). Enabling legislations that will allow for the implementation of the PNGDSP are key component in this endeavor. It is unclear at this stage whether the Department of National Planning and Monitoring has followed through with the directives under stage C of the PNGDSP Conceptual framework.

To the credit of the writers of the PNGDSP, there are indeed serious attempts, in writing at least, to ensure its authoritative appeal for national implementation. Parts 7, 8 and 9 of the document go through great lengths on policy coordination, its resourcing and the implementation, monitoring and evaluation framework. However, one will notice that the PNGDSP has a specific readership. It is written for the bureaucratic officials in the business of policy implementation. My major concern, just like the Vision 2050 is that if this policy document is not collectively “owned” by all Papua New Guineans, it will fall by the wayside and become the useless rhetoric that they were created to replace in the first instant.

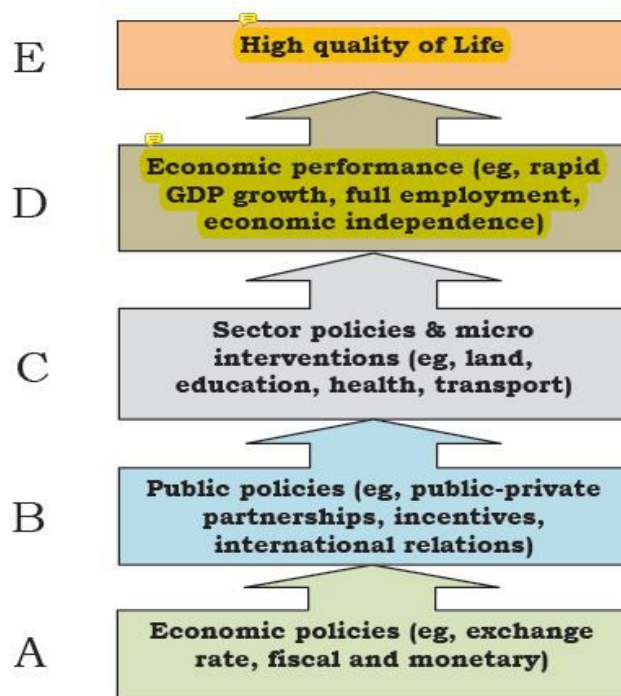
⁷ Indeed under the conceptual framework there are 5 progressive steps for the implementation of the PNGDSP. The third stage (c) directs the Department of National Planning and Monitoring to ensure, among other things that:

- “the PNGDSP and all relevant sector interventions are legislated to achieve the outcomes anticipated under the PNGDSP; and,
- mechanisms to provide regular reporting to the National Executive Council and Parliament on the implementation status of the PNGDSP” (DNPM, 2010: 8-9).

⁸ In the case of the Vision 2050, there is a specific recommendation for the creation of legislation to address the “Strategic planning” component (1.17.11.1 – Legislate for an independent entity to monitor and evaluate the implementation of Vision 2050).

Figure 1: PNGDSP Conceptual Framework

PNGDSP Conceptual framework



Source: DNPM, 2010:8

The PNGDSP signals the current preoccupation with long-term development planning. But even though it is the overarching development plan which other plans are aligned to, it is disempowering and centralized. The PNGDSP follows in the same “cascading effect” rationale of the Vision 2050, the progressive implementation of government policies is too centralized (GoPNG, 2010: 59). Like the Vision 2050, the plans of other relevant stakeholders and development partners or the local level governments units are to be aligned to the PNGDSP. It somewhat portrays the role of central agencies and the central government in the decision-making process as being hierarchical to the rest of society.

As I have noted in the examination of the PNG Vision 2050, the PNGDSP merely reinforces the centralized and hierarchical system of government that is a legacy of colonial rule in PNG which the Constitutional Planning Committee recognized too well.⁹ What the Constitutional Planning Committee foresaw was that in a post-Independent PNG, there should be no such thing as a predetermined, pre-packaged “avenue for the people’s participation in their own government”.¹⁰

⁹ According to the Constitutional Planning Committee; “Most local government councils have not been able to provide a satisfactory avenue for the people’s participation in their own development, as the councils have been dominated by the central administration for many years, and thus had much of their initiative and energy sapped” (Constitutional Planning Committee Final Report, 1974, para. 43).

¹⁰ The Constitutional Planning Committee rightly warned that: “Development must take place through our people. It must be a process. It must not be a prefabricated, predetermined set of answers, formulae and solutions by foreigners to the problems and hopes we alone can feel and yearn for. Technology, scientific discoveries and institutions of the most

It is obvious that the PNGDSP maintains the entrenched Moresby-based power of government, much to the detriment of the majority of Papua New Guineans in the rural areas. And the fact that the Department of National Planning and Monitoring is solely responsible for managing the development budget and coordinates the PNGDSP is illustrative of this concentration of the powers of resource and information in the hands of elitist and rigid structures. The warning against the creation of non-participatory structures and avenues of government are not heeded to when one considers the powers that the central agencies such as the Department of National Planning and Monitoring wield.

In Chapter 1 of the PNG Vision 2050 (“Why a 40-Year Vision 2050?”), the National Strategic Plan Taskforce (NSPT) provide the justification for the creation of the PNG Vision 2050. The introductory sections of the PNG Vision 2050 allows for elaborate justification for a PNG Vision 2050. The “past” is referenced where successive failure in long-term strategic planning was experienced. The PNGDSP’s Part 1 (“Introduction”) also follows in the same vein. It begins with an introductory survey of the failed experiments in forward-planning in the intervening years after Independence.

In Part 1 of the PNGDSP, a conceptual framework is also provided. Unlike the Vision 2050, which claims to build its starting point from the 7 Pillars and the Enabling Statements,¹¹ the PNGDSP uses the PNGDSP Conceptual framework (see Figure 1). Under the conceptual framework for instance, it is anticipated that the “primary vision of the Government” under the PNGDSP “is to provide a high quality of life for all Papua New Guineans” (DNPM, 2010:9). A reading of this core vision of the PNGDSP is useful when it is compared to the question raised by the Constitutional Planning Committee in the Final Report of 1974.

In the Final Report of the Constitutional Planning Committee, the issue of development is approached through the question: “What kind of society do we want?” It is apparent that the writers of the PNGDSP did not exhaustively dwell on the question posed by the Constitutional Planning Committee, or even sought to revisit the Constitutional Planning Committee’s intentions. From the perspective of the PNGDSP, the aim is to achieve a “high quality of life for all Papua New Guineans”. How this aim of the PNGDSP equates to the question posed by the Constitutional Planning Committee (“What kind of society do we want?”) remains vague at best. It is obvious that the writers of the PNGDSP had already preconceived what they were going to write when they set out to write the PNGDSP. This explains the minimal interest in revisiting the fundamental question posed by the Constitutional Planning Committee.

As this study is expected to determine the consistency of the PNGDSP to the NGDPs, I wish to note here a fundamental flaw that will become apparent. That is, there is an oversight in the PNGDSP’s failure to relate to the Constitutional Planning Committee’s question (“What kind of society do we want?”). Now this is not a question merely of academic or philosophical relevance. Answering this question is the first step in our understanding the model of

recent times can, in many respects, be inappropriate for us. Proper development should take place through institutions and techniques that are not only meaningful to us, but also recognize our human dignity and enhance it” (Constitutional Planning Committee Final Report, Chapter 2, para. 102).

¹¹As stated in the Executive Summary of the PNG Vision 2050 [see, GoPNG (2010) p.xiv].

development that is being espoused in the NGDPs and the importance of adhering to this model of development. For mine, the Constitutional Planning Committee was intent on the communal well-being of society, whereas the PNGDSP is blatantly concerned about the individual well-being.¹²

Experiencing development as a process of wholesome, communal progress was the intention behind the framing of the NGDPs. The question “What kind of society do we want?” generates deep insights into the inclusive process of development sought by the Constitutional Planning Committee. On the other hand the PNGDSP’s emphasis on “high quality of life for all Papua New Guineans” measures development through the statistical reference to income levels and global measures such as HDI. A “high quality of life” for all citizens does not necessarily suggest the creation of a humane society where the dignity of the human person is evident.

In terms of its scope, the use of the HDI renders the process of development a cut-throat exercise where all citizens are expected to attain individual self-fulfillment – this is regardless of the unintended inequalities that might inevitably happen. A radical divergence between the NGDPs and the PNGDSP must be understood in this context. PNG’s position as a “prosperous middle-income country” in the world is taken in this instant as the measure of the kind of society envisaged in the PNGDSP. Income levels and GDP growth rate are perceived in the PNGDSP as the ultimate benchmark in the high quality of life that Papua New Guineans are assured under the PNGDSP.

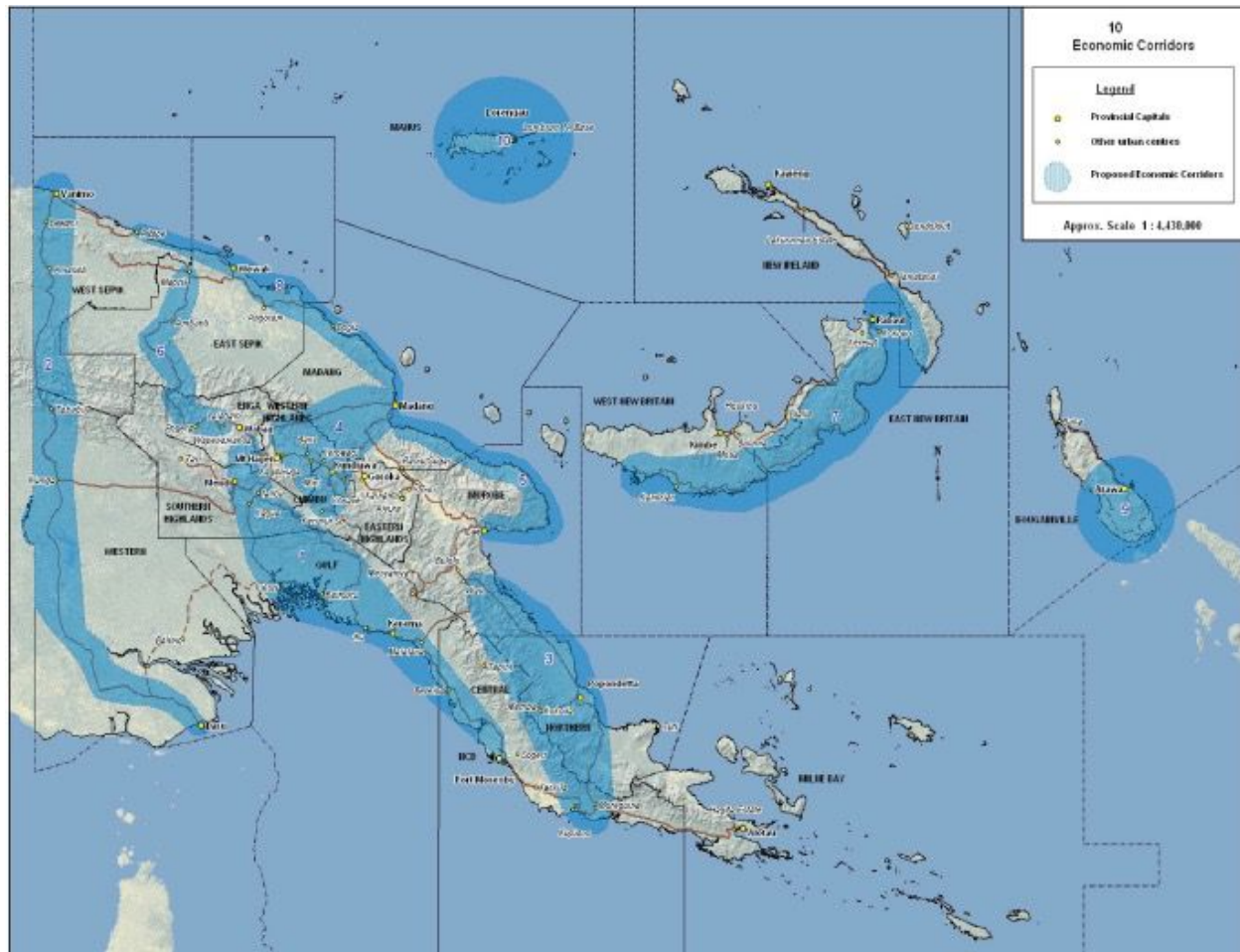
Perhaps the most significant contribution by the PNGDSP 2010-2030 is that it in policy thinking, it boldly sought to highlight the plight of the rural sector of PNG’s economy. There are radical proposals in the PNGDSP for the integration of the rural sector into mainstream macroeconomic development.

For instance the concept of “economic corridors”¹³ takes up a whole chapter (Part 2) of its own in the PNGDSP (see Figure 2). For the PNGDSP, the economic corridor concept is considered the “main vehicle through which the PNGDSP will be implemented to improve the standard of living for the disadvantaged in rural areas of PNG” (Hangatt and Momoi, 2011). The economic corridor concept was initially proposed in the Vision 2050. Purposely, economic corridors are considered in the Vision 2050 as appropriate vehicles for the “construction and maintenance of a high quality transportation and communication networks” (GoPNG, 2010: 13). These economic corridors would “increase the movement of public goods and services and develop trade in general” (ibid.).

¹² The NGDPs are “premised of social democratic ideals” (Narokobi, 2013) where the diffused, communal nature of PNG society allows for equitable process of development to be undertaken.

¹³ According to the PNGDSP (2010), an economic corridor is defined as: “a region in which the Government provides a well planned zoning system, a comprehensive and effective network of transport and utilities, and quality education and health services. Within this region, businesses are able to operate at low cost and under well designed incentives, thereby encouraging foreign and domestic private sector investments. By concentrating the construction of essential infrastructure within certain regions the economic corridor approach takes advantage of the substantial economies of scale and scope associated with large service sector infrastructure” (p.18).

Figure 2: Proposed 10 economic corridors in the PNGDSP



Source: DNPM, 2010:21

What the PNGDSP did was that it expanded on the economic corridor concept to address specifically the problem faced by specific impoverished regions in the country. Predominantly the rural majority in PNG face the challenges associated with accessibility and integration into the economic life of the country. So the economic corridor concept was tailored specifically from the Vision 2050 to address the PNGDSP's pro-rural agenda. In the PNGDSP economic corridors are proposed:

“to alleviate poverty. Corridors of poverty will be transformed into economic corridors. Without the corridor system people in poverty will not be integrated into the mainstream economy” (DNPM, 2010:18).

As I elaborate below (Section 2), the reality in PNG is that disparity in terms of access to development of the country is more evident than ever. This phenomenon could well be an indication of the failure of successive governments and the post-Independence generation of Papua New Guineans to commitment to the visions articulated prior to Independence. When the

Constitutional Planning Committee drew up the Constitution with its NGDPs, they envisaged that the NGDP Number 2 (Equality and Participation) be treated as imperative in fostering nation-building.¹⁴

In its Report of 1974, the Constitutional Planning Committee concluded that the “goal of achieving equality of opportunity and participation in our national life is not, then, something for which we may piously hope, but a vital necessity if we are to achieve genuine national integration” (Constitutional Planning Committee Report, 1974, Chapter 2, para. 36). National integration was an end in itself in the formative years of PNG’s nationhood as much as it is today.

When I speak of national integration, this is taken to mean the political or social engineering process that allows for “greater integration of state and society”, as citizens are induced into rendering loyalty, obedience and subservience to the modern nation-state of which they are members of (see also Stephenson, 2005). Any State’s effective presence in the society is measured by the citizen’s sense of loyalty and subservience to the authority of the State institution.

This was the dilemma in the post-colonial PNG State where the central preoccupation of the Constitutional Planning Committee was the containment of secessionist and ethnic fragmentation. If PNG was to survive as a unified national entity, the government had a critical role in ensuring that inclusive and equitable development was facilitated. In their words the Committee recommended that:

“The Government should actively seek to increase the proportion of the economic benefits of our country's development which goes to those who have the lowest incomes, whether they be living in villages or towns. We believe our people are firmly against "elitism" which is both unjust and undemocratic, and leads to the kinds of social problems which we are experiencing now in our main towns, where disparities in wealth are most obvious” (Constitutional Planning Committee Report, Chapter 2, para.50)

It is apparent that earlier on, the Constitutional Planning Committee envisaged the associated problems of unequal distribution and the grievances that become obvious in the failure in government policy planning to provide economic opportunities for the citizenry. For PNG citizens to cultivate a sense of inclusion (citizenship) and direct loyalty to the PNG State, equal opportunities in terms of economic benefits to citizens ought to guide government’s intervention in development planning. The development of the PNGDSP is indeed a belated recognition of the progressively widening disparities in terms of income and service accessibility in the intervening years after independence.

¹⁴ The history of decentralization of powers to lower levels of government is also informed in part by need to integrate all peoples into the “nation” of PNG. For instance the establishment (by the Australian administration) of local level governments in Papua and New Guinea during the 1950s was a progressive attempt to make government relevant to Papuans and New Guineans. Allegiance to a central government would be reinforced through the creation of peripheral entities. Governments established at the local level would in turn enhance popular participation and the process of political education would sensitize Papua New Guineans to the liberal democratic ideals of their acquired identities as Papua New Guineans.

The PNGDSP therefore seeks to address the problems associated with the growing disparities in the distribution of economic benefits and the lack of equal opportunities available to Papua New Guineans across the length and breadth of the country. In the main the PNGDSP uses the case of unequal distribution as the basis for intervention through the economic corridor concept. Within the structure of the economic corridor concept is specific reference to the infrastructure development and specifically participation of Papua New Guineans in entrepreneurial and income-earning initiatives. The premise of the PNGDSP therefore is that rural poverty can be defined as the institutionalized disenfranchisement of the rural majority who remain less “integrated into the mainstream economy” (DNPM, 2010:18).

Like its predecessor – the Vision 2050, the PNGDSP is both a bureaucratic acknowledgement of the poor social and economic performance of the country and a justification for a rethinking of development strategies. More profoundly, the PNGDSP demonstrates that the NGDPs – which were heralded as a guide for national development, were disregarded in policy planning since Independence. What has transpired in the intervening years after Independence give credence to the fact that marginalization and abject disillusionment are more evident now than ever before, expressed through the lawlessness and civil strife in the wider society¹⁵ It is on these ever-growing disparities in terms of individual income, and district or provincial access to basic services¹⁶ or opportunities that the PNGDSP is used as the rallying point for urgent government intervention.

Equal distribution of the wealth of the country is a fundamental principle in the Preamble to the Constitution of PNG. The debate on decentralization in the years leading up to Independence reflected the distrust of centralization of political and economic powers (see for instance, Tordoff and Watts, 1974; and Berry and Jackson, 1981).¹⁷ At the institutional level, decentralization was intended to advance the goals of equal participation in the post-Independence years as well contain the secessionist aspirations of Bougainville in the lead up to Independence (see Asia Foundation, 2014). According to Andrew Axline (2008):

“From the time of the establishment of decentralized government in PNG in the 1970s, attempts were made to adopt a formula that would allow for the effective funding of national government activities while at the same time providing provincial government with the financial means to carry out the activities that were assigned to them. More specifically, financial arrangements were designed to provide for the funding of these activities at the same levels they were

¹⁵ There is a body of literature that draws the correlations between civil disorder and specifically lawlessness as a direct outcome of the marginalization associated with lack of socio-economic opportunities. See for instance, Dinnen (1996) ‘Order in the Year of Law Enforcement: Papua New Guinea’, *Pacific Economic Bulletin*, 11 (2):91-99; Levantis, T. (1997a) ‘Urban unemployment in Papua New Guinea – its criminal’, *Pacific Economic Bulletin*, 12 (2) and; O’Collins, Maev (2000) ‘Law and order in Papua New Guinea: Perceptions and Management Strategies’, Working Paper 00/1, State, Society and Governance in Melanesia, available online at: <http://ips.cap.anu.edu.au/sites/default/files/LAW%20AND%20ORDER%20IN%20PAPUA%20NEW%20GUINEA%20-%20Maev%20O'Collins.pdf> (accessed November 21st 2009).

¹⁶ Unfortunately the rapid escalation in socio-economic stratification in PNG society is evident. This is to some extent compounded further by the enclave characteristic of extractive industries where benefits are limited to specific locales (see Miranda et al., 2003).

¹⁷ Tordoff, W and R. Watts (1974), Report on Central-Provincial Government Relations, Port Moresby

provided before decentralization, to apportion funding among provinces to redress the great level of inequality in service delivery among provinces, and to increase funding to permit the expansion of delivery of services to the population” (p.3).¹⁸

Moreover, the situational analysis of the PNGDSP (in Part 1 or the “Introduction”) provides us with a glimpse of the direction within which the PNGDSP is going in terms of its policy intervention. The PNGDSP’s central argument is that equal distribution of development failed to materialize. The failure of successive governments and generations of Papua New Guineans to capitalize on the goals enunciated in the NGDPs and the incapacity of the decentralized government system to realize this goal is the starting point in the PNGDSP. Hence, to deal with this failure, in the PNGDSP and the Vision 2050, one will find the directive for government to enact legislation for the creation of an Economic Corridor Implementation Authority (ECIA).

The ECIA, it is proposed will have “powers, functions and responsibilities....in mobilizing, planning and managing development in the economic corridor (DNPM, 2010: 19). I also see that the creation of an ECIA is an inadvertent admission of the failure of decentralization process as a policy aimed at advancing the goal of equalization of development. Even suggestions about greater provincial autonomy in the present are a manifestation of such frustrations.¹⁹ It points to the both the abysmal track-record of lower levels of government in meeting the aspirations and expectations of PNG citizens and the increasing centralization of powers in Waigani. In essence then, the PNGDSP’s implementation has a role in containing a disenfranchised citizenry. It must be understood in that context by the implementing agents and officials of government.

In their wisdom the Constitutional Planning Committee rightly argued that the marginalization of peoples in a newly independent state would disempower citizens and destabilize national unity. For the post-Independence years, the much-stated goal of equalization and equal distribution of the national wealth of the country in the Constitutional Planning Committee Report had not materialized. We are also seeing the manifestations of a frustrated citizenry in some of the recent incidences of civil unrest in the country (see Figure 3).

¹⁸Axline, W. A. (2008) “The Review of Intergovernmental Financing Arrangements and the Restructure of Decentralized Government in PNG”, Paper prepared for presentation at the Workshop Reforming Decentralisation and Sub-National Fiscal Policy in Papua New Guinea, 28-30 April 2008, Port Moresby, Papua New Guinea, available online at: http://www.inapng.com/pdf_files/0804_decentralisation_png_Axline1.pdf, accessed (Tuesday, November 24, 2015)

¹⁹ One province seeking greater autonomy from the national government is New Ireland province. The Governor of New Ireland province is quoted as justifying the path of greater autonomy on the failure of equal distribution to materialize:

“The growing skyline of the capital Port Moresby reflects PNG's unprecedented economic growth of the past decade. It's been forged mainly through a boom in the mining, oil and gas sectors. But the majority of people in the country have seen few tangible benefits, and PNG is languishing near the bottom in the United Nations Human Development Index world rankings” (Blades, 2015).

Figure 3: An article on the plight of rural areas in PNG and the likely civil crisis this can spawn.²⁰



Source: The National, Tuesday, November 17th, 2015, available online at: <http://www.thenational.com.pg/?q=node/98227>

1.2. What are some of the salient features of the PNGDSP?

There are several key assumptions of the PNGDSP that consistently reappear in the following analysis. These key assumptions frame the interventions proposed under the PNGDSP.

²⁰This article is but a snapshot of views illustrating how the unequal distribution of development has telling implication for nation-building efforts in PNG. With crumbling infrastructures and deteriorating standards of services and lack of accessibility to economic activities, a majority of Papua New Guineans are perceived to be marginalized from participation in any meaningful development. Such a scenario is resulting in even serious national security challenges for the country. Faced with such realities legitimate concerns about the role of government are being proposed in policy documents such as the PNGDSP 2010 - 2030.

One of the most striking features of the PNGDSP is that it defines a “high quality of life for all Papua New Guineans” as its ultimate goal.²¹ Towards achieving a “high quality of life for all Papua New Guineans”, the assumptions about economic growth and income as definitive measures of social and economic well-being in PNG are promoted exhaustively in the writing of the PNGDSP. State investment in economic corridors and other select sectors of the PNG economy and the creation of an investor-friendly environment is premised on the notion that once PNG grows its private sector, local entrepreneurship, and overall mass-based economic development happens, the benefits will have a trickle-down²² effect.

Naturally the assumption is that the growth of the economy will be reflected through rising incomes for individual Papua New Guineans. With their increased incomes Papua New Guineans will therefore afford better services. The PNGDSP:

“...sets out the broad framework, targets, and strategies to achieve the vision of the Government. The PNGDSP is designed to quadruple the national income which should give all Papua New Guineans an improved quality of life by exploiting the available opportunities and enable them to become key players in the overall socioeconomic development of this country” (DNPM, 2010:vii).

And at the level of macroeconomic management, the more Papua New Guineans employed, the more the government earns in its revenues from income tax and other indirect sources of tax. These are the broad outlines of the economic model and assumptions about the efficacy of this model in the PNGDSP.

But the PNGDSP also goes further than simply espousing the growth of the private sector and foreign investment. Creating incentives for the diversification of the PNG economy is also encouraged. I think this is the consistent theme of the PNGDSP and its alignment with the Vision 2050²³ – that an inclusive economy that graduates from an overdependence on the mining and petroleum sectors are realized. Where the non-mining sectors of the economy have the potential for mass-based participation, the PNGDSP states:

“It is business investment that will generate the income growth and jobs projected in the PNGDSP for agriculture, tourism, manufacturing and other sectors. The Government has a key role in providing the right conditions that make it attractive for the private sector, particularly local businesses, to establish and expand. In this environment, Papua New Guineans will become actively involved in overall development, including as both land owners and

²¹ For the PNGDSP, the envisaged high quality of life in this framework is premised on the assumption that “higher income...drives improved living conditions” (DNPM, 2010:10).

²² According to Jared Keller (2015) the trickle-down theory “was the idea that economic gains primarily benefiting the wealthy—investors, businesses, entrepreneurs, and the like—will “trickle-down” to poorer members of society, creating new opportunities for the economically disadvantaged to attain a better standard of living. Prosperity for the rich leads to prosperity for all, the logic goes, so let’s hurry up with those tax cuts already”.

²³ In the Vision 2050 of course, the Case Scenarios envisages the diversification of the economic structure of the PNG economy giving way to more broad-based economic activities, thus cushioning the associated problems of dependence on mining as a source of government income (see GoPNG, 2010:9-13).

entrepreneurs. On the same token, necessary conditions will be created to encourage foreign investment through venture finance, joint-ventures businesses, and direct investment” (DNPM, 2010:34).

An assumption of this nature portrays Papua New Guineans as potential direct beneficiaries of the anticipated foreign and domestic investment, with an additional logic that Papua New Guineans will find a level playing field in this endeavor.

The PNGDSP also creates an incentive for Papua New Guineans to be competitive as both land owners and entrepreneurs. The belief that to better their lives, Papua New Guineans ought to take advantage of the conditions and opportunities that the government and the private sector provide. Whatever structural impediments to local or indigenous entrepreneurship are secondary to the ultimate goal of fostering an on-going belief in the benefits of foreign direct investment.

Under the PNGDSP, the creation of an investor-friendly environment is not only good for local participation by Papua New Guineans entrepreneurs but it also provides employment opportunities. Formal employment is a central indicator in the successful implementation of the PNGDSP.²⁴ Employment is rigorously promoted in the PNGDSP because it assumed that full employment will contribute to reducing law and order problems. Employment is also an incentive “for the implementation of land reforms that will empower landowners to make the most of their land” (DNPM, 2010: 14).²⁵ It is little wonder that employment is a variable included in the PNGDSP Conceptual framework and Government intervention in the PNGDSP is geared towards achieving full employment.

A recent survey jointly done by the Institute of National Affairs (INA) and the Asian Development Bank (ADB) basically summarized the reasoning behind employment as an indicator in economic growth models of development:

“Much attention has been paid to the great potential PNG has to develop its mineral sector. However, long term job creation from current and future mineral projects will be limited since these are highly capital intensive activities. Broader employment growth will depend on PNG’s ability to improve the business environment by addressing the core constraints to private sector investment. As PNG looks back on a decade of impressive job growth, the stage is now set for further reforms to foster the next wave of investments that are needed to create employment opportunities for PNG’s rapidly growing population” (Batten and Freedman, 2013).

²⁴ Employment is also considered in the PNGDSP as an important component for resourcing the implementation of the PNGDSP. The assumption in the resourcing of the PNGDSP is that “more jobs will result in additional income tax and higher household incomes will lead to higher government revenue in the form of GST” (DNPM, 2010:140). It is estimated in the PNGDSP that the revenue earning will enable the PNGDSP to be self-financing.

²⁵ The PNGDSP also recognizes the inevitable problems associated with “the growing number of Papua New Guineans who are becoming landless” (DNPM, 2010:99). It proposes the “[P]romotion and development of informal micro-enterprise...as a step towards progression into a commercially viable formal business” for Papua New Guineans who are landless (ibid.).

In very similar fashion to the Vision 2050, economic variables dominate the projections and discussions in the PNGDSP document. Part 3 of the PNGDSP (“Macroeconomic management and financial sector”) provides an analysis of the economic environment and projections about the economy when the PNGDSP is implemented. What the PNGDSP envisages is for economic growth to be “undertaken through facilitating competition, enhancing the operation of markets, improving the effectiveness of government services relied upon by the private sector and removing impediments” (DNPM, 2010: 30).

In fact, the model of development that is explicitly promoted in the PNGDSP is a growth-oriented model where critical sectors of the economy (e.g. service sector) are allowed greater control by the private sector to ensure the efficient redistribution of services to the wider public. The role of the government (as it is envisaged in the PNGDSP) will be relegated to:

“...providing the right conditions that make it attractive for the private sector, particularly local businesses, to establish and expand. In this environment, Papua New Guineans will become actively involved in overall development, including as both land owners and entrepreneurs. On the same token, necessary conditions will be created to encourage foreign investment through venture finance, joint-ventures businesses, and direct investment” (DNPM, 2010: 34).

One will notice here that the government is iterating what has been proposed in the Vision 2050 – that is, the liberalization of the PNG economy. However, the government in its capacity will continue to play an interventionist role in the background. The provision of public goods such as infrastructure and social services is assumed as the purview of the PNG government under the PNGDSP. Development priorities that are earmarked for implementation under the PNGDSP are public investments in the overall economy.

Another notable aspect of the PNGDSP, as expounded upon in Part 1 of the document is the conceptual framework (DNPM, 2010:8). The conceptual framework of the PNGDSP outlines the progressive priorities of government in the implementation process (see Figure 1). Moreover, the conceptual framework also tells us a lot about the model of the development that is being espoused under the PNGDSP. A reading of the conceptual framework simply reinforces the idea that there is an economic-oriented view in envisaging the process of national development in PNG. Somewhat reflective of the proposed outcome of creating a “prosperous middle-income country”, it is not surprising the PNGDSP defines development entirely on economic indicators.

I will therefore be critical of this conceptual framework from its universal claims about economic factors being the ultimate determinant of social well-being. When economic growth is the locus around which all government intervention is undertaken, policy makers are restricted from creatively comprehending the intentions of the Constitutional Planning Committee. It also limits any serious exercise in making the NGDPs the center piece of development planning in PNG. What the conceptual framework of the PNGDSP illustrates is that the world of the policy planners is seen exclusively from the perspective of fulfilling economic imperatives.

As I have argued in the previous analysis of the Vision 2050, development that privileges exclusively the economic indicators does not necessarily mean that social and economic

conditions of Papua New Guineans will improve. The blind faith in the growth model of development will generate unintended costs. The degree to which such a model of development affects the social and cultural fabric of PNG society is not calculated or understood in the structure of the PNGDSP. Whilst the PNGDSP is driven mostly by the unceasing urge to put a monetary value on virtually all potential economic factors – culture, land, human resource, and so forth – it may have the adverse effect of miscalculating the importance of these aspects of society in the hitherto well-being of society.

For instance, the registration of customary owned land is one of the agendas with an economic motivation in mind. Land reform it is envisaged in the PNGDSP will create 682,000 extra jobs by 2030 “and there will be an additional K18 billion of GDP” (DNPM, 2010: 43). Land reforms are seen as the important precondition for “higher rates of investment and higher productivity in land intensive industries such as agriculture” (ibid.).

However, the fears of land-grabbing as a result of the unregulated land reform agenda are less understood. When most of the land, ostensibly for agricultural purposes are designated “for oil palm plantations...access to customary farming land damages rural food systems, as livelihoods are lost and access to alternate income opportunities....” (Pacific Institute of Public Policy, 2011:2). Whilst the mass-based sector of the agriculture sector is the purported beneficiary of land reforms in the PNGDSP, such monocultural practices associated with oil palm production and the like “reduce the diversity of local [food] production” (Anderson, 2013: 13). Hence the one-dimensional world-view of the PNGDSP has serious implications for overall societal sustainability and continuity.

In tune with the economically defined expectations of the PNGDSP, it is apparent all throughout the writing of the PNGDSP certain priority sectors are merely seen for the economic value they contribute. For instance, a priority sector such as education is mobilized with the ostensible aim of achieving “a better future by promoting and enhancing integral human development” (DNPM, 2010: 54).

However, when the desired outcomes of education are enumerated, the obvious intentions of education under the PNGDSP is to create a “highly literate and numerate workforce is desirable as this plays a fundamental role in sustaining strong economic growth and social development” (DNPM, 2010:54). Education is simply treated simply as the avenue through which a mass production of manpower and human resources will be undertaken to take up employment opportunities and productive activities. Education or human resource development is taken simply as a monotonous process of preparing young Papua New Guineans for formal employment and an economically and justified investment priority for government.²⁶ Under the proposed “education reform” agenda of the PNGDSP it espouses that:

“Across all levels of schooling, curriculum reform is needed to promote student activities that facilitate understanding of key subject matters like

²⁶Indeed the PNGDSP views education reform and especially the abolition of vernacular language in elementary schools so that “Children need to be competent in English to later access the benefits of education and formal employment” (DNPM, 2010:55). This illustrates very well the ultimate aim of education: to prepare Papua New Guineans for the formal job market.

English, mathematics, information technology, science, foreign languages and also health education and PNG history. In this age of information technology, computer literacy has the capacity to greatly enhance productivity in PNG, bringing the country closer towards achieving a knowledge based economy. Understanding key foreign cultures and languages is also important in this modern world, particularly when it comes to accommodating tourists, influencing foreign affairs and engaging with international business partners” (DNPM, 2010: 55).

There is a somewhat biased preoccupation with the ends of education here. Rather than a process by which citizenship is nurtured and holistic preparation for citizenship is created, the aim of education is ultimately to find a well-paying, competitive job. But as we all know, conditioning young Papua New Guineans to be expectant of inexistent jobs in the formal sector has unintended consequences. It is this high expectation created under the formal education system that needs to be carefully weighed.

The Constitutional Planning Committee rightly predicted that “schools have tended to make children strangers to their parents and their villages...[and]....the whole education process was leading towards social stratification, increased difficulty in communication among members of a single social group, and a decline in the level of tolerance and inter-personal respect among our people” (Constitutional Planning Committee Report, 1974, Chapter 2, para.25). Perhaps the lesson that needs to be heeded is for the development of a balanced view of education – one that is reflective of a globally competitive environment with but concurrently addressing the lived realities and the specific needs of Papua New Guinean youth.

As I proposed in the analysis of the PNG Vision 2050, the interest in cultural and indigenous language matters, even Melanesian modes of thought are missing in our educational system. These are worthwhile themes that need to feature in the education system of the country. Education must be about preparing citizens to take up responsibilities as productive citizens, rather than solely about preparing workers for the formal employment sector.

I now provide a brief overview of the structure of the PNGDSP. I will do so by demonstrating some of the relevance of the PNGDSP to the overarching NGDPs and the Vision 2050. Read in its entirety the PNGDSP provides a sequence of issue areas that the government see as priorities.

1.3. Structure of the PNGDSP

Part 1 of the PNGDSP begins in earnest by drawing the relevance of the PNGDSP to the aspirations of the 5 NGDPs. Under the broad sub-heading “The broad objectives of the PNGDSP 2010 – 2030”, the writers of the PNGDSP enumerate the 5 NGDPs and provide the specific agendas the PNGDSP would pursue towards the realization of the 5 NGDPs. The PNGDSP sought to align and expand on the 5 NGDPs. For example, under NGDPs 2 – Equality and Participation, the PNGDSP envisages that:

“Prosperity in rural areas of PNG is a major emphasis of the PNGDSP, because the vast majority of citizens live in rural PNG. The PNGDSP specifies how

service delivery to rural PNG will be achieved, including transport services, electricity, education, health and business assistance” (DNPM, 2010: 4).

I must add that there is indeed a marked difference between the PNG Vision 2050 document and the PNGDSP in this respect. In its introductory chapter, the PNGDSP is more explicit about its affinity to the NGDPs. To their credit, the designers of the PNGDSP diligently expanded on the NGDPs. The framers of the strategic plan begin with the important task of interpreting the NGDPs, and alerting the potential reader of this document about its alignment to the NGDPs.

The wordings are simplified when the writers of the PNGDSP went about reinterpreting the NGDPs. This involved defining the specific government intervention priorities that would advance the NGDPs. One will find this in page 4 of the PNGDSP. I think the writers of the PNGDSP did a great service by enumerating and expanding on the NGDPs. When drawing up policy documents, one should always assume that all Papua New Guineans are not well-versed in the NGDPs.

This was ostensibly done with the aim of drawing the relevance of the NGDPs as it is implemented in the programs of the PNGDSP. In contrast the PNG Vision 2050 in rhetorical fashion merely proclaims how it “embraces the five National Goals and Directive Principles that are enshrined in our Constitution” (GoPNG, 2010:2). There is no clear distinction how the NGDPs are advanced in the PNG Vision 2050. The reader of the Vision 2050 is left to his own devices to try to comprehend the affinity of the Vision to the NGDPs.

In the introduction to the PNGDSP one also gets the impression that the interventions suggested are an acknowledgement of the failure in achieving the NGDPs in the intervening years since 1975. Attention is given to the rural majority. In the words of the then Prime Minister, Sir Michael Somare:

“We have, for far too long, been swindling on the back of rhetoric and ad-hoc decision making processes which do not reflect Government policy objectives. These in turn reflect badly on PNG’s development goals and priorities thus leaving our rural majority population with minimal or no economic options to become key players in the socioeconomic advancement of our country. The PNGDSP is also designed to change this practice” (DNPM, 2010: vii-viii).

For instance, the notion of economic corridors as a policy directive seeks to address the failure in equal distribution of goods and services. The pro-poor orientation of the PNGDSP is emphasized at the outset. The vehicle through the equalization process would be undertaken will be through the economic corridor concept:

“Economic corridors will be located in the poorest regions of PNG with the aim of extending the benefits of development to the most disadvantaged regions. They will be located where the gains are likely to be greatest, particularly where land is fertile or where the three modes of transport – air, sea and land – are able to come together to provide efficient trade hubs” (DNPM, 2010:18).

In its most interventionist approach yet to development in PNG, the economic engineering agenda is proposed through the economic corridor concept. Framed on the growth model this concept of the economic corridor is therefore built on the assumption that the equalization of wealth will be maximized if development is made accessible to the least developed regions of the country.

One other salient feature of the PNGDSP that is worth highlighting is that unlike the Vision 2050,²⁷ the PNGDSP was written specifically with the bureaucrats or policy implementers as its intended audience. Under the leadership of the Grand Chief Sir Michael Somare, government “directed the Department of National Planning & Monitoring as the mandated central planning agency of the nation in early 2008 to undertake formulation of a 20-year long term development blueprint for the country, the Papua New Guinea Development Strategic Plan, 2010-2030 (PNGDSP)” (DNPM, 2010: vii). As a “strategic planning document”, the PNGDSP claims that it “articulates long-term national goals and formulates strategies that provide guidelines for action plans and resources programming” (DNPM, 2010:5).

Part of the methods in which “goals are quantitatively targeted and scenarios derived” is through the use of the “PNG Government’s computerised general equilibrium model (PNGGEM)” (ibid.). The PNGGEM is a modeling tool that was “originally built for the assessment of the impact of mineral booms on other sectors, and later used for identifying key drivers of economic growth and major constraints facing the economy” (available at http://www.thecie.com.au/?page_id=62). In the PNGDSP, the PNGGEM provides a picture of the projected gains from all sectors of the economy under the PNGDSP strategies. According to two officers from the Department of National Planning and Monitoring, an optimistic picture of the PNG economy is portrayed:

“The key projected gains far outweigh the costs for implementing this revolutionary plan. GDP will increase from K23 billion to K98 billion, GNI will increase from K20 billion to K73 billion, tax revenue will increase from K6 billion to K33 billion and GDP per capita will increase from K3, 700 to K10, 000 by 2030. This will create at least 2 million additional jobs. With or without the PNGDSP, the population will expand to over 9 million by 2030. Without jobs, they will be forced to turn to crime and other unfortunate activities just to survive. The PNGDSP will ensure they are either employed, in education, in vocational training or in the informal business sector” (Hangatt and Moimoi, 2011).

I stress here the assumptions and characteristic of the PNGDSP to reinforce the idea that it is very much a technocratic document infused with an economic growth-oriented dimension on development. Though Sir Michael Somare says that the PNGDSP “is designed to strategically inform and guide Papua New Guineans in all walks of life to engage in the development process of our country” (ibid), the structure of the PNGDSP shows that it was specifically written for the

²⁷The Vision 2050, at least in rhetorical terms, sought to mobilize collective national efforts towards taking ownership of the development process whereas the PNGDSP merely provides the planning guide for technocrats to align their respective activities.

bureaucratic audience and is the planning template for their implementation of government policies. The stated ambition of the PNGDSP is for PNG to “realize the vision of becoming a prosperous middle income country by 2030” (DNPM, 2010: 150).

The Vision 2050 on the other hand aims for PNG to work towards attaining “middle income country status” and be situated in the top 50 of the HDI ranking” by the year 2050. The difference in the two policy documents could ultimately be explained in relation to the intended audience.

The PNGDSP targets the implementing agencies of government. It is on this basis that the PNGDSP is exclusionary in its scope – limiting Papua New Guineans to mere spectators of the government implementing agencies. Indeed, there is stark distinction between the PNG Vision 2050 and the PNGDSP: whilst the PNG Vision 2050 promoted national mobilization towards its implementation, on the other hand, the PNGDSP is a planning tool designed to guide engine room of government policy implementation.

Part 2 of the PNGDSP is wholly committed to the economic corridor concept – an innovation aimed at instigating a flow-on effect on economic activities in the ten areas identified. In its poverty-reduction approach, the economic corridor concept as defined will be used in 10 locations in the country identified as the “poorest regions of PNG with the aim of extending the benefits of development to the most disadvantaged regions” (DNPM, 2010:18).

Perhaps the most defining aspect of this chapter is the PRAEC or Petroleum Resource Area Economic Corridor. This component of the economic corridor concept will specifically be used in petroleum-producing regions of the country. In anticipation for the LNG project the PRAEC will be used as the mechanism to “direct LNG revenues into a network of transport, utilities and services in the PRAEC area that is fully integrated with the national network” (ibid, 20). As I will discuss in the subsequent sections of this paper, the economic corridor concept is a rather innovative way of using the economies of scale to stimulate economic activities in the most marginalized regions of the country. Building on the experience of other countries that have successfully implemented economic corridors, the PNGDSP is adamant that this kind of intervention will work.

Parts 3 to 5 of the PNGDSP provide detailed assessments and projections about the specific economic priorities of government. I will try to simply summarize the central themes of these three chapters here. Part 3 – “Macroeconomic management and financial sector” endorses the macroeconomic performance of the country and credits the Somare-led government for the prudent responsibilities in enforcing cost-saving measures. It also highlights the period of global economic uncertainty (1998-2002) perhaps to bring home the point about the unsustainable economic structure of the country and the economic policies that need to be instituted to be competitive. The PNGDSP notes that since 2003, the Budget has been well managed, resulting in prevailing budget surpluses” (DNPM, 2010:32).

Noting the change of fortunes in the PNG economy (such as fiscal surpluses, low inflation, a stable exchange rate and low interest rates, the PNGDSP describe how “the private sector has responded with a new confidence to invest” (DNPM, 2010:12). Hence, the circumstances and

timing in the PNGDSP's writing provides us an indication on the level of optimism and the unprecedented confidence that PNG enjoyed at that particular time.

One of the central themes of the PNGDSP is for the economy of PNG to advance beyond the mining and petroleum sectors. In Parts 3 to 5 of the PNGDSP, the focus is on creating the enabling environment for investment and economic participation. For mass-based economic participation to be realistic, the windfall gains from extractive sector should be diverted towards the immediate economic infrastructures that support broad-based economic participation. By economic infrastructure, it is meant the construction, operation and renovation of physical structures that provide a platform for most other economic activities. These includes telecommunications, electricity, water and waste services, roads and public works programs, ports and airports, shipping and aviation services.

Likewise, the capital market or lending financial institutions are beyond the reach of potential rural entrepreneurs. The capital market is therefore targeted in its approach to making credit available for Papua New Guineans. However financial capital for potential rural entrepreneurs may not always be feasible given the high levels of financial illiteracy in PNG. According to the Bank of Papua New Guinea (BPNG) and the Institute of National Affairs (INA) rural areas of PNG lack access to financial services and information for the people. Also, "studies [undertaken by the BPNG] show that half of the 80 per cent of Papua New Guineans who live in rural areas are financially illiterate and have never opened a bank account" (Gunga, 2016). The BPNG study basically concluded that many Papua New Guineans in the rural areas "do not understand the importance of practicing a savings culture or how to benefit from financial services" (ibid.). Any intervention aimed at economic empowerment will naturally address such challenges.

In Part 3 of the PNGDSP, specific attention is given to the role of the financial sector, competition and consumer protection, state owned enterprise reform and trade. In the latter, the PNGDSP boldly states:

"In order to maximise economic benefits from its rich natural resources, appropriate trade policy, especially outward-oriented policies, will be pursued. An outward-oriented trade policy has already been pursued in previous Government plans through the export-led growth strategy and the *PNGDSP* will emphasise export promotion rather than import-substitution" (DNPM, 2010:39).

Essentially the liberalization of the economic policies of the country is seen in this outlook. The path of development that is espoused in the PNGDSP is growth-oriented and follows the neo-liberal model.

In Part 4 of the PNGDSP – "Land, services, transport and utilities development strategies" emphasizes "the creation of a well functioning domestic economic base with sound infrastructure and utilities development" (DNPM, 2010:39). Part 4 is perhaps the longest chapter or section in the PNGDSP document. It covers a comprehensive list of service sectors. The PNGDSP in its projections tries to provide some benchmark for the respective sectors under PNGDSP scenarios. Of course this is a modeling exercise and the utilization of the PNGGEM becomes apparent.

A critical area that should be highlighted in this instant is land reform. The land issue and especially the freeing up of customary land ownership is a recurring theme in recent decades. In the Vision 2050, the proposal is that a further 3 per cent of customary land come into production in the formal sector between the years 2010 to 2020 (GoPNG, 2010:26). The PNGDSP on the other hand sets as its target by 2030, to “increase land use within the formal administration system to over 20% of PNG’s land mass” (DNPM, 2010:43).

The PNGDSP is markedly ambitious in its land reform agenda. And irrespective of the current mess with the Government’s Land Development Program, this program is touted as the initiative to drive the land reform agenda of the PNGDSP (ibid.). The PNGDSP estimates that “the introduction of tenure security and transparent land markets, which will lead to higher rates of investment and higher productivity in land intensive industries such as agriculture” (DNPM, 2010:43). For the PNGDSP a total of “682,000 extra jobs will be generated by 2030”, and an “additional K18 billion of GDP” will be added to the economy as a direct result of the land reform exercise (ibid.).

The point about land reforms is to illustrate the fact that the PNGDSP puts up economic value on the sectors that need to be reformed or infused with government funding. It is wholly geared towards ensuring that the public investments in sectors will yield economic benefits within the given timeframe of 2010 to 2030.

Making financial capital available for indigenous Papua New Guineans to access is also a recurring theme in Part 4 of the PNGDSP. Parts 3.3 to 3.4 (pp. 33-36) define the current problem with the financial sector and proposes the role of financial institutions to enable a critical mass of Papua New Guineans to participate in entrepreneurial activities. This is a long-standing issue in PNG especially when we consider how Papua New Guineans can participate in the economic life of the country. As rightly observed in the PNGDSP, the financial “services remains thin and underdeveloped in rural areas where the financial sector has failed to reach the majority of the population” (DNPM, 2010:33). The challenge of course is to make microfinance an option for aspiring entrepreneurs in the country, and most importantly to ensure foreign investors’ interests are subordinate to the welfare of Papua New Guineans. There are still significant disparities for Papua New Guineans to overcome before actual participation in the economy is guaranteed.

For instance, financial capital for potential rural entrepreneurs may not always be feasible given the high levels of financial illiteracy in PNG. According to the Bank of Papua New Guinea (BPNG) and the Institute of National Affairs (INA) rural areas of PNG lack access to financial services and information for the people. To illustrate: “studies [undertaken by the BPNG] show that half of the 80 per cent of Papua New Guineans who live in rural areas are financially illiterate and have never opened a bank account” (Gunga, 2016). The BPNG study basically concluded that many Papua New Guineans in the rural areas “do not understand the importance of practicing a savings culture or how to benefit from financial services” (ibid.). Any intervention aimed at economic empowerment should naturally address such challenges.

Another relevant sector that is worth addressing is the infrastructure and transport systems. The PNGDSP acknowledges the role of infrastructure in nation-building efforts. It states:

“Nation building requires a transport policy that goes beyond maintenance. Funding is required to establish new roads, new ports and to completely rehabilitate and expand the capacity of airports” (DNPM, 2010:65).

Curiously enough, nation building is perhaps the first non-monetary benefit in the PNGDSP attached to a particular government priority. However, in the subsequent rationale for maintenance and construction of road and ports facilities, it is predominantly driven in an effort to encourage the flow of goods and services and the establishment of commerce and trade.

According to the sequencing of the PNGDSP’s priority areas, Part 4 (“Land, services, transport and utilities development strategies”) mainly deals with the enabling environment that will facilitate the growth of the economic or primary sectors (Part 5).

Part 5 is a break-down of the key sectorial strategies. In this section of the PNGDSP, the focus is on “primary production”. This includes “agriculture, fisheries, forestry, petroleum, minerals, the informal sector, manufacturing and tourism” (DNPM, 2010:88). Where the strategies are proposed to deal with these specific sectors, baseline data is presented, key strategic areas are proposed, and targets and objectives are defined. Any layman reading these complex tables of priorities and agendas may be perplexed initially. What the PNGDSP portrays is akin to a shopping list of agendas that will guide the work of implementation. I provide an illustration of one of the tables used in agriculture sector (see Figure 4).

Figure 4: Agriculture and livestock key strategic areas

Indicators	Baseline	2030 target/objective
Meat production, including organic	407,000 tonnes in 2007	4 million tonnes
Coffee production	63,000 tonnes in 2008	500,000 tonnes
Oil palm production	556,000 tonnes in 2007	1.6 million tonnes
Cocoa production	56,000 tonnes in 2008	310,000 tonnes (minimum of 100,000 tonnes required to allow the development of a local processing industry)
Copra production	110,000 tonnes in 2007	440,000 tonnes
Horticultural production, including organic	n/a	Increase by 5 times
Rice production	Domestic market dominated by foreign entities	Strengthen the bargaining power of local growers and encourage local processing
Sago production	n/a	Establish 2 large scale sago plantations by 2030 and venture into full commercialisation
Staples (sweet potatoes, cassava, taro, banana) production	n/a	Increase production to levels sufficient to feed the population and supply downstream industries
Subsistence agriculture	Most in rural areas depend on subsistence	70% of subsistence farmers will expand into small and medium primary agricultural enterprises

Source: DNPM, 2010:90

It is envisaged in the PNGDSP that successful implementation of the agriculture and livestock strategies will generate “a five-fold increase in agricultural production in PNG between 2010 and

2030, creating an estimated 267,400 additional jobs and K7.2 billion in additional national income by 2030” (DNPM, 2010:90). To aid agricultural output and the competitiveness of production for trade (both local and international), there are specific directions for land reforms and “[I]mplementing of the international “Codex” food safety and fair trade standards” (DNPM, 2010:90).

It is all throughout the course of Part 5 that the economic sectors are treated with the same approach. Fisheries, tourism, manufacturing, small and medium enterprise, forestry, petroleum and minerals are earmarked their specific targets to work towards. It sounds very simplified in terms of the kind of expectations of some of these sectors. The role of translating these very ambitious strategies and targets, let alone communicating them to the implementing agencies and personnel will be a serious undertaking. The PNGDSP portrays the impression that all the implementing agencies are coordinated and on par with each other in the implementation of the strategies associated with this development plan.

I must also add that the economic corridor concept is also taken into consideration in the economic sectorial strategies. Economic corridors will have their own specific authorities to oversee and coordinate the implementation of the sector strategies. It will be akin to centralizing in a particular region (there are ten regions earmarked for economic corridor status) all the amenities and services that will have a flow effect to the wider economy of the surrounding region. For petroleum-producing regions, the Petroleum Resource Area Economic Corridor (PRAEC) will work at directing “LNG revenues into a network of transport, utilities and services in the PRAEC area that is fully integrated with the national network” (DNPM, 2010:20).

Part 6 of the PNGDSP basically elaborates on the cross-cutting developmental challenges confronting the country. Issues such as climate change and HIV and AIDS have a serious debilitating effect on the overall development of the country. Indeed, there are compelling reasons why the PNGDSP considers these developmental challenges. And it is obvious all throughout Part 6 of the PNGDSP.

Firstly, the economic impact of developmental challenges is the basis in strategic planning. All of the issues that are highlighted in Part 6 are social in nature. But their implications on economic growth are evident in the PNGDSP. For instance, when the PNGDSP makes its observation about the youthful population, it states:

The large young population creates a ‘dependency burden’ which has implications for consumption patterns, labour force quality and productivity, and challenges the ability of the Government to support productive investments and infrastructure. As a result of the weak health system and low life expectancy, the ‘dependency burden’ associated with the old age population is low with just 4.2 per cent of the population over 60.

By now it is obvious where the PNGDSP is coming from. There is an economic lens in almost all the issue areas that it works on. The productivity level of the economy is dependent on the social well-being of the citizens (employees, manpower or human capital) as well as the health of the environment. So for instance not addressing the population growth is much more costly in the

future and will be unsustainable in future when it needs to be dealt with as a matter of national priority. Even the mitigation of the effects of climate change is a telling indication of government preparedness and forward strategic planning. For instance, Part 6 proposes “Natural disaster management” (6.8) strategies. In essence there is an emphasis on pre-empting challenges in Part 6.

Secondly some of the agendas that are considered in Part 6 are extensions of the national commitment to global agendas. For instance, climate change, gender or HIV and AIDS are part of the Millennium Development Goals (MDGs) that PNG committed in 2000 to addressing in its domestic policy making initiatives. We are merely seeing an extension of global priorities into domestic priority setting of the PNG government. The PNGDSP seeks to give the impression that the PNG government is doing its part.

Of course throughout Part 6 in the PNGDSP, PNG is expected to reach certain global targets as set by multilateral institutions in the respective sectors. So for instance “for all countries in the world, the UN constructs a Gender Development Index where a score below 1 indicates that women are disadvantaged relative to men” (DNPM, 2010: 112). By 2030, PNG is aiming to achieve the target of a Gender Development Index of 0.75. This will mean a greater empowerment of women will be achieved by then.

The third aspect of Part 6 is interesting. Public sector management, national statistics system, international relations and security, foreign policy, immigration, foreign aid, and defense and security seem to have been thrown into this chapter as an afterthought. However, there is serious effort in addressing the national security and national interests of PNG through these issue areas.

Public sector management is also taken as a development priority in Part 6 of the PNGDSP. What is strikingly peculiar about public sector management as outlined in the PNGDSP is its vague emphasis on the issue of corruption. Indeed, corruption does not even feature as a developmental challenge in the PNGDSP although public sector management and “Policy initiatives for cost savings” (DNPM, 2010:142) is made reference to.

Whilst the PNGDSP employs the PNG Government’s computerised general equilibrium model (PNGGEM) in determining that the developmental goals are quantitatively targeted and scenarios derived, corruption and mismanagement of public resources are not factored in as variables capable of derailing the projections and scenarios in the PNGDSP. It is rather alarming that from a planning point of view the lost opportunities through corruption and misuse of public resources do not feature in the PNGDSP. Corruption and the misallocation of resources in the implementation of the PNGDSP will directly impact the intended projections of PNGDSP. It is a disservice to realistic implementation of the PNGDSP that the worse case scenarios associated with corruption is not considered important in this so-called “strategic plan”. When one considers how corruption and various practices of wasteful mismanagement of the national resources of the country deny effective implementation of national plans, the PNGDSP’s projections are premised on a public service delivery mechanism that is neither efficient nor accountable.

Parts 7, 8 and 9 of the PNGDSP are specific to “Partnership and cooperation”, “Resourcing the PNGDSP”, and “Implementation, monitoring and evaluation framework” respectively. I will dwell on “resourcing the PNGDSP” in the second part of this study (“Compromising national economic sovereignty and self-reliance”).

In Part 7, the implementation of the PNGDSP is defined as dependent on key stakeholders who are prepared to “discharge their responsibilities in its implementations and, monitoring, evaluation and reporting is effective, including effective responses to underperformance” (DNPM, 2010:149). Moreover, the “[I]mplementation of projects and programs is the responsibility of the line departments and other government implementing entities at all levels of Government” (ibid.). A reading of this is not so empowering. In essence the DNPM after preparing the PNGDSP is now virtually giving it to the line departments and other government agencies to make sense of the PNGDSP and implement this strategic plan. It begs the question of how the PNGDSP is to be communicated and fully comprehended by all entities in the government system – central agencies, local level governments, statutory entities, etc., if the PNGDSP is expected to be implemented in its entirety.

2. Consistency with Vision 2050 and the National Goals and Directive Principles

2.1 Consistency with Vision 2050

Based on my reading of the two policy documents, I conclude that the basic premise and aims of the PNGDSP is consistent with the Vision 2050. The PNGDSP indeed complements and expands on the directives outlined in the Vision 2050. Specific aspects of the PNG Vision 2050 are advanced in the PNGDSP.²⁸ Likewise, both documents are informed and consistently preoccupied with the idea of economic growth and how the prospects for economic growth in PNG can be facilitated. Under the PNGDSP and the Vision 2050, full employment is identified as the means through which income-generating or wealth creation opportunities are realized.

Both policy documents also reinforce the idea of expanding and diversifying the structure of PNG's economy. The national economy since Independence has always been reliant on the mining sector. What the Vision 2050 and the PNGDSP propose is for the economic engineering of the PNG society to move away from the unpredictable and unsustainable mining and petroleum sectors. There is also a counterbalancing act demonstrated in the PNGDSP. Whilst it is pro-poor and promotes a redistribution of national wealth,²⁹ it also encourages the growth of the private sector. The public investments in infrastructure and public services through the economic corridor concept, it is assumed, "will encourage private sector investment" (DNPM, 2010:20). Part 3 of the PNGDSP provides a detailed discussion on the macroeconomic interventions by government towards enhancing the role of the private sector, and especially Papua New Guinean businesses in the PNG economy.

As I alluded to in the previous section, both the Vision 2050 and the PNGDSP acknowledge that PNG has failed abysmally in providing a high quality of life for citizens. Most citizens are not meaningfully engaged in the economic sectors of the country giving rise to poverty – defined here "as a lack of access to basic services and infrastructure, as well as access to income and income-earning opportunities". (GoPNG, 2010:17).

Sectors of the economy such as agriculture and tourism that have the potential of employing a large proportion of Papua New Guineans are consistently neglected, economically disenfranchising the bulk of PNG's population. Nowhere are the disparities in access to opportunities more obvious than in the rural areas. In both the Vision 2050 and the PNGDSP, poverty is of course measured by the level of income that is supposedly generated from either formal or informal employment. In this section of the study I will describe in detail the areas where the two policy documents converge.

²⁸ The PNGDSP expands on the 7 Pillars defined in the Vision 2050. These includes: "Strategic planning, Systems and institutions, Human development, Wealth creation, Security and international relations, Environment and climate change and Partnership with Churches for Integral Human Development" (DNPM, 2010: 5 – 6).

²⁹ The redistribution of national wealth is envisaged to be implemented through the economic corridor concept. This will involve the "construction of essential infrastructure within certain regions...Building on this infrastructure, effective sequential and spatial planning will help to expand economic activities like agriculture, tourism and manufacturing" (DNPM, 2010: 18).

2.1.1 The growth-oriented model of development

Through the Vision 2050 and PNGDSP it is apparent that these documents are influenced by the economic theories and policies that are promoted in supply-side economics circles.³⁰ The PNGDSP promotes an investment-driven economy with a commitment of public funds to grand ventures that would pay interest because they drive growth. Policies that are cornerstones of the supply-side economics tradition include privatization, increased education and training with the ultimate aim of boosting workforce productivity, the lowering of tariff barriers with the aim of increasing trade, and government investment in infrastructure and improved transportation (see www.economicshelp.org). These agendas are all manifested in the PNGDSP and the Vision 2050.

Government is expected in this instant to create a conducive environment for business and invest in the sectors of the economy that are expected to regenerate productive returns. It is apparent that the Vision 2050 and the PNGDSP simply restate economic policies that are driven and supported by multilateral institutions such as the World Bank, International Monetary Fund and the World Trade Organization. The two policy documents are framed on the overall economic principles that have impacted developing countries such as PNG in the post-Cold War era.

In the Vision 2050 and the PNGDP, the prevailing themes include land reforms, greater private sector investment, and individual economic betterment feature as the central pillar in advancing societies. Supply side economic thinking is particularly evident in the PNGDSP. Expanding the role of the private sector is key, and this is iterated in the PNGDSP:

“There is also the need for fundamental microeconomic reform to improve the productivity and efficiency of the economy and promote a dynamic and expanding private sector. To this end microeconomic policy reforms will be directed at achieving improvements in economic performance at the sectorial level. This is undertaken through facilitating competition, enhancing the operation of markets, improving the effectiveness of government services relied upon by the private sector and removing impediments” (DNPM, 2010: 30).

In fundamental ways, the Vision 2050 and the PNGDSP treat the private sector as the engine of economic growth. Whilst the government seeks to intervene through infrastructure development, improved law and order and investments in the social sector – particularly education, this ultimately is geared towards creating the enabling environment for private sector investment to happen.

³⁰By supply-side economics, it is taken to include:

“the branch of economics that considers how to improve the productive capacity of the economy. It tends to be associated with Monetarist, free market economics. These economists tend to emphasize the benefits of making markets, such as labour markets more flexible. However, some supply side policies can involve government intervention to overcome market failure” (www.economicshelp.org).

To illustrate the point about government's role in the economy, since 2006, annual business surveys conducted by the Institute of National Affairs (INA) reflect perceptions of the private sector. Such surveys provide insights into the kind of business environment that the private sector desires. In 2012, out of "136 businesses of various sizes from around the country at the end of 2012" (Betteridge and Howes, 2013) were asked about the level of satisfaction in the management of environment they operate in.³¹ For the most part the result were encouraging as "respondents flagged significant improvements in the business environment since 2006, with 37 per cent saying it had 'fairly improved', while 7 per cent noted a 'big improvement' and 4 per cent identified a very big improvement" (ibid.). The recognition of the private sector is obvious in the priority sectors of the PNGDSP and the Vision 2050.

Indeed, the PNGDSP and Vision 2050 demonstrate the private sector's increasing influence on how economic policy is framed by government.³² But there are critical voices being heard about the lack of sustainability of a market-oriented and economy obsessed with economic growth. Indeed, the perceived universalism of the market-oriented approaches in Melanesian countries is uncritically deployed without host governments fully understanding their implications. Commenting on the growth-oriented model of development, a Wellington-based academic from Vanuatu Pala Molisa (2015) states:

"our universities, the liberal arts and the humanities, where students can go to learn critically, to question the underlying assumptions that their disciplines, their fields are based on, to be able to question the types, the systems of power that we live in. All of that has been marginalised. You know again most of the mainstream discourse talks about balancing the economy and the environment. But what that presumes is that the current economy can be reconciled to ecological well-being and it can't. Because it's based on perpetual growth.....And that's the situation we are in. Capitalism is a commodification machine. It's a system based on commodity production, it commodifies everything. Human beings become commodities, the natural world becomes a commodity, and it just exploits it until collapse".³³

Based on this the economic models and assumptions of the Vision 2050 and the PNGDSP are not homegrown. Their economic thinking is part of the market logic that has been prevalent in development thinking since the 1980s.

³¹ According to Betteridge and Howes (2013) the respondents were asked to rank their level of satisfaction with the law and order, anti-corruption measures and the state of transport infrastructure and some 20 other factors affecting business.

³² The PNGDSP does not hide the fact that it envisages as significant role for the private sector for a "dynamic and expanding private sector...[which includes]...improving the effectiveness of government services relied upon by the private sector and removing impediments" (DNPM, 2010:30).

³³ Molisa, Pala (2015) "Capitalism accelerating eco-collapse says Pacific academic", Radio New Zealand International, available online at: <http://www.radionz.co.nz/international/programmes/datelinepacific/audio/201781962/capitalism-accelerating-eco-collapse-says-pacific-academic>, accessed: December 8, 2015

In the previous study on the Vision 2050 I discussed at great length the potential impact of such economic policy-making for a communal, predominantly agrarian society as PNG. What strikes me as profound is that the almost unwavering belief by the writers of both the Vision 2050 and the PNGDSP in this model of development.

I suspect that the writers of these two documents were merely regurgitating the kind of economic thinking that they acquired through their association with donor agencies and educational institutions. We are reminded that in other parts of Melanesia, the role of donor agencies in “driving home” a pro-investment model of development is taking place. Ni-Vanuatu civil society activists, Aminio David and Anita Tenkon (2015) note the experience of ni-Vanuatus when dealing with donor agency-funded (notably Australian aid) policy transfers of growth models in development:

Australia has long held an ideological opposition to the way of life of my people in Vanuatu. Customary land, our traditions, our ‘subsistence’ culture and ‘informal’ economy are seen as inherent impediments to development. Our perspective and values are not taken into consideration because countries like Australia see only the need for economic growth.....These policies are being pursued by DFAT and Australian NGOs alike. They are funded by Australian taxpayers and it is important that people in Australia are aware of the true nature of the Australian aid program.³⁴

I think that the obsession with the economic model of growth is very much reflective of the uniformity and perceived universalism of neo-liberal economic ideas, and one that is part of a complex web of intellectual and policy exchange at the multilateral and bilateral level. It is a model of development that privileges the open-ended liberalization of PNG’s economy to the global environment. What is left by the wayside however in this whole discourse about economic models is the home-grown essence of development as envisaged by the Constitutional Planning Committee. This is not revisited in either the Vision 2050 or the PNGDSP.³⁵

2.1.2 Timeframes and quantifying development

A corollary theme associated with the obsession with growth-oriented models of development is where both policy documents explicitly privilege global economic yardsticks in measuring development. Both the Vision 2050 and the PNGDSP use the Human Development Index as the universal standard in defining improved living standards. However, the PNGDSP provide very unsatisfactory justification as to why the HDI is the privileged as the yardstick in measuring development. It just simply uses the HDI because it is deemed as the existing manner in which

³⁴ David, Aminio and Tenkon, Anita (2015) “We Took Part In An Australian Aid Program: It Was More About Helping Your Country Than Ours”, NewMatilda.com, available online at: <https://newmatilda.com/2015/11/06/WE-TOOK-PART-IN-AN-AUSTRALIAN-AID-PROGRAM-IT-WAS-MORE-ABOUT-HELPING-YOUR-COUNTRY-THAN-OURS/>, accessed: Saturday, 7 November 2015

³⁵ In the Final Report of the Constitutional Planning Committee of 1974, an enduring question is posed by the Constitutional Planning Committee. The question reads: What kind of society do we want? Any qualitative redefining of these question is absent from the Vision 2050 and PNGDSP. Even if the Vision 2050 aspires for PNG to be a “smart, wise, fair, healthy and happy society”, these are all variables premised on econometric definitions of individual well-being.

the United Nations compares “development in PNG against that of other countries” (DNPM, 2010:10). This is the kind of issue one deals with when trying to understand the development end-point that policy documents such as the PNGDSP and the Vision 2050 are guiding.

The obsession with time-bound and quantifiable targets is now a trend in global development thinking. Quantifying development indicators has been a recurring theme for multilateral and donor agencies in recent decades. From the external environment, this is perhaps a good starting point to contextualizing the Vision 2050 and PNGDSP. Ideas about the need for timeframes and set targets have evidently influenced development planning by governments in developing countries such as PNG. The most unprecedented attempt on a global scale was of course the United Nation’s Millennium Development Goals (MDGs), reached through what is known as the Millennium Declaration.³⁶ Within a period of 15 years (2000 to 2015), eight goals were framed. Governments had to commit their countries to working towards achieving these eight MDGs in the year 2015.³⁷

The PNGDSP uses the HDI exhaustively as a yardstick because the HDI relies on GDP per capita. From the perspective of the PNGDSP, the higher the HDI ranking for PNG demonstrates the “higher income that drives improved living conditions” (DNPM, 2010:10). HDIs and GDPs are global measures to assess country performance. It is these yardsticks that are readily used by the writers of both the PNGDSP and the Vision 2050. For the long-term there are no alternative criteria, with a PNG-oriented flavor to quantify progress.

The PNGDSP and the Vision 2050 define the well-being of Papua New Guineans measured according to the level of income per capita.³⁸ Higher income levels are equated with improved quality of life for PNG citizens. The PNG Vision 2050 and the PNGDSP assume that economic growth will be the panacea for social and economic well-being of individual citizens. At the macro-level the references to “middle-income country” status guide how development is projected and the use of timeframes to drastically engineer “economic growth” are used.

Both documents start from the premise that successive governments since Independence failed to materialize the potential PNG has into actual high standards of living for PNG citizens. The

³⁶ According to Poku and Whitman (2011), the “Millennium Declaration holds out the promise of a new pattern of global social policy built on the foundations of greater equity, social justice and respect for human rights. More fundamentally it reflects the shared aspirations of the global human community in a period of sweeping change”(pp.3-4).

³⁷ On December 20, 2004, the PNG’s National Executive Council (NEC) formally approved the first MDG PNG Country Progress Report. Sir Michael Somare in acknowledging this Report claimed that PNG “has tailored all global targets as well as most of the indicators associated with the MDG’s to reflect the realities and priorities of the country” (Somare, 2004:i).The modified targets and indicators were of course included in what is now known as the Medium Term Development Strategy or MTDS 2005-2010.

³⁸ Economic growth is perceived as the stimulus for improved well-being of Papua New Guineans as individually as citizens and collectively as a nation. For instance, the Vision 2050 strategic direction wants “economic growth by 2050 to be broad based, ensuring that disposable household incomes will be much higher than at present. These initiatives will enhance our socioeconomic performance and improve our overall HDI ranking” (GoPNG, 2010:3). The PNGDSP on the other hand is “designed to quadruple the national income which should give all Papua New Guineans an improved quality of life by exploiting the available opportunities and enable them to become key players in the overall socioeconomic development of this country” (DNPM, 2010:vii). Both documents demonstrate consistently that income indicators naturally translate to higher standards of living.

solution that is proposed in both documents is for an economic growth model to facilitate the redistribution of income. Among other things, foreign investment, the growth of the private sector and local entrepreneurship and government investments are the quartet of stakeholders in this economic transformation. The redistributive effect as anticipated under the two policy documents will mean more Papua New Guineans are engaged in mass-based and inclusive sectors of the economy.

In the Vision 2050 under the four scenarios (GoPNG, 2010: 25-28), and under the “economic corridor concept (Part 2) of the PNGDSP, the undisputed pathway for development is that of non-mining alternative pathway for development in PNG. The PNG LNG project will be used as the basis to phasing out PNG’s dependence on the extractive sector of the economy. Ambitious as it is, Vision 2050 is explicit about the need to create a mass-based economy where manufacturing, eco-tourism, and so forth take over as the engines of economic growth in PNG. The LNG project will provide a temporary stimulus in the first ten years of the implementation of the Vision 2050. In Part 5 (“Economic sectorial strategies”) of the PNGDSP the whole chapter specifically stresses the “strategies for these sectors is to diversify the economy so that production is not overly dependent on any one sector, for example resources” (DNPM, 2010:88).

Both the PNG Vision 2050 and the PNGDSP propose very ambitious timeframes to achieve their proposed objectives. Hence the economic growth model of development is expected to yield a certain outcome within a given timeframe. Such a planning exercise is therefore created on assumptions about society and its capacity to “socially engineer” itself according to the prevailing economic conditions and expectations. It is this prescriptive outlook on development that makes both policy documents empirically uninformed, especially from a Melanesian context.

In the Melanesian sub-region, have there been any proven success stories where economic development undertaken within a given timeframe has resulted in such a society ascending into the middle-income status in global ranking? The PNGDSP invokes the experience of Botswana and Malaysia to demonstrate the levels of stability and adherence to core developmental objectives. Using Botswana and Malaysia as reference points in success stories is rather unusual for the writers of the PNGDSP.³⁹

In the Vision 2050, a timeframe of 40 years is envisaged for PNG to get into the top 50 of the Human Development Index (HDI) global ranking arrangement.⁴⁰ On the other hand the PNGDSP envisages a period of 20 years for middle-income status to be reached.⁴¹ The PNGDSP

³⁹ As Gervase Maipose (2003) notes, “good governance and long period of sustained rapid economic growth in Botswana has not translated itself into a significant degree of socio-economic transformation as reflected both in the country’s over-dependency on one mineral, diamonds, and high unemployment/poverty levels.....Thus, Botswana faces a major policy challenge of turning the country’s wealth into meaningful economic diversification for sustainable and broad-based development”.

⁴⁰ The Vision 2050 aspires for PNG to be “transformed into an upper-middle income country by 2050” (GoPNG, 2010:58).

⁴¹ Interestingly another developing country, Liberia (in West Africa) has a similar kind of approach in engineering development. There are indeed parallels that PNG has in terms of the necessity of having national visions in guiding national transformations. Indeed the importance of oil and the need to diversify the economic base of Liberia is strikingly similar to the case of PNG. In February 2012, Liberia’s President Ellen Johnson Sirleaf launched the

is far more ambitious than the Vision 2050 when one considers the duration in its implementation. In the PNG Vision 2050, the aim is for PNG to build a “smart, wise, fair, healthy and happy society” by the year 2050. Similar to the PNGDSP, the quantifying of PNG’s progress under the Vision 2050 will be dependent on the income status.

There is indeed a definite end-point in sight under the Vision 2050 with a timeframe of 40 years for the aims of the Vision 2050 to work with. On the other hand, the ultimate aim of the PNGDSP “is to provide a high quality of life for all Papua New Guineans”. So according to the PNGDSP, when implemented in its entirety, “Papua New Guinea will be a prosperous middle-income country by 2030” (DNPM, 2010:1).

A criticism of this time-bound emphasis on measuring progress through economic-oriented variables is that both documents seriously omit a revisiting of the intentions of the Constitutional Planning Committee through the NGDPs. The Constitutional Planning Committee approached the notion of development through the question: “What kind of society do we want”? It is apparent from the perspective of the Constitutional Planning Committee that any linear measurement of development was antithetical to the social democratic aspirations of Papua New Guineans.

The PNGDSP and the Vision 2050 perceive development solely in terms of economic growth. When development is approached exhaustively from this perspective it denies any creative approach to understanding development on PNG’s terms as proposed by the Constitutional Planning Committee. Making reference to Vanuatu’s experiences in rejecting growth-oriented models of development, Aminio David and Anita Tenkon (2015) were rightfully critical of the obsessive emphasis on economic growth as the sole indicator of development in contemporary Melanesia settings:

“We know how important it is for us to protect our land and traditional livelihoods because it is all too easy to follow the Western aim of economic growth like PNG, where they achieved that end but experienced some of the worst development standards in the region. Indeed, indicators have become worse, yet the aim of economic growth using the same failed methods continues unquestioned” (David and Tenkon, 2015).

The sentiments by the ni-Vanuatu commentators make sense when one considers how indigenous and Melanesian measures of development are considered fundamental in measuring well-being. Vanuatu has ingeniously deployed Melanesian-oriented approaches to measuring development – on its own terms.⁴² Creatively defining development can only be undertaken

Liberian Vision 2030 – a vision that aims to transform Liberia into a middle-income country in the year 2030. The Liberian Vision 2030 is one of:

“a successful and sustained process of extirpation from a commodity-based economy to a more knowledge-based economy.” The state is expected to play a major role in redirecting foreign direct investment from traditional extraction to investment in agriculture and manufacturing. The oil industry should make Liberia a key regional player” (available online at: www.firstmagazine.com/DownloadSpecialReportDetail.1403.ashx; accessed Sunday, December 20, 2015).

⁴² I addressed this discussion on the ni-Vanuatu experience in measuring individual well-being in the study of the PNG Vision 2050.

when there is a serious effort to revisit the NGDPs and frame these national goals into the present context.

In the Vision 2050, the medium through which development is prioritized, is through 7 Pillars and Directional Statements. The 7 Pillars are considered the building blocks for the Vision 2050. The 7 Pillars are: Human Capital Development, Gender, Youth and People Empowerment; Wealth Creation; Institutional Development and Service Delivery; Security and International Relations; Environmental Sustainability and Climate Change; Spiritual, Cultural and Community Development; and Strategic Planning, Integration and Control.

The PNGDSP in contrast is said to be “formulated with a conceptual framework that is comprehensive and realistic with clear establishment of forward and backward linkages within the economy, of policies and of whole of government operations” (DNPM, 2010:5). Figure 1 on page 16 in this study is a simplified diagram of the priorities in the PNGDSP. At the foundation of this conceptual framework is the “first stage” (A). The expressed rationale for the PNGDSP beginning with economic policies is that:

“.....consideration of the economic environment and existing economic policies including the Government’s fiscal and debt management strategies. This recognises that the Government cannot develop its *PNGDSP* framework in isolation of the economic environment (eg, development of LNG Gas) or current policies (eg, fiscal, exchange rate and monetary policies)” (DNPM, 2010: 8).

The fact that the PNGDSP is economic-oriented in its rationale is not at all surprising. Quantitative modeling used in determining revenue projections and achieved targets is based on the PNG Government’s general equilibrium model (PNGGEM).⁴³ The then Secretary for National Planning, Joseph Lelang highlighted one of the benefits in the use of the PNGGEM – that is, it ensures that all the sectorial priorities in the PNGDSP are integrated and dynamic (DNPM, 2010: xi). This basically means that government’s intervention in viable sectors of the economy initiates economic activities in sectors that are also connected to it.

For instance, road infrastructure is a critical element of public investment. Investing in upgrading and maintaining the road infrastructure will naturally have value added to the economic activities because the movement of agricultural produce to the markets is boosted. Another example is the role of education or human capital development in the PNGDSP. In the PNGDSP, integral human development is connoted with the attainment of educational qualification in the formal education system, whereas the PNG Vision 2050 uses the concept of human capital development.

⁴³The PNGGEM is defined as “A state of the art model of the PNG economy of the type known as dynamic computable general equilibrium model. The model incorporates over 40 economic sectors including a range of agricultural, mineral, manufacturing and service sectors. Included in the model are depictions of households, the labour market, the capital market, investment, business profits, the foreign exchange market, taxes, the government budget, crime, the informal sector and the subsistence sector. The model includes comprehensive linkages between the different parts of the economy and as such captures the full economy-wide impacts” (DNPM, 2010: 153-154).

Human capital in the context of the Vision 2050 refers to the “quality” of the human resource – “citizens who are healthy and intellectually astute, and have high ethical and moral character and attitudes” (GoPNG, 2010:33). In the PNGDSP, human resources are emphasized. The PNGDSP directs government, among other things, to “develop a coherent human resource development strategy that is reflective of the industry and development needs of the country” (DNPM, 2010:63).

It therefore becomes apparent that the PNGDSP is a well-oiled, coordinated framework with one basic aspiration in mind – to have government interventions enhances activities that can spark economic growth. The PNGDSP has primarily a pro-investment agenda, besides its pro-rural agenda. The government treats sectors of the economy as integrated to the overall functioning of the economic and every investment is made on the sole basis of integrating these sectors to boost economic growth. This illustrates in very vivid terms the supply-side economics feature of the PNGDSP.

2.1.3. Equalization of development through broad-based economy

In my reading of the PNGDSP and the PNG Vision 2050, there is a concerted effort in both documents towards encouraging PNG’s economic diversification agenda. Diversifying the economic priorities of government, it is believed, will create opportunities for all Papua New Guineans to participate in economic economics and ultimately earn an income. This is the recurring assumptions in both policy documents.⁴⁴

Both documents ambitiously define the role of government. The government in this instant was somewhat compelled into taking up this interventional attitude on development. As I have expounded elsewhere in this study, the Somare-led government in the late-2000s realized that PNG failed in the post-Independence years to fully maximize its relatively stable economic climates much to the detriment of the rural areas.

The PNG Vision 2050 for instance concludes that “the deterioration of the provision of public goods and services and lack of meaningful participation of the rural people in income-earning activities and their aspirations to do better, Vision 2050 incorporates the National Government’s Strategic Directional Statements that will drive development initiatives over the next 40 years” (GoPNG, 2010: xiv).⁴⁵ So in essence the failure of equalization of development has actually had a more adverse effect on the rural sector of the PNG economy. But diagnosing the issue of the

⁴⁴ In The National article entitled “Economic diversification vital: Enoy” (Friday December 18th, 2015), the United States Ambassador to PNG, Walter North was quoted as saying that “economic diversification is vital to ensure there is contribution to development from all sectors of the country”. The need for “an upgrading of infrastructure in rural areas to assist economic growth” and facilitate the progressive integration of communities into the market. Bilateral partners and other development stakeholders are making obvious conclusions about the challenges of diversifying PNG’s economy beyond the mining and petroleum sectors.

⁴⁵The PNGDSP (2010) expands on the National Goals and Directive Principles Number 2 (Equality and Participation) by noting that: “Prosperity in rural areas of PNG is a major emphasis of the PNGDSP, because the vast majority of citizens live in rural PNG” (p.4). Within the Vision 2050 and the PNGDSP, equalization of development therefore had been a failure. It gives credence to the reality that Papua New Guinean institutions and government were less informed by the initial visions articulated by the Constitutional Planning Committee and the NDGPs Number 2.

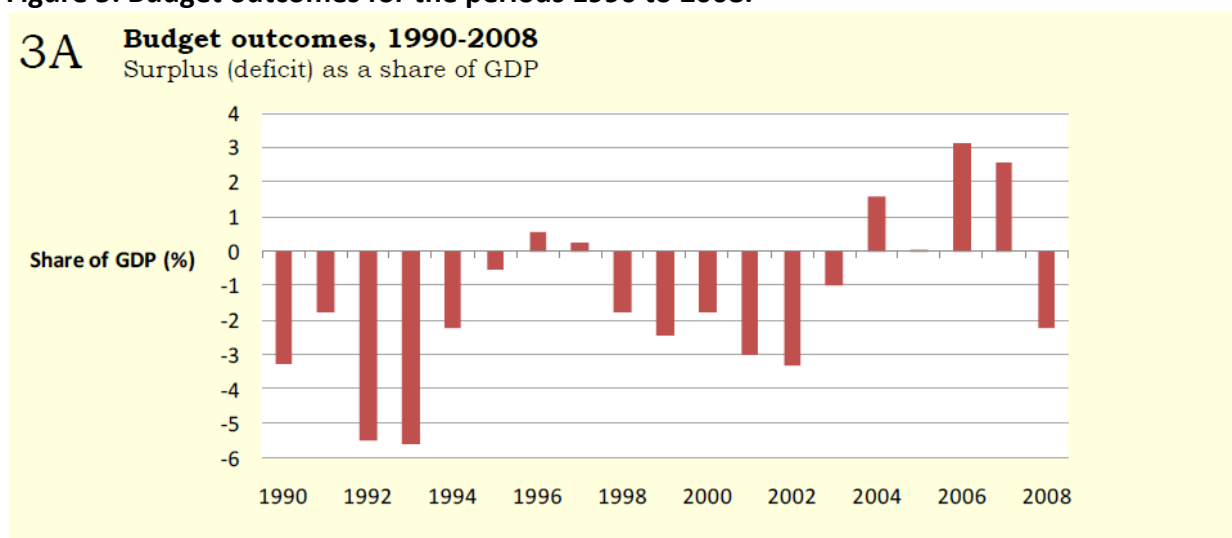
failure of equal distribution and the neglect of the rural sector is one thing. What are the practical intervention platforms suggested within the PNGDSP and the Vision 2050?

Both policy documents suggest for the expansion of the economic base of the country beyond the mining and petroleum sectors. The PNGDSP envisages that “Agriculture, tourism and manufacturing will be the economic sectors driving broad based economic growth” (DNPM, 2010:16), whilst the PNG Vision 2050’s Strategic Direction encourages PNG to “develop and grow the manufacturing, services, agriculture, forestry, fisheries and eco-tourism sectors from 2010 to 2050” (GoPNG, 2010:3).

Prioritizing these non-mining sectors of the economy “will enable economic growth by 2050 to be broad based” (ibid.), resulting in greater income opportunities for all Papua New Guinea. In other words, there is an assumption apparent in the two documents that the trickle-down effect of mass employment will automatically translate into increased income-earning opportunities for Papua New Guineans. The PNGDSP projects that “approximately 2 million jobs [20 per cent of the country’s projected population at 2030] will be created” (DNPM, 2010:12). From the viewpoint of the PNGDSP, about the trickle-down effect of economic growth, it assumes that the more people there are employed, the greater the tax base for the government.

When considering this emphasis on equalization and broad-based development in PNG, it is worth appreciating the timing in the writing of the PNGDSP and the PNG Vision 2050. The PNGDSP and the PNG Vision 2050 both note that during the extended period of political continuity under the National Alliance-led government from 2002 to 2007, and from 2007 to 2011, the economy of the country as demonstrated in its budget outcomes was relatively stable. All economic indicators during the 2002 to 2010 were signs of improvement (refer to Figure 5).⁴⁶

Figure 5: Budget outcomes for the periods 1990 to 2008.



Source: DNPM, 2010:31

⁴⁶ Though the national budget since 2004 recorded surpluses consecutively, the critical question of how this improved economic performance would be translated into the practical outcomes such as better standards of living for Papua New Guineans remained.

Within its unprecedented full-terms in office, the Somare-led government sought to convince itself that it could translate these levels of political stability and the economic gains of the country into practical outcomes.⁴⁷ Hence the creation of the PNGDSP⁴⁸ reinforced the need in having a national development planning framework guiding implementing agencies. The interest in the PNGDSP were therefore of bureaucratic necessity and political legitimacy. The government should be seen to be delivering to the citizenry and the translation of the economic gains should also be seen to be real.

A subsequent 2012 national survey tracks the expenditure priorities of the government since 2002. This survey sought to quantify the actual translation of PNG's decade of (2002 – 2012) “unprecedented resource boom...into services for ordinary people” (Howes, et.al, 2012, i). Such surveys merely illustrate the kind of interest in the periods of economic boom that is experienced in PNG. When certain levels of political or macroeconomic stability are experienced, the obvious question is: how is this translated into actual lived realities of ordinary Papua New Guineans?

But the situation in the mid-2000s is part of the narrative of failed developmental planning initiatives in previous generations. Since the 1980s, massive revenues as a result of the mining activities were not converted into tangible results for the vast majority of Papua New Guineans. Michael Baxter (2001) observes that the progressive mismanagement of the rural sector is directly tied into the mismanagement of the period windfall gains enjoyed by previous governments. He states:

The fundamentally rural nature of Papua New Guinea's society and economy has long been apparent. However, income from mining and petroleum and to a lesser extent from forestry, especially after the late 1980s, overshadowed the significant contribution of other activities in rural areas. The fact that major economic crises in the early and mid-1990s were overcome without changing the fundamental direction of economic management (to a large extent because of the revenue generated with the start of oil production and exports in 1991) no doubt reinforced the belief among some that the nation could prosper without particular attention given to rural areas (Baxter, 2001: 2-3).

The lost opportunities in the post-Independence period was manifested through the failure to convert PNG's mining and resource extraction sectors is caused by “the inability of governments

⁴⁷ Even though PNG's total Gross Domestic Product (GDP) was estimated at about K21.5 billion in the year 2008, the country was still placed “among the world's lowest income countries and much less than the regional average” (ibid.). The reality of sustained economic growth during that period was that it was not translated into increased income per head for all citizens of the country. The PNGDSP estimates that approximately that the aforementioned GDP of K21.5 billion translated roughly as K3, 500 per person (US\$1,300 per person). Such is the economic reasoning behind the creation of the PNGDSP.

⁴⁸ The PNGDSP for instance, was heralded as “a strategic planning document, which articulates long-term national goals and formulates strategies that provide guidelines for action plans and resources programming” (DNPM, 2010:5). The reasoning is that its implementation would transcend beyond the resources booms and take into consideration the changes in the global and domestic economic environment.

to establish a business environment that is conducive to the creation of diversified economic activity that supports widespread wealth creation” (Batten, Guoy and Duncan, 2008: 10).⁴⁹

The chronology of what Baxter (2001) calls the “rural crisis” is characterized by concentrations of poverty and the lack of effective participation by the rural masses in the economic development of the country. Baxter (2001) makes a point about the mutually negative effect rural poverty would play on the whole PNG economy thus:

“The rural crisis is in fact a national crisis. Links between the rural and the urban communities are particularly strong in Papua New Guinea because 80-85 per cent of the nation’s 5.1 million people live in rural areas and the rural sector makes contribution to the national economy. Failure to effectively address the crisis will have severe negative ramifications for the population and economy as a whole” (Baxter, 2001: ix).⁵⁰

The PNGDSP is merely a reflection of the intellectual discourses in the political economy of PNG, especially the kind of development that is promoted. It is therefore no surprise that economic growth models are informed by decades of failure in translating economic opportunities into actual tangible benefits for Papua New Guineans. Development partners and academic policy commentators consistently highlight this on-going challenges facing PNG.⁵¹ It is in this light that the PNGDSP has a pro-rural intervention agenda and seeks to advance the goals associated with Equality and Participation. But perhaps the most radical approach in the PNGDSP is that it uses the model of economic corridors.

2.1.4 The Vision 2050 and the PNGDSP seek to address the cross-cutting developmental challenges in PNG.

In substance and priorities the close parallels between the two policy documents can also be gauged through their emphasis on emergent developmental challenges. For instance the Vision 2050 makes specific reference to its addressing of cross-cutting issues. In the Vision 2050, cross-cutting issues are treated as priorities for the obvious reasons that they “may have an adverse impact on the development processes” (GoPNG, 2010: 53). Some of the cross-cutting issues highlighted in the PNG Vision 2050 include: gender, HIV and AIDs, peoples living with disability, and law and order.

⁴⁹ Batten, Aaron, Gouy, Jonathan and Duncan, Ron (2008) “Papua New Guinea economic survey: from boom to gloom”, Pacific Economic Bulletin, Volume 24 (Number 1), The Australian National University: Canberra, pp. 1-26.

⁵⁰ Michael Baxter (2001) proposes in his series of recommendations a role for donor partners to “promote broad-based economic growth” (p. xiv). There is indeed a pro-rural agenda in Baxter’s recommendations reflective of the neglected state of the rural sector.

⁵¹ The United Nation’s country representative Roy Trivedy in November 2015 challenged the PNG government to transform “its economic growth to the people”. Trivedy further added that PNG “had been experiencing strong economic growth over the past 14 years but still faced problems in investing that growth in human development, especially through education, healthcare and training” (The National, “Transforming growth ‘challenging’”, Thursday November 12th, 2015). There is a consensus on the lost opportunities associated within the periods of relative economic growth in PNG, and in this case the duration of the Somare-led government.

When reading the PNGDSP, it is apparent that the plan expands on the Vision 2050 (see DNPM, 2010: 5-6), and also more importantly it reinforces a belief in an integrated approach to development. Part 1 of the PNGDSP elaborates on its pursuit of select pillars from the PNG Vision 2050.⁵² These pillars of the Vision 2050 are made to be part of the PNGDSP priority areas. From the perspective of a policy document such as the PNGDSP, the inclusion of “cross-cutting issues” is formal recognition that developmental challenges such as gender, HIV and AIDs, peoples living with disability, and law and order impact the quality of life of citizens. Cross-cutting issues are included therefore because they “may have an adverse impact on the development processes” (GoPNG, 2010: 53). And only when governments “incorporate them into the overall development strategies...measures and remedies to deal with the issues in a positive manner” can be undertaken (ibid.).

Though it embraces these agendas as developmental challenges, one gets the impression that the Vision 2050 is merely a policy reaction. Global agendas such as the Millennium Development Goals (MGDs) have highlighted PNG’s own domestic failures in fulfilling its commitments. Gender for instance is treated as a cross-cutting issue in the Vision 2050. The Vision 2050 notes that:

There is a huge imbalance and inequity in our society, mostly in favour of the male gender, which marginalises the equitable participation of females in all walks of life. In addition, there are strong cultural beliefs and value systems that require major education and empowerment interventions to imbue young people with a more liberal approach, in order to sensitise them (GoPNG, 2010:53).

As I noted in the review of the Vision 2050, global agendas such as the MDG’s also played a part in influencing the emphasis on some of the issue areas in the Vision 2050. And of course PNG was a signatory to the MGD Declaration in the year 2000. Governments that committed their countries to this Declaration were given until 2015 to fulfill eight MDGs. Hence it is no surprise if the issue areas resembles domestic attempts to incorporate global development priorities. For its claim as being a homegrown blueprint for development planning, the external impetus for the PNGDSP is nothing but a reflection of external development priority setting.

When the O’Neill-led government came into office after the 2012 PNG General Elections, one of the agendas agreed upon in the Alotau Accord included the need to revisit the PNGDSP and the Vision 2050. An outcome of this is the policy document 2014 National Strategy for Responsible Sustainable Development for Papua New Guinea (or StaRS). StaRS expanded on the cross-cutting developmental challenges confronting developing countries such as PNG. In the words of the Minister responsible for National Planning and Monitoring Charles Abel:

“The incidences of global warming and climate change has alerted us to something we already knew but tried to ignore –that the world is finite and cannot sustain endless growth. We see a shift in the value placed on the natural environment and a renewed emphasis on sustainable and responsible development. A physical

⁵² Specific objectives of the PNG Vision 2050 include strategic planning, systems and institutions, human development, wealth creation, security and international relations, environment and climate change, and partnership with churches for integral human development.

examination of ourselves as a nation finds a country blessed with natural endowments and a relatively small although rapidly growing population. We need to step back from this prevailing landscape and question the underlying paradigm and value system that is driving it. *It is an oversimplification but a truth that the current development process is driven very much by a values system based on individual interest and rights, the accumulation of wealth for self, more and bigger is better. It is predicated that an open market system will best allocate resources and drive development, that endless growth is a prerequisite for 'development'*" (GoPNG, 2014:1) (emphasis mine).

This is a somewhat telling admission of the futility of the previous policy priorities of the Vision 2050 and PNGDSP. The StaRS on the one hand comes on the back of policy concerns that unceasing dependence on the extractive sector and capital-driven economic development is not the panacea for real progress in PNG. The StaRS concedes that previous policies:

"have been more concerned with improving the rate of Foreign Direct Investment (FDI) led and financed growth in ways which helped government revenue but had further exacerbated the dependency and rent seeking culture as well as disempowered people from meaningfully participating in commerce and business and economic development" (ibid, p.27).

At the expense of other dimensions of human society – the environment, PNG's rural sector, and so forth, the StaRS are an invaluable contribution to PNG's ongoing development discourse. Perhaps more importantly it provides the starting point towards comprehending the alternative pathways to addressing development in PNG outside of the accepted development orthodoxies. In the concluding part of this study I will come back to discussing the StaRS with the objective of comparing their alignment (or otherwise) to the Vision 2050 and the PNGDSP.

2.1.5 Translating Vision 2050 into planning realities

One of the rationales of the PNGDSP is that it expanded on the Vision 2050 by providing the practical strategies and development plans. The PNGDSP is described as a document that:

"...translates the focus areas of the Papua New Guinea Vision 2050 into concise directions for economic policies, public policies and sector interventions with clear objectives, quantitative targets, and baseline indicators. It is envisaged that Papua New Guinea will have two Development Strategic Plans under the Vision 2050, each covering a 20 year period" (DNPM, 2010:4).

The PNGDSP is more technocratic in its design because its intended use is for technocrats and the implementing agencies in the public service machinery. For the realization of the Vision 2050 and the developmental outcomes of the PNGDSP, public servants are expected to have a working knowledge of the intended destination.

Written during the time the Grand Chief Sir Michael Somare was Prime Minister, it is therefore not surprising that the PNGDSP elaborates further on the implementation phase of the Vision

2050 and most specifically it “translates the focus areas of the Papua New Guinea Vision 2050 into concise directions for economic policies, public policies and sector interventions with clear objectives, quantitative targets, and baseline indicators” (Department of National Planning and Monitoring, 2010:4).

In the Vision 2050 there are specific directions that subsequent policies and planning framework in PNG align themselves to the intentions of the Vision 2050. According to the then Prime Minister, Sir Michael Somare (2010: xi):

“...[PNG has] only one strategic vision, and that is the Papua New Guinea Vision 2050. All future medium to long-term strategies and plans must align to this vision in a cascading way, whereby there is only one higher vision. Others simply take their cue from the Papua New Guinea Vision 2050’s Mission Statement”.

The PNGDSP draws its cue from the Vision 2050 using the principle of “cascading effect”. However, whereas the PNGDSP has an implementation timeframe of 20 years, the Vision 2050 has a 40 years.

It is also within the 2007-2009 period that the PNGDSP and the Vision 2050 were developed. The intentions of maximizing the then economic fortunes of the country were pinned to long term development priorities. The authors of the PNGDSP are explicit about the objectives of this strategic plan when they assert that: “This long term development framework is intended to promote and guide PNG onto a path of sustainable economic growth, achieving economic prosperity and a high quality of life for all Papua New Guineans” (DNPM, 2010: 6).

The intention of creating a broad-based economy is promoted in both the Vision 2050 and the PNGDSP. There is an attempt in both the Vision 2050 and the PNGDSP to maximize the returns of public investments in economic and social sectors of the country. Creating a broad-based economy is perceived as the viable approach to redistribution of the wealth of the country. Agogo Mawuli (2010) is of the opinion that practical means to realize the “equalization or redistributive” intentions of the NGDPs “is to grow the economy, by promoting a broad-based growth that will lead to accelerated poverty reduction through minimizing the constraints to income enhancement and employment generation” (p.2).

The PNG Vision 2050 and the PNGDSP envisage the trickle-down effects of spurred economic activities, translating to higher standards of living for Papua New Guineans. With regards to the PNGDSP, the anticipation is that the implementation of the strategies in the “PNGDSP will generate tax revenue for the Government”, as “a direct result of the expected surge in economic activity”. It is estimated through the PNG Government’s general equilibrium model (PNGGEM) that “through the Government implementing the PNGDSP 2010-2030, approximately 2 million jobs will be created” representing “equivalent to 20 per cent of the country’s projected population at 2030” (DNPM, 2010: 12). These 2 million jobs “will result in additional income tax and higher household incomes will lead to higher government revenue in the form of GST” (DNPM, 2010:140).

One will also note that the PNGDSP comes under the ambit of the Department of National Planning and District Development. The Department of National Planning has evolved into a department that is now “responsible for the development budget” (DNPM, 2010: 31). During the time of Sir Michael Somare as Prime Minister, the DNPM took on the important role of implementing development policies and priorities through its public investment program.

Unlike the Vision 2050 which is yet to “Legislate for an independent entity to monitor and evaluate the implementation of Vision 2050” (GoPNG, 2010:10), the PNGDSP is wholly a creation of the DNPM. As a development blue-print developed by technocrats within the DNPM, it is considered a guide to their planning matrix. The expectations of the DNPM is that “public servants at the national and sub-national level, the Donor Partners, Churches and Civil Society Organizations” align “sector plans and strategies to achieve the targets that are being set forth in the Papua New Guinea Development Strategic Plan, 2010-2030” (Lelang, 2010:xi).

I believe this is an important point about the beginnings of the PNGDSP. The fact that the PNGDSP was created by officials from the DNPM and the ensuing oversight role the DNPM claims in its implementation provides some bureaucratic ownership of the strategic plan. This ultimately provides some sense of continuity and stability. There is some level of ownership by the DNPM in this instant. The development of the PNGDSP was led by officers from the Department of National Planning and District Development.⁵³ Unlike the Vision 2050, the PNGDSP is a technocrat’s reference point serving as a guide to the task of implementation of government policies.

2.2. Consistency with the National Goals and Directive Principles

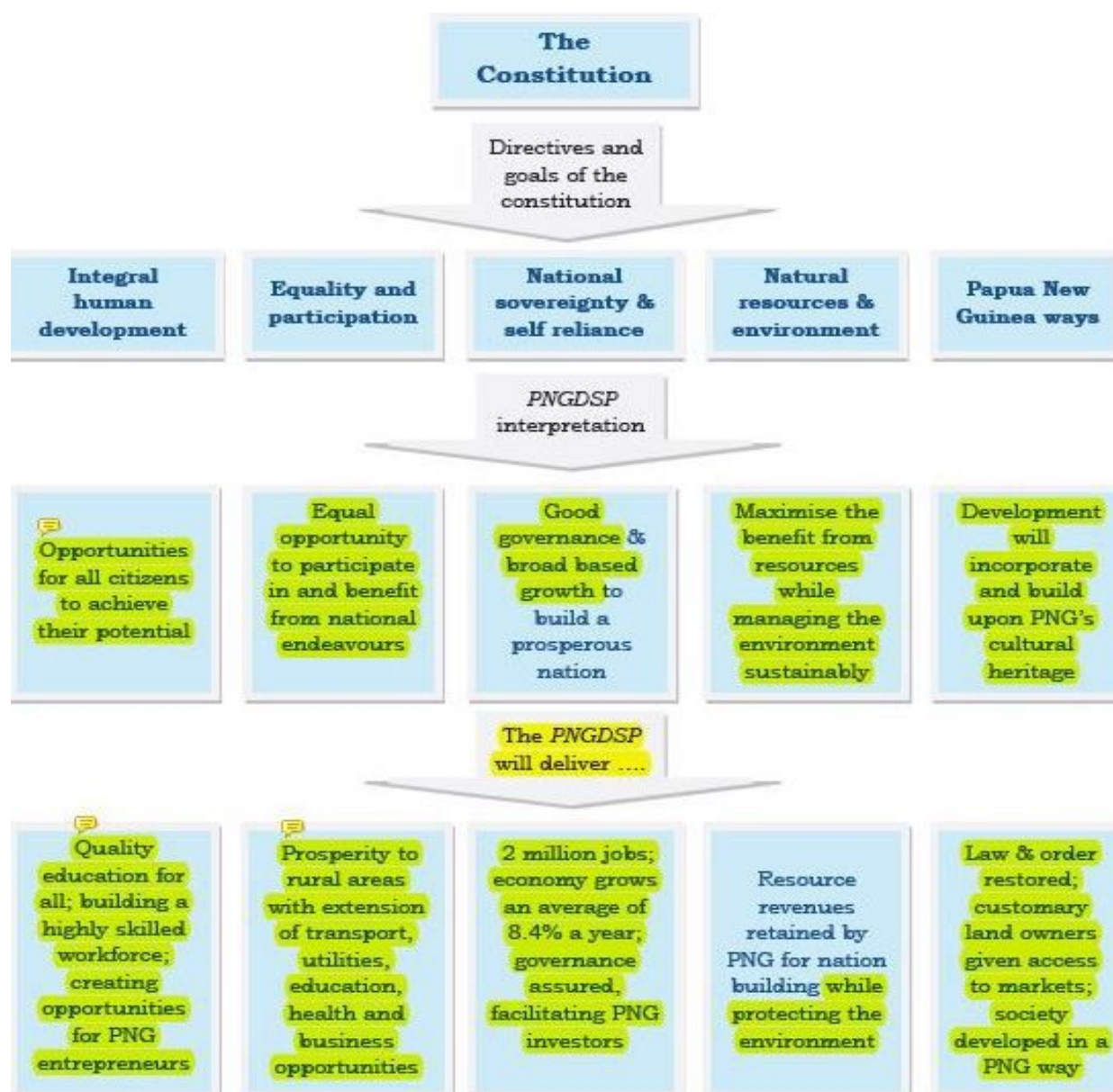
In this section of the study I will firstly enumerate and expand on some of the most obvious consistencies between the PNGDSP and the NGDPs. The second part of the discussion in this sub-section will be to address the inconsistencies between the PNGDSP and the NGDPs.

2.2.1 How the PNGSDP is consistent with the NGDPs

The PNGSDP, much like the Vision 2050, is promoted as a useful document in planning processes in the bureaucratic sphere. Priorities of successive governments and their commitment to aligning policies with the NGDPs were deficient since Independence. So it is not surprising that the PNGSDP sought to fulfill the expectations of the NGDPs. At the outset, the PNGSDP document (page 2) reinterprets the NGDPs into specific policy directives and outcomes. We therefore see how the writers of the PNGDSP sought to clearly use as their point of reference the NGDPs. To their credit the writers of the PNGDSP did a simplified reinterpretation of the NGDPs and the specific outcomes (see Figure 6). The following illustration will guide the subsequent discussions on the consistencies of the PNGDSP to the NGDPs.

⁵³ As Paul Tiensten notes: “under the leadership of our nation’s founding father and Prime Minister Grand Chief Sir Michael Somare, directed my Ministry and Department in 2008 to undertake formulation of a development strategic plan” (Tiensten, 2010: ix).

Figure 6: The PNGSDP and its alignment to the NGDPs in the Constitution



Source: DNPM 2010:2

Equal participation: There are compelling justifications in the writing up of the PNGDSP. A reading of statements by Sir Michael Somare provides a glimpse of the need for the plan. In Sir Michael Somare's view, the PNGDSP is specifically designed to implement pro-poor policy intervention. Indeed a look at the PNGDSP seeks to address the "rural majority population" who has had "minimal or no economic options to become key players in the socioeconomic advancement of our country" (Somare, 2010: vii-viii). Rural development and the equitable distribution of the wealth are recognized in the PNGDSP as a constraining factor in the wholesome progress of PNG.

The PNGDSP 2010 – 2030 is therefore premised on economic growth and broad-based economic development as the engine room of prosperity and wholesome well-being. There is a strong emphasis on equitable development and the re-distributive role of the State. The PNGDSP illustrates the most interventionist posture of government to date:

“Through these interventions (policy and sector strategies), the Government can influence economic growth and development in PNG. This is the focus and core of the PNGDSP framework which is inclusive of the entire business of Government and directs all stakeholders toward common objectives” (DNPM, 2010:9).

One of the most specific agendas that the government will invest in is of course the concept of “economic corridors”. According to two officers from the Department of National Planning and Monitoring, economic corridors are adopted “as a main vehicle through which the PNGDSP will be implemented to improve the standard of living for the disadvantaged in rural areas of PNG” (Hangatt and Momoi, 2011).

Using economic corridors to facilitate the distributive role is particularly interesting. It is premised on the successes of economic corridors in other developing countries. In the PNGDSP, reference is made to the Mekong Economic Corridor a cross-border economic integration program aimed at attracting investment and promoting economic development (DNPM, 2010:18). Whilst economic corridors are promoted as vehicles for development and redistribution purposes, this begs the question: how did the Constitutional Planning Committee envisage the organizations and PNG forms of social, economic and political organizations? I will address this question below when I deliberate on the issue of decentralization in relation to the creation of economic corridors.

However, there is no denying that the PNGDSP intends “to promote and guide PNG onto a path of sustainable economic growth, achieving economic prosperity and a high quality of life for all Papua New Guineans” (DNPM, 2010: 6). For the most part, the PNGDSP formally recognizes the growing disparities and inequalities evident across all sectors in PNG. It then proposes to deal with redistribution as well as mass-based participation of Papua New Guineans in sustainable non-mining sectors of the economy as a way of promoting development. However, as I highlighted above (pp.7-8), the fundamental question raised by the Constitutional Planning Committee “What kind of society do we want?” was never seriously engaged with in the framing of the PNGDSP.

Because the PNGDSP is unyielding in its use of economic yardsticks as the ends in development demonstrates the oversight in revisiting the intentions of the Constitutional Planning Committee. Development wholly undertaken with the intention of conforming to global scales of progress is not the incentive for the whole process of nation-building. So indeed the motivations and incentives for development under the PNGDSP are misplaced. But as understood by the Constitutional Planning Committee, they did not want development:

“.....to be synonymous with material progress. For us the only authentic development is integral human development. This means that we use the

term development to mean nothing less than the unending process of improvement of every man and woman as a whole person. We take our stand on the dignity and worth of each Papua New Guinean man, woman and child. In effect, this means that integral human development must reach out to and enrich Papua New Guineans in every part of the country” (Constitutional Planning Committee Report, 1974, Chapter 2, para. 14).

NGDPs Number 1 in the Preamble to the National Constitution (“Integral human development”) encapsulates the point made by the Constitutional Planning Committee. In the NGDPs 1 it “declares that our first goal to be for every person to be dynamically involved in the process of freeing himself or herself from every form of domination or oppression so that each man or woman will have the opportunity to develop as a whole person in relationship with others”.

Development is therefore much more than simply a quantifiable phenomenon. It goes beyond the simplistic reference to the assumptions about the “liberating” effect of income or global yardsticks such as the HDI. From the perspective of the Constitutional Planning Committee, integral human development is that ideal that is continuous striving for perfection in the condition and dignity of the human person. Material conditions are just one dimension of this “unending process”. Hence the PNGDSP’s limiting of development to wholly the economic indicator of the income or the HDI seriously misses the point.

The provision for the creation of economic corridors in the PNGDSP is an admission that the hitherto decentralized structures of government have proven incapable of delivering the expected outcome of development. Economic corridors are characterized as regions of the country lacking economic opportunities as a result of the limited infrastructure and growth-related industries. Economic corridors as areas with potential allow government to justify intervention in these areas.

Sustainable development: In the same reasoning as the Vision 2050, a core preoccupation of the PNGDSP is to create an economy that ultimately becomes less dependent on the mining and petroleum sectors. And where development is undertaken in the extractive sectors, such undertakings “are designed to be pursued with clear consideration for environment sustainability as well as addressing the issues of climate change in ways that best suit PNG’s developmental needs” (DNPM, 2010: 5-6). This is the kind of rhetoric that gives us the impression that the PNGDSP is pursuing the NGDPs Number 4 (1):

“wise use to be made of our natural resources and the environment in and on the land or seabed, in the sea, under the land, and in the air, in the interests of our development and in trust for future generations...”

A reading of the PNGDSP provides the impression that there is a concerted effort by government to provide some guide for the progressive phasing out PNG’s dependence on the extractive sector of the economy. The language of the PNGDSP provides two indications on the approach that is being taken to phasing out dependence on the mining and petroleum sectors.

Firstly, the structure of the economy needs to be mass-based. So the non-mining sectors such as agriculture, tourism and so forth are primarily targeted in this endeavor. The PNGDSP recognizes that “agriculture, including subsistence agriculture, provides the livelihood for close to 85 per cent of Papua New Guineans” (DNPM, 2010: 11).

In terms of the critical role in providing “an important source of revenue for the Government”, it is the “oil, gas and mining sectors”. These latter sectors (oil, gas and mining) however deliver little in terms of employment opportunities for the vast majority of the citizens of PNG. To confront this anomaly, the PNGDSP envisages the role of agriculture in mass-based economic participation, and especially employment.

Agriculture is earmarked in the PNGDSP as one of the primary sectors to propel the economy. The PNGDSP notes that:

“Economic development under the *PNGDSP* will be broad based, facilitating entrepreneurial enterprise both in rural and urban PNG. An expansion in agricultural businesses under the *PNGDSP* is expected to generate over 800,000 full-time equivalent rural jobs in the next 20 years. Importantly, over two-thirds of these new jobs will be in formal agriculture, as *PNGDSP* strategies provide small scale enterprises with the opportunity to expand. In urban areas, entrepreneurship will be encouraged, helping to create an estimated 49,000 informal jobs in urban areas, and thereby resulting in a decline in the number of people engaged in crime” (DNPM, 2010: 12).

By mass-based it is taken to mean that more people are engaged in economic activities and employment opportunities. Given the enclave features of the mining and petroleum sectors, the non-mining and non-petroleum sectors provide a viable option. And of course since the majority of Papua New Guineans are rural-based and can access land, it is a most obvious pathway that economic activities focus on the non-mining sectors.

The second dimension of gradually shifting to non-mining and non-petroleum sectors of the economy is the issue of sustainable development. For sustainable development the issue of the natural environment is relevant. The extractive sector generally and mining specifically in PNG have contributed to detrimental effects on the natural environment.

When the Constitutional Planning Committee wrote the NGDPS, they explicitly stated that “the natural resources and the environment of Papua New Guinea should be conserved and used for the collective benefit of the people: and should be replenished in the interest of future generations”. Whilst the emphasis in the NGDPS were intended to guide responsible exploitation of the natural resources in PNG, the reality is PNG is still considered as a “mineral-dependent economy” (Filer and Imbun, 2009: 76). The mining sector allows for short-term government revenues but at the expense of the natural habitat and environmental security of predominantly subsistence-based Papua New Guineans.

It is obvious that there is no exit strategy by government from the heavy dependence on mining revenue in the budget calculations. A post-mining scenario must be envisaged as the starting point in any thinking on the sustainable use of the environment, and maximizing the present economic gains. Failing that, future generations will have to come to terms with a depleted natural resource base; and because the present generation is recklessly extracting away the earth's prized resources, and in the process inflicting irreversible damages on our oceans, reef systems, forests, river systems, wetlands, shorelines and mangrove ecology; the environment will not be capable of sustaining a larger population in future.

2.2.2 How the PNGDSP is inconsistent with the NGDPs

There are aspects of the PNGDSP that appear inconsistent with some of the core NGDPs and more generally the original intentions of the Constitutional Planning Committee.⁵⁴ I will address a select sample of the inconsistencies. There are three core aspects of the PNGDSP that appear less consistent with the NGDPs.

The principles of equality and participation: NGDPs Number 2 is explicit about the need for citizens to participate in the political processes. Participation in political processes is considered in the NGDPs because citizens should be allowed to determine the kind of society they want for themselves and work towards achieving their aspirations. According to the NGDPs Number 2: “We declare our second goal to be for all citizens to have an equal opportunity to participate in, and benefit from, the development of our country”. Moreover, NGDPs 2(2) calls for:

“the creation of political structures that will enable effective, meaningful participation by our people in that life, and in view of the rich cultural and ethnic diversity of our people for those structures to provide for substantial decentralization of all forms of government activity”

The NGDPs Number 2 is the basis for the decentralized system of government that PNG crafted on the eve of Independence and thereafter assumed.⁵⁵ When one considers the concept of the economic corridor, and its use as an interventionist mechanism in the PNGDSP, its very existence could contradict the principles of equality and participation, and especially the role of the citizenry in influencing the kind of outcomes in their communities. A question that is worth considering is: With the PNGDSP proposing the utilization of economic corridors as statutory entities, how will it impact the powers and roles of local levels of governments?

As discussed above (2.1.3 – “Equalization of development through broad-based economy”), the PNGDSP makes a case for equalization of the wealth of the country. The economic corridor concept focuses exclusively on economic development. It will be the implementation mechanism of the PNGDSP and will enjoy statutory status. According to the PNGDSP:

⁵⁴ The Constitutional Planning Committee Report can also be used in the interpretation of the Constitution whenever “question arises about the application or interpretation of any provision of a Constitutional law” (Technical Working Group, 2009:15).

⁵⁵ In the Constitutional Planning Committee Report, decentralization of political powers to local levels of government gave effect to the need to empower Papua New Guineans in directly determining the kind of communities they envisioned for themselves.

“The Government will enact further legislation to establish an Economic Corridor Implementation Authority (ECIA) over each of the remaining economic zones. Legislation will set out the powers, functions and responsibilities of an ECIA in mobilising, planning and managing development in the economic corridor” (DNPM, 2010:19).

In considering the PNGDSP and its consistency to the NGDPs, the proposal for the creation of economic corridors must be assessed in relation to the existence of PNG’s decentralized systems of government. The NGDPs Number 2 (Equality and Participation) already provides insights into the empowering features of local governance and local capacity. According to NGDPs 2 (8), opportunities must be “provided to ensure that any citizen can exercise his personal creativity and enterprise in pursuit of fulfillment that is consistent with the common good, and for no citizen to be deprived of this opportunity because of the predominant position of another”. The Constitutional Planning Committee was very familiar with the centralized system of government under the Australian colonial administration, and the effect it had on local initiative. For instance:

“Most local government councils have not been able to provide a satisfactory avenue for the people's participation in their own development, as the councils have been dominated by the central administration for many years, and thus had much of their initiative and energy sapped” (Constitutional Planning Committee Final Report, 1974, para. 43).

Local level governance and the participation of citizens in framing and implementing their own ideas about development are encouraged in the Constitutional Planning Committee’s Report. Under the current decentralized system of government citizens have a direct say in the affairs of their communities.

The creation of the Border Development and Economic Corridor Implementation Authorities raises questions that are constitutional in nature.⁵⁶ What is their relationship to the established sub-national governments under the *Organic Law on Provincial Governments and Local Level Governments* 1995?

The creation of additional authorities throws into question the legitimacy of existing government systems. Will the Border Development and ECIAs replace the powers and redistributive roles of the existing sub-national units of government? Are these Authorities duplicating existing roles of the pre-existing sub-national levels of government?

The proposal to create alternative mechanisms for implementation of government development priorities should also be undertaken with consideration to the plight of already incapacitated sub-national levels of government. One is also confronted with the obvious challenges of implementation. Hon. Bire Kimisopa, Goroka MP and Chairman of the Special Parliamentary Committee on Public Sector Reform and Service Delivery succinctly captured these sentiments

⁵⁶ In anticipation for the implementation of the PNGDSP, the Somare-led government established the Border Development Authority, a mechanism that “will have responsibility for coordinating the development of the border corridors” (DNPM, 2010: 19).

when he said that “...a lot of government policies, legislations, programs and acts on the country’s public sector...are not fully implemented and often come into clashes due to the bureaucratic set up of government agencies in PNG” (Brul, 2015:6).⁵⁷ If the current local levels of government are struggling to address development challenges in their communities, how much better will the Economic Corridor Implementation Authority fare in its responsibilities?

What is happening now with the proposed creation of the ECIAAs is that PNG will be creating duplications to the pre-existing sub-national levels of government. From the perspective of local level government, these additional entities will only add to the burdensome over-governance of the local level constituencies. It could stifle local initiatives and create further disillusionment about the exact roles of local level governments for citizens. Instead of the national government working with existing systems, it is now proposing to create additional structures or statutory entities that will further distance the citizens from actual participation in the decision-making processes.

Also, creating additional institutions to displace the provincial or local-levels of government could inadvertently create a dependency mentality – the expectations that the central government is the ultimate source of all resources. This expectant thinking inhibits self-reliance and diminishes the purpose of sub-national government’s existence. Whilst the ECIAAs or the Border Development Authorities are envisaged as viable mechanisms to instigate economic growth centers, one must also be mindful that such entities will also inevitably confront the challenges presently experienced in local level government entities.

Local level governments face severe capacity-related deficiencies.⁵⁸ Successive failure by the national government in boosting the technical and administrative or managerial capacity of the provincial and local level governments⁵⁹ has allowed for the deterioration in their leading development initiatives within their jurisdictions. With these realities experienced by local level governments, it would therefore be logical, even economical to concentrate on boosting the capacity of local level governments as a viable option to ECIAAs or BDAs. Duplicating roles and responsibilities through the establishment of the ECIAAs or BDAs does not auger well for the much-needed attention local level governments need.

Disempowering aspects of the PNGDSP: Also associated with the duplication and displacement of the local level governments through the proposal to establish economic corridors, there are

⁵⁷ Brul, Willie (Sunday November 8, 2015), “Citizens deserve better services: MP”, Sunday Chronicle, p.6

⁵⁸ It has been argued that the 1995 Provincial Government Reforms has not worked effectively due to the serious lack of qualified manpower at the provincial and local level governments to make the system work or carry out their responsibilities with relative efficiency and independence (see for instance Kavanamur and Okole, 2005). The capacity of the current personnel stationed in most of the provincial and local levels of government are dismally inadequate to handle the complex tasks of policy actualization.

⁵⁹ In the 1980s and early 1990s, several technical recommendations directed national governments to upgrade the standards and capacity of local level governments but to no avail. See for instance the Report on the Financial Relationship between the National and Provincial Governments, (Vulupindi Report) in 1982; The Review of Intergovernmental Fiscal Relations in Papua New Guinea, (Specialist Report) in 1984 and; The Scope for Greater Provincial Autonomy in Papua New Guinea, (National/Provincial Working Group Report) in 1990.

also serious implications about the intrusions of central government in the affairs of local governments.

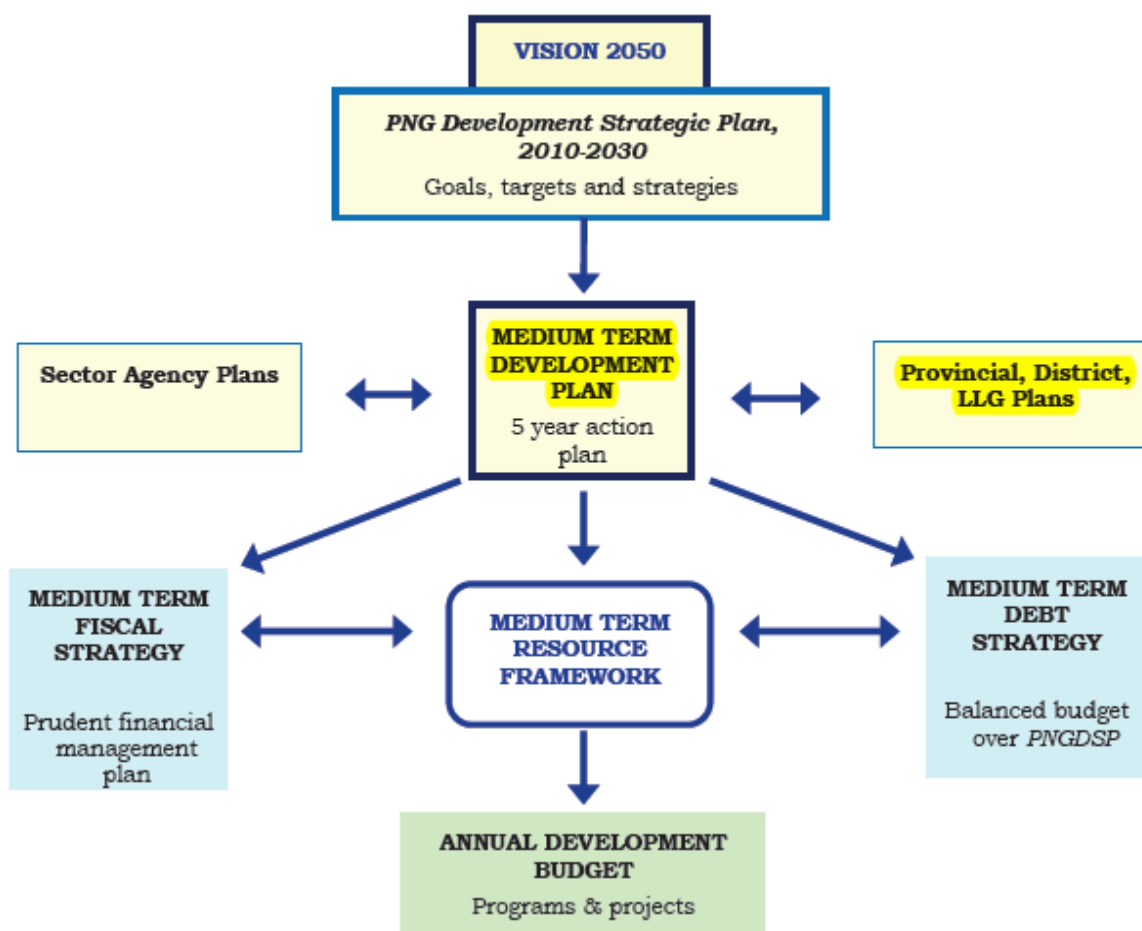
The PNGDSP's use of the cascading principle and the concentration of responsibilities in the hands of central agencies reduces Papua New Guineans to mere spectators; having a minimal role in development. The PNGDSP assumes that the central government is better suited to deal with local development agendas and that technocrats are the sole initiators of development initiatives in PNG. Nowhere in this strategy is any emphasis on local capacity and know-how, even local input from ordinary citizens.

With a local level government system plagued with limited technical and administrative capacity, this very level of government in PNG is now expected to implement the PNGDSP – a daunting task given the almost technocratic characteristics of this policy document. The PNGDSP expects a level of conformity to the planning process and “All proposals of the Provincial and District Plans that are consistent with the MTDP will be eligible for financial consideration” (DNPM, 2010:150) (see Figure 7). Even though the PNGDSP provides a coherent planning template for government, the centralization of power and resource allocation in the national level agencies is evident and standardized.⁶⁰

⁶⁰ The Constitutional Planning Committee recognized that:

“True democracy will not work until our people in every village and hamlet accept that they cannot be free and independent unless they actually think something, say something and take action about what should happen to their own lives and those of the people of our country. If we do not take development into our hands, we will become apathetic, disinterested, disillusioned and eventually destroyed. We will inevitably depend on others to supply us with answers to our problems - answers which only we, ourselves, are equipped to give” (Constitutional Planning Committee Report 1974, Chapter 2, para. 113).

Figure 7: Linking to the PNGDSP to the annual budget



Source: DNPM, 2010:150

Financial considerations for provincial and district entities are dictated by their conformity to overarching MTDS. One also gets the impression that the national government is the all-too resourceful entity tasked with delivering and coordinating economic development and other such welfare-enhancing projects. Such a view in the PNGDSP is antithetical to the intentions of the Constitutional Planning Committee and the NGDPs. The Constitutional Planning Committee envisaged the empowering role of collective decision-making in when they initially proposed for the decentralization of political powers:

“True democracy will not work until our people in every village and hamlet accept that they cannot be free and independent unless they actually think something, say something and take action about what should happen to their own lives and those of the people of our country. If we do not take development into our hands, we will become apathetic, disinterested, disillusioned and eventually destroyed. We will inevitably depend on others to supply us with answers to our problems - answers which only we,

ourselves, are equipped to give” (Constitutional Planning Committee Report, 1974, Chapter 2, para. 113).

The PNGDSP is framed to guide Waigani-based technocrats but is not locally inspired where indigenous models of development are elevated to their positions of importance in communities around PNG.⁶¹ The whole idea about participation is where local level governments determine their own priorities and use the contextually-based resources and know-how to implement such initiatives.⁶² These self-starting aspects to developments are absent in the PNGDSP. In fact, there is so much ambiguity about the additional mechanisms that are created in the PNGDSP.

At the forefront in the implementation of the PNGDSP is the Department of National Planning and Monitoring (DNPM). The DNPM among other responsibilities is expected to ensure that “targets and measurable indicators consistent with local priorities and international obligations are captured”, “concise sector priorities and strategies are clearly outlined and analysed with economic”, and “development of new policies and sector strategies including legislation (where necessary) to align all sector plans and strategies to the PNGDSP” (DNPM, 2010: 8-9).

This interventionist and hands-on approach to development planning and implementation in PNG is certainly unprecedented. It is unprecedented in the sense that a central government department (in this case the Department of National Planning and Monitoring) has taken upon itself the responsibility of managing the PNGDSP – from formulation to implementation and evaluation.

It is also unprecedented because the central government through the DNPM seeks to be directly involved in facilitating development. The decades after independence demonstrated the ineptness of overall government planning. Sir Michael Somare attributes the growing disparities in equalization of development to “ad-hoc decision making processes” (Somare, 2010: vii). The failed attempts at addressing imbalances in distribution of public goods and services have consequentially left “our rural majority population with minimal or no economic options to become key players in the socioeconomic advancement of our country” (Somare, 2010: vii-viii). As a result living standards for all Papua New Guineans have deteriorated. Hence the central government justification in the centralization of planning within the DPNM is based on the successive failures by national government directly overseeing development.

Compromising national economic sovereignty and self-reliance: There are two parts to our relating the NGDPs’ principles of national sovereignty and self-reliance to the PNGDSP. Firstly

⁶¹ The Constitutional Planning Committee rightly warned that: “Development must take place through our people. It must be a process. It must not be a prefabricated, predetermined set of answers, formulae and solutions by foreigners to the problems and hopes we alone can feel and yearn for. Technology, scientific discoveries and institutions of the most recent times can, in many respects, be inappropriate for us. Proper development should take place through institutions and techniques that are not only meaningful to us, but also recognize our human dignity and enhance it” (Constitutional Planning Committee Final Report, Chapter 2, para. 102).

⁶² Though the PNGDSP proposes that it concerns itself with nation-building, there is an absence of any realistic participation by ordinary Papua New Guineans. Government officials it seems are expected to drive the agendas of the PNGDSP. The citizenry is rather a passive recipient of the benefits of government policies within the framework of the PNGDSP. In the Vision 2050 however, the citizenry is mobilized to participate in the national efforts in development.

the funding arrangement of the PNGDSP is underpinned by revenues from the extractive sectors and foreign aid. Secondly the role of land reforms is consistently pushed (as it is in the Vision 2050). I will firstly deliberate on the funding arrangement in the implementation of the PNGDSP.

The PNGDSP declares that “PNG is moving towards financial independence (DNPM, 2010:125). However, the resourcing and implementation of the PNGDSP demonstrates otherwise. Foreign aid and the extractive sector are earmarked in the funding arrangement of the PNGDSP (see Figure 8). Under the NGDPs Number 3 (8) (National Sovereignty and Self-reliance), it states:

“the constant recognition of our sovereignty, which must not be undermined by dependence on foreign assistance of any sort, and *in particular* for no investment, military or foreign-aid agreement or understanding to be entered into that imperils our self-reliance and self-respect, or our commitment to these National Goals and Directive Principles, or that may lead to substantial dependence upon or influence by any country, investor, lender or donor”.

In terms of the adherence to the NGDPs, the resourcing and implementation of the PNGDSP will continue the prolonged dependence on the extractive sector and foreign aid.⁶³ The PNGDSP in its most somber assessment of foreign aid states:

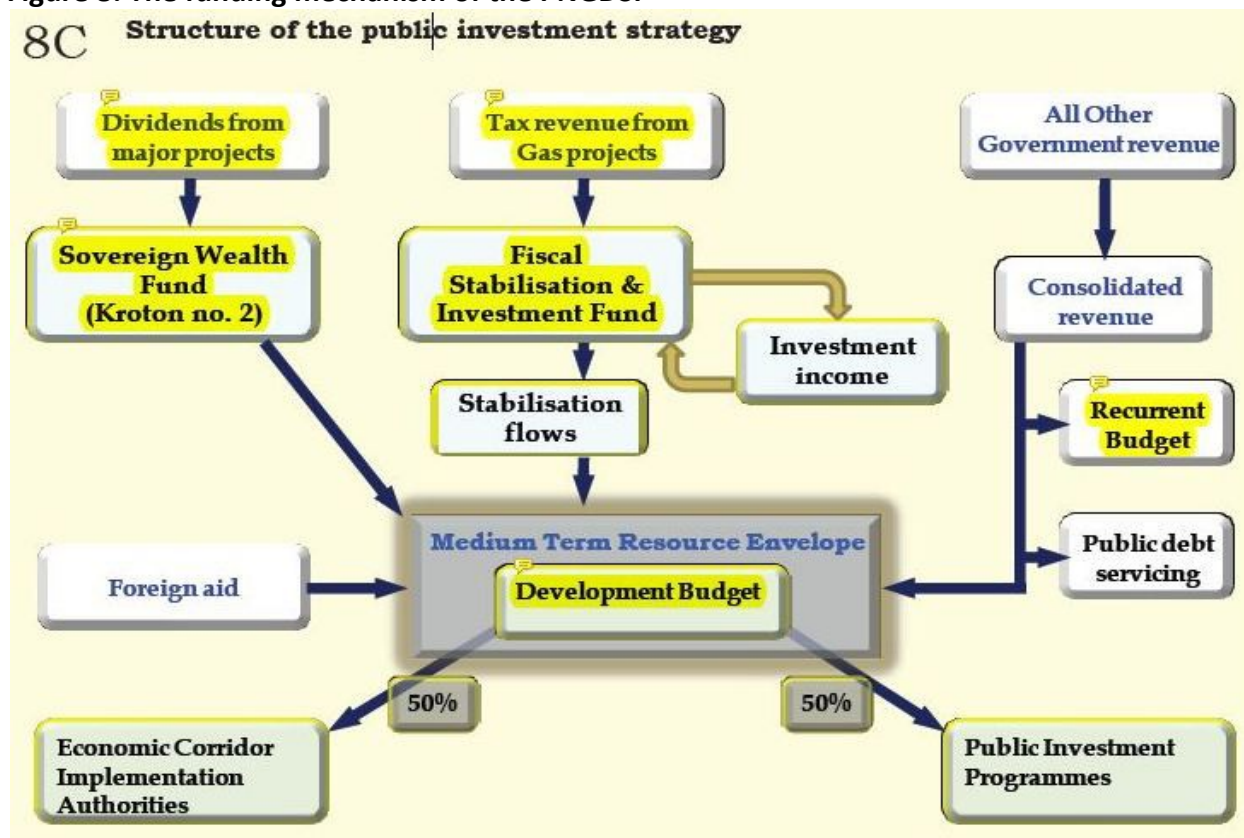
“Since independence, PNG has been a recipient of foreign aid from various industrialized countries, multilateral financial institutions and global funds. However, despite the outlay of considerable funds, the impact on the quality of lives of the citizens of PNG has been disappointing” (DNPM, 2010:128).⁶⁴

If foreign aid will continue to be relied on to implement the PNGDSP, what will be the guarantee of any semblance of economic independence?

⁶³ It is obvious that the PNGDSP pins the resourcing of this strategy to external donors and other development partners. Foreign aid will still be used to bankroll some aspects of it in the event that local financial uncertainties emerge.

⁶⁴ For comparative lessons about the failure of aid in realistically enhancing development see Sogge, David (2002) Give and Take. What's the Matter With Foreign Aid, University of Chicago Press: Chicago

Figure 8: The funding mechanism of the PNGDSP



Source: DNPM, 2010:145

The PNGDSP therefore proposes that “in line with international commitments, foreign aid to PNG will be transformed with the goal of maximising benefits of aid and attaining independence from Donors” (ibid. 129). There is an emphasis on PNG having skilled personnel who would undertake the roles presently undertaken through technical assistance providers. It is anticipated that by the year “2020 full independence from donors in the provision of skilled personnel” will be attained (ibid.).

Aside from foreign aid, the financing and implementation of the PNGDSP like the Vision 2050 will be undertaken predominantly from the revenues generated through the mining and petroleum sectors. The financing of the PNGDSP is pinned to the revenues from the mining and petroleum sectors of the economy (see Figure 8). The petroleum and mining sector dominate the economic policy planning exercises in PNG, thus contradicting any rhetoric of national sovereignty and self-reliance. Indeed, the PNGDSP acknowledges that out of the K4.2 billion in foreign equity investment in 2007, “73.6 per cent of this foreign equity investment was accounted for by the large mineral sector” (DNPM, 2010:34). This is just an indicator of the significant role of the mining, and petroleum sector on the economy of PNG.

And whereas the PNGDSP tries to project the impression that ultimately public investments will finance the programs associated with its implementation, the initial financing will be sourced from the Sovereign Wealth Fund (SWF) and Stabilization Funds. So there is no indication in the PNGDSP that any serious attempt is being undertaken to substantially maneuver away for the

mining and petroleum sectors. If the Vision 2050 and PNGDSP boldly undertook to achieve top-50 HDI status in the 40 and 20 year timeframes respectively, perhaps a progressive timeframe in phasing out the dependence on mining and petroleum can also be an ambitious agenda.

There are no concerted efforts in breaking with the dependence on mining and petroleum and foreign aid in the implementation of the PNGDSP. But the financing aspect of the PNGDSP is not surprising. The LNG project and the hydrocarbon sector features prominently in the designing of the PNGDSP. In noting the PNG position in terms of its macroeconomic performance, the PNGDSP notes that “the PNG economy continued to grow, benefiting from a number of prudent reforms and policy decisions. PNG is now in a good position to prosper from implementing the PNGDSP and to benefit from the PNG LNG Project” (DNPM, 2010:9).

Two whole chapters in the PNGDSP – that is, Parts 2 and 8 - give indications to the prominent role of the petroleum sector as the basis in the creation of the PNGDSP. In Part 2 the creation of the PRAEC is the latest attempt at capturing the benefits of the LNG project that is anticipated when production begins. This is just one of points illustrating how the LNG project underpins the overall PNGDSP.

One is left with the impression from a reading of documents such as the PNG Vision 2050 and the PNGDSP that the development of the LNG Project is at the heart of this very elaborate interest in the creation of long term development master plans. For a document that was developed in anticipation of “capturing and utilizing” the revenues from the LNG project, the creativity in having an exit strategy for the over-dependence on mining, petroleum and foreign aid is obvious.

Even though PNG has adopted a neo-liberalised regulatory regime for its extractive industry, the associated dilemmas of being dependent on the extractive sector is still rife. PNG is still faced with “uneven development and few local linkages between the extractive industry and local communities, thus rendering PNG politics and economy dominated by transnational companies” (Roche, 2015). For the foreseeable future, PNG’s dependence on the extractive sector and foreign aid will continue to inhibit any sense of creativity and confidence in venturing beyond the mining and sector sectors.

The second aspect of the PNGDSP that contradicts the principles of sovereignty and self-reliance is the belief that land reforms will instigate indigenous participation in economy. According to the PNGDSP:

“Land is an abundant resource in PNG, but landowners will not choose to make their land available for development unless their rights are protected. Therefore, it is necessary to enhance and fast track the implementation of the Government’s reforms that will allow customary landowners to register their land, to bring specified portions of land out of customary tenure and in under statutory tenure, and to then use leasing mechanisms to make their land available to the market. A central aspect of these reforms is strengthening PNG’s Incorporated Landowner Group (ILG) process” (DNPM, 2010:44).

As I have highlighted in the Vision 2050, land reforms, if the current lessons with the Special Agriculture Business Leases (SABLs) are anything to go by is highly detrimental to the economic sovereignty of Papua New Guineans.

Already the dislocative effects of unregulated land reforms have created a generation of landless Papua New Guineans. Since 2003 alone, “more than 10% of Papua New Guinea’s landmass has been handed over to foreign and national corporate interests under 99 year Special Agricultural and Business Leases (SABLs)” (Pacific Institute of Public Policy, 2011:2). Most of these land are designated “for oil palm plantations....[where denying]...access to customary farming land damages rural food systems, as livelihoods are lost and access to alternate income opportunities...” (Pacific Institute of Public Policy, 2011:2).

Ultimately the control over food security and other subsistence manner of living in a highly agrarian society is compromised. Customary ownership of land or the promotion of subsistence-based land use needs to be considered for the non-monetary benefits that are associated with it (Mousseau, 2013; see also Anderson, 2015). There are real benefits in terms of Papua New Guineans having access to their customary land and using it for their collective benefits. Indigenous ownership of land is an expressive element of the sense of control Papua New Guineans have over their way of life and destiny.

3. The National Strategy for Responsible Sustainable Development, Vision 2050 and the sustainability commitments of the NGDP

In my previous analysis of the Vision 2050 the consistencies (or lack thereof) of the Vision 2050 to the NGDPs were established. In this section of this present discussion I will focus on the National Strategy for Responsible Sustainable Development with the aim of determining its consistency to the sustainability commitments in the NGDPs. There are four distinctive elements of the NGDPs that will serve as the benchmark conceptual parameters. These include: *commitment to mass-based participation and equal distribution, encouraging sustainable non-extractive sectors and sustainable development, economic sovereignty* and *Integrating Papua New Guinea Ways into natural resource development planning*. In the Preamble to the Constitution of PNG, the 5 NGDPs are:

- Integral Human Development;
- Equality and Participation;
- National Sovereignty and Self-Reliance;
- Natural Resources and the Environment and;
- Papua New Guinean Ways.

The NGDPs are to serve as benchmarks to guide decision-making and the national discourses and practices in PNG. Citizens are encouraged to give effect to the NGDPs.⁶⁵ The fact that the NGDPs are contained in the Preamble to the Constitution gives effect to their status as Constitutional law within the hierarchy of laws in PNG's legal jurisprudence. For the purpose of this discussion I will forgo the debate on the justifiability of the NGDPs. This scholarly debate has been addressed elsewhere (see for instance, Colquhoun-Kerr, 1983; Narokobi, 1983; Regan, 1992).

3.1 Commitment to mass-based participation and equal distribution

In the NGDPs and the Vision 2050, there are general commitments to the enhancing of mass-based participation in development. The starting point here should be NGDP Number 2 – Equality and Participation. In NGDP 2, it states: “We declare our second goal to be for all citizens to have an equal opportunity to participate in, and benefit from, the development of our country”.

NGDP 2 promotes an inclusive approach to development where all Papua New Guineans are involved not only in the process of national development. But in very significant ways the

⁶⁵The question of collective ownership of the NGDPs was made by the Constitutional Planning Committee when they said:

“We consider that they [NGDPs] should be given the widest possible publicity at all levels of government; in towns and villages; in schools and tertiary institutions; in churches and other organizations so that our people will become fully aware of them, discuss them and obtain a clear sense of the direction in which our country is heading. *It should give each man and woman a clear appreciation of the need for him or her to participate fully in the building of our new nation - a nation which is firmly based on equality and social justice.*” (Constitutional Planning Committee Report, Chapter 2, para. 12) (emphasis ours)

principles of equity and social justice are promoted.⁶⁶ In the view of the Constitutional Planning Committee, uneven development is detrimental to wholesome progress and national unity. The Constitutional Planning Committee for instance noted that the: “goal of achieving equality of opportunity and participation in our national life is not, then, something for which we may piously hope, but a vital necessity if we are to achieve genuine national integration” (Constitutional Planning Committee Report, 1074, Chapter 2, para. 36).

Hence for a post-colonial PNG State the pathways to mass-based participation would be created through government policies that promote the equalization principle. Agogo Mawuli (2010) proposed that one of the practical strategies in realizing NGDP 2 is through “the utilization of resource revenues to benefit all citizens, create equal opportunities for every man and woman to work and earn and income, and to benefit future generations” (Mawuli, 2010:2). The idea of prioritizing the revenues from the Liquefied Natural Gas (LNG) is one practical means to realize the “equalization or redistributive” intentions of the NGDPs.

In the experience of extractive sectors of PNG distribution of development benefits has been unsatisfactory. The LNG project is the latest example of an enclave project. Therefore equal participation in the economic development in this instance can be enhanced “by promoting a broad-based growth that will lead to accelerated poverty reduction through minimizing the constraints to income enhancement and employment generation” (ibid.). In the case of the PNGDSP 2010-2030, the creation of the petroleum resource area economic corridor or PRAEC developed out of lessons learnt in the resource projects in PNG.

A reading of the National Strategy for Responsible Sustainable Development demonstrates the application of inclusive growth as a strategy towards fulfilling the intentions of NGDP 2. According to the National Strategy for Responsible Sustainable Development:

“PNG’s development will follow the path of inclusive and innovative green growth which helps improve income and employment through the creation of innovative green jobs, reduce poverty and inequality, improve environmental sustainability, and enhances the quality of life of the people” (GoPNG, 2014:34).

Note that in developments discourse mass-based development and equal participation is captured in the concept “inclusive growth”. By inclusive growth is characterized in the National Strategy for Responsible Sustainable Development as a process that allows for “equal access of all on health, education, employment and increased social knowledge” (ibid. 37). Inclusive growth is “aimed at achieving equity between women and men and between rural and urban areas” (ibid.).

But perhaps the most important contribution by the National Strategy for Responsible Sustainable Development to national development thinking is that it reinforces the initial ideas of the Constitutional Planning Committee. Conflict naturally emerge when there are sections of the

⁶⁶ In the National Strategy for Responsible Sustainable Development, NGDP 2 is specific about the intentions of creating equal opportunity for citizens to “participate in and benefit from the nation’s development” with specific attention to, “Prosperity in rural areas of the country where the vast majority of citizens live” (GoPNG, 2014:24).

community that are marginalized. What the National Strategy for Responsible Sustainable Development recognizes is that:

“Without inclusive growth, the growth may benefit some and marginalize others. This may result into social conflicts. Inclusive growth minimizes such conflicts. It redistributes budgetary resources to alleviate poverty and reduces inequality” (GoPNG, 2014:37).

The National Strategy for Responsible Sustainable Development diverges from the economic growth-oriented approach of the Vision 2050. The Vision 2050, and similarly the PNGDSP envisages that economic growth naturally allows for increased income earning opportunities for Papua New Guineans resulting in a higher quality of life.⁶⁷ This logic is now challenged in the National Strategy for Responsible Sustainable Development. National Strategy for Responsible Sustainable Development rightly notes that economic growth incurs costs that are invariably irreversible to the ecology, social structures of society and long-term well-being of peoples.

The National Strategy for Responsible Sustainable Development notes that economic growth in PNG has historically been premised on the performance of the extractive sector.⁶⁸ What makes the National Strategy for Responsible Sustainable Development radical is that it is critical of both the Vision 2050 and the PNGDSP. According to the National Strategy for Responsible Sustainable Development:

Vision 2050 and Development Strategic Plan 2030, the principal policy documents that define the development road map for the country, have attempted to steer development planning and management towards improved broad based growth outcomes. However, both broad policy documents advocate a growth strategy that falls short of being truly strategic in approach. Both plans prescribe a traditional industrialization growth model, like the rest of the world, that locks the country into the cycle of growth that continues to demand for increased services, exponentially expanding population, and over reliance on the non renewable sector whilst negating the seriousness of the finite nature of the non renewable resources and the irreversible damage to the environment and ecology. (GoPNG, 2014:21).

⁶⁷ Note that the logic of the Vision 2050 and the PNGDSP 2010-2030 is contrary to the NGDPs. Yash Ghai and Anthony Regan (1992) argue that the NGDPs in the Preamble promoted a “paradigm of development in which the value of human rights and dignity, democracy and participation, egalitarianism, self-reliance and autonomy were regarded of equal or greater importance than economic growth” (Ghai and Regan, 1992: 6). So perhaps the National Strategy for Responsible Sustainable Development has found a common ground on the need to balance the economic growth-oriented approach and the social democratic aspirations of the NGDPs where “Social and economic objectives are jointly achieved through the path of ‘inclusive growth’” (GoPNG, 2014:37).

⁶⁸ The National Strategy for Responsible Sustainable Development notes that:

“Excessive extraction of these resources led by foreign companies leads to their exhaustion leaving nothing for our future generations. Similarly, our renewable resources, such as, forest, fishery and coral reefs also needs to be used responsibly without exploiting them beyond their critical biological re-generational limits for their sustainability” (GoPNG, 2014:16).

Whereas Vision 2050 perceives economic growth and its trickle-down effects as the measure of development, the National Strategy for Responsible Sustainable Development takes an approach that is considerate of the impact of development on the natural ecology and the social context in which Papua New Guineans relate to their natural environment. To this extent the National Strategy for Responsible Sustainable Development is consistent with the broader agendas of the NGDPs, and less consistent with the stated outcomes of the Vision 2050.

What the National Strategy for Responsible Sustainable Development seeks to accomplish is to take a holistic view in defining development as an integrated process. For instance, under the sub-heading “Integration of economic, social and environmental objectives” (p. 37), good governance is considered an important element in the “commitment to the rule of law, human rights, transparency, accountability, participation and inclusion” (GoPNG, 2014:37).

With PNG’s disastrous experiences of unequal distribution of wealth and destructive practices in extractive sectors of the economy, emphasis in the National Strategy for Responsible Sustainable Development has identified the realities with resource governance. Unaccountable and mostly weak public institutions have been implicated in both the lack of translation of wealth into overall improved standards of living as well as the destruction of the natural environment.⁶⁹

3.2 Encouraging sustainable non-extractive sectors and sustainable development

In the NGDPs 4, “Natural resources and environment”, the stated aim is “for Papua New Guinea’s natural resources and environment to be conserved and used for the collective benefit of us all, and be replenished for the benefit of future generations”. Moreover, “wise use to be made of our natural resources and the environment in and on the land or seabed, in the sea, under the land, and in the air, in the interests of our development and in trust for future generations”.

Before the notion of sustainable development gained prominence in global development discourse, sustainable development and the “wise use” of finite resources for the “collective benefit of all” was explicitly made in the NGDPs of PNG’s Constitution. Such is the timeless wisdom of PNG’s Constitutional forefathers. Presently the global community is contending with the challenges of balancing growth-oriented development with consideration for the natural environment.

Essentially the National Strategy for Responsible Sustainable Development takes up the same challenge of a global community that is confronting the stress on the caring capacity of the natural environment and the effects of human activities on ecological stability. In PNG, the National Strategy for Responsible Sustainable Development claims to be a “new thinking” that “challenges the view that economic growth built on the back of the extraction and export of raw

⁶⁹ A 2014 National Human Development Report by the United Nations Development Program entitled *From Wealth to Wellbeing – Translating Resource Revenue into Sustainable Human Development* observed that “Despite the importance given to natural environment in the constitution and policy documents such as Vision 2050, the institutions of governance for the environment are relatively weak” (UNDP, 2014:65). Whilst multinational corporations involved in the extractive industry use international best practices in their activities in PNG, this is not complemented domestically given the weak regulatory framework of the PNG government.

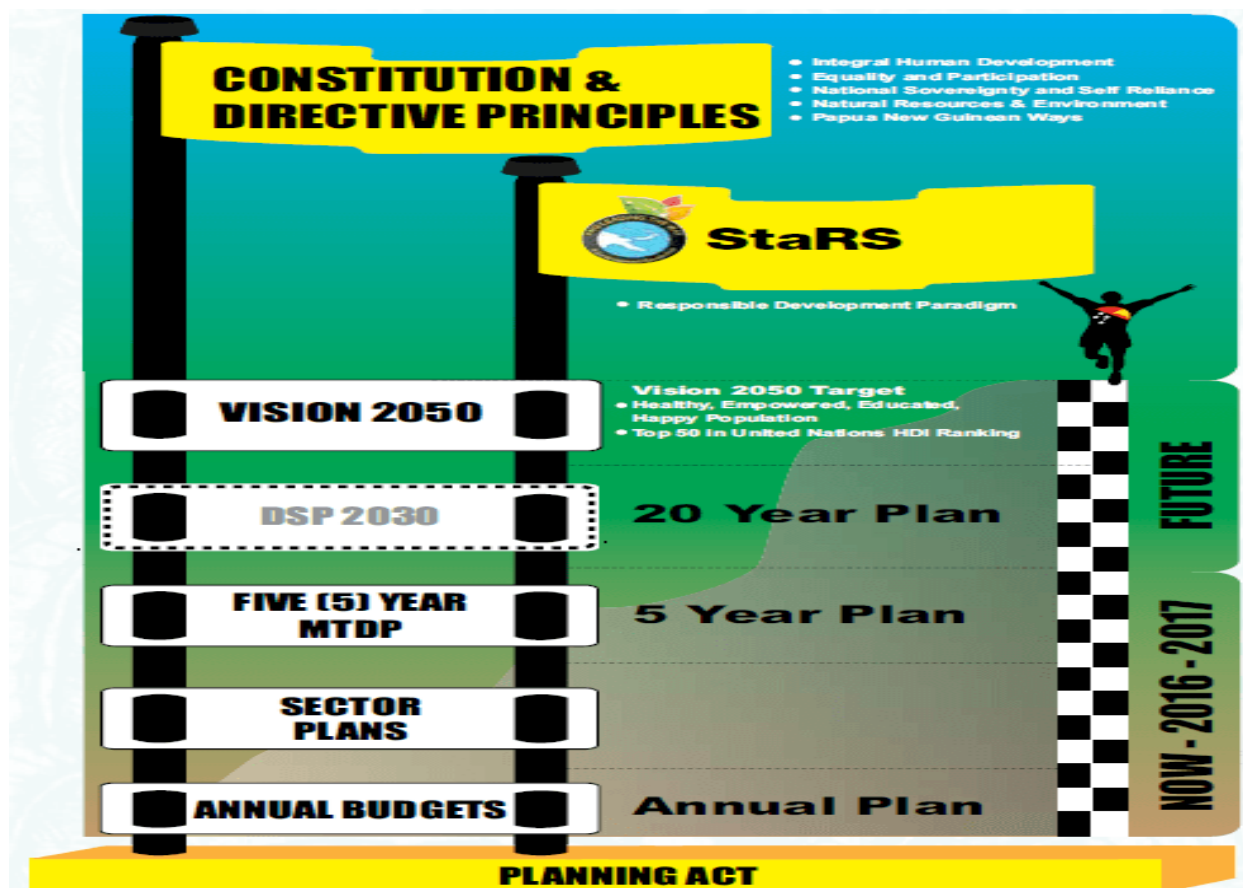
natural resources” is the way forward (GoPNG, 2014: 28). Conversely the National Strategy for Responsible Sustainable Development “introduces an alternative development paradigm and redirects the focus of planning towards economic development that is more appropriate and responsible in a future that is changing” (ibid.). It is obvious that the National Strategy for Responsible Sustainable Development is a serious attempt to integrate environmental concerns and natural resource use into development planning.

The National Strategy for Responsible Sustainable Development claims to take its cue from the overarching planning priority of the Vision 2050 and the PNGDSP (see Figure 9). One of the most pertinent statements in the National Strategy for Responsible Sustainable Development is noted at this stage:

“Long term sustainability requires that more attention be paid to the responsible management and use of our natural resources. The nonrenewable natural resources, such as, minerals (gold, copper, etc.) are in fixed quantity” (GoPNG, 2014:16).

Furthermore, the National Strategy for Responsible Sustainable Development notes that the Vision 2050 is wholly preoccupied with unrestrained economic growth (GoPNG, 2014:21). But even though the Vision 2050 is criticized focusing much attention on economic growth (with little attention to sustainable use of the natural environment) one of the most important features of the Vision 2050 is that it intended that a gradual phasing out the dependence on the extractive sector be undertaken as a matter of national priority.

Figure 9: Strategic Planning Framework of Government



Source: GoPNG, 2014:20

The LNG project features in one of the four pathways to economic growth in the Vision 2050 because it is the yardstick in the progressive attempts to phasing out PNG's dependence on the extractive sector of the economy. So according to the assumptions of the Vision 2050, the proceeds from the LNG project in PNG will support the government's "efforts to stabilize service delivery and infrastructure development" (GoPNG, 2010: 26), whilst the simultaneous drive for land reforms continues in earnest. The 10-year timeframe will be a test case timeframe where land reforms or the base case can be fully implemented towards cushioning the anticipated easing of PNG's overall dependence on the LNG revenues.⁷⁰

What the National Strategy for Responsible Sustainable Development is re-introducing to the national discussions about development is the envisaging of an economy that is less dependent

⁷⁰The Vision 2050's "intention also is to ensure that structural changes in the economy are not dependent on the success of the LNG project, or other projects that are being planned" (NSPT, 2010:58). Banking on the extractive sector as the life-line of the PNG economy is obviously an issue that the Vision 2050 has embarked on steering PNG away from.

on natural resource extraction.⁷¹ The National Strategy for Responsible Sustainable Development envisages a “new growth strategy where greater economic growth is built on renewable resources rather than extractive activities with priority placed on preserving the environment and sustainably using it by adding economic value to it” (GoPNG, 2014:27).

3.3 Economic independence

NGDP 3 calls for PNG to aspire for “National Sovereignty and Self-reliance”. This NGDP specifically reaffirms a national self-belief in PNG when it calls for (inter alia) “economic development to take place primarily by the use of skills and resources available in the country either from citizens or the State or not in dependence on imported skills and resources”.

The National Strategy for Responsible Sustainable Development follows the commitments made by the Constitutional Planning Committee. The Constitutional Planning Committee observed in the early 1970s that continued dependence on the mining sector will only prolong the continued dominance by transnational corporations in the mining sector of the economy. The Constitutional Planning Committee’s warns: “If Self-government and Independence are to have real meaning these milestones must be accompanied by a substantial measure of control by Papua New Guinea over economic enterprises throughout the country”.

It is therefore apparent that PNG cannot practice true independence if its development is pinned to the mining sector or large scale extractive industries. Under the section “Guiding Principles for Inclusive and Innovative Green Economic Growth” in the National Strategy for Responsible Sustainable Development (pp.46-49), there is a specific call to “diversify economic activity that minimizes commodity dependence” (GoPNG, 2014:49).

Like the Vision 2050, the National Strategy for Responsible Sustainable Development seeks to facilitate mass-based development. The Vision 2050 however is premised on the assumption that “once strong growth has been achieved in the mining industries and the renewable resource-based exports, it is important to use that income to create more opportunities to grow the economy” (GoPNG, 2010:3). A reading of the Vision 2050 will give the impression that there are no serious or ambitious attempts to sever PNG’s ongoing dependence on the mining and petroleum sector.

One particular omission in the National Strategy for Responsible Sustainable Development is in regard to the role of foreign aid in national development priorities. Whilst there is a commitment to “revising our development road map we can actively pursue international aid and commercial funding to contribute to a fund to compensate for opportunity cost as well as investments in global solutions through a new economy” (GoPNG, 2014:12), there is no indication that foreign aid will be progressively discontinued from the development planning of PNG. Hence the

⁷¹Even renewable sectors such as fisheries are not immune from the threats of resource depletion. In reference to the tuna fishery stock harvested in PNG waters, there are pessimistic estimations on its sustainability. The National Strategy for Responsible Sustainable Development projects that “If we continue doing [harvesting for commercial purposes] as the current DSP suggests, we will have a population of 30 million by 2050, surviving on an economy heavily based on the extractive industries sector and an environment badly damaged by this, and forest and tuna stocks greatly depleted by unsustainable harvesting” (GoPNG, 2014:12)

likelihood of being dependent on foreign donors will continue under the proposed development priorities of the National Strategy for Responsible Sustainable Development.

3.4 Integrating Papua New Guinea Ways into natural resource development planning:

I have briefly highlighted the relationships between the natural environment and sustainable development above (“Encouraging sustainable non-extractive sectors and sustainable development”). In Figure 10, one will find how the National Strategy for Responsible Sustainable Development will be assessed in its implementation. There is indeed some indication in the National Strategy for Responsible Sustainable Development that formal recognition is given to the symbiotic relationships between development aspirations of Papua New Guineans and the effect to their natural environment. Invariably I might add that there an effort to make development planning abide with natural resource conservation.

Under the NGDP 5 the aim is for development to be undertaken primarily through “Papua New Guinean forms of social, political and economic organization”. Furthermore, the NGDP 5 recognizes that “traditional villages and communities to remain as viable units of Papua New Guinean society, and for active steps to be taken to improve their cultural, social, economic and ethical quality”. As the Constitutional Planning Committee aptly acknowledged, PNG is predominantly a rural, agrarian-based society. In their characterization of PNG society, the Constitutional Planning Committee concluded that “since we [Papua New Guineans] are a rural people, our strength should be essentially the land and the use of our innate artistic talents” (Constitutional Planning Committee Final Report, Chapter 2, para.116).

The Constitutional Planning Committee merely reinforced the belief that land, notwithstanding its economic potential continues to provide a safety net for the vast majority of Papua New Guineans (cf. Constitutional Planning Committee Final Report, Chapter 2, para.47) and must be protected to ensure the continuity of the socio-cultural identities of Papua New Guineans. For thousands of years Papua New Guineans lived in harmony with their natural environment and developed their own unique knowledge systems of the resources in their communities.

Any development initiative that privileges indigenous knowledge and other aspects of PNG’s rich experience of harmonious relationship to the land conforms to the expectations of the Constitutional Planning Committee. This is where the National Strategy for Responsible Sustainable Development is consistent with the NGDP 5.

On the other hand the Vision 2050, typical of its growth-oriented intentions, promotes the freeing up of customary land for development purposes. And as I discussed in the study of the Vision 2050 policy document, the evidence to date is that Papua New Guineans are becoming powerless to stop the illegal land-grabbing exercises and the destructive development practices associated with agro-industrialization.

For instance, Colin Filer (2011) details the disaster with landlessness as customary land has been taken over by national and foreign corporate entities.⁷² The kind of practices promoted by the Vision 2050 is having dislocative effects, as unregulated land reforms will spell disaster for food security and the economic sovereignty of agrarian societies in PNG.⁷³ Since 2003, “more than 10% of Papua New Guinea’s landmass has been handed over to foreign and national corporate interests under 99 year Special Agricultural and Business Leases (SABLS)” (Pacific Institute of Public Policy, 2011:2).

In most instances, the unscrupulous acts of land-grabbing are designated “for oil palm plantations....[where denying]...access to customary farming land damages rural food systems, as livelihoods are lost and access to alternate income opportunities...” (Pacific Institute of Public Policy, 2011:2). Whilst the mass-based sector of the agriculture sector is the purported beneficiary of land reforms in the Vision 2050, the reality is that the agricultural output from ventures associated with land acquisition tend to favour the expansion of export-oriented “monocultures (like oil palm)”, which in turn are “likely to reduce the diversity of local [food] production” (Anderson, 2013: 13). The use of arable land for agro-industrial development in general can lead to many traditional skills in agriculture being lost or where subsistence resources such as land is alienated or destroyed.

⁷²According to Filer (2011), “Between the beginning of July 2003 and the end of January 2011, almost 5 million hectares of customary land (11 percent of PNG’s total land area) has passed into the hands of national and foreign corporate entities through a legal mechanism known as the ‘lease-leaseback scheme’” (p.2).

⁷³ The Vision 2050 designates a timeframe of 10 years for the freeing up of 3 percent of land for development purposes. However under the SABL scheme, this goal is already “ahead of schedule” with 12 percent of the country (5.5. million hectares of land) now in the hands of foreign corporations (Mousseau, 2013:3).

Figure 10: Measurement framework of the National Strategy for Responsible Sustainable Development



Source: GoPNG, 2014:53

Conclusion

The PNGDSP is a technocratic tool that seeks to guide how government addresses the dual maladies of PNG's distorted economic development –with the emphasis on mass-based economic growth and targeted investments in impoverished regions of the country that will spawn economic integration of these poverty corridors into the mainstream economy.

The PNGDSP defines a “high quality of life for all Papua New Guineans” as its ultimate goal. It is built around the assumptions that economic growth and income are definitive measures of social and economic well-being in PNG. So there is not much dissimilarity with the Vision 2050 in the methodological use of economic yardsticks in defining development.

Read together with the Vision 2050, the PNGDSP seeks to promote the notion of equal participation by fostering mass-based participation in economic activities. In very similar outlook with the Vision 2050, the PNGDSP espouses a broadening of the economic base of the economy beyond the excessive dependence on mining and petroleum.

Nevertheless, the National Strategy for Responsible Sustainable Development is a timely inclusion into policy debate and specifically development discourse. The National Strategy for Responsible Sustainable Development's intentions and orientation is consistent with the NGDPs and markedly challenges the economic-growth model espoused by the PNGDSP and the Vision 2050. Under the National Strategy for Responsible Sustainable Development, the notion of inclusive development seeks to integrate economic, social and environmental challenges into national planning efforts. This is perhaps a reflection of a middle-ground approach between the growth-oriented outlook of the PNGDSP and the Vision 2050 and the NGDPs.

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