

**REFLECTIONS ON THE DIVERSITY AND PROSPERITY OF
PAPUA NEW GUINEA**

PNG at 40: Public Lecture Series

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**(Views expressed herein are those of the Author's only and do not necessarily reflect the views of
the PNG Government)**

I wish to first of all express a word of appreciation to the State, Society and Governance in Melanesia program of the Australian National University, and to the PNG Canberra Students Association for supporting our 40th Anniversary of Independence celebrations in Canberra by hosting this series of public lectures over the last week.

The theme of the public lectures celebrating Papua New Guinea's 40th Anniversary of Independence is thought-provoking and certainly appropriate. We reflect on PNG's diversity and prosperity.

In attempting to reflect on the meanings of these words, I throw my limited net of experience and knowledge to cover as wide as I can the waters of diversity of PNG's rich cultures, our people, and our natural bio-diversity, including the history of contact with Western forces of change, at times positive and at times tragic. This is a deep history of encounters, interactions, and mixing among ourselves and with the wider world. It is only when I trawl this net ashore that I find some possible morsels of wisdom that may add to our search for PNG's future prosperity.

Those who came from beyond our shores to explore our land discovered abundant scientific information about our bio-diversity, our many language groups and cultures, which they interpreted and transformed into knowledge that served, and continues to serve, as the basis for many insights, debates, and points of reference. This process of knowledge production was based on an exchange of perspectives, the foundation of which was the inherent value that money cannot buy: the value in our culture, in our people, our art, our magic and mythology, our close understanding of our environment, and our relationship to the land and the sea. Having armed ourselves with these tools of self-reliance, we began to experience and witness the impact of change and the test of our resilience to accept the changes and adopt and adapt these influences to move us to the sovereign and independent nation we now know as Papua New Guinea. These experiences of change and our capacity and ability to adopt and adapt are truly resources in themselves for us in building PNG future's prosperity.

Let me start with a very brief survey of the diversity of our historical past in contact with Western forces of change. First, in the 16th to 19th centuries, there were the Portuguese, (Islas Dos Papuos) and Spanish explorers, Torres and Quiros, whose names, and the places

they named, resonate today in important issues of current affairs (Torres Strait and Torres Strait Border Treaty between Australia and PNG, Los Negros of Manus fame). In the 19th and early 20th centuries a profusion of scientists, ethnographers and explorers entered PNG. Amongst them, I refer to Luigi Maria D'Albertis, a flamboyant Italian naturalist and an explorer who, in 1876, became the first person to chart the Fly River, and after whom quite a number of reptiles have been named. Then there was Nicholas Miklouho Macklay, a Russian explorer, ethnographer, anthropologist and a biologist who was the first scientist to settle among and study people who had never seen a European in Rai Coast of Madang. He also was known to have protested against the practice of 'blackbirding' in the southwestern Pacific. The islands where I am from were named after the French explorer Denis de Trobriand, the first lieutenant on the ship *Espérance*, captained by D'Entrecasteau, whose name was given to the neighbouring group of islands, now known as Ferguson, Normanby and Goodenough, in 1792.

There were also Captain Moresby and Commodore Erskine, he being the gentleman assigned the task of annexing Papua on behalf of the Crown in November of 1873, a few months after the Germans annexed New Guinea. I remember one of my first history assignments at UPNG, given by the distinguished historian Professor Ken Inglis, our lecturer, was to imagine and describe how Hanuabada people in those days of yore may have felt on being confronted by the tall ships and white people for the first time and observing the formalities of raising the Union Jack and the boom of the twenty-one gun salute from the tall ships anchored in the bay facing Hanuabada village.

In the early twentieth century, a Polish anthropologist by the name of Bronislaw Malinowski was interned in the Trobriand Islands at the outbreak of hostilities in the First World War. He used the time to continue to do ethnographic research, which culminated in a series of books that made the lives of the 'savages' famous—my Trobriand ancestral compatriots and elders.

And PNG has had missionaries of many persuasions, including our Pacific Island brothers and sisters, and of course the colonial administrators who attempted in their different ways, and as best as they saw how in their times, to instil the practice and culture of development for us Papua New Guineans and for our future prosperity.

The biological specimens, the cultural objects and art, and the historical accounts collected during this extended period of encounters and exchanges—often under terms that were not mutual or reciprocal—represent a vast storehouse of knowledge and wealth, located now across the globe in the many countries from where the explorers and scientists originated. This wealth is now being given new value as we revive and re-envision the histories of their making through new interactions and collaborations.

Since Independence, PNG has entered into new bilateral and multilateral partnerships with its former colonial powers, including our relations with many European Union countries whose ancestors came to our shores, and we benefit considerably from trade relations and development assistance. Such partnerships cannot be underestimated. They carry the history of earlier encounters into the present but with new insights and understandings of what a continuing relationship should involve.

What then, have we, as Papua New Guineans, to say about our forefathers and mothers who were around at the time of these European incursions? We have a wealth of oral history that remains to this day but for written records, very little. Shamefully for my generation, and your generation, there is very little we have recorded of the wealth of this history of how we felt, of how we experienced these intrusions, except through the eyes and recorded history of these early explorers and their succeeding generation of missionaries and colonial administrators, researchers and academics of today.

But we need more from Papua New Guineans ourselves. There were some very serious and almost fleeting attempts at the time of Independence from such luminaries as Vincent Eri (*The Crocodile*) and Albert Maori Kiki (*A Thousand Years in Lifetime*). At Independence as well, there was much more institutional support for culture and the arts as a unifying force in building national identity from our collective diversity. It is gratifying to see a new generation of PNG artists and scholars who draw inspiration from their ancestors and their cultural knowledge to create work and undertake research that expresses contemporary insights on our diverse histories and experiences.

And it's very gratifying to witness the capacity of you, the current cohort of PNG students studying here at ANU and elsewhere. The range and mix of your educational and professional backgrounds, your disciplinary fields of study, and the topics you are

researching provide powerful evidence of PNG's diversity and prospects for prosperity, and how you are contributing to the production of new knowledge. Your research will yield insights on historical and contemporary issues: values inherent in kinship, mobility, and exchange; women's economic and political participation and leadership; elections and electoral politics; gender and good governance; livelihood strategies in urban settlements; legislative reform; and improvements to service delivery.

Here lies the first of my thoughts on the conditions for future prosperity of Papua New Guinea. I know it may not sound appropriate or fashionable to speak of prosperity in terms of our records and accounts of history and our experiences of those times to this day. You may well ask if there is such a thing as prosperity inherent in our culture. But there lies the realization that money and indeed the cash economy may not be the only manifestation of prosperity in a nation so abundantly diverse in culture and in biodiversity.

At independence, our first serious attempt at setting development policy and funding priorities were embodied in the National Development Strategy (NDS), or the 'Little Red Book,' so named because of its intentionally red cover. These were based on our Eight National Aims and Guiding Principles (see Appendix 1). The NDS found expression in the National Public Expenditure Plan (NPEP), which set the funding of new projects at three percent real growth per annum, on a three-year cycle based on more realistic projections of revenue flows from trade in our export commodities—the four "Cos": coffee, copra, copper, and cocoa. As well, the Australian government provided a three year grant to the budget funding commitment under Prime Minister Malcolm Fraser.

The development priorities remain the same today but the emphasis is subject to successive governments' funding commitments. In retrospect, given the very small budget we were operating on in the early years of independence compared with what we have today, the Eight Aims and the NDS can be seen as visionary and ahead of their time. The NDS had as its underpinning strategic objective the motherhood statement that, "the cash economy must not substitute subsistence production but complement it." For those of you who have seen the documentary film *Joe Leahy's Neighbours*, about the tensions between sustaining traditional livelihoods and creating new opportunities in the cash sector economy, you cannot see a better realisation of this principle. When land is used for cash cropping at the

expense of food production, and when commodity prices fall, the resultant food insecurity can be severe; there have literally been famines in these areas under such circumstances.

Productivity in the urban informal sector and in subsistence production, along with our cultural wealth and all the activities that go into sustaining valued exchange relations, have not been properly measured and most often are ignored by orthodox economic theory and accounting practices. The lack of valuation assigned to these productive economic activities and the inherent value of our cultures is a statistical crime in a country where most of our people have been attempting to eke out their existence and subsistence both in urban and rural sectors and in the daily practices of living culture.

In the broader context of global economy, the phenomenon of commodity cycles is not new. But because of the globalised nature of trade and financial flows, there is much debate on the sustainability of capitalism going forward. There is also new thinking emerging concerned with greater government and even private sector efforts for inclusive capitalism to create and sustain wealth creation with increased and sustainable consumer demand through mechanisms of legislated minimum wages and better sharing of income accruing to those who own capital and those who provide labour.

In the context of PNG our subsistence sector provides the safety net in both the urban informal sector and the majority rural sector. Allow me to describe this with the illustration of the Trobriand Kula canoe (see Appendix 2), the hull being the subsistence and urban informal sectors with cultural values, and the sail being the cash economy. Both need to co-exist and complement each other and be inclusive of each other to support the lives of most Papua New Guineans. The outer edge of the sail from the mast can easily represent the falls in commodity prices. If the sail is dragged below the hull into the water, this can represent the cash economy cutting into our subsistence and informal sector base or our safety net. On a Kula canoe, if the sail is dragged below the hull into the water, this sets off alarm amongst the crew because it affects their safety and well-being.

One of the slogans guiding our moves to Independence was Unity in Diversity. This came about in response to doomsayers who proclaimed that we are so divided in languages, in ethnicity, in culture, in geography and terrain, that we can never make a nation out of such diversity. Yet today, I for one can say we are a 'work-in-progress' but a 'work' that is

seriously progressing well. What, you may ask, is my evidence? In my young days, when asked where I came from in PNG, my first thought was Kiriwina or Samarai. Today, when we pose the same question to many young Papua New Guineans, the answer is often twofold: one, 'mixed', and two, a litany of various ethnic and provincial parental lineages. Herein lies the vitality of identity and, once again, the diversity for PNG's future prosperity.

Having briefly put to the side one of the catches of the day from my net, and that is the diversity of our history of contact, our people and our cultures, I now turn to the other condition for our future prosperity, which is our land and our seas—our relationship to our rich environment and how we apply these to creating and sustaining our future prosperity.

I want to acknowledge how our land and our seas complement us, the people, as the means for our future prosperity. The thing we are taught is that they in themselves are not resources or the source of wealth until and unless we plant our food or catch the fish, simply put. But more importantly, our land and our seas are the very essence of defining our identities. Here lies a major diversion. Land on its own in our culture is as good a resource as it is when you actually plant a crop or dig minerals from under the ground. Ownership, or more appropriately, custodianship is one and the same. It is on this basis that prior to independence, and prior to renegotiating the Bougainville Copper Agreement, a motherhood policy statement was promulgated that proclaimed, "All resources belong to the people of Papua New Guinea." State and landowner equity were born of that statement. Other nations with resources adopted "production sharing," revenue only based fiscal regimes and royalties. PNG adopted an almost all encompassing revenue, equity, and royalties, fiscal regime for all major resource projects. There was the famous Additional Profits Tax imposed in the Bougainville Copper days and from time to time, but without success, the PNG Government has attempted to reintroduce this measure in some of the major resources projects.

In all these projects, past, present and future, there is potential for our prosperity. But only when capital and all other factors of production are applied, and the raw material extracted and sold, do they become resources—a fact we often forget to be realistic. Our fiscal regime governing the sharing of benefit flows from these major resource projects have stood the test of time.

The concept of the Sovereign Wealth Fund is not new to PNG. At Independence, and once the Bougainville Cooper Agreement was re-negotiated, a Minerals Resources Stabilization Fund (MRSF) was established mainly to stabilise the impact of revenue flows to the budget. The current Government has successfully enacted the Kumul Trust Fund, which will hold and distribute revenue flows from our resources sector to a) stabilise the budget; b) invest in infrastructure development; and c) invest funds for future generations.

What have our successive governments contributed to the realization of our prosperity? I am a little old fashioned but given the complexity of the challenges and the pace of change 40 years on today, we have done very well maintaining the unique type of democracy we created, the relative good functioning of the institutions sanctioned by our constitution to safeguard our lives and liberties.

The O'Neill-Dion Government has been investing heavily in infrastructure, free primary education, and primary health care over the last two and half years. There are naysayers recently who proclaim of a Greek type economic calamity that will befall PNG. If deficit spending is for our investing in human capital both in health and education and in physical infrastructure, that is, investing in present and future productivity, that can only be good for economic growth and prosperity for PNG.

It would be remiss of me not to say something of our bilateral relations with our good friends the Australians. As economists are wont to say, the fundamentals remain strong. First, at people to people level the work of such organizations as PNG-Australia Association, PNG-Australia Business Council, Buk Bilong Pikinini, Kokoda Track Foundation, Youth with a Mission, various charity organizations and various councils all contribute enormously to maintaining the close ties of friendship we enjoy today. At official and political levels, PNG is very fortunate that we enjoy bipartisan support and friendship from both sides of the political divide in Australia. We currently enjoy the benefits of the friendship and very active support of Honourable Julie Bishop, the Foreign Minister of Australia. In the Opposition, Richard Marles has been a longstanding friend and supporter of PNG.

Historically, from independence onwards and with Hon Gough Whitlam, Hon Malcolm Fraser, Hon Andrew Peacock, Hon Bob Hawke, Hon Paul Keating, and Hon Kevin Rudd, PNG has benefited from the respect, the support of these distinguished leaders of Australia's

political luminaries. Our official bilateral relationship has matured significantly over time underpinned by changes of the formal treaties from Development Cooperation Treaty based largely on aid to the Economic Cooperation Treaty, to be based largely on investment and trade. With the two more recent pronouncements, two by Kevin Rudd, the Port Moresby Declaration and the Compact for Partnership in Development Assistance, and Julie Bishop's new Paradigm of Aid and Economic Diplomacy, our bilateral relations can only go from strength to strength for the future prosperity of both our two countries.

The former Abbott Government initiative for Developing Australia's North holds great potential for synergies to be realized between PNG and Australia, Australia and Indonesia, and Indonesia and PNG—what could essentially be an economic cooperation zone for our subregion to take advantage of a market consisting of around 300 million people. The potential for mutual prosperity for our subregion with flow on effects to the rest of Pacific is enormous and we look to Australia to be one cog in the wheel for us to realize the potential that lies in this Arc of Opportunity.

I wish to briefly refer the issue of Pacific Islands Regional architecture, within the Pacific Islands Forum (PIF), Pacific Islands Development Forum (PIDF) and the Melanesian Spearhead Group (MSG). We may ask the question, can they co-exist? In the recent PIF meeting hosted by PNG, only five priority agenda items were deliberated on: fisheries, climate change, information communication technologies, cervical cancer and West Papua. This focus on only five priorities was a significant initiative of the new Secretary General of PIF, Dame Meg Taylor, so as to provide leaders sufficient time to fully consider key priority issues for the region, apart from some on-going issues on which the leaders receive progress reports from the Secretariat.

Pacific Islands Development Forum, also made climate change its priority but differs on how this can be achieved amongst the members, which basically appears to be an approach that invokes exclusion rather than inclusion. Pacific Islands Forum Leaders urged Pacific regionalism and strengthening relations with post-Forum dialogue partners. The Joint Communiqué 2015 and the Hiri Declaration urge post-Forum dialogue partners to align to the priorities presented by the Framework process.

The Melanesian Spearhead Group Summit, hosted by the Solomon Islands, promulgated some very substantive outcomes including a subregional Bank for Infrastructure, greater trade and investment flows, amongst other issues.

In concluding my remarks, I urge you, the young generation of Papua New Guineans, to reclaim the initiative in reinterpreting our history as to how we see it, embrace the finer elements of our culture, our value systems, and our traditional ways of living while adapting and adopting the finer aspects of the introduced value system and cash economy. Let us not be overly ethnocentric but build on knowledge that has been produced before us. We are the ones who should know what is best for us and our country. We set the pace and direction for the future of PNG. Inclusion and not exclusion forms the basis of future prosperity for our nation.

Thank you.

Appendix 1: PNG Eight National Aims and Guiding Principles

The following points comprise the Eight National Aims from the PNG Constitution:

1. A rapid increase in the proportion of the economy under the control of Papua New Guinean individuals and groups and in proportion of personal and property income that goes to Papua New Guinea;
2. More equal distribution of economic benefits, including movement toward equalization of incomes among people and toward equalization of services among different areas of the country;
3. Decentralization of economic activity, planning and government spending, with emphasis on agricultural development, village industry , better internal trade, and more spending channelled to local and area bodies;
4. An emphasis on small scale artisan, service and business activity, relying where possible on typically Papua New Guinean forms of business activity;
5. A more self-reliant economy, less dependent for its needs on imported goods and services and better able to meet the needs of its people through local production;
6. An increasing capacity for meeting government spending needs from locally raised revenue;
7. A rapid increase in the equal and active participation of women in all forms of economic and social activity;
8. Government control and involvement in those sectors of the economy where control is necessary to achieve the desired kind of development.

Appendix 2: Images of Trobriand *Masawa*, Kula canoe

