Uneven development and its effects: Livelihoods and urban and rural spaces in Papua New Guinea

John Cox, Grant W. Walton, Joshua Goa and Dunstan Lawihin

Abstract

In this chapter, we examine the uneven nature of development within and between rural and urban spaces in Papua New Guinea (PNG). We focus on economic activities in urban and rural spaces and the ways these have shaped social and environmental outcomes. This analysis highlights three key issues. First, it shows the importance of thinking about development processes, networks and enclaves in addition to more traditional ways of framing development challenges and opportunities. Second, it points to the importance of PNG’s rural spaces for policymaking and politics. Finally, it notes that while large-scale development projects, such as mining and liquified natural gas, have significantly shaped urban and rural spaces over the past two decades, due to economic shifts, it is becoming less likely PNG will reshape its urban and rural spaces as dramatically in the years to come.
Introduction

In this chapter, like others before us (e.g. Connell, 1997), we highlight the geographical diversity of economic opportunities across Papua New Guinea (PNG) and show that this diversity is not confined to national and subnational administrative boundaries. Indeed, we suggest PNG is a patchwork quilt of vastly different types of economic activity that shape social relations and the surrounding environment in very different ways. This includes resource enclaves that dramatically reshape the physical landscape, while also changing social and economic relations by attracting new concentrations of people who migrate to these areas for paid work, artisanal mining or to claim a share of royalty payments. Such projects often sit beside economic activities that can be traced back thousands of years. Other patches of our metaphorical quilt might be geographically small but provide an even greater economic diversity. Urban areas, for instance, provide many different types of legal and illegal economic opportunities. The patches of economic activity of our metaphorical quilt are sewn together by a complex network of people and things that move across districts and provinces and around the globe.

In focusing on the geographical diversity of economic activity, our analysis differs from studies that assess the nature of development through aggregated data tied to administrative scales; for example, analysis that compares levels of development between provincial and district governments (National Research Institute, 2010). We also move beyond analyses solely focused on the national scale, what some refer to as ‘methodological nationalism’ (Wimmer and Schiller, 2002). ‘Methodological nationalism’ includes economic and other analyses that draw on national-level data to describe the nature of PNG’s development challenges. In addition, we push against the ‘localised particularism’ of some studies that focus on one community, town or location. Rather, we suggest that a broader and more fluid understanding of the processes and networks of PNG’s patchwork quilt of economic activity can provide insights into the country’s key social and environmental challenges.

Having said this, our analysis does not include all types of economic activities in PNG; for example, we do not focus on the important and often overlooked contribution of those providing unpaid housework and care. Including all types of economic activity would require another few chapters, perhaps a book. While colourful, we admit our patchwork quilt
has some holes in it, which we will leave for others to sew together. The key takeaway from our analysis is that in PNG, economic opportunities and activities vary greatly between and within urban and rural spaces; and that, as the least urbanised country in the world, PNG is somewhat unique in the way its citizens have responded to this uneven development.

The chapter first provides a brief history of urban and rural development in PNG; in this section, we highlight some of the historical processes that have shaped economic and social development in the country. In the second section, we highlight the uneven nature of development in urban areas. The next section focuses on rural areas and the unique nature of development in these spaces. The fourth section reflects on the way PNG’s uneven development has shaped social relations and the environment. Finally, we conclude by reflecting on what these findings mean for policymaking and research.

A (very) short history of urban and rural development

PNG’s environmental, political, economic and social landscape has been significantly shaped by the long history of human settlement that dates back over 50,000 years. Over that time, Melanesian people established highly sophisticated social systems that involved extensive trade networks over land and sea, sometimes including large villages (Irwin et al., 2019). The movement of people and objects across what is now known as PNG changed the landscape in very different ways. For example, some areas in PNG have some of humanity’s oldest records of agriculture. Archaeological evidence from Kuk in the upper Wahgi Valley in Western Highlands Province, suggests agricultural practices began around 10,000 years ago (Bourke, 2009). Pre-colonial trade also shaped the environment as well as economic and social systems. The introduction of sweet potato around 300 years ago helped to improve food security, and it continues to be a key staple for much of the current day population. Allen et al. (2005) make a convincing case that environmental factors, such as soil quality, reliable rainfall and topography, have been the long-term determinants of poverty in PNG even before the colonial period. They argue that subsequent investments in infrastructure and service delivery have largely followed the initial environmental endowments of areas such as the Gazelle Peninsula or the coffee growing areas of the Highlands.
The nature of the uneven development we see in PNG today can also be directly traced back to the country’s colonial history. While Europeans and others made sporadic contact with Papua New Guineans from around the mid-1500s, colonial engagement from the late nineteenth century most significantly shaped the country’s development infrastructure. As European economic and political interests expanded into the Pacific in the nineteenth century, colonial powers established small towns from which they extended their rule (urban centres were not a feature of pre-colonial Melanesia [Connell, 1997]). These towns were often set up in locations with access to natural harbours that could link the newly established colony to global markets. In 1873, the English Captain John Moresby claimed Port Moresby for Britain, naming the new settlement after his father. In part, Port Moresby prospered because colonial powers were able to ship goods in and out of Fairfax Harbour. In 1884, Germany annexed what was then known as New Guinea, the northern part of PNG, establishing their colonial capital at Rabaul, a township planned and built around the sheltered seaport of Simpson Harbour. The British and German halves of PNG came together following World War I when Australian troops occupied German New Guinea and subsequently administered both territories until PNG’s independence in 1975.

Colonialism has also shaped rural development across PNG through the establishment of various enterprises, such as plantations, and through the introduction of systems of colonial governance, based at towns and district centres, as well as the reorganisation of rural life from dispersed hamlets to bigger villages that were more easily managed by colonial authorities. Some scholars have argued that the ongoing legacies of these colonial engagements could explain the different development trajectories of groups across the country (Bray, 1985; Connell, 1997; Errington and Gewertz, 1993; Walton, 2019). For example, Bray (1985) has argued that, because they were in contact with Europeans earlier than other Papua New Guineans, the Tolai and Duke of York islanders of East New Britain were provided with a ‘head start’ in education and economic development. Walton (2019) has suggested that the nature of colonial settlement – along with geographical, political and cultural factors – helps to explain the divergent development trajectories of Gulf and East New Britain Provinces.
Uneven development and urban
Papua New Guinea

Broadly, urbanisation refers to a process of urban growth through citizens moving from rural to urban areas. Around the world, urbanisation is occurring. In 2018, 55 per cent of the world’s population lived in urban areas, up from 30 per cent in 1950 (United Nations Department of Economic and Social Affairs [UN DESA], 2019, p. 1). With greater urbanisation and overall growth of the global population, urban areas across the globe could add another 2.5 billion people to their populations over the next three decades. By 2050, the proportion of people living in urban areas is set to increase to 68 per cent (UN DESA, 2019, p. 1). Papua New Guinea has also experienced urbanisation, though to a lesser extent than other countries in the region and around the world. Indeed, the World Bank (2022) calculates that PNG is the least urbanised country in the world in terms of the percentage of the population living in urban areas. Figure 7.1 shows that levels of urbanisation in PNG are lower than they are for the Melanesian region and Oceania (which includes Pacific Island countries and Australia and New Zealand). In 1950, only 1.7 per cent of PNG’s citizens lived in urban areas; by 2018, that figure had risen to 13.2 per cent. Census data from 2011 suggests that 40 per cent of people residing in urban areas were not born there (Pryke and Barker, 2017, p. 31). While predicting demographic trends in PNG is difficult due to uncertainties around the reliability of some of the underlying data and urban boundary definitions (see Allen, 2014; Pryke and Barker, 2017), the UN projects that, by 2050, a quarter of PNG’s citizens will live in urban areas (UN DESA, 2019, p. 35).

It is important to note that ‘urbanisation’ differs from ‘urbanism’, which for our purposes – and reflecting our sociological backgrounds – refers to patterns of social life within urban populations (Scott, 2015). This interpretation can be traced back to Louis Wirth (1938), who coined the term urbanism and whose essay ‘Urbanism as a Way of Life’, which focuses on minority groups and mass media in the United States, is a seminal study in urban studies literature. Since this time, studies of urbanism have highlighted the social and environmental dynamics that shape cities and those living in them. Below we examine the nature of urbanism in PNG.

---

1 Oceania in Figure 7.1 includes Australia and New Zealand along with countries from Melanesia, Micronesia and Polynesia. Melanesia includes Fiji, New Caledonia, PNG, Solomon Islands and Vanuatu.
For many (particularly those outside of the country), PNG’s urban landscape is riven with crime, conflict and dysfunction. Indeed, the Economist Intelligence Unit regularly ranks Port Moresby as one of the least liveable cities in the world; in 2019, it rated PNG’s capital as the sixth least liveable city (Buckley, 2019), a slight improvement from 2004 when it was listed as the world’s least liveable city (Sydney Morning Herald, 2010). However, such assessments are based on a narrow sample of wealthy expatriate businesspeople and so ignore the perceptions of the many Papua New Guineans who make cities their homes. As we highlight below, focusing on PNG’s unique forms of urbanism reveals a more nuanced picture than such broadbrush assessments suggest.

The colonial experience shaped the development of urban areas in PNG. Port Moresby is built on the land of the Koita and Motu peoples. Their lives have been profoundly reshaped by the appropriation of land and subsequent urbanisation of Port Moresby (Goddard, 2010). In his history of Port Moresby, Oram argued that social problems – including poverty, high crime rates and social disorder – arose during the colonial period due to administrative institutions and policies that reflected ‘Western needs and goals, unrelated to the needs and aspirations of the Papua New Guinean population’ (Oram, 1976, p. x). Colonial towns were originally established as enclaves for European settlers, traders and administrators. The movement, residence and behaviour of Melanesian people in these
towns were tightly regulated. Colonial administrations needed (mostly male) workers but envisaged their presence in town as only temporary and not as long term or permanent.

Goddard (2005) noted that the city’s settlements grew quickly in the first decade after World War II due to the lifting of previous restrictions over indigenous urban migration, which allowed women to join their husbands and raise families in town. This trend has increased, particularly since independence. However, Port Moresby and other cities remain places where women tread carefully and work hard to make themselves feel ‘at home in the city’ (Demian, 2017; Spark, 2014b, 2019). Recent research conducted in Lae has highlighted the prevalence of family and sexual violence in urban areas and the lack of services for both men and women to address this problem (Rooney et al., 2019). Hayward-Jones (2016) noted that:

Port Moresby, Lae, and Mount Hagen have high crime rates. Disturbingly, the physical features of the business centres and residential areas in those urban centres are security walls.2

For several decades, people from all areas of the country have been making their homes in Port Moresby, Lae and other towns. The size, geography and social fabric of these urban centres vary significantly. While Port Moresby is home to over 360,000 people, the population of Lae is less than half that number (150,000), with other towns such as Wewak, Madang and Mount Hagen smaller again. These towns are home to different types of economic activities and have different relationships to the people in their hinterlands, with some places, such as Madang, becoming home to large numbers of settlers from across the northern coastal provinces and the Highlands.

Most urban residents live in settlements. UN Habitat (2010, p. 9) estimated that around 45 per cent of Port Moresby’s residents live in settlements, which ‘are characterized by a lack of planning, poor infrastructure and a lack of urban services’. Koczberski et al. (2001) noted that every major town in PNG (including Port Moresby, Lae, Madang, Rabaul, Kokopo, Goroka and Kimbe) has attempted (sometimes violent) squatter clearances. Many urban residents ‘return’ to rural homelands to retire at the end of their careers, and the custom of sending bodies ‘back

---

2 See also Chapter 4, this volume.
home’ for burial remains strong, as do remittances to kin, even as these are becoming understood as ‘development’ (Cox, 2021; Dalsgaard, 2013; Rasmussen, 2015). However, new generations of people who have grown up in towns and who are not familiar with the day-to-day rhythms of village life are now growing in number. These people have made cities their permanent homes.

Nevertheless, the expectation that Melanesians do not rightly belong in urban areas and should see their true homes as being in ‘the village’ has largely been accepted as common sense, as even the urban elite feel some discomfort with their position within the nation (Foster, 2008; Golub, 2014; Martin, 2010). This sense of discomfort has a long history. Indeed, in 1973, PNG’s first prime minister, Sir Michael Somare, argued against developing cities (Connell, 1997, p. 187). In some ways, the legitimacy of Melanesian urbanism is yet to be established, more than 40 years after Somare expressed concern about developing cities and Levine and Levine (1979) wrote their study of ‘ambivalent townsmen’.

While urban areas are home to better government services than rural and remote locations (Brydon and Lawihin, 2016; Howes et al., 2014), urban investment often exacerbates urban inequalities. Because urban needs are imagined as elite – and because of the ways government investment has been co-opted by political patronage – spending on urban infrastructure is often directed to iconic projects (see below) that do little to improve the day-to-day lives of urban residents. Housing, water supply and sanitation remain pressing challenges in all PNG cities, but particularly in the ‘settlements’ that are home to the majority of urban residents. Settlements are found on both public and customary land and have a reputation for poverty and crime. This stereotype fails to consider the strong communities that are found in settlements (Craig and Porter, 2018; Rooney, 2017) and the increasing number of salaried wage earners from the lower middle classes who cannot afford to live elsewhere in town and have often made substantial investments in settlement housing, even without the security of land tenure (Rooney, 2017). Despite these changed circumstances and pressing needs, there are few signs of a developing urban political agenda, even among the emerging middle class (Barbara et al., 2015).

In many ways, large-scale infrastructure investment has been shaped by the aspirations of PNG elites to position Port Moresby as a global city and, in turn, position the country as a regional middle power. Examples of this includes investments in the Jackson’s international airport, new
roads, and sporting and conference facilities around Port Moresby in the lead up to hosting major international events such as the Pacific Games (2015), FIFA U-20 Women’s World Cup (2016) and APEC (2018). Major events that are directed to an international audience typically neglect the needs of ordinary people and the urban poor and may even result in intensified policing of marginalised groups seen as undermining the modernist aesthetics of orderliness and prosperity. Many global cities forcibly relocate homeless people in advance of international events; in Port Moresby, people were evicted from settlements to make way for roads and accommodation (Rooney, 2017, p. 118). Informal economic systems are also regular targets of such measures aiming to ‘modernise’ urban spaces. In PNG’s cities, betel nut sellers exemplify these tensions. Betel nut vendors sell a national commodity that represents Melanesian solidarity and sociality, yet they are also spoken of in popular debate as a criminal underclass whose activities undermine law and order and public health and have even been the target of the notorious ‘buai ban’ (see Busse and Sharp, 2019; Hukula, 2019; Rooney, 2019). While a few small- and medium-scale local entrepreneurs have emerged, they often struggle to sustain their businesses (Imbun, 2016).

Reminders of large-scale crime, dispossession and corruption are also etched into PNG’s urban environments. According to Lasslett (2018), urbanisation includes anti-competitive practices, corruption and state-corporate violence, which have helped reduce costs associated with acquiring high-value real estate. His analysis, which focused on the dispossession of Paga Hill in Port Moresby and land grabs in Madang, is a reminder of the uneven outcomes associated with urbanisation shaped by global capitalism and political cronyism.

While urban areas face many challenges, in recent years there have been more sustained attempts to improve living standards in Port Moresby. These include the National Urbanisation Policy 2010–2030 (Office of Urbanisation, 2010), which aims to address the social and economic challenges of urbanisation through better management of urban areas, Papua New Guinea Vision 2050 (National Strategic Plan Taskforce, 2009) and the National Strategy for Responsible Sustainable Development (Department of National Planning and Monitoring, 2014). National Capital District Governor Powes Parkop has also been a strong supporter of creating better public spaces and nurturing a sense of belonging through the Yumi Lukautim Mosbi project. The National Housing Corporation has tried to address housing affordability but, as Ezebilo (2017) has
argued, the beneficiaries of their programs have been the middle class, which already has the capacity for home ownership, not low-income households. In turn, the beneficiaries of urbanism in PNG are largely determined by social class.

### Uneven development and rural Papua New Guinea

PNG’s rural population still relies on subsistence horticulture for food and shelter, many using ancient cultivation, hunting and fishing techniques that have proved their worth over centuries, even in the face of more recently introduced technologies and systems of governance. Agriculture dominates the formal rural economy of PNG (Bourke and Harwood, 2009). Most of the rural population supplements subsistence production with other cash livelihoods, growing commodities for export, or fresh food or betel nut for domestic consumption (Sharp and Busse, 2019, p. 195). However, we should not assume a hearty ‘subsistence affluence’ to be the state of all or even most rural communities. There is considerable variation in rural livelihoods and incomes and, depending on local environmental conditions, seasonal and extreme weather and geological events, access to towns and markets, and proximity to mining operations or other major enterprises, many households struggle to meet basic needs and have little support from state services (Howes et al., 2014).

In the colonial period, much good agricultural land was used for plantations, growing coconuts for sale to an export market, with the profits accruing to Christian missions, settler expatriates or parent companies in Britain, Germany and Australia – all with little regard shown for the welfare of Melanesian labourers or customary landowners. In the 1960s, the Australian Government facilitated labour schemes that brought Sepik, Chimbu and Engan workers to oil palm plantations in West New Britain and Oro Provinces. These settlers were given leaseholds on ‘blocks’ of plantation land, giving rise to tensions between leaseholding migrant labourers and indigenous landowners (Koczberski and Curry, 2004). Smallholder blocks have mostly replaced the larger plantations in the production of coffee, cocoa, copra and other commodities (Sharp and Busse, 2019, p. 198).
As PNG moved towards independence in the 1970s, plans were made for localisation of agricultural and other enterprises. Ramu Sugar (now Ramu Agri-Industries) was initiated by the PNG Government in 1977, with a feasibility study by Booker Tate International, the British parent company that has managed the sugar operations since inception. Ramu Sugar was initially conceived as a new national industry that would supply sugar for domestic consumption (Errington and Gewertz, 2004). Today, while there is more Papua New Guinean ownership of oil palm, cocoa and coffee plantations, foreign management, capital and supply chains are still fundamental to these industries.

Allen et al. (2005) have argued that more fertile parts of the country provide a better or easier means of making a subsistence living for their inhabitants and that areas with poor soil, steep slopes, high altitude and/or high rainfall and flooding have been poor for generations, even before the introduction of colonial rule and capitalist enterprises. These environmental determinants remain relevant today, as people from these areas are more likely to migrate to more prosperous areas in search of work. Over time, the initial environmental advantages (good harbourage, fertile soil) have set in train and compounded the effects of other processes of accruing wealth and related advantages such as education, health services, shops, transportation and access to public service employment.

Rural areas with established plantations, harbours and other industries and infrastructure are relatively well serviced with commercial and public goods when compared to more remote areas and provide some indirect economic benefits for rural people living in their immediate hinterland, such as small-scale markets for garden produce. Marketing fresh vegetables for local markets has been primarily a livelihood for women that supports household needs. Men are more likely to work cultivating cash crops with their rewards often accruing to them as individuals (Curry et al., 2019). Transporting and selling garden produce over longer distances is often only marginally profitable. Over shorter distances, fresh garden produce may be combined with more profitable commodities such as betel nut. The betel nut trade has facilitated face-to-face networks between various producers and sellers along the commodity routes that link rural areas to towns (Sharp, 2016, 2019). In the Highlands, some communities close to major towns are scaling up fresh food production to a commercial scale (Sharp and Busse, 2019). Like larger towns, wealthier areas of rural PNG also become places that draw migration from other parts of the country, as those whose land does not produce a sufficient surplus for them to access
education or employment from their own land – or those who do not have access to land – seek opportunities for better livelihoods (Allen et al., 2005; Bainton and Banks, 2018).

The contrast between the predominantly rural population dependent on agriculture and the national economy’s reliance on resource extraction funded by international capital is stark. Indeed, PNG governments have come to depend on the resource sector to provide much-needed revenue; the figures from the World Bank (2022) show that PNG is five times more dependent on its natural resources (calculated as total natural resource rents as a percentage of GDP) than the global average. Mining, gas and oil operations provide dramatic examples of how remote places can be transformed into centres of economic activity and service provision at least during the active life of a mine. Mines are often located well away from major centres and require considerable investment in roads and other infrastructure during the construction period. Once a mine is established, modern mining companies provide a range of high-level services and facilities for their employees. These are usually better than anything the state is able to provide, particularly in remote locations and, indeed, allows the state to devolve service delivery to mining companies (Filer and Macintyre, 2006).

As Dwyer and Minnegal (1998, 2014) have shown, expectations of mineral wealth can travel ahead of the resource frontier to communities at some distance from actual resource project sites, even if they have no realistic basis for their hopes. These advantages (or anticipations of such) in turn generate in-migration of people from other areas, notably at Ok Tedi (Western Province) and Porgera (Enga Province). Over a short period, relatively sparsely populated places can become bustling towns (Bainton and Banks, 2018). As new arrivals come in search of work or to establish their claim to landowning benefits, social and administrative questions of who exactly can be recognised as ‘local’ become very complex (Bainton, 2017; Filer and Macintyre, 2006). Mining towns tend to be dominated by male workforces and have a reputation for social issues such as gambling, alcohol abuse and violence (Walton and Barnett, 2007). In some instances, mining sites have helped exacerbate violent conflicts between landowners, companies and the state – indeed, concerns about the local impacts of the Panguna Mine in Bougainville helped spark a long-running civil war (see Lasslett, 2014). Porgera has also had a history of violence, not least against women in the area (Johnson, 2011). Most mining companies have some commitment to creating work for local
people through direct employment or through community development schemes and encouragement of small businesses (Bainton and Macintyre, 2013; Banks et al., 2013).

Extractive industries can also leave land and waterways degraded with little benefit flowing to communities. This is clearly the case in relation to the forestry industry in PNG, where 70 per cent of logging is estimated to be illegal (Lawson, 2014). Logging infrastructure, such as roads, is usually temporary and is not maintained once operations move on (Hanson et al., 2001, p. 221). Malaysian timber companies typically import their own labourers, so logging provides very limited opportunities for rural employment. However, royalties to landowners still act as an incentive, even if they flow to very few beneficiaries and cause considerable local conflict (Australian Conservation Foundation, 2006; Lattas, 2011). The forestry industry in PNG has been characterised by endemic corruption and, in recent years, has attempted to use Special Agricultural Business Leases as a means of alienating customary land (Filer, 2011; Filer and Numapo, 2017; Finau et al., 2019). Though PNG politicians have announced that these leases have been cancelled, in reality, the legal status of many Special Agricultural Business Lease agreements remain uncertain (Filer, 2019).

These findings provide a counter narrative to popular framings of the nature of rural life in the country. In public discourse, rural people in PNG are often spoken about (by development agencies or by the national middle class) as if they were frozen in a pre-colonial past, living on customary land according to the ways of their ancestors and providing for themselves without money (Cox, 2021; Tammisto, 2019). However, as the above discussion indicates, a range of capitalist enterprises interact with rural life in various ways and rural people actually move from place to place in significant numbers.

Climactic variability and geological volatility are also important factors in determining how and where rural Papua New Guineans live, and are likely to exacerbate these trends into the future. El Nino droughts and associated frosts have caused great hardship in the Highlands, disrupting essential subsistence food production and displacing thousands of people. Remittances from kinsfolk have often been more effective than large-scale relief efforts in meeting basic food needs in these disaster situations (Kanua et al., 2016). Volcanic eruptions, such as that on Manam Island, have forced thousands of people from their land and many have not been
able to return (Connell and Lutkehaus, 2017). A serious earthquake in 2018 hit Hela Province, triggering landslides, death, destruction of property and mass displacement of affected people. Low-lying parts of PNG, notably the atolls of the Carteret Islands in Bougainville, have also experienced forced migration due to coastal erosion and saltwater incursions that are the effects of sinking landmasses (Connell, 2016). In the future, these areas will face further problems from rising sea levels driven by climate change.

Rural and community development

The challenges described above have been met with various attempts by governments, non-governmental organisations (NGOs), donors and others to improve rural development. While the term ‘rural development’ is used in a variety of ways, it can be defined as ‘a sustained and sustainable process of economic, social, cultural and environmental change designed to enhance the long-term well-being of the rural community’ (Moseley, 2003, p. 4). In PNG, there are signs that rural development has stagnated, particularly in terms of service delivery. Research examining changes to service delivery between 2002 and 2012 found that key services have become more difficult to access from primary schools in many provinces (Howes et al., 2014, pp. 33–35). While, over the decade, urbanites in Port Moresby had similar levels of access to banks and trade stores, access had declined in most of the provinces visited by researchers in 2012. For example, in 2012, it took respondents (head teachers) from Gulf Province 12 more hours to reach a bank and 11 more hours to reach a trade store compared to 2002 (Howes et al., 2014, pp. 34–35). By comparison, it took, on average, just one hour to reach a bank in Eastern Highlands and Enga.

Development outcomes also vary greatly across the country. For example, studies have found that primary schools in East New Britain are of higher quality than those in six other mostly rural provinces – West New Britain, Morobe, Sandaun, Eastern Highlands, Enga and Gulf (Howes et al., 2014). Likewise, East New Britain’s primary health facilities are also of a higher quality. Over time, successive governments, international and local NGOs and private companies have all made attempts to address disadvantage through a range of rural development programs. In the years following independence, these were led by government policies such as the Less Developed Areas Strategy that sought to address inequality and poverty through provincial scaled Integrated Rural Development
Programs funded by the World Bank, Asian Development Bank and the Australian Aid program. Crittenden and Lea (1989) analysed a number of these programs and noted the variation in strategy and emphasis across provinces, including components of infrastructure, service improvement, and both large- and small-scale business development.

After the perceived failures of these large Integrated Rural Development Programs, rural development programs became more fragmented and focused on building smallholder production in specific industries (e.g. coffee or fisheries) or on mitigating environmental damage from logging and other industries by creating local livelihood projects as alternatives (West, 2006). Other community development initiatives led by NGOs or church agencies have focused on gender inequality and violence against women, including violence related to sorcery accusations. Given the limited scale of these programs, some have called for policymakers to draw on indigenous forms of social protection when designing social policies (Lawihin, 2017).

**Changing rural politics and service delivery**

Because PNG is populated by a much higher proportion of rural dwellers than urbanites, getting services out to rural and remote areas has been a key political issue. As discussed in other chapters, efforts by the PNG state to redistribute the nation’s wealth have increasingly been channelled away from programs delivered by the responsible government departments to more direct disbursements by politicians through their constituency development funds. This is argued to be more effective as it bypasses cumbersome bureaucratic systems (Wiltshire, 2013). However, this kind of justification ignores worsening inequality and the weakening of accountability for public funds as development money, in many instances, becomes accessible only through political patronage (Walton et al., 2017). While constituency development funds lack the checks and balances associated with providing services through national and subnational bureaucracies, they can help cement votes in upcoming elections, though members of parliament are not always successful in securing the required number of votes (Wood, 2017).

The PNG Government works in partnership with a host of non-state actors – such as churches, NGOs, international donors and the private sector – to deliver services in rural and urban areas of PNG. However, in some sectors, the state plays a far more important role in delivering
services than in others. For example, in 2012, in the education sector, the national government weakened the role of church schools in delivering the country’s Tuition Fee Free (TFF) policy (Walton, 2019). Under this policy reform, the national government paid funding to both church and state schools directly, which meant that church administrators ceased directly distributing funds to their schools, although they continued to play a role in providing teachers and monitoring church schools. The policy also meant that church and state schools were, officially, unable to charge fees, leading church leaders to threaten legal action.

While the TFF policy applied to both urban and rural schools, rural and remote schools found accessing TFF funds difficult, with many head teachers having to travel for days to access a bank account to access TFF funding (Howes et al., 2014). Not allowing schools to charge fees most likely exacerbated these problems; this is particularly the case for church schools, which tend to perform better on a range of measures and operate in rural and remote areas (Howes et al., 2014). While the TFF policy initially led to increased enrolments (Howes et al., 2014), its longer-term impacts have been questioned, with research suggesting that, in some provinces, TFF reforms threatened school–community relations, undermined school quality and weakened conditions for effective service provision (Walton and Davda, 2019).

In 2020, the Marape government abolished the TFF policy, replacing it with the Government Tuition Fee Subsidy. This marks the fourth time in PNG’s history that a fee-free education policy has been tried and then abolished. Under this new policy, parents initially paid 36.6 per cent of the maximum school fee limit, although political leaders from some districts and provinces promised to draw on subnational funds to continue to ensure parents would not have to pay school fees (The National, 2020; Rai, 2020). In turn, this likely exacerbated the uneven nature of educational service provision (and, in particular, access to schooling) across PNG. In late 2021, the Marape government announced that parents would again not have to pay primary and secondary school fees.

**Uneven development, inequality and social aspiration**

While the various regions of PNG have their own histories and environmental conditions that have determined their opportunities for development, several accelerating trends are increasing connections
between people across the nation. These include rural to urban migration (often circular); developing domestic community chains, such as the betel nut trade (Sharp, 2016, 2019); and the emerging urban middle class with its so-called mixed marriages of people from different parts of the country. Women, in particular, are finding new modes of self-expression and new forms of community across the Pacific region through markets, church and fashion (Barnett-Naghshineh, 2019; Cox and Macintyre, 2014; Spark, 2014a). Moreover, new opportunities for communication through mobile telephones (Foster and Horst, 2018; Watson, Chapter 8, this volume) now mean that PNG is more connected as a nation than ever before. These interconnections, however, also make people more aware of socio-economic inequality and the privileges that others enjoy.

PNG’s resource boom has had mixed results. The health sector faced a ‘lost decade’, with primary health services regressing between 2002 and 2012 (Howes et al., 2014). On the other hand, on a number of indicators – such as teacher numbers, student numbers and classroom quality – primary schools improved over the same period. Still, the expectations of great wealth from the PNG liquified natural gas project have failed to materialise in the way many hoped (Banks, 2014). Some argue that PNG would have been better off without these resource developments (Jubilee Australia, 2019).

Perhaps the most egregious example of national inequality was the building boom and purchase of luxury vehicles for dignitaries attending the 2018 APEC meeting. While the government made preparations for hosting international guests, building new infrastructure and conference facilities in Port Moresby, polio re-emerged after decades of suppression: a sign of a severely under-resourced health system under enormous pressure (Bainton and McDougall, 2021). Inequality in PNG has become far more acute than would be expected given the egalitarian aspirations outlined in the preamble to the nation’s constitution. The failures of service delivery become particularly obvious along borderlands. Indeed, Moran and Curth-Bib’s (2020) edited volume shows the disparity of service delivery between those living along the South Fly coast on the PNG side of the border compared to neighbours in Australia’s Torres Strait Islands.

As elsewhere in the world, financial hardship and relative deprivation fuel both patronage politics (Cox, 2009; Wood, 2018) and a ‘disparagement of elites’ (Martin, 2013). However, some of those considered ‘elite’ belong to a middle class that is struggling, not only with redistributive expectations...
of contributing to a village ‘home’ (Rasmussen, 2015) or supporting ‘wantoks’ in town (Monsell-Davis, 1993; Schram, 2015), but also with the cost of urban living itself (Cox, 2014, 2018; Gibson, 2019). Indeed, many urban salary earners have adopted various means of supplementing their income, both licit and illicit. These can include microenterprises such as reselling phone cards or betel nut as well as other means of accessing short-term cash through ‘pay day loans’ with very high interest rates, or gambling (Goddard, 2005; Pickles, 2019; Sharp et al., 2015).

While such ‘popular economies’ (Krige, 2011) can simply reflect the struggle to survive on very limited incomes, they often also have an aspirational element. Pyramid selling schemes, such as the Filipino scheme AIM Global and Questnet, have been popular in PNG (and many other countries in the region), promising their followers success in business while relying on an unsustainable pyramidal recruitment structure for returns. Many of these schemes market pseudoscientific health products, dietary supplements or overpriced cosmetics, and health workers are often the target of recruiters (Cox, 2019; Cox and Phillips, 2015). Participants are typically drawn into these schemes via a combination of financial need and aspiration for career or business advancement, and training focuses on the cultivation of an entrepreneurial disposition, a theme picked up in the PNG self-development scheme Personal Viability (Bainton, 2011).

In a similar vein, fraudulent Ponzi schemes – known as ‘fast money schemes’ – show a remarkable persistence in PNG and continue to attract ‘investors’ from both the grassroots and the middle class (Cox, 2018). Fast money schemes claim to be legitimate investments but promise unrealistically high returns (e.g. 100 per cent returns per month) and only pay early investors by recycling money deposited by those who join later. The anthropologists John and Jean Comaroff (1999) developed a theory of ‘occult economies’ whereby global trends in financialisation have created complex and often mystified means of generating wealth that seem detached from the ‘real’ economy. Drawing on their fieldwork in South Africa, the Comaroffs argued that pyramid schemes, zombie stories and pastors preaching ‘prosperity gospels’ were all reflections of these broader economic conditions and were driven by a sense that windfall gains were available to an elite and that unlocking the secret of their success was the way to transform one’s circumstances.

Fast money schemes in Melanesia have played a similar role, articulating local concerns with inequality and underdevelopment as the fulfilment of the Pentecostal prosperity gospel (U-Vistract, an elaborate Bougainvillean
scam that includes elements of Bougainvillean separatism, PNG nation-making and a fraudulent vision of a new global economic system); as compensation for past wrongs (the Papalain scheme claims to be compensation owed to Sepik labourers for redundancies at a colonial-era timber company); or as a form of development assistance (the Solomon Islands Family Charity Fund).\(^3\)

**Conclusion**

This chapter has highlighted the nature of uneven development within and between rural and urban spaces in PNG. This approach stands in contrast to the methodological nationalism, and localised particularism, that shape some accounts of PNG. The chapter has shown that, in some cases, the uneven nature of development in the country can be traced back to the processes of colonialism and the decisions made by colonisers about where and what sort of development should take place in the country. While linked to the past, PNG's patchwork quilt of economic activity has dramatically changed in the years since independence. International, national and local actors and organisations drive this change. For example, mining companies decide to explore for minerals and open mine sites based on calculations tied to international markets (e.g. the price of gold) and the economic and political risks involved. PNG's government sets out regulations around mining leases, while local landowners both assist with mining operations and resist, sometimes through violence.

The processes we describe are apparent in other countries; however, we suggest that uneven development in the country features some uniquely Papua New Guinean characteristics. In particular, while urban centres feature more economic activities and opportunities, Papua New Guineans have mostly resisted the call of the city. Rates of urbanisation in the country are low by both global and regional standards. This highlights the importance of the cultural and social connection citizens have to their local communities – most of which are located in rural areas. It also reflects the poverty of opportunity for many migrants moving into towns. While uneven development can help to explain the rise of some types of crime and lead to frustrated aspirations – so prevalent in urban settings around

---

\(^3\) See Cox (2019) for an overview of money schemes. For a deeper investigation of the long-running U-Vistract scam, see Cox (2018).
the world – it has also led some Papua New Guineans to engage with more positive responses, such as through informal economic activities and small and medium-size enterprises.

There are three key implications emanating from this analysis. First, traditional ways of trying to capture the nature of development in PNG – through development indicators tied to national and subnational administrative scales – are important, though limited. As we have shown, livelihood opportunities are fluid and shift within and between administrative boundaries. For example, while PNG’s urbanisation level has risen over the past 40 years, many urbanites continue to have strong relations with their rural communities and move back to rural areas to start businesses or look after family. The impacts of the economic activity we describe are often concentrated in very specific places. For example, mining and logging operations cover a small portion of the provincial or district land on which they operate (even though the materials they produce are exported around the world). Very often, these operations are shaped by the relations between the company and surrounding community, with limited engagement of state officials. What this means is that we need to think about uneven development as a phenomenon that does not always fit neatly onto artificial national and subnational administrative boundaries (Allen et al., 2005; Hanson et al., 2001). This requires us to think about development processes, networks and enclaves, as well as national and subnational administrative units.

Second, due to low urbanisation levels, rural poverty and a high proportion of the population living in rural areas, policies that seek to address PNG’s development challenges will, for many years to come, need to focus on the unique issues facing rural communities. This brings with it additional difficulties, as providing services to rural citizens is more expensive than in urban areas. To overcome these difficulties, some have suggested that more needs to be done to reallocate resources to rural and remote areas (see Howes et al., 2014). Given that the majority of votes are in rural and remote locations, the pressures for politicians and others to decentralise administration and funding to local levels of government are likely to continue (see also Chapter 3, this volume). The localised politics of distribution, which over the past few years has intensified through, for example, the rise of constituency funds and increased autonomy of district administrations, is also likely to continue.
Third, the country is moving into a distinctly different era than the one that has shaped its development over the past decade. As Chapter 5 (this volume) shows, the country’s revenue base has recently diminished. The optimism that came with higher levels of revenue and the promises of large-scale natural resource projects led to the country hosting a range of events that shaped its urban and rural spaces. For example, it led to the country hosting APEC, the FIFA U-20 Women’s World Cup and the Pacific Games, which led to significant restructuring of urban spaces and, for a short time, opportunities for employment, particularly in the hospitality and security industries. For now, it is unlikely PNG will reshape its urban and rural spaces as dramatically. Still, the challenges associated with uneven development that operates beyond artificially constructed national and subnational boundaries will remain. In turn, PNG’s development policies will need to be tailored to address the problems associated with the changing nature of uneven development in the country.

Acknowledgements

We would like to thank Kylie McKenna, Tim Sharp, Stephen Howes and workshop participants for their insightful comments on early drafts of this chapter.

References


7. UNEVEN DEVELOPMENT AND ITS EFFECTS


