

## PART 3: THE LIMITS OF INDEPENDENCE

### Chapter 12

# Independence and its Discontents

Papua New Guineans handled the transition to independence with flair, despite their limited experience, the speed with which they had to act and the explosive agenda that they inherited. With great skill and some luck, they brought their country united to independence with new institutions, a new public service, a guaranteed income and a home-made constitution.

### A Failing State?

The coalition that achieved these feats tottered in 1978 when Julius Chan took the PPP into opposition, and collapsed in March 1980 when the Leader of the Opposition, Iambakey Okuk, won a no-confidence motion, naming Chan as preferred Prime Minister. Chan had quit the coalition over the attempt to buttress the Leadership Code (Chapter 9) and disagreement on relations between private business and public office. Somare returned to office after the 1982 election but once again he was ousted in mid-term by a vote of no confidence, yielding to the ambitious young Western Highlander Pias Wingti. The pattern was now set, whereby coalitions are formed after an election but no government survives the fixed five-year parliamentary term. Votes of no confidence are the mechanism for replacing one opportunist coalition with another. By this device, Wingti was replaced by Rabbie Namaliu, who yielded to Wingti again, who was replaced by Chan, whose coalition collapsed in the wake of a bungled attempt to employ mercenaries (see below). After the 1997 election, Bill Skate — a gregarious accountant from Gulf Province, Governor of Port Moresby and cheerful opportunist — held a Cabinet together for nearly two years. Although many MPs lose their seats after one term, several leading players from the epic 1970s remain in public life 30 years later. It was Mekere Morauta who replaced Skate, and — this is where we came in, surely? — Somare himself took up the reins in 2002. He has supported and opposed most of his contemporaries, and has outlived or outlasted them all.

As governments cut corners and the Public Service became politicised, commentators adopted an increasingly sceptical tone. When saboteurs closed the Panguna mine and

civil war shattered Bougainville in 1989, these military, political and fiscal crises sapped the optimism and the performance of government. War dragged on through the 1990s, soaking up funds and eroding morale. The Government's effectiveness — and the country's reputation — touched bottom. As public despair fuelled Christian revivalism, the Governor-General led a campaign that prayed for a clean government to emerge from the 1997 election.<sup>1</sup> Those prayers were ignored. In a desperate attempt to defeat the Bougainville Revolutionary Army before that election, members of Chan's Government engaged Sandline mercenaries.<sup>2</sup> Elements of the Defence Force defied the Government and arrested the mercenaries, with wide support from civilian protestors. Chan had to dismiss the mercenaries, step aside as Prime Minister, escape from Parliament in disguise and accept a judicial inquiry. The election of 1997, in which Chan lost his own seat, brought in a Cabinet led by the leading critic of Sandline, Bill Skate.

Paradoxically, military intervention did open the way for peace as rebels welcomed the Defence Force putsch. They agreed to talks, then to a truce, and finally to a settlement. But in every other respect Skate's term was the most turbulent in Papua New Guinea's history. As coalitions formed, fell and reformed around him, Skate appointed and sacked no fewer than three Deputy Prime Ministers, three Finance Ministers and three Governors of the Bank in two years. His image was battered when Australian television screened tapes in which he and his Police Minister discussed political bribes, and Skate boasted of having organised a gangland killing. His rather lame defence was that this was the whisky talking.<sup>3</sup>

A Commission of Inquiry into Sandline found that General Singirok's putsch had been unlawful, but it also unearthed improper Sandline payments to politicians and reported that the contract made by the Finance Minister (Chris Haiveta) had cut legal corners. The commission regretted that his 'credibility is brought into question': money that he transmitted from Switzerland was evidently part of a 'corrupt and improper payment'.<sup>4</sup>

Broader economic management was equally haphazard. The budget for 1999 was written not by the Finance Department but by Dr Pirouz Hamidian-Rad, formerly the World Bank's man in Port Moresby, now a consultant. Once the budget passed through Parliament, Skate resorted to Wingti's device of adjourning to avoid a vote of no confidence. Seven months passed before the Ombudsman compelled him to reconvene. Parliamentarians then resumed their desperate coalition-building while Skate tried to raise funds by recognising Taiwan as the Government of China. He then resigned, to jockey for the succession.<sup>5</sup>

In the tumultuous horse-trading, Mekere Morauta led one group, Speaker John Pundari another, and Skate a third. On the first day of the sitting, MPs voted for Skate's nominee as Speaker, which implied that he might win the next day's vote for Prime Minister. Politicking continued through the night though, as the Morauta team offered the leadership to Haiveta, prompting Skate to do the same. This manoeuvre so outraged Pundari that he changed camps (from Skate to Maorauta) for a third time: as MPs were driven to Parliament, he deflected his bus-load of supporters to the Opposition entrance. In Parliament, he proposed Morauta. Recognising defeat, Skate's team quickly crossed

the floor to the winning coalition, giving 99 votes to Morauta and only five to the other nominee.<sup>6</sup>

Morauta, with more experience in public service than in Parliament, was welcomed by the Australian Government — lending colour to Skate's contention that he was Canberra's man.<sup>7</sup> No one doubted his integrity, however, and his Cabinet began to roll back tides of political appointments and clouds of mismanagement. A mini-budget was prepared with the aid of his old friend Ross Garnaut.<sup>8</sup> Cabinet dismissed several political appointees in the Public Service and the Army, reappointed respected public servants, and revived relations with China.<sup>9</sup> After what was really a parliamentary coup, however, Morauta's Cabinet was mainly Skate's (with 16 former Skate ministers) so the Prime Minister took control of as many portfolios as he could manage, to limit corruption by his colleagues.<sup>10</sup>

Parliament was not an engine for reform. Its most astute analyst was Anthony Siaguru, one of the 'Gang of Four' public servants who struggled to bring integrity to government in the 1980s, Member of Parliament and minister, then Commonwealth Deputy Secretary-General until he came home to organise the local chapter of Transparency International. He hailed Morauta (the 'ex officio saviour of my country'), and yet even with

Sir Mekere at the helm desperately trying to steer us in directions for the national good, the course is not at all certain when so many of the crew, as well as some of the passengers in cabin class, have their own ideas of where to go.

He noted the paradox that the country was 'overrun with democracy' but could not ensure good governance:

[W]e have political parties, plenty of them! But they are essentially creatures of parliament ... Party members follow a dominant political personality ... and allow him to command their personal loyalty, unless of course better prospects appear. It reflects ... the kind of faction-operated politics of eighteenth-century Britain ... Our MPs are therefore not tied down by any constraints of commitment, either to political philosophies and specified policies on the one hand or the demands of toeing a party line on the other.

He blamed himself and all other electors who 'persistently vote for our local interests, which, in the main, run counter to the national needs and national priorities'. Once elected,

what we want of him is to do his utmost to get into government and become a minister because that means easier access and opportunity to secure more goodies ...

[Therefore] in the last election, in 1997, one-seventh of all seats were won by candidates with 8 or 9 per cent and less of the votes cast ... [and] some constituencies had over 60 candidates ...

If choice is the criterion, we're absolutely overwhelmed by democracy. [One winner] represents 11 per cent of the electorate. Eighty-nine per cent are not represented ... [so that people have become] more and more divided.

Siaguru hoped for salvation through electoral reform, strengthening the political parties.<sup>11</sup> But as he foresaw, the restoration of integrity is slow and faltering. Morauta himself offered one reason. At a recent seminar,<sup>12</sup> he cited his government's reform of the National Fisheries Authority. The Australians had praised the fisheries as evidence that 'good governance in the management of natural resources is possible'.

Staff numbers were reduced from over 200 to about 50 professional officers. Clear management plans were set ... Licensing powers were in the hands of an independent board and access agreements were negotiated ... against clear criteria.

The reforms boosted exports to K350 million and direct employment from 450 to 6,000 and indirect employment to perhaps four times that figure, but in the two years since he lost office

NFA has been wrecked by political meddling, bad management, misappropriation and other impropriety. NFA has again become a trading house of licences to foreign companies ... Our marine resources are under threat and the security of our borders is at risk from indiscriminate licensing.

The lesson: Reform can be very easily undone, without political commitment and strong, impartial administration.

Allan Patience describes very different obstacles to reform.<sup>13</sup> First, a girl of 10, who had been raped three times by a village man, came to the Village Court, which merely imposed a fine on the culprit, in effect treating the victim as no more than 'a juvenile prostitute'. That, said Patience, 'reflects very badly on a village society that fails to protect the young'. Second, there was discussion about an increase in electoral allowances for Members of Parliament, although everyone knew that 'these funds are used during elections to bribe voters'. Third, the new Governor-General, Paulias Matane, had taken an 'overly elaborate entourage' to London for an audience with the Queen. The expensive journey included a visit to Singapore to buy clothes. There were, asserted Patience, hundreds of other examples of inappropriate or immoral politics, including the mismanagement of forest resources,

corruption in the public service, inadequate responses to HIV/AIDS, TB and other health crises, the flat economy, spiralling population growth rates, massive breakdowns in the delivery of basic and essential public services.

And these are the *friendly* critics! Other Australians are less charitable. Few resisted independence in 1975, but their ranks have swollen. Bill Hayden, who precipitated

Papua New Guinea's first financial crisis, called the country a 'social and political time bomb on our doorstep and the cause rests solely with Port Moresby'.<sup>14</sup> Peter Ryan never approved of the speed of Whitlam's decolonisation: as early as 1984, he declared that Papua New Guinea

hurts downhill into an ungovernable morass, for which the Australian taxpayer parts with some \$A300 million a year. But it is 'unhelpful' and almost jolly bad form to mention it.<sup>15</sup>

The conservative ideologue B. A. Santamaria chimed in: 'A return to barbarism', 'Mayhem and massacre' and 'Nationhood squandered'.<sup>16</sup>

But many Papua New Guineans judge their governments even more harshly. Hank Nelson points to a dramatic change in people's recall of the Australian era. In the 1970s, people spoke of slights and misbehaviour by the *mastas*: now there is palpable nostalgia for days of equality, freedom and efficiency. This shift owes something to Papua New Guinea's youthful population, two-thirds of whom have no memory of Australian rule.<sup>17</sup> Some voices — including a Papuan pressure group — still seek incorporation into Australia, but others are simply despairing. Mal Smith Kela, a naturalised citizen, was elected Governor of Eastern Highlands Province. His work is extolled by Alois Francis, who insists that many of the country's problems are not attributable to Australia, but to mismanagement and corruption by today's bureaucrats and politicians.

Imagine what it would be like if a State minister went out of his way to lead by example and collaborate with his departmental head to clean up their department.

If he changed the attitudes of workers by coming to work early and set the example for bureaucrats to give 100 per cent commitment to their work ...

Eastern Highlands Governor Mal Smith Kela is one leader who is trying to do something positive ...

His government has for the first time in the last 15 years recorded a budget surplus. No government has done that before. No government has even shown the people the provincial government budget.

The Governor does not hand cash to his constituents, like the governor of my own province, who unfortunately acts as an oil tycoon ...

Maybe, we need many Smith-Kelas to run our provinces and the country.

The *Post-Courier* caption was: 'Maybe we need white skins to run our country properly'.<sup>18</sup>

Despondency is widespread. The decline of law and order and the disruption of rural services<sup>19</sup> make many people ready to believe the worst. One vignette is described by Philip Fitzpatrick. A former *kiap* who now lives in Adelaide, he has worked with exploration firms and he records a conversation with a policeman in a mining camp.<sup>20</sup> The talk turns to independence:

Well, we didn't have much choice about leaving [says Fitzpatrick], that was a political decision, and it wasn't just Gough Whitlam pushing that line, Michael Somare and all the other pro-Independence people were just as much to blame. The thing that bothered me was that we left with the job only half done.

That's what my old man keeps telling me [the policeman replies]: he's quite bitter about it.

Fitzpatrick wonders if decolonisation might have been handled differently, as:

pulling out as many expatriates as possible overnight seemed really dumb. I mean, what was wrong with declaring Independence and leaving all the expats where they were until properly trained Papuan New Guineans could take their place? What was the point of accelerating promotions amongst local staff, it was almost like deliberately setting them up to fail? They could have let the Tolais and the other advanced districts run themselves and still have had kiaps running the Highlands and the Sepik and the Western and Gulf Districts. None of the kiaps I knew minded having Michael Somare as a boss.

One thing still bothers me though (says the policeman): why didn't the kiaps protest? My old man reckons the kiaps should have told the Australian Government they were wrong to think about leaving so early.

During the 25th anniversary celebrations of the Supreme Court in 2000, Bernard Narokobi welcomed Ebia Olewale, who had been Minister for Justice when the court began. If not for Olewale and other Papuan members, said Narokobi, there would not now be a united country. But Olewale is still ambivalent. Government services have withdrawn from most of his Western Province, and barely survive in Daru. Olewale and his family live in Port Moresby, part of a brain-drain from unserved rural areas. He and others wonder if Papua might be easier to administer on its own: some cherish the Papuan claim to be Australians. While the level of corruption is hard for Olewale to believe, he is more distressed by the brazenness of those who practice it.<sup>21</sup>

When Morauta became Prime Minister, he echoed the apocalyptic mood and proclaimed that Parliament had 'a date with destiny':

We have chosen order over chaos. We have chosen hope over despair. We have chosen pride in our young country over mindless pursuit of narrow interests. We have chosen

to give our children the chance of a decent life in their own country, in place of fearful descent into poverty, poor health and disorder.

More recently, Bire Kimisopa, Minister for Police and campaigner to bring back Australians, launched this jeremiad. At independence:

we had everything going, the better roads, business was flourishing, law and order was kept at a minimum, our court system was functioning very well, education and health was doing better and unfortunately perhaps after 15 years, all of a sudden we're starting to see a complete deterioration of basically all government services. And that perhaps started with the way we've been running this country politically ... And ... once you start to change departmental heads, everyone down the systems was changed ...

[I]t brought ... a whole heap of issues into the public service, especially cronyism ...

[Of his own portfolio] the greatest fear that our people have is not the criminals but it's the police.

[And the ultimate cause is economic.] The economy is growing roughly about 2%. The forecast for next year [is that] the population growth is far exceeding the GDP growth.<sup>22</sup>

As in this case, hyperbole is a feature of political discussion, but there is substance in the criticism. To begin at the top, Parliament is dominated by the executive, for reasons set out by Siaguru. Every candidate is *de facto* independent, and campaigning involves lavish gifts. (Violence has also become common in some Highland seats: but this is no cheaper.) Members enter Parliament so impoverished that 'their votes if not loyalties are sold' to the builders of coalitions.<sup>23</sup> Committed members attend closed camps in remote resorts or in Australia, while their leaders scour the countryside for the uncommitted.

The major leverage over backbenchers is 'electoral funds'. These 'slush funds' began on a small scale in 1983, but by 1999 the Government was paying half a million kina to each supporter every year. The excuse is the failure of provincial governments, but few members pass their funds to provincial treasuries, which therefore cannot deliver clinics or teachers or road repairs. The real rationale is that slush funds give the Prime Minister some control over backbenchers, except when his own position is under siege from motions of no confidence. These are now frequent — Namaliu survived eight during his three-year term.

In and out of office, parliamentarians are perpetually anxious. Half lose their seats after one term, and ministerial office is slippery, yet money must be raised to fund past and future campaigns. For corrupt behaviour, Leadership Tribunals have ousted a score of members: in the generous spirit of equal opportunity, some return from jail to be re-elected and even promoted to ministerial office. And in office, however briefly, ministers can sack public servants and appoint kinsmen.

The CPC hoped that provincial governments would be close to the people and provide a counterweight to the Central Government. In 1995, however, provincial government 'reforms' transferred real power from provinces to the centre.<sup>24</sup> Most parliamentary committees have also disappointed the hopes vested in them.

As Kimisopa conceded, the police are often seen as a threat. Meanwhile, the morale of the Defence Force has deteriorated so far that an Eminent Persons Group, appointed by Morauta, proposed retrenchments and retraining. The enraged soldiers rioted until the Government promised to shelve the advice. An endearing feature of the political culture is the freedom of public officials to denounce their institutions. Thus Colonel Kanene, Defence Attache at the Embassy in Indonesia, revives Morrison's radical questions (albeit unawares):

The police force is in a mess, ill trained and lacks basic discipline ... Morale is at an all-time low, corruption is rife at all levels, and they have lost the respect of the people, especially when they go around burning homes and destroying property ...

I suggest the Government should consider amalgamating the Papua New Guinea Defence Force ... with the police force.

To be honest, the military has no role ... Our national security threats are internal and it is a police responsibility. The nation-building role is better left to the local contractors. To defend against external aggression? Well, who [is] the aggressor? ... If Indonesia attacks PNG, do we at least have enough troops to defend the Wutung border post for 30 minutes? This PNG Defence Force gets about K80 million every year to do what? If a situation like Bougainville arises, don't worry. It is a law and order problem and the [police] will deal with it.<sup>25</sup>

Other issues that dismay commentators include landowners negotiating directly with a well-resourced Malaysian timber company, so that (it is supposed) they win few benefits for themselves and less for the country.<sup>26</sup> All projects, from road construction to mining, entail interminable negotiations to compensate landowners. Provincial governance is uneven. The more affluent work well, with qualified staff and money to pay them; but poorer provinces flounder. Some provincial governments have been suspended for corruption or incompetence, provoking national politicians to ask if provinces are necessary. Conversely, the premiers of the island provinces wonder if they need a national government. In 1994, they told Port Moresby to leave them alone or they would consider secession. The crisis was literally overshadowed by a volcanic eruption that destroyed Rabaul and required relief efforts on a national scale.

But does this add up to 'a failed state'?

Probably, says Helen Hughes, the leading propagandist for a tougher Australian approach. In a report for the Centre for Independent Studies, she claims that

Papua New Guinea is on the brink of collapse ... [and] Australia could waste \$2 billion in aid over the next five years unless PNG makes fundamental reforms ... 'It's on the way to a dysfunctional state — a Haiti or a Congo or Idi Amin's Uganda,' she said. 'That's the sort of future it faces if it does not improve its economic performance.' The study says PNG needs to double or triple its growth rate if it is to step back from the brink of becoming a dysfunctional African-style state.

The report says the most important change for agriculture and business would be to reform land tenure, introducing individual property rights ...<sup>27</sup>

This is only the most newsworthy of many jeremiads, asserting that the State is either failing or has already failed. Elsin Wainwright deplores the violence of Port Moresby and the Southern Highlands, and the 'glorification of guns and gun culture'. The economy stagnates, governance is weak, corruption is rife, and HIV infections have increased dramatically.<sup>28</sup> Mark Dodd writes of 'lawlessness ... leaving locals traumatized, foreigners closeted in fortified compounds and the country's economy and infrastructure in a mess'.<sup>29</sup> Susan Windybank and Mike Manning anatomise 'Papua New Guinea on the Brink'.<sup>30</sup>

## Measuring Independent Papua New Guinea

Any evaluation of decolonisation must cut through the jungle of debate about Papua New Guinea's condition today. Critics often say (and always imply) that today's disasters are due to independence coming too early, too swiftly or too casually. Some of those who defend contemporary Papua New Guinea also attack the speed and manner of decolonisation. Opinions about decolonisation are therefore so intertwined with arguments about contemporary policy that it is impossible to tackle one without the other.

But critics do not specify the criteria against which they judge. Seldom do they follow Siaguru and propose constitutional solutions. Often — as with most of the critics cited above — denunciation dwells on economic performance and leads to free-market prescriptions. Always they imply that Papua New Guineans would be happier, healthier and wealthier if only their governments behaved more like Australians. But that is surely absurd. In colonies of settlement (Australia and New Zealand, North America), the colonists brought British laws and lawyers, viceroys and vicars: they also imported the values and expectations of the homeland.<sup>31</sup> Rulers and subjects might detest each other, but they did so on the basis of shared assumptions. These colonial regimes evolved predictably. The Australian settler colonies avoided many of the crises of the 20th century through the gradual pace at which powers devolved. Until the 1940s, they could rely on Britain's navy, capital, markets and migrants. Colonial governments experimented with industrial relations, tariff protection, minimum wages and female suffrage without risk and at their own pace.<sup>32</sup> Hasluck's notion that Papua New Guinea might enjoy an equally leisurely transition (Chapter 2) commanded no Australian support, and would not have appealed to Papua New Guineans. It was naïve politics, but an astute reading of Australia's history.

Commentators who demand a smooth transition to prosperity, social harmony and Western-style governance must be arguing from abstract principle rather than real models, because no country has ever behaved in this exemplary way. Wherever empires collapse or withdraw, similar problems arise. In the Americas, the Spanish republics took at least as long as the US — more than a century — to achieve good governance (abolishing slavery, bringing venal governors under control, and imposing limits on corporate capital). Few writers assert that African states are models of good governance after 40 years. A curious exception to this rule is Botswana, held up by Hughes as a model for Papua New Guinea.<sup>33</sup> But most of Botswana is desert. Since the 1890s, it has been a labour reserve for South Africa's mines, which explains its unusual economy and its distressing rates of HIV/AIDS. A cattle-keeping aristocracy guided decolonisation, and diamond mines fund its current account. It can be used as a model for Papua New Guinea only if we ignore its geology, geography, climate, social structure and political and economic history. And Tim Curtin suggests that Papua New Guinea's economy has outperformed Botswana anyway.<sup>34</sup>

Closer to home, every society in East Asia had to create new institutions in the wake of the Pacific War. The constitution forced on Japan, the dismantling of Manchukuo, the proclamation of the People's Republic of China, insurgent republics in Indonesia and Vietnam, revolution and war in Korea, all displaced colonial institutions with governments that were equally repressive. Almost as swift was the independence of India, Pakistan and Burma. India's democracy and China's development are admirable but hardly relevant. Many governments, including Singapore's and Malaysia's, revive or preserve the laws and agencies of colonial control to contain dissent and avoid accountability. This approach, defended as the application of 'Asian values', suggests the difficulty of combining open democracy with rapid economic development.

The latest analogy for Pacific decolonisation is the collapse of the Soviet Union. The socialist principles have withered in Mongolia, Kazakhstan, Kyrgyzstan, Tajikistan and Uzbekistan, but authoritarian rule persists.<sup>35</sup> Most of the post-Soviet regimes reimposed Soviet-style controls. Each has a major ethnicity, large minorities and Russian (and Russians) to help communication. Most people are Muslims, and ethnicity and citizenship compete for mass loyalties and provide a handy rationale for ruthless control. Uzbekistan's independence, for example, was certainly smoother than Papua New Guinea's: Islam Karimov led the country before 1991 and has since brooked no opposition. Kyrgyzstan's Parliament meets but a Security Council rules. The creation of effective post-Soviet governments generates the same temptations as the succession to colonial ones, while economic development, civil rights and honest resource management are at least equally problematic.

Are the states of the Pacific better models? We can rule out the unique Tongan monarchy. Samoa's independence constitution restricted the vote to title-holders. That flouted UN norms, but Samoans did it anyway. They adopted adult suffrage in 1991 but only chiefs can be candidates. Despite this self-definition and self-determination there is an unmet demand for accountability. Fiji is unique in other ways. Through the colonial era, the agency for ethnic Fijian affairs operated outside the rest of government. Commercial

sugar-farming and urban commerce favoured Indo-Fijians, while ethnic Fijians were shielded from the market but exposed to their chiefs. Since the chiefs resisted devolution, independence was achieved only by entrenching communal institutions. With the support of the Great Council of Chiefs and the latent approval of the all-Fijian army, the chiefs moved smoothly from colonial rule to independence. That dispensation prevailed until 1987 when the chiefs were voted out. In short order, a military coup reversed the election, arguing that democracy was a 'foreign flower'.<sup>36</sup> A decade later a home-grown constitution restored democracy, but the new government was overthrown in another coup in 2000, after less than a year in office.

Samoa precedent emboldened constitution-makers to modify 'Westminster' principles. Not only did the Gilbert and Ellice Islands split in two (Kiribati and Tuvalu), but Kiribati elects its president. Officials in the Solomon Islands experimented before independence. Within a Governing Council, functions were exercised by committees of councillors and public servants, allowing full scope for Melanesian consensus. But in 1974, Islanders chose to revert to orthodox Westminster institutions.<sup>37</sup> In the Pacific, as elsewhere, decolonisation has not led directly to democratic harmony, equitable governance or economic development. In brief, there is no precedent for the ideal outcomes expected of Papua New Guinea.

Utopianism makes it hard to acknowledge Papua New Guinea's achievements. In his review article on child health, for example, Dr Trevor Duke feels obliged to adopt a defensive tone when he brings moderately good news:

Civil turbulence is newsworthy and reinforces the political paradigm: tranquillity and slow progress are also part of the reality, but are not newsworthy ... This current article does not seek to deny that some areas of the health service and other sectors crucial to child health have deteriorated, however, slow but important progress has occurred in many areas in the last 10 years [and especially since 1999].<sup>38</sup>

Against the grain, Tim Curtin offers a startling perspective on economic performance, drawn from his wide experience in Waigani. He now has time to assess Papua New Guinea's economy and its critics.<sup>39</sup> He begins by reviewing the assertion that population growth has outstripped economic growth. That claim relies on census figures for 1980 and 2000, but these must be inaccurate since the 2000 Census 'shows many more persons alive aged 20–29 than were alive aged 0–9 in 1980, and ... more aged 35–39 in 2000 than had been alive aged 15–19 in 1980'. If the population figure is overstated, Gross Domestic Product per capita must be understated.

A second element of the calculation is GDP. Curtin notes that most critics take 1983 as their base year, although 1983 was exceptionally prosperous.<sup>40</sup> These and other issues, such as the choice of currency for these calculations, lead him to surprising judgments. Hughes and others assert that population growth 'equalled or exceeded' economic growth.

[But in fact] over the whole period since independence, GNP per capita in Australian dollars (the currency in use in 1975) has increased by 3.5 per cent p.a., which is both better than implied by most commentators — and better than Australia's 2.5 per cent.

Amending suspect statistics might not be conclusive. A more realistic measure of wealth is food consumption, the core of poverty estimates. Here the difficulty is to put a value on people's subsistence production. Again, the arguments are too complex to repeat here, but the best-informed commentator, the agronomist Michael Bourke, estimates that 4.5 million tonnes of staples were produced in 2000, providing nearly 3,000 calories per day even without imported foods.<sup>41</sup> There are wide regional differences, but (as 2,200 calories is deemed sufficient for adults) there is no *national* food deficit. Curtin explains that the critics use estimates by the statisticians Gibson and Rozelle<sup>42</sup> rather than Bourke's surveys, so (like Chand) they reach the alarmist conclusion that '37 per cent of the population lived below the poverty line where the poverty line was set at an income level of K461 per adult'.<sup>43</sup>

None of this is academic. Many of those who assess Papua New Guinea's population, calorie intake or economic performance marshal their evidence to support particular policy prescriptions. Hughes is explicit about her advice. 'PNG must free up land ownership and farming' and the most important change 'would be to reform land tenure, introducing individual property rights to replace community ownership of land'.

The World Bank is just as explicit, denouncing the country's forestry projects, and even demanding the freezing of particular projects as a precondition for loans.<sup>44</sup> Hughes agrees that forestry and mining are poor options, and prefers the large-scale production of oil palm, which would generate annual economic growth of 7 per cent and double GDP every decade.<sup>45</sup> Bourke is not impressed. He cautions that Papua New Guinea 'would need to produce 4,700,000 tonnes of palm oil to totally replace crude oil and minerals'. Production on that scale that would require 1,500,000 ha of land, compared with today's 108,000 ha;<sup>46</sup> Curtin adds that Hughes's projected growth would, in 15 years, cover 7,000,000 ha: output would exceed world consumption and the price would collapse.

Curtin's prescription is also explicit: only forestry could replace mining income. Exports of forest products 'already contributed K415.8 million (5.3 per cent) to total exports of K7.79 billion in 2003' despite World Bank interference. If Papua New Guinea reached Sweden's level of output, 'logging exports could be worth K13 billion, nearly double total exports in 2003'. New Zealand's forests produced 10 times as much as Papua New Guinea's. Malaysia's forests yielded 40 times as much income as Papua New Guinea's, 'but the World Bank, Helen Hughes and others advise Papua New Guinea against even contemplating development of its largest resource'. Curtin concludes that Papua New Guinea

could and should be a rich country, given its enormous human and natural resources, were it not all too often for 'stupid white men' (and women) in international aid

organizations and NGOs who have combined with others of that breed in its own bureaucracy to prevent exploitation of those resources.

Whatever the truth of these matters, we should be sceptical about the most apocalyptic commentaries, and yet many Papua New Guineans and Australians are willing to believe the worst. Papua New Guinea followed dozens of ex-colonies which beat a path to the UN. Many would envy her regular elections, peaceful changes of government, honest judiciary, free press, vigorous religious and workers' movements, uniformed forces with no political ambition, and good relations with neighbours. They might even envy her economy. Yet Papua New Guineans take little satisfaction in these feats. Evidently, many people's direct experiences make the doomsayers credible.

Olewale and Siaguru complain as citizens. Most of the critics analyse Papua New Guinea in the language of social science. But anyone who believes that these assessments are disinterested has not been paying attention. Consider Tim Anderson's denunciation of Helen Hughes as she lectures Australians who have paid to hear her:<sup>47</sup>

[S]he exclaims that in PNG, 'there is just no economy, there's no life'.

Who is to blame? A local corrupt elite, she says, which siphons off the surplus from aid and resource industries and fails to develop infrastructure and basic services. Not a word of blame for Ausaid, the army of 'development' consultants, or the mining and logging companies.

The good news, she claims, is that Australia 'has taken the lead' in policy reform, through the 'enhanced co-operation program' and this may lead to a commitment to policies of 'broad based growth' and 'land reform' ...

The new element in the post-colonial era has been an aggressive drive to take land from ordinary PNG people — to destroy the customary title that guarantees their food security and social security ...

In this campaign, right-wing ideologues like Prof Hughes are central. Her argument ... is that the community land ownership that covers 97% of PNG is the principal barrier to a 'development' which will lift millions of people out of poverty. It will also, rather conveniently, provide rapid access to PNG's vast resources for mining, logging and cash-crop companies.

Allan Patience is more measured in facing down the 'swelling chorus ... asserting that PNG is a failed (or failing) state'. That critique

permits certain smug and self-righteous Australian commentators — like Professor Helen Hughes — to paint PNG's systems of governance as riddled with corruption, incapable of delivering reasonable levels of service to the people, indifferent to

appalling collapses in law and order, unable to guarantee the security of the country, and hostile to the kind of civil society that would nurture a robust democracy.<sup>48</sup>

What is at stake is much more than a judgment of Australia's decolonisation and Papua New Guinea's independence. As they debate the shortcomings of the polity, the economy and the society, the protagonists seek influence over Papua New Guinea's policy-makers — and Australia's.

### Footnotes

1. Bill Standish, *PNG 1999: Crisis of Governance*, September 21, 1999, Research Paper 4, 1999–2000, for the Australian Parliament's Foreign Affairs, Defence and Trade Group.
2. Sean Dorney, *The Sandline affair: politics and mercenaries and the Bougainville Crisis*, Sydney: ABC Books, 1998.
3. *Sydney Morning Herald*, November 28 and 29, 1997; *Post-Courier*, December 5, 1997; Hank Nelson, 'Crises of God and Man: PNG Political Chronicle 199799', *Journal of Pacific History*.
4. Neville Choi, 'Commission claims Haiveta received corrupt, improper money', *The Independent*, October 2, 1998.
5. Standish, *PNG 1999*.
6. MaryLouise O'Callaghan, 'PNG's night of the long knives', *The Australian*, July 15, 1999.
7. Standish, *PNG 1999*.
8. *The National*, August 11, 1999, for the full budget speech.
9. 'PNG', *Oxford Analytica Asia Pacific Daily Brief*, August 1999.
10. Garnaut, in 'Hindsight'.
11. Anthony Siaguru, *The Great Game*.
12. 'What will effects of the ECP be?', *Post-Courier*, December 7, 2004.
13. Allan Patience, 'Don't tolerate the intolerable', *Post-Courier*, October 25, 2004.
14. Bill Hayden, *Hayden: An Autobiography*, Sydney, 1996, p. 433.
15. Peter Ryan, cited by Standish, op. cit.
16. B. A. Santamaria, in *The Australian*, August 9, 1988, August 16, 1988 and March 7, 1989.
17. Hank Nelson, 'The talk and the timing'.
18. Alois Francis, letter in the *Post-Courier*, November 12, 2004.
19. Sinclair Dinnen, *Law and Order in a Weak State*.
20. Philip Fitzpatrick, *Bamahuta*, Pandanus Books, Canberra, 2005.
21. Interview, Ebia Olewale.
22. Transcript, *Sunday Profile*, ABC Radio, Sunday December 5, 2004.
23. In July 1982, the defeated Deputy Prime Minister, Iambakey Okuk, said, 'The voters have no rights at the moment. Once elected, the MP must decide what is best for his career', and added 'I can afford it. I can buy most of them.' Bill Standish, *Melanesian Neighbours: The Politics of PNG, the Solomon Islands and the Republic of Vanuatu*, Parliamentary Library, p. 62.
24. R. J. May, 'Postscript', R. J. May and A. J. Regan with Allison Ley (eds), *Political Decentralisation in a New State: The Experience of Provincial Government in PNG*, Crawford House, 1997, pp. 38695.
25. *Post-Courier*, November 22, 2004, 'We need to merge the Defence Force with the police'.
26. Colin Filer with Nikhil Sekhran, *Loggers, donors, and resource owners*, London and Port Moresby: International Institute for Environment and Development and Natural Research Institute.
27. ABC News, July 13, 2004.

28. Elsinia Wainwright, 'Responding to State Failure — The Case of the Solomon Islands', *Australian Journal of International Affairs*, Vol. 57, No. 3, November 2003.
29. Mark Dodd, 'Problems Persist in Paradise', *Far Eastern Economic Review*, March 11, 2004.
30. Susan Windybank and Mike Manning, 'Papua New Guinea on the Brink', *Issue Analysis*, (Centre for Independent Studies), No. 30, March 12, 2004.
31. Donald Denoon, *Settler Capitalism: the dynamics of dependent development in the Southern Hemisphere*, Oxford, Clarendon Press, 1983.
32. William Pember Reeves, *State Experiments in Australia and New Zealand*, London, 1902; Donald Denoon and Philippa Mein-Smith, with Marivic Wyndham, *A History of Australia, New Zealand, and the Pacific*, Blackwell, Oxford, 2000.
33. Helen Hughes, *Can Papua New Guinea come back from the brink?*, Sydney: Centre for Independent Studies, 2004; Tim Curtin, *How poor is Papua New Guinea? How rich could it be?* ANU seminar paper, October 28, 2004.
34. Tim Curtin, *How Poor is Papua New Guinea?*
35. Robert Miller (ed.), *The Development of Civil Society in Communist Systems*, Barrett McCormick and Jonathan Unger (eds), *China After Socialism: In the Footsteps of Eastern Europe or East Asia?*, 1996.
36. Asefela Ravuvu, *The facade of democracy: Fijian struggles for political control, 1830–1987*, Suva, 1991; Brij Lal, *Another way: the politics of constitutional reform in post-coup Fiji*, Asia Pacific Press, Canberra, 1998.
37. Peter Larmour, *Legitimacy, sovereignty and regime change in the South Pacific: comparisons between the Fiji coups and the Bougainville rebellion*, Department of Political and Social Change, ANU, 1992.
38. Trevor Duke, 'Slow but steady progress in child health in Papua New Guinea', *Journal of Paediatric Child Health*, (2004), 40, pp. 659-63.
39. Curtin, *How Poor is Papua New Guinea?*
40. Hughes, *Can Papua New Guinea Come Back from the Brink?*; Satish Chand, 'PNG economic survey: transforming good luck into policies for long-term growth', *Pacific Economic Bulletin*, 19 (1) (2004), pp. 1–19.
41. R. M. Bourke, 'Agriculture in the Papua New Guinea Economy', seminar paper, ANU, August 2004.
42. J. Gibson and S. Rozelle, *Results of the household survey component of the 1996 poverty assessment for Papua New Guinea*, Port Moresby: Department of Planning, 1998; J. Gibson and S. Rozelle, 'Poverty and access to roads in Papua New Guinea', *Economic Development and Cultural Change*, 52(1) (2003); Hughes, *Can Papua New Guinea Come Back from the Brink?*; Chand, 'PNG Economic Survey'
43. Curtin, *How poor is Papua New Guinea?*
44. World Bank, *Project Appraisal Document on a proposed loan ... of US\$17.36 million to ... Papua New Guinea for a forestry and conservation project*, World Bank, Washington, DC (Report No. 20641-PG, 2000); Colin Filer with Navroz Dubash and Kilyali Kalit, *The Thin Green Line. World Bank leverage and forest policy reform in Papua New Guinea*, Port Moresby and Canberra: NRI and ANU, 2000.
45. Hughes, *Can Papua New Guinea Come Back from the Brink?* Cited in Curtin, *How Poor is Papua New Guinea?*
46. Bourke, Agriculture in the Papua New Guinea Economy.
47. Tim Anderson, 'Pushing the new colonial agenda', *Post-Courier*, December 13, 2004.
48. Allan Patience, 'Failed and Vulnerable States,' Inaugural Lecture, UPNG, 2004, cites Helen Hughes, *Aid and the Pacific*, Sydney: CIS, 2003; Helen Hughes, 'Outlook for PNG Remains Bleak', The Canberra Times, April 1, 2004. See also Peter Bauer et al., *Aid and Development in the South Pacific*, Sydney: CIS, 2003.