

**Submission by World Vision Australia**

**to the**

**Senate Standing Committee on Foreign Affairs, Defence and Trade**

**Inquiry into the Economic and Security Challenges Facing  
Papua New Guinea and the Island States of the Southwest Pacific**

**October 2008**

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**For information contact Catherine Boomer (02) 6102 5502**

## Summary of Recommendations

World Vision Australia recommends to the Committee that the Australian government should take the following actions to strengthen its engagement with the Pacific:

- Continue to develop an approach to Pacific issues that recognises and builds on the strengths and capacities of the region and its people. Analysis of the Pacific has been for too long dominated by deficit language. A more positive approach will contribute significantly to effective, relevant relationships and development programs and to improved relations between Australia and the region.
- Improve consultation and engagement with Pacific civil society to better incorporate Pacific perspectives and solutions in planning and implementation of development programs. Creative initiatives that build on Pacific methods of consultation would be welcomed. The 2009 Pacific Islands Forum, being hosted by Australia, is a pivotal opportunity for the Australian Government to connect with Pacific civil society by engaging with the Civil Society Forum that precedes the PIF, and sponsoring an explicit linkage between the two events.
- Invest significantly in improved understanding of traditional governance, social and other systems, and facilitate Pacific-led processes of reconciling traditional and modern values. Much more research, in partnership with Pacific researchers, needs to be done to understand the Pacific context and approaches to development that will be most appropriate and effective for Pacific island peoples.
- Where governments have existing Early Childhood Education (ECE) policies and/or curriculum, Australia should support relevant levels of government/authorities to ensure that ECE is available to all children.

Where ECE policies and curriculum are not yet in place, relevant levels of government/authority be supported to develop ECE programs that can then be accessed by pre-school age children.

- Recognise the value of the informal education sector as a priority of Australian assistance to the Pacific, and sufficient support be given to providers of this level of education to continue this work in programs devoted specifically to this end.
- Encourage and support PIC governments be to establish or reinvigorate networks of well resourced and staffed Rural Training Centres to provide relevant vocational and socially relevant training to people in their local area.
- Facilitate access to economic opportunities for the rural and urban poor through provision of communications and transport infrastructure and quality, relevant education.
- Support Pacific landowners' efforts to derive sustainable livelihoods from their land, including meaningful long-term protection of their land ownership in ways that protect and give value to their long-standing structures of communal ownership. . Education and protection of landowners' rights is vital.
- Support programs that address youth unemployment and youth concerns, in general. These should include programs with advocacy training to better equip youth to communicate key issues and get a voice in government.
- Shift the priority of governance programs to a better balance between institutionally targeted programs and community focussed demand-led governance initiatives. Donors need to increase support to programs that build local civil society and support the education of actively engaged communities.
- Facilitate Pacific-led research on the likely impacts of EPA, PACER and WTO membership on Pacific people, and build the capacity of Pacific island negotiators to reach fair, pro-poor trade agreements. This is an immediate priority given the currency of these negotiations.

## Introduction

World Vision Australia (WVA) wishes to comment on certain issues being addressed by the Joint Standing Committee's inquiry into economic and security challenges in the Pacific. WVA's comments are informed by its field experience and by relevant expertise available to the organisation.

World Vision is a child focused community development non-government organisation active in more than 90 countries. In the Pacific region WV has a program presence in three countries, the Melanesian states of Papua New Guinea, the Solomon Islands and Vanuatu. WV's policy interest covers the Pacific more generally although still with an emphasis on these countries. World Vision's programs in the Pacific address HIV & AIDS, maternal and child health, microfinance, livelihood development, food security, literacy and humanitarian relief, in both rural and urban settings. Of the various members of the World Vision International partnership, WVA provides the majority of assistance to our work in these countries.

The discussion in this submission is informed by our field program experience, by field research and desk based analysis.

## Overview

The immediate and long term needs of Pacific island states and their populations require a range of related responses. Immediate issues require the creation of employment opportunities, especially for young people, the implementation of secure, appropriate and robust land tenure and the negotiation of fair, pro-poor trade agreements. Longer term issues require significant investment in formal, informal and vocational education, resolution of conflicts between custom and modernity, and building demand for effective governance.

Pacific Island people are experiencing rapid change as they negotiate both traditional and modern life. For many, this contributes to uncertainty and the break down of social norms and creates unrealised expectations.<sup>1</sup> Growing numbers of people are not being sustained by traditional subsistence livelihoods, but new income opportunities are too few, especially for the young. Basic services are often inaccessible or of low quality, and government institutions unstable or ineffective. Civil society has limited opportunity to demand greater accountability. Many women and children experience violence, abuse and increasing poverty. Regional integration and the pressures of global trade offer both opportunity and risk; and climate change is a growing threat.

A synthesis of custom and modernity is, inevitably, emerging, but there is likely to be a great deal of variation in the outcome of this synthesis, with the likelihood of a range of positive and negative results. Policy makers, donors and civil society all have different views on the direction this process may take and on the nature of the potential role of development assistance.

These challenges are common to many societies undergoing rapid modernisation, but they are cited in the Pacific as evidence that the region is in crisis. This view is poorly received within the region. It universalises problems that exist in specific contexts and ignores the long history and continued relevance of indigenous governance. The damage to the region's reputation further disadvantages Pacific nations' political and economic engagement

## Partnership

World Vision strongly supports the new approach to partnerships with the Pacific countries as reflected in the Prime Minister's Port Moresby Declaration and agreements recently formalised with PNG and Samoa, and the new Pacific seasonal workers scheme. The commitment shown in the

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<sup>1</sup> An in depth discussion of these changes and their effects on people and their aspirations in Papua New Guinea can be found in the WVA research paper *Gutpela Tingting na Sindaun: Papua New Guinean perspectives on a good life*, June 2006. See <http://www.worldvision.com.au/learn/policyandreports/australiaandpacific.asp>

number of visits made to the region by Australian leaders is further welcome evidence of this new approach.

We encourage this process of getting closer to our neighbourhood (rather than our 'backyard' as the Pacific was referred to recently by Mr McMullan and Mr Crean<sup>2</sup> - a demeaning term unlikely to be welcomed in the Pacific). As Stephen Smith recently stated<sup>3</sup>, it is evidently in Australia's national interest to do this. Strong partnerships will support a secure region.

The concept of 'partnership' could be extended further - Pacific Island citizens remain wary about the Australian Government's commitment to genuine partnership with the region. It is natural for the Government to focus on government to government partnership but these must be built on and foster business, social, and cultural people to people relationships. Charles Lepani, PNG High Commissioner to Australia, is a strong supporter of such partnerships, for example between councils and chambers of commerce, in recognition of the tangible and long lasting benefit that can come from diverse and deep personal and professional relationships. The Government could consider working more closely with Australian NGOs which work in partnership with local NGOs in Pacific Island Countries. Building civil society linkages must be a strong part of a broader partnerships approach. The seasonal migration scheme has the potential to be an important step in building such relationships.

- **Recommendation:** Continue to develop an approach to Pacific issues that recognises and builds on the strengths and capacities of the region and its people. Analysis of the Pacific has been for too long dominated by deficit language. A more positive approach will contribute significantly to effective, relevant relationships and development programs and to improved relations between Australia and the region.
- **Recommendation:** Improve consultation and engagement with Pacific civil society to better incorporate Pacific perspectives and solutions in planning and implementation of development programs. Creative initiatives that build on Pacific methods of consultation would be welcomed. The 2009 Pacific Islands Forum, being hosted by Australia, is a pivotal opportunity for the Australian Government to connect with Pacific civil society by engaging with the Civil Society Forum that precedes the PIF, and sponsoring an explicit linkage between the two events.
- **Recommendation:** Invest significantly in improved understanding of traditional governance, social and other systems, and facilitate Pacific-led processes of reconciling traditional and modern values. Much more research, in partnership with Pacific researchers, needs to be done to understand the Pacific context and approaches to development that will be most appropriate and effective for Pacific island peoples.

## Education

WV's experience in education in PNG, Solomon Islands and Vanuatu gives it an appreciation of education issues as they affect children and youth in the Pacific, especially Melanesia. WVA has focused on informal education in the Pacific, including literacy and early childhood education. As Australia orients its aid program around the MDGs, education is crucial to meet the targets of MDG 2 (primary education) but also to contribute towards MDG 1 (poverty) and others including MDGs 4 & 5.

There are positive trends: enrolments are increasing across the Pacific. However retention rates are low and in some cases are falling.<sup>4</sup> WVA's experience suggests that late age enrolment is a factor in this. Children starting school aged 9-10 may find the adjustment difficult and drop out, while by this

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<sup>2</sup> Canberra Times, 26 August 2008

<sup>3</sup> Lowy Institute, Distinguished Speaker Series - The Hon. Stephen Smith MP presentation, 18 July 2008

<sup>4</sup> UNSTATS, accessed 26/8/08

time girls are often already committed to household chores. World Vision is observing positive developments in this regard in one of our projects in the Solomon Islands, which focuses on preparing children aged 3-5 to go to school. The initiative is proving effective, and girls are enrolling in similar numbers to boys.

- **Recommendation:** Where governments have existing Early Childhood Education (ECE) policies and/or curriculum, Australia should support relevant levels of government/authorities to ensure that ECE is available to all children.

Where ECE policies and curriculum are not yet in place, relevant levels of government/authority be supported to develop ECE programs that can then be accessed by pre-school age children.

Informal education is a vital tool in the Pacific and operates as a safety net to catch the many people who have not achieved literacy and numeracy through the formal system. This does not appear to be a priority of bilateral donors despite its vital place in preparing people for vocational education or employment. Much of this work is done by NGOs. For example, World Vision's Ridim Laip Functional Literacy project, which began in PNG in 2003, has supported some 50 communities to establish and maintain local literacy programs. Special emphasis is placed on the needs of rural women. As a result, after some five years, improved functional literacy for these women has brought significant change, particularly in health and education, to their families and their community as a whole.

- **Recommendation:** Recognise the value of the informal education sector as a priority of Australian assistance to the Pacific, and sufficient support be given to providers of this level of education to continue this work in programs devoted specifically to this end.

Vocational education is a priority of the Australian government through the mechanism of the Pacific Vocational Training College scheme. This has value but is limited by being over-centralised in a highly dispersed region. Vocational education is relevant to every Pacific community and needs to be available as close to where people live as possible. A vocational component could be included in school curricula or models such as the Rural Training Centres in PNG could be revitalised.

- **Recommendation:** Encourage and support PIC governments be to establish or reinvigorate networks of well resourced and staffed Rural Training Centres to provide relevant vocational and socially relevant training to people in their local area.

## Employment

Subsistence living continues to be achievable for a significant proportion of Pacific people. Such lifestyles are, however, increasingly poorly suited to contemporary life as climate, population and economic influences change the pressures and expectations that Pacific people face. With limited participation in the formal economy many have difficulty accessing requirements like new clothes, balanced diets and school fees. Poor literacy and communications inhibit the transfer of people, goods, knowledge and information in many parts of the Pacific, limiting opportunities for trade and employment and hampering people's ability to enhance their livelihoods. In urban areas there are few labour-intensive industries to absorb the growing numbers of young, unskilled people. The impact of this issue is not universal: those with better connections to the wider world are able take more advantage of the opportunities available to them.

World Vision warmly welcomed the announcement of the creation of the Pacific seasonal worker scheme – an initiative which we had been advocating for some time. Particularly welcome was the inclusion of the requirement for participating employers to cover pastoral care costs for their workers. World Vision New Zealand advises that strong pastoral care has been a critical element in the success and effectiveness of the similar scheme operating in New Zealand.

While the seasonal worker scheme is a positive step, there is a challenge to ensure that it is more than a fly in/fly out exercise that exposes the workers to no more than the farms where they work, and limits contact for the general Australian public with the Pacific workers. As the world gets closer, and especially in view of the ultimate effects of climate change on the Pacific, Pacific islanders and Australians must become more familiar with each other.

Given that the pilot of the program will facilitate only 2500 workers, it is clear that this can only be one small element of a much broader approach which will be required to stimulate employment opportunities for Pacific Islanders.

The Government has recognized that economic growth in the Pacific is falling behind other developing regions, resulting in a range of social concerns, including widespread unemployment, particularly among young males. In March Duncan Kerr stated that the future of the region “will depend on getting the economic policy fundamentals right – capital investment, land and labour.” World Vision concurs with this view but with the absolute proviso that it is also vitally important to get social policy right as well.

There now appears to be an imperative to “factor youth into the security equation”<sup>5</sup>. Unemployment, particularly for youth, is consistently seen by Pacific Islanders as a core reason for conflict in the region. WVA research carried out following the disturbances in Solomon Islands in 2006, showed that 57% of respondents considered unemployment to be a high or very high risk issue for conflict. Male unemployment ranked as the number one issue of concern in communities<sup>6</sup>

Land security is well recognised as a critical issue across the Pacific and real or perceived injustices in land use and acquisition are keenly felt by Pacific civil society groups as relationships with land and the sea are central components of the identity of most Pacific peoples. As an external actor, the Australian Government is rightly very cautious about how it engages with this sensitive issue. It is nevertheless an important issue to be pursued as a lack of clarity on land security has proven to be a significant obstacle to economic development across the region.

Equally important is access to information and support for landholders, where, despite reasonable land tenure systems, the ownership of large areas of prime land has been all but extinguished by poorly negotiated lease and usage agreements. The nominal protection of customary title may not stop the creation of exploitative leasehold agreements.

- **Recommendation:** Facilitate access to economic opportunities for the rural and urban poor through provision of communications and transport infrastructure and quality, relevant education.
- **Recommendation:** Support Pacific landowners’ efforts to derive sustainable livelihoods from their land, including meaningful long-term protection of their land ownership in ways that protect and give value to their long-standing structures of communal ownership. Education and protection of landowners’ rights is vital.
- **Recommendation:** Support programs that address youth unemployment and youth concerns, in general. These should include programs with advocacy training to better equip youth to communicate key issues and get a voice in government.

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<sup>5</sup> ‘Youth in the Solomons. A participatory study of issues, needs and priorities’ 2003 Interim Youth Activity funded by AusAID

<sup>6</sup> Kate Romer, WVA, Conflict Assessment, Solomon Islands, June 2006

## Governance

Governance in the Pacific is often portrayed in Australia as being in crisis. The worst failures of governance have been taken as evidence of imminent widespread collapse. It is true that governance in some Pacific countries is fragile and unstable. Formal democratic systems are in many cases poorly aligned with pre-existing traditional governance systems. Insufficient numbers of well-educated and skilled people are available to run governments at all levels, resulting in failures of service delivery and accountability. Entrenched corruption undermines political and government processes; and practices that may be rational in some traditional contexts (eg nepotism) are incompatible with ethical practice in government.

World Vision welcomes the Government's stated intent to increase support for training of Pacific Island public servants and the continuance of government to government governance support programs. However, macro-economic and bureaucratic reforms are likely to be only partly effective unless supported by an informed citizenry. Citizens need to be engaged with their democratic and civic rights and responsibilities and understand and value them as being equal in significance to their customary processes of governance. World Vision believes that creating demand for better governance among the communities of the Pacific is also required to bring about a cultural change. Programs which support informing and educating Pacific islanders about civic and political rights and responsibilities, and which develop their capacity to proactively engage with government, will be essential.

- **Recommendation:** Shift the priority of governance programs to a better balance between institutionally targeted programs and community focussed demand-led governance initiatives. Donors need to increase support to programs that build local civil society and support the education of actively engaged communities.

## Trade

Pacific countries want to participate effectively in the global market but the balance of economic power and capacity is far from equal. They are extremely vulnerable to unequal trade arrangements and currently face two urgent trade issues. The first is the conditions being placed on some Pacific countries in their bids for accession to the World Trade Organisation. For example Tonga is being asked by member countries to lower its tariff barriers to 20%, lower than almost every other WTO member. Loss of tariff revenue will severely compromise the country's ability to fund basic services.

The second issue is the negotiation of reduced barriers with the European Union (EPA) and Australia and New Zealand (PACER). The recent commitment by the Australian government that PACER will prioritise development outcomes is welcome, however these new arrangements will exacerbate this unequal relationship unless the Pacific island nations are equipped to better represent their own interests. The PACER negotiations need to be supported by an inclusive negotiation process that prioritises the development needs of the region's most vulnerable people. Properly negotiated, evidence based agreements could bring considerable benefits to Pacific people. Unfair arrangements could overwhelm Pacific markets – significant difficulties and concerns resulting from the EPA process point to potential challenges to be encountered during PACER plus negotiations. AusAID must be sitting alongside DFAT colleagues throughout the negotiation process in order to build supportive development programming into the aid program's Pacific country strategies to mitigate anticipated structural adjustment challenges.

- **Recommendation:** Facilitate Pacific-led research on the likely impacts of EPA, PACER and WTO membership on Pacific people, and build the capacity of Pacific island negotiators to reach fair, pro-poor trade agreements. This is an immediate priority given the currency of these negotiations.