A gripping bird's eye view of 50 years of PNG's economic change

by Peter Ellis

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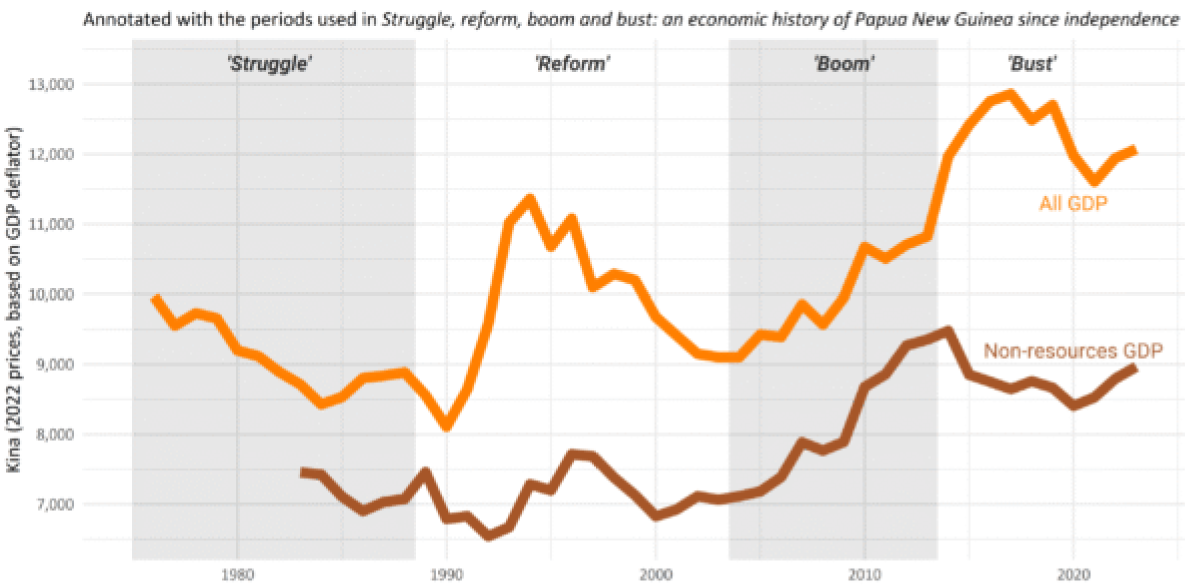
UPNG Vice Chancellor Ian Findlay, Development Policy Centre director Stephen Howes, PNG Treasurer Ian Ling-Stuckey and UPNG Chancellor Robert Igara at the Struggle, Reform, Boom and Bust book launch, 20 August 2025
Photo Credit: UPNG/Benberth Kadum

This is a book review of *Struggle, reform, boom and bust* by Stephen Howes, Martin Davies, Rohan Fox, Maholopa Laveil, Manoj K. Pandey, Kelly Samof and Dek Joe Sum, published in August 2025 for the coming 50th anniversary of independence.

This important new work provides a clear, readable, and indeed enjoyable overview of 50 years of economic policy and outcomes in Papua New Guinea, from 1975 to the present. It fills a gap and it needs to be read by a wide audience. As the authors point out, there has been no such book-length overview of PNG's economic history for more than a decade.

The book's title refers to four periods of the country's history, first identified by the authors in the economic chapters of *Papua New Guinea: government, economy and society*, edited by Howes and Lekshmi Pillai in 2022. Those periods can be seen below in Figure 1 (adapted from Figure 1.2 of the book).

Figure 1: Real gross domestic product per person in Papua New Guinea



Source: PNG Economic Database.

The initial period of “struggle” proceeds from independence to the 1989 closing of the Panguna mine amidst violence in Bougainville; the “reform” period covers the tumultuous crisis and reforms of the 1990s. The “boom” commenced around 2004 and was characterised by productive mining and the construction from 2010-2013 of the PNG liquid natural gas project. The slow “bust” began with the fall in oil prices in 2014 and was marked by a failure of resource projects to live up to revenue expectations, restrictions on foreign exchange availability and rising economic nationalism in the political sphere.

Once introduced, these four periods stick in the reader’s mind and are a clear and useful conceptualisation. The bulk of the book is structured by the periods rather than thematically (fiscal policy, security and crime, etc.) Narratively this works. The book is a great read, and when we are finished with the eight chapters covering the four periods, we are well primed for the concluding few chapters on overview themes and trends.

All four periods were characterised by over-optimism about future economic growth and government revenue on the back of resource projects. The book is right to avoid being “mesmerised” (the authors’ word) by the resource sector, important as it is in PNG. The World Bank’s estimate of PNG’s total non-renewable natural capital per person is only about US$6,000, much less than Australia (US$92,000) or Norway (US$23,000) for example. My extract of the Bank’s figures differs slightly from those of the book’s but not in any way to change the substantive point.

Of at least equal importance to resources are the political institutions of PNG, and the weak and incomplete connections of people to the formal economy and state. Formal employment has not kept up with population growth and remains a tiny fraction (less than 5%) of the total population. The formal agriculture economy, its exports in particular, has stagnated. The authors note that: “Infrastructure and service delivery have worsened over large parts of the country, and some of the country’s social indicators are now among the worst in the world.”

However, one thing that the book is not is a close study of economic reality on the ground from the perspective of its poorest participants. Nor does it try to cover the cultural aspects of the massive economic change PNG has been going through in these 50 years. It tends instead to focus on the big picture and the overview. Overall, this is probably the right choice, although I would have appreciated a chapter diving deep into the informal economy and another looking at own-use food production. These issues are mentioned and explored, but inevitably only briefly given data limitations and the space available.

The authors recommend four key economic policy changes. But they rightly shrink from identifying the broader institutional changes that would help PNG out of its trap of hyper-politics, weak state, litigiousness, unsettled decentralisation and widespread insecurity: “PNG will have to find its own way forward.”

As a statistician with some responsibility for doing something about it, I fully appreciate how data on PNG is poor against nearly all criteria — coverage, frequency, timeliness and, in many cases, quality. Improving this is a non-trivial challenge. There is material uncertainty about such basics as the population size; and there has as yet been no household economic survey for estimating poverty by modern standard definitions. Yet as this book shows, there is data out there sufficient to draw at least some conclusions.

A strong feature of *Struggle, reform, boom and bust* is its Annex B, which provides extra charts and interpretation of numerous economic time series. Throughout, the book makes extensive use of the Papua New Guinea Economic Database maintained by the ANU’s Development Policy Centre and first used substantively in the 2022 work referred to earlier. That asset was created to allow a common starting point for data-based stories of PNG’s post-independence economic history. As a user of data myself, I particularly appreciate the transparency and reusability of this effort.

This timely book is extremely readable and will be of interest well beyond economists to anyone engaged in PNG’s past, present and future. I have already recommended it to several people and would suggest it be mandatory reading for those in any area adjacent to economic and public policy for PNG. This includes both newcomers, and the old hands seeking an update and a fresh look at the sweep of history.

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