The informal economy in development
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EVIDENCE FROM GERMAN, BRITISH AND AUSTRALIAN NEW GUINEA

John D Conroy
The tambu (or tabu in the orthography of early translators) shell is within the taxonomic family Nassariidae. Tolai people of East New Britain gather and process them before stringing the shells in coils whose length determines value.
To Janet, for her patience and love
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John Conroy’s *The Informal Economy in Development: Evidence from German, British and Australian New Guinea* makes a major contribution to our understanding of development in the unusual setting of Papua New Guinea. As Papua New Guinea is overwhelmingly the most populous of the countries and regions with mainly Melanesian populations, *The Informal Economy* helps us to understand development in Papua New Guinea’s neighbours as well.

*The Informal Economy* presents a thoughtful and reliably researched account of the economic history of and history of thought about development in Papua New Guinea. It covers the period from early in the colonial era, through to the early years of Independence in the 1970s. It fills an important gap in the literature. Contemporary scholars don’t take the economy of Papua New Guinea seriously; nor do they value the essential perspective that economic history and the history of thought provide for understanding contemporary reality. This book does both.

A compelling economic history has to look at its story through a particular lens. Conroy’s lens is the absence from Papua New Guinea of what the Faber Mission in 1972 referred to as the informal sector of the economy. The Faber Report, commissioned by the Australian Government two years before self-government, had challenged the economic orthodoxy which had guided colonial
policy for the previous decade. One prominent element of that
crime of the absence of the economic activity
outside regulated businesses and structures that is prominent
in much of the developing world. Faber, strongly influenced by
one of his colleagues, Keith Hart, had included in the report’s
recommendations a proposal to promote informal employment and
economic activity, as a way of building a more self-reliant economy
with more equitable income distribution.

Conroy’s lens initially focuses on the separate and different
economic histories of several Papua New Guinean regions, showing
that commercial exchange amongst Papua New Guineans was
less thoroughly absent in the Highlands and the district around
Rabaul than in the increasingly prominent capital Port Moresby.
The Papua New Guinea Government’s efforts to promote informal
urban activity after Independence were ineffective. Conroy sees the
outcomes as owing much to the absence of the technical and other
kinds of knowledge of production and exchange that is essential in
the informal economy and which correspondingly inhibits creative
engagement with the formal economy. He attributes influence as
well to the weakness of economic pressure to break down the barriers
to entry into alternative forms of economic activity. Knowledge and
pressures changed over time. Time increased the number of people
on low incomes and increased pressures on rural living standards.
Twenty-first century visitors to the vast, heaving metropolis of Port
Moresby see a bigger, more diverse informal economy.

The book is much more than a story of the informal economy. As
history of thought, it takes us through earlier perceptions of Papua
New Guinea’s unusual economic setting—those of economists
like Fisk, and scholars like Salisbury, Epstein and Rowley whose
disciplinary background is mainly in anthropology and sociology.
This brings alive neglected or forgotten insights into the origins
of long-standing features of contemporary Melanesian society and
economy.
As economic history, the book tells the story of conflicting commercial and development objectives in colonial policy—important in Australian as well as Papua New Guinean history. It describes two big changes in direction of policy: the shift to accelerated growth in preparation for independence from the early 1960s; and the first Papua New Guinea Government’s reaction to the realisation that tensions generated by the acceleration were inconsistent with the imperatives of democratic government. A concluding chapter observes that many of the great policy preoccupations of the decade of independence were later to be overwhelmed by powerful factors beyond the reach of policy levers available to governments.

For someone who was deeply engaged in seeking to understand Papua New Guinea development in the years straddling Independence, the book invites reflection on the answers to big questions from that time. Conroy places himself ideologically as a social democrat against the neo-Marxist interpretations of policy choice that were prominent and occasionally influential around Independence. The social democrat thought that a democratic government had some autonomy—so that there was purpose in thinking about and seeking to shape policy in the public interest. The alternative paradigm counselled despair—a country embedded in the international system of trade, investment and development assistance flows is bound in shallows and in miseries.

Is it too early to tell whether the neo-Marxists were wrong at the time of Independence?

**Ross Garnaut**

**University of Melbourne**
Acknowledgments

Books have their reasons. Mine flow from events in late-colonial Papua New Guinea between 1972 and 1975, which I had long wanted to revisit. Ideas have their seasons, but some are durable enough to shape a body of knowledge, changing how we view the world. Economic informality—to which I was introduced by Keith Hart in Port Moresby in 1972—is such an idea. When we resumed our acquaintance in this new century Keith warmly encouraged my efforts to reconsider the processes of ‘development’ in PNG in terms of informal economy. He gave my ideas an early public airing in the Open Anthropology Cooperative Press, even though he had (and retains) reservations about my disciplinary and ideological approach. I am, after all, an economist trained originally in the neoclassical tradition who persists with notions he finds uncongenial—differences canvassed in this book. In part these reflect the separate lenses through which anthropologists and economists view the world. For Keith ‘the ethnographic tradition is a genre of realist writing based on foregrounding people’s activities in the places where they live’, whereas the economist in me practices what he calls ‘a species of thinking, generating ideas about what should be done to solve society’s economic problems’. In failing to reconcile these two modes, ‘the reality of people’s lives [is] often forgotten’. But whatever our differences, for more than a decade
he has been the most helpful and patient of correspondents, during
times when he has experienced personal difficulties which would
absolve any reasonable person from such effort. I am profoundly
grateful for his assistance and tolerance.

I am greatly indebted to Professor Ronald Duncan of the
Crawford School of Public Policy, Australian National University,
for seeing possibilities in the research proposal I put to him in
2010. Ron supported my application for a Visiting Fellowship in
the School. This continued until 2018, and he has been unfailingly
patient in waiting for this book. I remain attached to the School
as a Visitor and thank Crawford for the access it has afforded
me to colleagues and library over the years. Most recently I have
been heartened by encouragement from Professor Stephen Howes
of the Crawford School’s Development Policy Centre. He has
helped me bring this project to fruition and made its publication
possible. Stephen helped greatly to shape the final product and
I am grateful to him for his guidance. I would also like to thank
Dr Richard Curtain, who has his own recollections of PNG’s late
colonial period, for his review of and detailed comments on the
manuscript.

I am also indebted to Professor Ross Garnaut for contributing
a Foreword to this book, particularly gratifying because of his
personal role in events during the self-government and early
Independence periods in PNG. Beyond the realms of public policy
and macroeconomic management readers may be less aware of his
research engagement with PNG from as early as 1966, producing
\textit{(inter alia)} studies of rural-urban dynamics in Port Moresby and
other towns. Along with co-workers including Richard Curtain,
Ross was responsible for empirical work which undergirds my
account of the capital’s growth during the 1970s.

This project commenced in 2009 when I was invited by Mr Paul
Barker, Executive Director of the PNG Institute of National Affairs
(INA), to prepare a draft national policy for the informal economy.
I conducted the consultancy for INA and the Consultative Implementation and Monitoring Council (CIMC), whose members included Mr Max Kep of the PNG Office of Urbanisation. By 2010 the resulting document had been shepherded through the National Executive Council by Dame Carol Kidu with her customary patience, tenacity and tact. Subsequently, Busa Wenogo of CIMC took up the task of building awareness of the policy in official circles. He became a tireless advocate for the informal economy, and I was glad to work with him in that task. I owe all these people a debt of gratitude for this experience, and for stimulating me to propose this book to Ron Duncan. I have found other allies at the National Research Institute in Port Moresby, including Dr Elizabeth Koppel and Dr Fiona Hukula, while I continue to benefit from the insights of the sometime street vendor of betel nut, now commentator on national affairs, Mr Martyn Namorong.

During the 1970s in Port Moresby I learned much from contact with senior Australian scholars including Anthony Clunies Ross, EK (Fred) Fisk, Nigel Oram and Charles Rowley and I have drawn considerably on their work for this study. Other contemporaries included John Langmore, the late Bill Standish and Christine Inglis, each of whom has informed my understanding of the period—as also did the former UPNG administrator David Sloper. Among Australian-based scholars of that period I should also mention WR (Bill) Stent and Peter Drake, while later I had the good fortune to meet Ian Hughes, whose insights on traditional trade have been enormously helpful. Among contemporary Australian academics concerned with PNG I have had helpful discussions, suggestions and correspondence with (inter alia) Bryant Allen, Chris Ballard, Michael Bourke, Peter Cahill, John Cox, Robert Cribb, Michael Goddard, Scott MacWilliam, Michelle Rooney and Tim Sharp. Andrew Elek has acted as sounding board for me on many occasions, while Professor John Moses commented most helpfully on materials concerning German New Guinea.
Colleagues in a number of institutions have given me opportunity to test my ideas. Most particularly I thank Dr Nicole Haley of the ANU’s State, Society and Governance in Melanesia Program for arranging seminars at which I presented work in progress. A meeting in Amsterdam (International Institute for Environment and Development, Dr Bill Vorley) introduced the work to scholars of Latin America and Africa and permitted a side-trip to Leiden. There I introduced my work on ancient trade between Melanesia and the Malay Archipelago to researchers at KITLV (Royal Netherlands Institute of Southeast Asian and Caribbean Studies, Professor Henk Schulte Nordholt). The Alfred Deakin Research Unit at Deakin University (Dr Jonathan Ritchie) provided another opportunity. I benefited by presenting on hybridity to an ANU workshop (Department of Pacific Affairs, Dr Miranda Forsyth) and was privileged to address research staff of the PNG National Research Institute in Port Moresby (Dr Osborne Sanida). Mr Stephen Taylor of The Foundation for Development Cooperation has kindly hosted my work-in-progress papers online. My close neighbour and friend, the ‘Forest Lodge philosopher’ Mark Avery, has often obliged me to recast my ideas in more accessible and human terms.

Finally, I express my gratitude to Lydia Papandrea for her meticulous editing of my text and for her flair and taste in its design. Thank you also to Karina Pelling for her excellent cartography.
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### Acronyms

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<th>Full Form</th>
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<tr>
<td>ANU</td>
<td>Australian National University</td>
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<tr>
<td>ASOPA</td>
<td>Australian School of Pacific Administration</td>
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<tr>
<td>BNG</td>
<td>British New Guinea</td>
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<tr>
<td>CMB</td>
<td>Coffee Marketing Board</td>
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<tr>
<td>CPC</td>
<td>Constitutional Planning Committee</td>
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<tr>
<td>DC</td>
<td>District Commissioner</td>
</tr>
<tr>
<td>DCD</td>
<td>Department of Community Development</td>
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<tr>
<td>DCI</td>
<td>Department of Commerce and Industry</td>
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<tr>
<td>DFCDR</td>
<td>Department for Community Development and Religion</td>
</tr>
<tr>
<td>DORCA</td>
<td>Directorate of Research and Civil Affairs</td>
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<tr>
<td>GDP</td>
<td>Gross Domestic Product</td>
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<tr>
<td>GNG</td>
<td>German New Guinea</td>
</tr>
<tr>
<td>HCE</td>
<td>Highlands Commodity Exchange</td>
</tr>
<tr>
<td>HFSA</td>
<td>Highland Farmers and Settlers Association</td>
</tr>
<tr>
<td>IASER</td>
<td>Institute of Applied Social and Economic Research</td>
</tr>
<tr>
<td>IBRD</td>
<td>International Bank for Reconstruction and Development (the ‘World Bank’)</td>
</tr>
<tr>
<td>ICA</td>
<td>International Coffee Agreement</td>
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<tr>
<td>ILO</td>
<td>International Labour Organization</td>
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<tr>
<td>LMS</td>
<td>London Missionary Society</td>
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<td>MWB</td>
<td>Minimum Wages Board</td>
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<tr>
<td>NHC</td>
<td>National Housing Commission</td>
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<tr>
<td>Acronym</td>
<td>Description</td>
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<tr>
<td>NSO</td>
<td>National Statistical Office</td>
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<tr>
<td>ODG</td>
<td>Overseas Development Group</td>
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<tr>
<td>OPC</td>
<td>Office of Programming and Coordination</td>
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<tr>
<td>PCB</td>
<td>Production Control Board</td>
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<tr>
<td>PMV</td>
<td>Passenger Motor Vehicle</td>
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<tr>
<td>PNG</td>
<td>Papua New Guinea</td>
</tr>
<tr>
<td>SIM</td>
<td>Subscriber Identity Module (mobile phone)</td>
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<tr>
<td>SME</td>
<td>Small and Medium Enterprises</td>
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<tr>
<td>TCP</td>
<td>Tolai Cocoa Project</td>
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<tr>
<td>TPNG</td>
<td>Territory of Papua and New Guinea</td>
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<tr>
<td>UN</td>
<td>United Nations</td>
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<tr>
<td>UNDP</td>
<td>United Nations Development Programme</td>
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<td>UPNG</td>
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MY EARLY CURIOSITY about Papua New Guinea\(^1\) was sparked by an interest in ‘human capital’, a field of economic research emerging during the 1960s. Demand for formal education had surged in PNG through the 1950s, and in 1961 a plan to achieve universal primary education was announced. This was the last gasp of Paul Hasluck’s ‘uniform development’ policy—overturned on World Bank advice after his departure and replaced by ‘accelerated development’. I was interested in the behaviour of school leavers, on the hypothesis that surging popular demand for education reflected utilitarian attitudes to schooling held by parents and children. These could be seen (in jargon stemming from the Chicago School of Economics) as motivating ‘private investment’ in education. The personal payoff from schooling would be found in formal employment. Searching for jobs was presumed likely to impel young educated rural people to migrate to urban centres, to find ‘white collar’ work. But so rapid was the growth of school enrolments it seemed likely that school leaver unemployment would soon become a national problem—as indeed it did.

\(^1\) More accurately, the ‘Territory of Papua and New Guinea’ from after World War II until 1973, thereafter ‘Papua New Guinea’ (and abbreviated in the text as PNG).
After initial fieldwork in PNG in 1968–69, I joined the Economics department at the University of Papua New Guinea (UPNG). Enrolling in a PhD program under Professor Anthony Clunies Ross I researched processes of education, employment and internal migration, becoming (I think) the only expatriate ever to graduate with a PhD in economics from the university. In the early 1970s most of my colleagues, and virtually all our students, were committed to an ideology of ‘economic development’. This would require a decisive break with the old colonial order based largely on an obsolescent plantation economy. Discontent with race-based inequality had been growing, both in the university and more widely. No coherent dissenting narrative had emerged, however, until a report by the ‘Faber Mission’ in 1972 provided the necessary catalyst. Michael Faber led a team of British consultants commissioned to recommend economic policies for the soon-to-be-independent State. Faber and his colleagues, including the anthropologist Keith Hart, proposed a new program to curtail the World Bank-inspired ‘accelerated development’ program, blamed by many for worsening inter-racial and inter-regional inequality. For reasons of timing, and because of its redistributionist tone, the Faber Report proved very appealing to nationalists and their expatriate sympathisers.

Only a year or two earlier Keith Hart had introduced the concept of economic informality into the international development literature. The Faber Report placed the informal economy at the heart of its strategies for development, urging the facilitation of a host of micro-scale, labour-intensive, informal economic activities. These were to be conducted by indigenous people in PNG’s towns, where such economic activity was extremely limited at the time. This proposal appeared to some to offer the prospect of a ‘people’s economy’ challenging the comprehensive domination of the ‘formal’, or regulated, urban economic system by expatriate interests. The Faber/Hart ‘line’ on informality was adopted enthusiastically, if
only briefly, by the new government. Its influence was sustained
long enough, however, to inspire the promulgation of a national
set of ‘Eight Aims’ suffused with the idea of informality, and for
elements of these Aims to be incorporated into the new State
constitution, among its ‘National Goals and Directive Principles’.

Meeting Keith Hart in Port Moresby in 1972 I found the idea
of urban economic informality compelling, as also was the puzzle
of its comparative absence from PNG’s few small urban centres.
The informal economy, and the innumerable ways in which it
manifests in the modern world, has now intrigued me for nearly 50
years. In 1974 I initiated a controversy which sputtered on for a few
years in the pages of Yagl-Ambu, a small journal of social enquiry
published in Port Moresby. Referring to official proposals to create
an ‘urban informal sector’, I wrote critically about the paradox of
attempting the formalisation of the informal. The subsequent failure of
that project was due in part to the misconceptions of its supporters,
but also because entrenched business interests and bureaucratic
prejudice combined to stigmatise informality as an impediment
to ‘modernisation’—then still an important strand in development
theory and late-colonial opinion.

The Faber Report emboldened the Somare government to
bring accelerated development to an abrupt halt and to adopt new
approaches to development planning. Coincidentally it fed into
an intellectual ferment in Port Moresby, among some academics,
politicians and students casting around for alternative paths. This
had implications for UPNG, where Marxists or neo-Marxians
had secured appointments in some departments, including Law,
Politics and Economics, in sufficient numbers to achieve marked
changes in their character and orientation. This situation coincided
with political activism in the student body and student strikes
gave opportunity for radical critiques of university curricula to be
aired. In the case of my department, the assault on ‘neoclassical’
economics as the handmaiden of neo-colonialism was mounted
against ineffectual opposition, with the orthodox economists ill-prepared to meet the intellectual challenge.

Clunies Ross had departed (after several years during which he had voluntarily accepted a ‘local’ salary—a gesture which inspired no emulation in either the ‘radical’ or ‘orthodox’ factions of his department). The orthodox economists lacked intellectual leadership and by 1976, my last year at UPNG, their numbers were finely balanced against those of the radicals. Curriculum innovation had proliferated, with many of the standard tools of analysis for public policy work neglected. Some students were rendered indifferent, even hostile, by Marxian denunciations of neoclassical economics while others were confused by dissonance and the denigration of opposing viewpoints in the teaching they received. Ross Garnaut observed later that the assault on orthodox economics at UPNG had ‘not produced political radicals; rather, it has encouraged students to be cynical about Papua New Guinea politics, diverting some of the best young people away from concern for egalitarian and rationalist political objectives and denying present leaders who have followed these objectives the political support they might otherwise have received’ (Garnaut 1980, 447).

Because they will recur in the course of this study, I should mention some of the currents of thought swirling in ideological debate, in and beyond UPNG, as self-government and Independence approached. Some voices came from a loose group styled (by one radical) as ‘colonial apologists’—though less pejorative terms, including ‘modernisers’ or ‘gradualists’, might fairly be applied to many of its members. They included appointed members of the colonial legislature, colonial officials, representatives of business and planter groups, and academics whom the Australian administration was accustomed to call upon for advice. Broadly, these tended to support the World Bank’s ‘accelerated’ policy framework, and its elaboration in the colonial administration’s first comprehensive Development Programme (TPNG 1968).
Criticism of official policies came from several sources. Members of the nationalist and pro-Independence Pangu party were disturbed by the distributional consequences of accelerated development and resented the highly managed character of policymaking (conducted by the Australian Department of Territories and described below as the ‘preparatory project’). Impatient with the rate of ‘indigenisation’ of the bureaucratic and private sectors, Pangu was critical of forms of social and economic discrimination experienced by its (largely) indigenous membership. Aside from expatriate control of the ‘commanding heights’ of the private sector (and much else besides), a more immediately sensitive issue was wage differentials applying to expatriate and indigenous public servants from 1964. These distortions were dramatised during the preparatory period, when rapid promotion of ‘locals’ to higher ranks of the service commenced. Many of these concerns had been aired by critics such as Ron Crocombe (1968, 1969), Pike Curtin (1965, 1968) and the young Tolai nationalist John Kaputin (1969) in the pages of New Guinea magazine (edited by Peter Hastings). There they were challenged by academics close to the planning processes, including ANU economists Heinz Arndt (1969), Fred Fisk (1969) and Ric Shand (1969).

Another identifiable group of critics was composed of UPNG students and academics attracted by the ideology of Julius Nyerere’s ‘Tanzanian Socialism’ (Nyerere 1968). Subsequently it became clear that even members of the Faber team were not wholly exempt from this enthusiasm. John Momis and Bernard Narakobi, associated with the Constitutional Planning Committee (Ch. 26), provided self-consciously ‘Melanesian’ perspectives. The latter’s newspaper columns were influential (collected in Narakobi 1983), as was the student leader Utula Samana (1988). Other radical critiques came from scholars influenced by 1970s Marxian thought—‘dependency’ theory and/or a contemporary French strand of Marxism. These influences should not to be dismissed as ivory tower theorisation.
because the universe of PNG politics was quite small enough to permit the ready circulation of ideas, and of academics (as political advisers and technical consultants) between the governmental and academic cultures. Meanwhile, some of their graduating students were being advanced rapidly into senior government and other statutory posts.

Fred Fisk’s ideas were seen in radical quarters as the embodiment of neoclassical economic dogma. His concept of subsistence affluence was influential in Australian policy and planning for PNG during the 1960s and early 1970s, and had become incorporated (in vulgarised form) into the late-colonial bureaucratic consciousness and vocabulary. It was in this context that members of the Faber team were introduced to the ‘Fiskian’ orthodoxy. Critics influenced by contemporary French ‘structuralist’ Marxism and its anthropological correlates saw Fiskian economics as colonial apologetics, serving to justify the preservation of a ‘traditional mode of production’ and thereby to sustain the exploitation of rural labour by international capital. Another, related Fiskian notion—that of rural development as involving a transition from subsistence agriculture to market exchange—was seen in a similar light. The 1970s debate on the urban ‘informal sector’ in Yagl-Ambu had turned on whether Fiskian affluence could be adduced to explain the absence of any significant urban informal economic activity in late-colonial PNG. That matter will be revisited in later chapters.

Another theme of the ideological debate inspired by 1970s French structural Marxism concerned whether an indigenous class structure could be discerned within traditional PNG ‘social formations’. Presumed forms of traditional, hereditary leadership were asserted as providing the base for an incipient capitalist class. This emphasis on ascribed status was at odds with the earlier position of many Melanesianists—amounting to something like consensus by the beginning of the decade—who had accepted
the importance of personal *achievement* in determining leadership status. The appearance of a new, ‘capitalist’ class whose status rested on principles of ascription, rather than achievement, would have implications for new forms of social stratification and wealth distribution as growth occurred in monetised economic activity. Countering such elitist tendencies would require mass mobilisation and political education. Radicals had some cause for optimism since student strikes had shown a potential for mobilisation, as had the emergence of widespread and spontaneous organisation for local-level ‘development’ during the 1970s. Such popular manifestations, often driven by young people returning to their rural homes after experience of tertiary education, appeared to flow from a mix of idealism and the personal ambition of some local leaders.

I left UPNG at the end of 1976 and (after a brief teaching stint at the University of Chicago) spent the next four years as Director of IASER (the PNG Institute of Applied Social and Economic Research, lineal ancestor of the current National Research Institute) before taking up an ANU appointment in Indonesia. After eleven years in Port Moresby the Indonesian experience enabled me to view PNG from a new, comparative perspective. It helped me to understand striking differences between two stylised entities which, in subsequent writing, I have called ‘Monsoon Asia’ and ‘Melanesia’. Most relevant for the purposes of this Preface was the opportunity Indonesia gave me to observe the operations of a sprawling bureaucracy and a huge and complex informal economy, as well as gaining some sense of the myriad rural-urban interactions occurring within that informal economy. This experience is still the benchmark against which many of my judgements about informality in PNG are made.

In Australia in 1991 I was appointed to lead a small, privately funded development research institution operating in the relatively new fields of microcredit, microfinance and financial inclusion. This gave me opportunity to observe livelihoods of the poor in most of
the countries of South, East and Southeast Asia, as well as in many
of the small island states of the Pacific. In retrospect I realise my
attraction to financial inclusion stemmed from an abiding interest
in economic informality. Among many things, poor people need
access to an appropriate suite of financial services to support
their economic activities—which are invariably informal—and to
‘sMOOTH’ their consumption in the face of fluctuating incomes. But
after 2009 I walked away from microfinance, disillusioned by the
trend towards its ‘financialisation’ as simply another asset class for
Wall Street investors (Conroy 2010b). This was both a consequence
and a symptom of larger systemic forces underlying the global
financial crisis of the period.

The puzzle of PNG’s missing ‘urban informal sector’ had
continued to intrigue me and I realised that this phenomenon was
not confined to PNG but was perhaps more generally applicable
in small island states of the Pacific. More broadly, I wanted to
write an account of the idea of informality in relation to the ideology
of ‘development’ which had taken hold after World War II, and
to set this in the context of colonial economic history. I started to
reacquaint myself with PNG, thanks to the opportunity in 2009
to prepare its national policy for the informal economy (Conroy
2010a). This was adopted by the PNG Government due to the tireless
efforts of Dame Carol Kidu. I hadn’t visited an urban marketplace
in PNG between 1980 and 2009 but this assignment revealed an
astounding increase in the quantity, range and quality of fresh food
produced and distributed within the informal economy, putting
food on almost every dinner table in Port Moresby and other towns.
I also discovered the evidence of emerging national markets for
some crops produced informally by smallholders, and signs that
the ‘producer-sellers’ who used to dominate PNG marketplaces
were giving way to specialised traders and distributors. This study
is my attempt to view the economic history of the colonies which
came together to form the modern state—German, British and
Australian—and to interpret their history through an informal economy lens. In an Epilogue I have taken the opportunity to consider changes in the economic environment of Papua New Guinea since its Independence in 1975, and the implications of these for economic informality in the early twenty-first century.

Figure 1: Modern PNG with major urban centres