

Mapping UNSW Impact Global Development

Primary SDG	8: DECENT WORK AND ECONOMIC GROWTH
Broad theme	Increasing prosperity for peace
Research	Examining farmer and entrepreneur behaviour in PNG and Bougainville to determine how they can be more prosperous
Impact region	PNG, Solomon Islands, Sri Lanka
Faculty	UNSW Canberra at ADFA
School/Institute	Business
Academic	Professor Satish Chand
Project partners	PNG: PNG National Research Institute and Australian Government - \$688,580 in funding
	Bougainville: University of PNG, Bougainville Government, Australian Civil Military Centre - \$198,288 in funding
	Other: Central Bank of Solomon Islands, Ministry of Finance (Sri Lanka)
Related SDGs	9: Industry, Innovation and Infrastructure

Elevator pitch

Satish is working with governments in Papua New Guinea on how entrepreneurship can be encouraged among farmers and citizens to create a more prosperous society and underscore peace.

The Challenge: PNG and Bougainville are underutilising entrepreneurial and land opportunities

After a decade-long conflict, PNG and Bougainville signed a peace agreement in 2001 that granted Bougainville political autonomy together with a commitment to dispose of all weapons and to hold a referendum between 2015 and 2020 on independence for Bougainville. The final outcome of the referendum however would have to be ratified by the PNG National Parliament.

Political autonomy for any government poses the challenge of having revenue to fund basic services. As of 2016, the Autonomous Bougainville Government (ABG) was well short of funds. They need to facilitate more businesses and jobs to provide a tax base for the Government.

PNG is rich in natural resources but the economy is under-developed. Some 85 percent of the population resides in rural areas and depends on subsistence agriculture for their livelihood. Across the country, 97% of land is held under customary title (in the names of clans and tribes). A lot of this land remains under-utilised, and a high unemployment rate suggests that a lot of available labour is idle. There is plenty of potential for increased output. But how can policy makers realise this potential?

UNSW's contribution: Identify practical entrepreneurship opportunities and land tenure arrangements

Satish's research focuses on the strong nexus between prosperity and peace. In Bougainville, he is examining the rebound in the economy and the rise of entrepreneurship since the installation of peace. Together with his collaborators, he is using surveys to figure out who the entrepreneurs are and the kind of emerging businesses. Some, he finds, are ex-combatants who have laid down their arms in exchange for vehicles that provide transportation services to the public. These entrepreneurs are helping accelerate economic recovery, and they are building bridges between communities that were previously in conflict.

In PNG, Satish has been researching the relationship between forms of land tenure arrangements and the level of productivity using data from farmers growing oil palm in West New Britain. He examined the productivity of farms on land leased from the State versus land leased from clans. He found that farmers under State leases are more productive. Interviews with the farmers revealed that those with secure rights to income from their property tended to invest more in their business. Some who used land belonging to the clans harvested in rotation and lacked the incentive to invest.

In other projects, Satish is investigating the rebound in Solomon Islands' economy following the installation of peace by a regional peacekeeping mission in 2003. Together with a graduate student, Satish has also examined the growth of entrepreneurship in post conflict Sri Lanka.

The Impact: Increase the number of entrepreneurs and farm productivity

Satish's work in Bougainville is helping the government to progress towards a peaceful agreement with PNG. It is also helping the government to understand the state of entrepreneurship on the island and how it can encourage further business to increase the tax base of the government to fund basic services, and to ultimately create peace and prosperity.

The PNG Government has closely followed Satish's research on land use and factored the results into policy reform. Satish's research will hopefully lead to more secure land arrangements for farmers that see farmers investing in capital and producing more over time. This will increase farmer revenue, taxes for the government, and the prosperity and peace of the country.

Researcher

Satish Chand is Professor of Finance in the School of Business at UNSW Canberra. He is also an Adjunct Professor at the Crawford School of Economics and Government at the Australian National University. For the past five years, Satish has been researching the nexus between defence and development, drawing on the experiences of external peacekeeping in Bougainville (PNG), East Timor and the Solomon Islands. Born in Fiji, Satish's work is inspired by his PhD students.

Ben Falkenmire 14.03.18