

ANZSOG Case Program

A bolt from the blue: the demise of Vanuatu's Ministry of Youth Development (A)

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In late 2012, a frustrated Paul Nalau tendered his resignation as senior planning officer with Vanuatu's Ministry of Youth Development. A new government had just been elected. The previous evening, Paul had turned on the radio news to find out who would be his new Minister. Instead, he was shocked to learn that the Ministry, established only a decade before, was to be dissolved with immediate effect. Its functions would be absorbed into the Ministry of Education.

It was a bolt from the blue for Paul, who had served with the Ministry of Youth Development throughout nearly all its brief lifetime. He had drawn up the country's first national youth development policy, helped establish a National Youth Council and spearheaded other initiatives aimed at improving the lives of Vanuatu's youth.

He was bitterly disappointed at the government's decision – and not only for himself. Nearly 70% of Vanuatu's rapidly growing population was aged under 30, and profound social changes were placing unprecedented pressures on young people and government services alike. Paul was not alone in seeing the dismantling of the youth ministry as a retrograde step.

This case was written by Margot Schwass under the supervision of Professor John Alford and Dr Richard Norman, ANZSOG, as a basis for class discussion rather than to illustrate either effective or ineffective management. The support of the Australian Agency for International Development (AusAID) and the assistance of Paul Nalau and Vanuatu's Ministry of Youth Development in the development of this case is gratefully acknowledged. Unless stated otherwise, all comments attributed to Paul Nalau are from this interview.

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The world's happiest place?

Paul Nalau's nine years with the Ministry of Youth Development had convinced him that national development and youth development were inextricably linked. Because of Vanuatu's demographics, 'when Government makes policies to improve people's lives, that means making policies for young people'.¹

Since Vanuatu gained independence from British and French rule in 1980, social and economic development had been slow in this mountainous archipelago of more than 80 islands and 240,000 people.² But in the early years of the twenty-first century, there were signs of improvement. From 2003 to 2008, economic growth averaged six per cent due to increasing construction activity, tourism, services and real estate sales (especially to foreigners). A major economic reform programme, aimed largely at reducing the size of the public service and ensuring its independence, had been implemented with backing from international donors.³

In 2006, Vanuatu made international headlines when it topped the New Economics Foundation's Happy Planet Index. The index ranked countries not by conventional economic measures, but by a combination of resource consumption, life expectancy and citizen wellbeing. Measured by these criteria, Vanuatu was judged the planet's happiest place. The country's fertile volcanic soil, abundant land and plentiful marine resources meant many ni-Vanuatu⁴ enjoyed what has been called 'subsistence affluence' outside the market economy.⁵ Few were formally employed, and many rarely used cash. 'If you don't have money in Vanuatu you can still live happily. Here you can grow everything you need to eat. If people have an opportunity to make money they will take it, but it is not their ultimate aim,'⁶ a local told the BBC.

But 'subsistence affluence' was in fact proving increasingly elusive. There was mounting frustration that the benefits of economic development were failing to reach ordinary people, especially the 75% of the population who lived in rural villages.⁷ Progress towards the United Nations' Millennium Development Goals was patchy, with only two (reduced maternal mortality and a decline in major diseases) likely to be achieved by 2015.⁸ By 2010, economic growth had slowed to 1.5%.⁹ Vanuatu remained the third poorest country in the Pacific¹⁰ with around 16% of the population living below the national poverty line.¹¹

¹ Paul Nalau, interview with author, 12 June 2013.

² As at 2010. United Nations, Department of Economic and Social Affairs, Population Division (2011). 'World Population Prospects: The 2010 Revision' (UNDESA 2011). New York. Retrieved from http://esa.un.org/unpd/wpp/country-profiles/country-profiles_1.htm on 24/01/2013.

³ Asian Development Bank/Australian Government (2009). 'Vanuatu Economic Report 2009' (ADB economic report 2009). Manila, pp i, 7.

⁴ 'Ni-Vanuatu' is the collective term for all Vanuatu citizens.

⁵ Cox, Marcus et al (2007). 'The Unfinished State: Drivers of Change in Vanuatu' (Cox 2007), p4. Retrieved from http://www.ausaid.gov.au/Publications/Pages/5886_7826_215_4825_8415.aspx on 22/01/2013.

⁶ Quoted in BBC News (13 July 2006). 'What's so great about living in Vanuatu?' Retrieved from http://newsvote.bbc.co.uk/mpapps/pagetools/print/news.bbc.co.uk/2/hi/uk_news/magazine/5172254.stm on 18/01/2013

⁷ ADB economic report 2009, p1.

⁸ Ibid, p2.

⁹ Australian Government/AusAID (2012). 'Vanuatu Annual Program Performance Report 2011' (Australian Government/AusAID 2012), p1.

¹⁰ It was ranked 125th of 187 countries on the United Nations Development Programme's Human Development Index 2012: Solomon Islands and Papua New Guinea were the only Pacific nations ranked lower. Retrieved from <http://hdr.undp.org/en/data/profiles> on 22/01/2013.

¹¹ Government of the Republic of Vanuatu/UNDP. 'Millennium Development Goals 2010 Report for Vanuatu', p2. Retrieved from <http://www.undp.org/content/undp/en/home/librarypage/mdg/mdg-reports/asia-pacific.html> on 22/01/2013.

Paul Nalau and his colleagues at the Ministry of Youth Development recognised that many young ni-Vanuatu saw their future as bleak. A combination of factors – population pressures, a growing dependence on the cash economy, unemployment, rural-urban migration and more – contributed.

Firstly, Vanuatu's population was growing faster than almost anywhere in the Pacific. The United Nations' 2011 world population report predicted an annual growth rate for 2010-2015 of 2.4%,¹² more than double the global rate.¹³ While successive governments had recognised that the economy needed to grow faster than the population if living conditions were to improve, none had been able to reverse the trends. In fact, national incomes per person had declined – or, at best, stagnated – since the late 1990s.¹⁴

Despite a bold national Priorities and Action Agenda that envisaged 'an educated, healthy and wealthy Vanuatu', services and infrastructure were under strain. Vanuatu had one of the lowest primary school enrolment rates in the Pacific (74%) and low levels of literacy.¹⁵ The government itself described improvements in health and education as 'disappointingly small' and acknowledged that perceived standards of public service delivery had declined.¹⁶ In 2010, the Australian Agency for International Development (AusAID) reported some 80% of the government's total spending was going on wages and salaries, 'leaving little for development initiatives' and heightening dependence on donors.¹⁷

Secondly, subsistence agriculture had ceased to meet the needs of many ni-Vanuatu. A cash income was increasingly required to pay for essentials such as schooling and healthcare. Yet jobs were scarce – only 15% of the population was formally employed in 2007, the lowest proportion in the Pacific, and work was especially hard to come by in rural areas.¹⁸ Earning opportunities for rural ni-Vanuatu were also hampered by declining agricultural productivity, isolation from markets and poor infrastructure. A report commissioned by AusAID said that the rural population faced growing hardship and stress, and described their lack of economic opportunities as 'Vanuatu's most pressing development challenge.'¹⁹

Rural hardship was driving people away from the countryside and into the towns (although the rural population continued to grow too).²⁰ The 2009 census reported that the urban population had swollen by 42% during the preceding decade, and urban dwellers now represented nearly a quarter of the total population.²¹ Migration was almost entirely to the two main centres, Port Vila (on the main island of Efate) and Luganville (on Espiritu Santo). It was expected that Port Vila's population could double to 60,000 by 2020.²²

Most new arrivals found urban life tough. Urban incomes were higher than rural incomes, but so too were living costs. Many migrants lived in crowded informal settlements on the outskirts of town, often without basic services such as clean water, sanitation, electricity and rubbish disposal. Schools were overcrowded. The arrival of newcomers could sometimes cause conflict with traditional landowners. Rents were high, and affordable housing in short supply.

¹² UNDESA 2011. A 2008 study by the Government of Vanuatu's Department of Trade, Industry and Investment (cited in ADB economic report 2009, p16) reported a 2.9% population growth rate.

¹³ Estimated at 1.2% for 2010-2015 (UNDESA 2011).

¹⁴ Government of Vanuatu (2006). 'Priorities and Action Agenda for Vanuatu 2006-2015' (Priorities & Action Agenda). Port Vila, p17.

¹⁵ ADB economic report 2009, pp4-5, 59.

¹⁶ Priorities and Action Agenda, p2.

¹⁷ AusAID (2010). 'Millennium Development Goals Tracking Report for Vanuatu (summary)'. Retrieved from http://www.aisaid.gov.au/publications/pages/8358_7678_1776_2879_8929.aspx on 18/03/2013

¹⁸ Cox 2007, pp i, 6.

¹⁹ Ibid, p14.

²⁰ Government of Vanuatu (2009). '2009 National Census of Population and Housing'. Port Vila, pp iii, 2.

²¹ Ibid.

²² Government of Vanuatu, Department of Trade, Industry and Investment (2008). 'Vanuatu: Diagnostic Trade Integration Study Report 2008'. Port Vila, p116.

Paul Nalau said young people were bearing the brunt of many of these problems. Each year, roughly 3,500 left school – many with no or minimal qualifications – but fewer than 1,000 new jobs were created.²³ Rural youth were flocking to the towns in large numbers, and nearly 70% of the urban population was aged under 30. Unemployment and underemployment were especially high among urban youth: one survey of informal settlements around Port Vila found 64% of youths unemployed.²⁴ Vanuatu's new urban generation were also vulnerable to a raft of other challenges: domestic violence, gang activity, substance abuse, sexually transmitted diseases, prostitution and more. Nearly 70% of people detained by the Police were aged 18-35.²⁵

The establishment of the Ministry of Youth Development

The government's 2003 decision to establish the Ministry of Youth Development was a response to these emerging pressures on young ni-Vanuatu. After many years of youth issues being passed around various government agencies, this was an acknowledgement that young people mattered to the country's future.

But when Paul Nalau joined it in 2004, the ministry lacked teeth and resources. It had no empowering legislation; only a letter of endorsement and an 'unrealistic' corporate plan that would have required far more resources to implement than were available. Including Paul and the director, there were just five staff. The ministry's budget was 43 million vatu (approximately A\$500,000 in 2013) or just 0.43% of the government's total budget. Sixty per cent of the budget went on staff salaries. Of the rest, 90% was allocated to sports funding.

'We needed to put youth issues on the government's agenda, and to create an agency that would be a champion for youth' recalled Paul. The Ministry wanted government to take a broader view of youth development that embraced 'all the different things that contribute to a young person's development – not only sport, but also education, employment, health, the environment and more'. His vision was that the youth ministry would be a central hub within government, and partner with other ministries to ensure youth issues were central to their policies and plans.

The Ministry's first task was to talk to young people and find out more about their aspirations, needs and problems. Paul and his colleagues built partnerships with Non-Government Organisations (NGOs) and volunteer groups, both local and international, who were already working on youth issues. In 2006, the Ministry convened Vanuatu's first forum for sport, and a similar youth forum followed a year later.

Both forums helped the Ministry formulate its first national policies for youth and for sport. They also attracted the interest of key regional agencies such as the Pacific Islands Aids Foundation and the Commonwealth Youth Programme. 'They came on board when they could see how we had mobilised all this energy and resources towards youth issues. We had created all these small ripples, which were now coming together.'

Perhaps even more importantly, recalled Paul Nalau, these initiatives 'catapulted' youth issues onto the Government's Priority and Actions Agenda. In 2010, the ministry's budget was increased by 95% – a record increase for a social sector agency.

From 2007, establishing Youth Councils at local, provincial and national levels was a major priority for the Ministry. The councils would guide the Ministry's policy development work, and help create a new generation of youth leaders. Paul travelled extensively around Vanuatu, consulting with young people and organisations that worked with them – community groups, chiefs, churches, sports groups and

²³ Ibid, p115.

²⁴ Mitchell, Jean (1998). 'Young People Speak: A Report on the Vanuatu Young People's Project, April 1997 to June 1998'. Port Vila: Vanuatu Cultural Centre. Cited in Cox 2007, p18.

²⁵ Nalau, Paul. Vanuatu National Youth Policy 2012-2022 and Strategic Plan of Action 2015: Final Report for ANZSOG's Pacific Executive (PACE) Program, May 2012, p13. Unpublished.

provincial authorities. The result was a network of youth councils in all provinces, and a properly constituted National Council with a paid coordinator.

The youth council network would play a key role in the ministry's work, said Paul, and allow it to work directly with young people. 'As a Ministry, we shouldn't be telling the government what we think young people want. We need the youth councils to tell us what young people want. Then we will advise the government, develop policies, and secure and distribute resources so the youth councils can implement the things that need to be done.'

In 2012, the Ministry released an ambitious ten-year National Youth Development, Sport and Training Policy, and an accompanying action plan for 2012-2015. The focus was on education, health and wellbeing, economic participation and social cohesion. The policy also sought to encourage young people and their institutions to actively participate in decision-making and policy implementation, and to contribute to nation-building.

According to Paul, this ten-year plan was an important milestone for Vanuatu that challenged government to 'explore and redefine its investment and priorities in young people'.²⁶

'I didn't see it coming'

While Vanuatu enjoyed considerable political cohesiveness in the decade following independence in 1980, political instability has characterised the political landscape since the early 1990s. Fragile multi-party coalitions, leadership changes, factional in-fighting, breakaway parties, votes of no-confidence, allegations of corruption and mis-management, and public disenchantment have all been common.

According to New Zealand's Ministry of Foreign Affairs, successive administrations have been 'preoccupied with political survival rather than strategic policy-making'.²⁷ Australia expressed similar views: after two changes of government in 2011, albeit peaceful and lawful, AusAID said 'this political instability slowed the day-to-day running of government business' and had hampered Vanuatu's development progress.²⁸

In November 2012, the ruling government collapsed, and a new coalition was formed. Numerous parties were represented in the new administration, all jostling for influence, resources and portfolios. The Ministry of Youth Development may have been a casualty of this in-fighting, although no reason for its axing was ever made public. It was perhaps an easy victim – a small, relatively new ministry with no statutory mandate. The Ministry may also have been targeted by politicians uneasy at the growing outspokenness and political mobilisation of Vanuatu's youth. For example, a Facebook group set up to expose political corruption and incompetence had attracted 9,000 members and become a channel for young people's anger. Although the Ministry had nothing to do with the Facebook group, perceptions lingered in some quarters that it was linked to a growing and potentially destabilising assertiveness among young ni-Vanuatu.

Whatever the reasons behind the decision to disestablish the Ministry of Youth Development, it came as a huge shock to Paul and his colleagues – all of whom promptly resigned, rather than accept new positions within the Ministry of Education.

The thing that frustrated me most was that I didn't see it coming. I was angry with myself. I thought I had everything covered in terms of risk assessment, but you don't plan for losing your Ministry!

²⁶ Ibid, p7.

²⁷ New Zealand Ministry of Foreign Affairs and Trade. 'Vanuatu information paper'. Retrieved from <http://www.mfat.govt.nz/Countries/Pacific/Vanuatu.php> on 22/01/2013

²⁸ Australian Government/AusAID 2012, p2.