



Real wage growth in Papua New Guinea over three decades

Friday 24 June 12.30–1.30pm



(Ness Kerton/DFAT)

As a key determinant of household welfare, workers' real wages matter. Limited by small and infrequent surveys, the study of real wages in Papua New Guinea (PNG) has *until now* been constrained by a paucity of data. Using a novel dataset, we construct the first longitudinal series of wages for (to a close approximation) the population of formal private sector workers in PNG for a 20-year period, spanning three decades from 1999 to 2018. This allows us to examine real wage growth for the formal private sector in PNG over this period using a panel regression. Among the main findings are that conditional real wage growth over the sample period (controlling for worker fixed effect and experience and industry concentration) has averaged about 4.5 percent. Also, real wage developments closely mirror the bust-boom-bust episodes of the macroeconomic cycle. Further, conditional real wage growth in the agricultural sector has lagged behind the services, industry, and mining sectors with agriculture hardest hit during busts and lagging during the boom and mining the winner. Finally, men experience higher conditional real wage growth during the boom but also bear the brunt of the decrease during times of bust.

The ANU-UPNG seminar series is part of the partnership between the ANU Crawford School of Public Policy and the UPNG School of Business and Public Policy, supported by the PNG-Aus Partnership.

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Location

Lennox Room (Crawford School of Public Policy, ANU), MBA Suite (SBPP building, UPNG), or online via Zoom

Registration at

events.devpolicy.org/20220624

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