POLITICAL DECENTRALISATION IN A NEW STATE

The Experience of Provincial Government in Papua New Guinea

R.J. MAY AND A.J. REGAN
Editors
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R.J. May & A.J. Regan with Allison Ley
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One of the great difficulties of contemporary political analysis is that one continually faces the prospect of being overtaken by events one is seeking to explain. This seems to be particularly so in relation to Papua New Guinea, and nowhere is it more true than of the recent history of provincial government in that country.

In 1986, at one of our regular conferences on Papua New Guinea, a group of mostly Papua New Guinean and Australian scholars and practitioners was invited to evaluate the experience of decentralisation in a number of provinces after about a decade of provincial government. From the conference we emerged with several draft chapters for a book, to which we intended to add a brief introduction and overview. Other prospective chapters proved elusive, notwithstanding their authors’ good intentions; on the other hand, new authors were identified after the conference for studies of provinces not covered earlier, and the project grew. Meanwhile, with important changes taking place in the framework of the provincial government system, and in national-provincial relations, it was felt necessary both to provide a more extensive overview of the system and to update at least some of the provincial studies. This became increasingly difficult as the number of provincial government suspensions rose and the system itself came under increasing challenge. Finally, in early 1994, with the future of provincial government again under close scrutiny, it was decided that a comprehensive up-to-the-minute study was neither possible nor necessary; rather, what would be useful both to policy makers and students of provincial government would be a set of case studies detailing, within a common format, the experience of provincial politics for those provinces and for those time periods for which we had the material, together with an overview, as up to date as possible, of the system as a whole.

In presenting this volume, we hope, primarily, to provide material which will inform the ongoing debate about the future of provincial government, and of decentralisation more generally, in Papua New Guinea. The volume has two other purposes, however. First, since what goes on within the provinces, and between the centre and the provinces, has become an increasingly important part of Papua New Guinea politics (though one often neglected by political commentators and analysts), this is also a study of Papua New Guinea’s political system more
generally over almost two decades since independence. Second, Papua New Guinea’s experience of decentralisation, both in its positive and its negative aspects, has much to inform the more general discussion of decentralisation, which appears to be enjoying something of a renaissance in Africa and Asia in the 1990s.

In keeping the project alive over the past few years I am indebted to my co-editor, Tony Regan, and to a number of our colleagues, especially Yaw Saffu at the University of Papua New Guinea and Bill Standish and Allison Ley at the Australian National University. Bev Fraser and Claire Smith shared the burden of producing the volume with their customary skill and cheerfulness, though there were times, I think, when we all had our doubts as to whether the project would ever be completed.

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R.J. May
Canberra
Map 1: Papua New Guinea and its provinces
INTRODUCTION: THE POLITICS OF DECENTRALISATION IN POST-COLONIAL STATES

R.J. May and A.J. Regan

In the latter phases of colonial administration in many parts of Africa, Asia and the Pacific, two sets of institutional developments were dominant. On the one hand, ‘development from below’, most commonly manifested in the establishment of local government councils and state-supported cooperatives, was pursued in an attempt to foster ‘grassroots’ participation in political and economic affairs and provide tutelage in the working of democracy. (See, for example, Hicks 1961; Maddick 1963; Wraith 1964.) On the other hand, federalism – both by the aggregation of previously separate territories (as in Rhodesia and Nyasaland, French West Africa and the British West Indies) and by devolution in territories previously administered as a single unit (as in Nigeria) – was promoted as a means of preparing for decolonisation political units large enough to be ‘viable’ as independent states yet sufficiently ‘loose’, politically, to contain the obvious ethnic, religious, regional and other cleavages which were a heritage of the arbitrary boundaries created in the process of colonisation (see Watts 1966).

For a while local governments (and cooperatives) flourished in many parts of the world, often under the paternalistic guidance of colonial officials. But in the early years of independence they frequently faltered and centralising tendencies became more widespread, especially as inherited Western-type systems increasingly gave way to one-party and military-dominated states.

The experience of federalism, too, was less than encouraging: most federations by aggregation broke up; others abandoned federalism or fought civil wars to forcibly hold them together; still others simply saw power steadily shift to the centre. (See Hazlewood 1967; Frank 1968; May 1969, 1970.)

Ironically, the tendency towards centralisation was frequently justified by reference to the same broad goals which earlier had been called upon to rationalise decentralisation – namely political stability and economic development. As Sudanese Professor Mohamed Hamid said in an interview in 1993: ‘After decolonisation, the one-party system was seen by many Africans as the best way to ensure national unity and also the best way to ensure economic development’ (The Woodrow Wilson Center Report 5(1) June 1993:8).

In turn, as centralised regimes failed to deliver desired national unity and economic progress there was something of an apparent swing back to decentrali-
sation. In Africa in particular there were numerous efforts to decentralise, from the early 1970s. In most cases the focus was on deconcentrated administrative arrangements, though in a few cases, such as Tanzania, ‘mixed’ systems were introduced, with local decision-making bodies incorporating both state officials and some elected members. Frequently, however, the commitment to decentralisation was more apparent than real. From a 1987 study of local government reform, overtly aimed at increasing decentralisation, in several African and South-East Asian countries, Phang Siew Nooi (1987:37) concluded that, paradoxically:

... democracy and local autonomy in almost all activities of local government have been eroded away, the process of reform ultimately contributing towards an overall weakening of local government while enhancing further the strength of the superior government.

Similarly, Slater (1989:515), referring specifically to Tanzania, argued that ‘the decentralisation programme [provided] a cloak for increasing state control’, and Olowu (1989:202) suggested that:

... when African policy-makers speak of decentralisation they are actually seeking the extension of the powers and tentacles of the central bureaucracy to control the countryside rather than the promotion of self-governance.

(Also see Heeger 1974; Samoff 1979; Rondinelli 1981; Orewa 1987.)

Among possible reasons for the poor performance of decentralisation programs in East Africa in the 1970s, Rondinelli (1981:139) listed shallow political commitment, resistance from central government bureaucrats, opposition from traditional elites, and poor capacity to support local planning and administration.

From around the mid-1970s decentralisation was also espoused by several international development agencies, including the World Bank and USAID, who promoted decentralisation as an ingredient of the ‘good governance’ which they saw as a prerequisite for economic development.¹

Serious interest in decentralisation has grown since the latter part of the 1980s. The general revival of interest in decentralisation owes something to the demands of subnationalist movements in many European states over recent years and to the political forces released by the break-up of the former Soviet Union. But it also springs in large part from tendencies to democratisation in a number of Asian and African states. Thus, for example, in the Philippines, in the wake of the People Power revolution in 1986, a review of governmental structures by the Presidential Commission on Government Reorganisation listed decentralisation as one of its five guiding principles, expressing ‘the government’s avowed goal of democratising power’. Subsequently, a foreword to a Ford Foundation funded study of decentralisation stated: ‘It is becoming increasingly recognised that for the

¹ See, for example World Bank (1975, 1988); USAID (1979); Wolfers, Conyers, Larmour and Ghai (1982); Rondinelli, Nellis and Cheema (1983); Rondinelli and Nellis (1986); Conyers (1983, 1984). Also see Slater’s (1989) critique of what he refers to as the ‘emerging official discourse’.
of decentralisation in fact emphasises is that its outcomes depend critically, first, upon the nature of the decentralisation, and, second, upon the social, political and economic environment into which decentralisation is introduced.

Several authors have offered detailed discussions of the various meanings attached to the term ‘decentralisation’, particularly to the distinction between political decentralisation (sometimes referred to as devolution) and administrative decentralisation (sometimes referred to as deconcentration). In practice the term is often used loosely and in different contexts can mean different things; indeed Curbelo (1986, cited in Slater 1989:501) has suggested that the popularity of the concept lies partly in its capacity to conceal more than it reveals. Even within the more limited category of political decentralisation there is a variety of possible arrangements, ranging from pure federalism, in which sovereignty is shared between central and lower-level governments (see Wheare 1963, Davis 1978, May 1969) to unitary systems with some decision-making powers devolved to lower-level governments but subject to the overriding authority of the central government.

Moreover, even when the formal arrangements for decentralisation are clearly set out in legal documents, such documents do not always give an accurate picture of how the system actually works in practice. For example, it is common practice in most federations for central governments to provide conditional or special purpose grants to state governments to fund activities in areas of state jurisdiction, and through this substantially to determine, at the national level, how those activities are carried out.

Whether or not decentralisation works effectively to devolve decision making to lower levels depends as much on social and political attitudes and values as on the formal arrangements themselves. If a high value is placed on local parti-

headquarters … will seem any less remote than Konedobu or Waigani and it may even be argued that if an effect of setting up provincial governments is to lower the overall competence of decision making the ordinary villager may end up worse off under two governments than he was under one.’

The initial distinction between devolution and deconcentration is generally attributed to Fesler (1949). Probably the most comprehensive recent discussion of decentralisation is that by Smith (1985). Cheema and Rondinelli (1983) also discusses the concept of decentralisation and the rationale for decentralisation policies, and contributors to that volume survey decentralisation processes in Asia, Africa and Latin America. Other useful general references include UN (1962); Wraith (1972); Rowat (1980); Smith (1980); Rondinelli (1981); Conyers (1983, 1984, 1986); Lamour (1985); Wolters (1985); Mawood (1983, 1987); Kasfir (1983); Olowu (1988, 1989); Slater (1989).

In a 1989 article Rondinelli, McCullough and Johnson suggest that the term ‘decentralisation’ ‘also can be defined as a situation in which public goods and services are provided primarily through the revealed preferences of individuals by market mechanisms’ (1989:59). They go on to list five ‘major organisational forms of decentralisation’, the first two of which are privatisation and deregulation of private sector provision. Slater (1989) and others have provided a strong critique of this ‘neo-liberal discourse’.
Philippines to accelerate its economic progress, it needs to decentralize its economic progress, it needs to decentralize its administrative, planning, and fiscal functions' (Brillantes et al. 1990:iii. Also see Sosmena 1991). Among measures adopted by the Philippines government have been constitutional provisions for autonomous regions in the Cordilleras and Muslim Mindanao and the drafting of a new Local Government Code which enhances the powers of local governments and widens their constituency. Similarly, in his first policy speech to parliament, Thailand's newly elected prime minister, Chuan Leekpai, announced in 1992 that he would decentralise decision making and increase local autonomy as part of a program to strengthen democratic institutions and encourage development (Asian Wall Street Journal 22 October 1992). In China, too, there is evidence of a growing commitment to decentralisation, primarily as a strategy to improve economic performance (see, for example, Jia Hao and Lin Zhimin 1993).

In a somewhat different context, the Sri Lankan government moved in 1988 to devolve powers through a system of provincial councils, lower-level pradeshiya sabhas and village-level gramodayamandalas, in large part as an attempt to deal with problems created for the national government by regionally-based insurgencies and a general breakdown of government control (Leitan 1990, 1992; Wijeweera 1988).

In Africa, few countries have yet achieved significant decentralisation (see Olowu 1989). A major exception, however, is Uganda, where a decentralisation program, begun in 1992, is seeing most government functions, up to 80 per cent of all state employees and 30 to 40 per cent of the national recurrent budget transferred to thirty-nine elected district councils. Proposals for a new national constitution include entrenched protection of key features of political decentralisation. The experiment is being closely watched in other parts of Africa.

The arguments being adduced in support of decentralisation in the latter part of the twentieth century are, once again, essentially those that were put forward in the latter days of colonial rule: broadly, that political decentralisation promotes democratic values—by providing educative experience in the working of representative institutions, by encouraging popular participation in collective decision-making, by promoting the responsiveness and accountability of leaders to those who elect them, and thereby by fostering political stability—and that administrative decentralisation, by bringing those responsible for the delivery of public goods and services closer to the source of demand, promotes economic and administrative efficiency. As against this, critics, and even supporters, of decentralisation argue that decentralisation is vulnerable to local patronage and corruption, and, that, especially where the capacity and experience of local politicians or officials is weak, it gives no guarantee of superior administrative performance.2

What the apparent contradiction in views about the benefits and limitations

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2 Thus, in relation to Papua New Guinea, in 1975 May (1975:39-40) cautioned: 'The responsiveness of the politician to his electorate and of the public servant to the people he serves is not ... simply a function of the physical size of the political or administrative unit; there is no guarantee that to the ordinary villager provincial
Introduction

cipation and there is acceptance of the possibility of regional diversity, decentralisation has a good chance of success; but where such considerations as political stability, national uniformity or administrative efficiency are seen to depend on tight central control, or where the sharing of political power and resources is resisted by national politicians and officials, decentralisation is unlikely to prosper, as the history of post-colonial states in Africa and Asia demonstrates.

In Papua New Guinea, the introduction of provincial government in 1977 was somewhat against the international trend. In a 1974 report on central-provincial government relations Tordoff and Watts (1974:2/2) commented that:

... in our experience of political systems in Asia, Africa and the Caribbean, we have not come across an administrative system so highly centralized and dominated by its bureaucracy

(though arguably they underestimated the extent of field officers' discretionary powers). The report, which provided the basis for the Papua New Guinea Constitutional Planning Committee's detailed proposals on provincial government, accepted the CPC's 'firm commitment' to 'a decentralized form of government within a unitary system'. In the event the provincial government proposals were dropped from the initial constitutional arrangements and added only after a unilateral declaration of independence in the North Solomons had forced a reappraisal of the subject (see Chapter 2). The subsequent decision to proceed with establishing provincial government uniformly in all of the country's nineteen provinces lay at the base of many of the problems which became apparent later. And the decision to provide for a high degree of flexibility in arrangements, in the belief that decentralisation should be allowed to develop organically, did not have the hoped-for results.

From an early stage provincial government came under fire from its critics, particularly from the two groups who had least to gain from its introduction – national politicians, who often saw their local power bases eroded by provincial politicians, and local government councillors, who in most provinces predictably saw the council system wither away. By 1993 ten of the nineteen provincial governments were suspended, mostly on grounds of financial mismanagement. As described below, there have been several calls for review or abolition of the provincial government system, the latest being that of a Bi-Partisan Select Committee on Provincial Government (1993), which has recommended a substantial restructuring of constitutional authority to replace the existing provincial governments, essentially by replacing elected provincial assemblies by provincial authorities comprising national politicians and representatives of (presumably resuscitated) local government councils. Thus, once again, Papua New Guinea appears to be moving against the international current, dismantling provincial government as many other states are seeking to revive political decentralisation in the hopes of promoting democratisation and development.

Much has been written about the workings of provincial government in Papua New Guinea; but surprisingly little of this has focused on the day-to-day politics within provinces. Yet if it is true that the outcome of decentralisation
measures depends critically on the environment into which decentralisation is introduced, then it is equally critical to the understanding of provincial government in Papua New Guinea that we examine how provincial government has operated in the day-to-day social and political context of individual provinces.

With this in mind we initiated a collaborative study of provincial politics in 1986. Our original hopes of covering all provinces, from their beginnings to date, were abandoned at an early stage; however, we have been able to assemble substantial studies of eleven of the country’s nineteen provinces, if not for their entire life then at least for a significant part of it. The eleven provincial studies provide a wealth of material, which highlights both the specific characteristics of individual provinces’ political histories and some recurring themes (which are further explored in Chapter 4).

The book is in two parts. The first deals with the origins, operation and politics of the provincial government system, on a national basis. It provides information about the structures and dynamics of the system as a whole so that the studies of individual provinces, which constitute Part Two, can be understood in a broader context without repetition of the detailed technicalities of the system.

By presenting what we have collected at a crucial time of debate about the future of decentralisation in Papua New Guinea, we hope not only to present the discussants in Papua New Guinea with a useful source of data and conceptual insights, but also to contribute to the larger discussion of decentralisation a study of Papua New Guinea’s particular contribution to the collective experience.

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4 See, for example, Conyers (1976); Standish (1979, 1983); Ballard (1981); May (1982e); Regan (1985); Axline (1986, 1993a); Melanesian Law Journal, Special Issue 1991; Ghai and Regan (1992).

5 Exceptions are Standish (1979) and Saffu (1983).
PART ONE

OVERVIEW OF THE PROVINCIAL GOVERNMENT SYSTEM
THE ORIGINS OF THE PROVINCIAL GOVERNMENT SYSTEM IN PAPUA NEW GUINEA*

A.J. Regan

While the focus of the studies in this book is the politics of individual provincial governments in Papua New Guinea, it must be remembered that those governments are part of a broader system, established by constitutional laws, comprising a wide range of institutions, procedures and other formal arrangements for dividing the powers and resources of government. In addition to meeting such aims as achieving a more efficient and responsive government system than the previous highly centralised colonial administration, the originators of the decentralised system - particularly the pre-independence Constitutional Planning Committee (CPC) - had clearly political aims. There was to be a radical redistribution of power, requiring the creation of new centres of power able to act as a counterbalance to the central government as well as operate as new arenas for resolution of local tensions and disputes. The CPC had a marked effect on the aims, assumptions and features of the system, though not without some modification wrought by the intense political struggles over the provincial government system in the five-year period to 1977.

The origins of the system are discussed here in some detail for two main reasons. First, such discussion provides insights into the aims of the system. Being so explicitly political in nature, an understanding of the aims provides insights into the politics not only of the system as a whole but also of individual provincial governments. Second, it helps to explain the development of the various political forces which played a role in the establishment of the system to 1977, and in the shaping of the system after that, as discussed in Chapter 3. In addition, some knowledge of the history of the establishment of the provincial government system helps explain the origins and operation of the main institutional and other features of the system as a whole and of individual provincial governments.

Three main phases in the development of the provincial government system are discussed: the work of the CPC; the responses of the national government to...
the CPC and the tortuous steps preceding the adoption of the Organic Law on Provincial Government; and the processes actually used in establishing individual provincial governments. In conclusion, some consequences of the originating processes for the subsequent operation and politics of the system are discussed.

As many aspects of the matters discussed in this chapter have been analysed in detail elsewhere (Conyers 1976; Ballard 1981; Ghai and Regan 1992) discussion is necessarily selective and brief.

**Aims, assumptions and proposals of the CPC**

Largely because of the obvious problems of inefficiency in the highly centralised colonial administration, and the limited degree of participation in government open to people under that administration, political decentralisation had been a public issue in Papua New Guinea well before 1972. It was in April of that year that the first Papua New Guinean-led national government was elected under Chief Minister Michael Somare, and in June 1972 decentralisation was included among the terms of reference of the CPC (Guise 1973; Conyers 1976; Ballard 1981). While the decentralisation debate was not vigorous prior to 1972, it has been ever since, and the role of the CPC in generating that debate was crucial.

Decentralisation (‘central-regional-local government relations and district administration’) was included among the CPC’s terms of reference by the Somare government while it rode the crest of a wave of newly-discovered nationalism. The late emergence of nationalism as a political force was closely associated with developments from the late 1960s both on Bougainville (opposition to the Panguna mine discussed in Chapter 15) and on the Gazelle Peninsula of East New Britain (Ballard 1981: 98). In both cases, longstanding dissatisfaction over arbitrary colonial government action on land and other development issues led to mass political mobilisation around locally-established organisations, and demands for local autonomy.

The CPC proposals on decentralisation were much more far-reaching than anything envisaged before and clearly more radical than the Somare government had anticipated. While accepting the principle of a unitary state, the CPC proposed an entire new level of constitutionally-protected elected government at the existing administrative district level. Although individual governments would be established in stages, they were ultimately all intended to enjoy a high level of autonomy, with powers and resources – fiscal and personnel – hived off from the national government. Detailed recommendations were made about structures and legislative, executive and fiscal powers. Existing local government councils were to be subordinate to provincial governments. The boundaries of existing districts were to be those of the new provinces because people were already beginning to identify with them and because they were more appropriate than larger regional or smaller local government boundaries. The name ‘province’ would replace ‘district’ to signify the break with the colonial administration (CPC 1974: 10/4/36).
Although much of the detail of what the CPC recommended was modified subsequently, most of its key aims and assumptions about decentralisation remained the underpinning of the system as adopted and so deserve some attention here. (The following draws heavily upon Ghai and Regan 1992: chapters 1 and 3.)

Most of the CPC's justifications for its recommendations were connected in some way with the value of increased popular participation in government. A locally-directed administration was expected to be not only more responsive to the disparate needs of a country comprising remarkably diverse cultures existing in a remarkable range of physical circumstances, but also more efficient than the existing centralised administration. Perhaps even more crucial were the CPC's concerns about nation-building (CPC 1974:1/3/13-16). Creating a nation out of the bewildering diversity of Papua New Guinea would only be possible if opportunities for participation at the local level gave rise to the confidence needed to participate in the wider state; suspicions of neighbouring groups and apprehension – particularly on the part of both relatively well-developed and relatively poorly-developed areas – about independence resulting in loss of opportunities, could only be overcome in this way. In addition, in the absence of widespread nationalism the CPC sought to foster national identity through an institutional 'broker' between clan and local-level organisations on the one hand and the remote central government on the other (ibid.: 10/3/28; Wolfers 1982:286).

Events on the Gazelle Peninsula and Bougainville and the development of many localised self-help and similar movements in other parts of the country (May 1982a) were of central importance in shaping the CPC's proposals. Drawing on their interpretation of these events, and influenced by the community development literature of the early 1970s, the CPC's key thinkers (in particular, Momis and Kaputin) developed an ideology based on popular participation. It was possible to achieve popular participation through political mobilisation around governmental bodies chosen by and identified with by the people. Indeed, doing so was seen as essential to forging a nation from the diversity of Papua New Guinea. Regional organisations comprising several existing districts would be too large and potentially divisive for the purpose, while the many small local movements and organisations were too small to be the main links between villages and the national government (CPC 1974:10/3/22-280). The answer was mobilisation around new institutions at the existing district level while continuing to foster the existing smaller movements.

Hence the experience of Bougainville and the Gazelle, and of smaller popular movements elsewhere, was a sign of hope rather than a threat to national unity requiring placatory gestures in the form of new institutions (the latter view being one advanced by some critics of the provincial government system, for example Goldring 1978, Standish 1983). While conscious of the threat to national unity from Bougainville and the Gazelle, the CPC saw beyond to the possible advantages for the nation of harnessing the energies being unleashed and of developing similar energies elsewhere. The fact that Bougainvillean mobilisation was developing around home-grown district-level institutions was of particular inspiration. The district government developed from the only previously existing district-
level political institution, the Bougainville Combined Councils Conference (Griffin 1977). In most other districts the combined councils conferences had been replaced by slightly more powerful area authorities (Conyers 1976) and the CPC saw the possibilities of replicating the Bougainville experience by building more significant institutions in those districts using the area authorities as a base.

The CPC’s proposals were highly political – and, of course, controversial – because they sought to reshape the colonial state and to redistribute its powers and resources to new centres of power. Mobilisation of the public, as well as other aims such as greater government efficiency and responsiveness, would only be possible if the new institutions had sufficient powers and resources to meet the needs articulated by a mobilised population. Accordingly, the CPC made detailed recommendations not only on provincial government powers but also on guaranteed levels of funding and personnel, and on the powers of the provinces to choose structures suited to local needs. New loci of power would have to struggle with the centre to ensure local needs were met, and hence a range of institutions and procedures for handling the tensions of intergovernmental relations was required. Tensions could also be expected within provinces as various groups struggled over resources and the setting of development priorities, but the CPC expected those to be resolved through the democratic institutions of each government.

In retrospect, the CPC’s assumptions about the relevance of the Bougainville and Gazelle experiences to other parts of Papua New Guinea must be questioned. Ballard (1978:29) suggests that political mobilisation at any level above small-scale traditional political units ‘was possible only at levels where there was a sufficient infrastructure of administration, development activities and communication’. If so, mobilisation would be unlikely in areas without a similar history of access to the state. The CPC perhaps gave some recognition to this question – after all, it believed that only by developing access to the state through the brokerage of new decentralised political institutions would mobilisation begin in many areas with a less favoured history of access. But the history of the provincial government system since 1977 suggests either that the new provincial governments were not the ideal mobilising institutions or that the CPC’s assumptions about the potential for mobilisation were far too optimistic.

Indeed, it is perhaps surprising that the CPC vested its ambitious hopes for mass participation in decision-making solely in provincial governments – nineteen governments for nearly 3 million people. It seems likely, however, that it was anticipated that the provincial governments would themselves promote more effective participation at the community and local level (Fitzpatrick 1985: 21-2). But little attention was given by the CPC to how provincial governments might facilitate community and local-level participation through local-level government organisation; it was in fact a matter on which the CPC was ‘deliberately silent’, regarding it as one of a number of matters which ‘should be left open for decision by other bodies at other times’ (CPC 1974:10/30-31/262). With the benefit of hindsight and in the light of the general demise of local-level government in many provinces, this approach may be open to question.
From the CPC to the Organic Law on Provincial Government, 1974-1977

The CPC's Final Report was presented to the national government in August 1974 and shortly after was tabled in the pre-independence national legislature (the House of Assembly) where, together with a national government response - the White Paper (PNG 1974a) - it became the basis for debate upon the proposed independence constitution. Given the dismemberment of the existing state apparatus involved in the decentralisation proposals, it is not surprising that they sparked fierce controversy, the strongest opponents being key bureaucrats and their ministers whose empires were most likely to be weakened by provincial government.

Opposing the CPC proposals outright was not a realistic option for the Somare government for several reasons. First, its public support for decentralisation in its heady early days (before it realised the extent of the potential loss of power for the centre) made an about-face difficult. Second, the CPC had been at pains to legitimise its recommendations by emphasising the extent to which they originated from and/or were supported by the public. Third, there was the risk of increasing secessionist sentiment on Bougainville where a provincial (district) government was already established and negotiations were ongoing about funding and other details. Fourth, the policy had been decided as early as 1973 that there should be no special deals with Bougainville; provincial government arrangements there had to be within a framework more generally applicable, and pressure was already being exerted by area authorities in other districts such as Eastern Highlands and Gulf.

In these circumstances, the government supported the principle of provincial government while at the same time attempting to rein in what it saw as the worst excesses in the CPC proposals. It focused on the need for flexibility; given the uncertainties of such a new system, there were dangers in constitutionally entrancing too many details. Arrangements for transfers of powers and control of personnel should be left flexible, and although provincial governments should have legislative powers, their laws should always be subordinate to those of the national government. In the light of later opposition to provincial governments from local government councils, it is also interesting to note that the national government wanted greater protection for existing councils (PNG 1974a).

Concerned that a lack of constitutional protection would open the provincial government system to rapid post-independence emasculation by the national government, the active CPC members organised in the House of Assembly to lobby for the CPC proposals and to advance the Bougainville case in the ongoing negotiations there. By the time the chapter of the CPC Report on decentralisation was debated in March 1975, a compromise had been reached. Only the main principles about provincial government would be included in the constitution while the details would be included in a lesser kind of constitutional law. To be called organic laws, such laws would be almost as difficult to make and change as the constitution itself and would be superior – in case of inconsistency – to all laws except the constitution. The details of what was to go into an organic law on provincial government were being finalised when, on 30 July 1975, during
debate on the draft constitution in the National Constituent Assembly, Chief Minister Somare successfully moved for the deletion of the previously-agreed provisions on provincial government. It seems likely that concerns arising from growing difficulties in the negotiations with Bougainville were among the major factors influencing Somare’s turnaround.

This move represented only a limited victory for the faction opposing provincial government, for it was at the same time announced that progress towards establishing provincial governments would continue, the main change being the removal of constitutional guarantees for the system. The reaction from Bougainville is described in more detail in Chapter 15; suffice it to say that Bougainville’s unilateral declaration of independence was announced on 1 September 1975, two weeks before Papua New Guinea achieved formal independence from Australia. Negotiations to resolve the crisis began in February 1976 and resulted in Bougainville accepting provincial government status in Papua New Guinea, and the national government reinstating the deleted constitutional provisions and agreeing to prompt adoption of an organic law on provincial government.

The main details of the contents of the proposed organic law on provincial government were set out in the Bougainville Agreement of August 1976, which, although drawing heavily on the CPC proposals and other reports, was different in some important respects. In particular, the Bougainville leaders were able to extract concessions which gave a more federal flavour to what nevertheless remained a decentralised unitary system of government.

The agreement set out a tight timetable for its implementation which was largely met, the first constitutional amendment on provincial government being passed in December 1976; the draft Organic Law on Provincial Government (OLPG) was introduced into parliament in November 1976, passed in February 1977, and came into effect on April Fool’s Day 1977.

Establishing individual provincial governments, 1974-1978

The first test of the assumptions of the CPC came in the period from 1974 to 1978 when provincial governments were gradually established in all the nineteen provinces. In particular, the extent to which it was possible to replicate Bougainville’s mobilisation around district-level structures was put to the test, as procedures for mass involvement of the population in choices about the establishment and form of provincial governments were followed in all provinces. It must be remembered, however, that there is no indication in the CPC report that it expected mobilisation to be achieved solely in the establishment phase. Indeed, the CPC recommended a three-stage establishment process, in part so that the populations of provinces with limited interest in and awareness of provincial government could be educated about it and new politicians could learn their roles. Mobilisation was expected to develop gradually. Nevertheless, widespread involvement of people in the establishment phase would provide the initial popular support for the new institutions which hopefully would be built upon by the way in which provincial governments performed.
The origins of the provincial government system

As it happened, the series of ad hoc decisions which produced the procedures used to establish provincial governments ignored the CPC’s recommendations about a phased introduction of the system. As a result, the establishment process was far less orderly than might otherwise have been the case, and this probably helped enable local elites to take control of the new institutions in some provinces.

It was early in 1974 that the first provincial government (then called district government) was established administratively in Bougainville. It performed far better than anyone at the national level had expected and by mid-1974 its demands for a share of revenue from the giant copper mine at Panguna were accepted — a grant in lieu of mineral royalties was to be paid. The growing complexity of fiscal and other arrangements necessary for the effective operation of the new government was such that it required a more formal status. The ‘no special deals for Bougainville policy’ resulted in July 1974 in the House of Assembly passing hastily-drafted legislation enabling formal recognition of provincial governments in any district (the *Provincial Government (Preparatory Arrangements) Act, 1974*).

In most other provinces there were already ‘representative’ institutions purporting to speak on behalf of the province as a whole, namely the area authorities. As these bodies — and in later stages, their members — played important roles in the establishment processes in most provinces, they require brief comment. Established under 1970 amendments to the national governments’ *Local Government Ordinance*, area authority members were mostly nominees of local government councils and their main formal role was advisory to the district commissioner. Despite their obvious limitations, the area authorities nevertheless played a role in many provinces in beginning the processes of developing a provincial identity and even, in some cases, in building both coordination of government activities (Conyers 1976) and cooperation among the leadership of different groups. Hence they were the natural bodies to take the lead in the push for establishment of full provincial government, a role many of them were quick to grasp, no doubt in part because key members recognised the opportunities for increased power and influence that were to be opened by the creation of provincial governments.

The area authorities subsequently provided the bulk of the membership of the provincial constituent assemblies. As discussed below, the latter bodies planned the establishment of provincial government in most provinces and in most cases their members were later recognised as the unelected interim provincial governments which operated in all provinces prior to the arrangement of the first provincial general elections.

In any event, the impetus given by both the CPC and Bougainville to the idea of provincial government was such that by mid-1974 the CPC was able to report that area authorities in half of the districts were asking for provincial governments to be established ‘without delay’ (CPC 1974: 10/2/13). Again, the ‘no special deals for Bougainville’ policy meant that the national government had little option but to support and assist them.

Active planning for provincial government began in a few of the better organised districts soon after the CPC’s *Final Report* was formally tabled in the House
of Assembly in August 1974. In Eastern Highlands, for example, the area authori­ty started planning in October 1974 and presented the national government with a detailed submission for the establishment of a provincial government in July 1975.

Other districts soon followed suit, but faced difficulties due in part to the lack of detail on establishment procedures in the *Preparatory Arrangements Act*. That lack was filled in April 1975 when the national government circulated to all district commissioners a detailed set of guidelines on the subject (Department of the Chief Minister and Development Administration 1975).

The guidelines drew on both the steps followed in Bougainville and on the CPC recommendations; hence in most districts steps were taken during 1975 or 1976 to establish constituent assemblies and to consult widely at public meetings all around the districts about whether provincial government should be estab­lished and about the details of provincial structures to be included in the provincial constitutions. In general, the area authority provided most members of these bodies, usually with the addition of representatives of some other groups such as churches, women and students. The few provinces where little or nothing was done under the *Preparatory Arrangements Act* later followed similar procedures provided for under the OLPG.

The April 1975 guidelines provided suggestions about consultation: radio broadcasts, publication of discussion papers, and organisation of widespread village meetings. There was considerable variation between provinces. In some, little effort was made to visit any but accessible places (Waiko 1979:200) while in others constituent assembly committees went to great lengths to reach all possible villages. For example, a committee responsible for touring Baimuru/Kikori, one of the three subdistricts in the Gulf District, toured for 54 days in late 1975 and early 1976, often holding several meetings per day, with estimated attendance of 15,000 out of a subdistrict population of 27,000 (Mailau 1976:1). In East New Britain, a university graduate involved in organising meetings in the Tolai-dominated Gazelle Peninsula in late 1975 estimated that over 40,000 people (over half the population of the Gazelle, and more than a third of the population of the province) had been contacted (ToVue 1982:40).

Most constituent assemblies reported an almost uniformly enthusiastic public response to proposed provincial government, and insistence that the governments be directly elected rather than elected or appointed by local government councils, as had been the case with area authorities (Department of Provincial Affairs, files on establishment of various provincial governments; Waiko 1979). But a few provinces reported ambivalence or even disinterest, the main examples being Southern Highlands (Gaiyer 1976:1; Ballard 1983:182-4) and Enga (Department of Provincial Affairs file 26-1-1; Gordon and Meggitt 1985:134).

Steady progress towards provincial government continued in most provinces despite the July 1975 removal of the constitutional provisions on provincial government and the attempted secession of Bougainville. The August 1976 signing of the Bougainville Agreement removed any obstacles in the way of rapid pro­gress, and as can be seen from Table 2.1, by the end of 1978 there was at least
The origins of the provincial government system

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an appointed government in every province, though the progress towards fully-elected governments was slower.

In fact, as early as June 1976, four provinces in addition to Bougainville had provincial governments established and operating with their own constituting regulations under the Preparatory Arrangements Act – East New Britain, Eastern Highlands, Central and East Sepik. Another seven were established in February 1977, just in time to take advantage of the transitional provisions in the OLPG giving recognition to governments established under the Preparatory Arrangements Act. In fact only three of the seven – New Ireland, Chimbu and Oro – were operational governments with their own constituting regulations under the act. The other four – Manus, Madang, Southern Highlands and Western – were only constituent assemblies in the process of preparing provincial constitutions. They were given recognition because they were well advanced in the establishment process set down in the Preparatory Arrangements Act guidelines.

Of the seven remaining provinces, the majority had also established constituent assemblies under the Preparatory Arrangements Act guidelines but were not far enough advanced in the establishment process to warrant their being given legal recognition. Provincial governments were subsequently established in those provinces through the procedures under the OLPG, while the governments established previously were given recognition under transitional provisions in the OLPG.

In a push to establish governments quickly, the members of the constituent assemblies were generally recognised as the (non-elected) members of interim provincial governments prior to the holding of provincial general elections. While most provincial constitutions required the holding of the first election within one year of establishment, in many cases the unelected assemblies amended their constitutions to extend the period within which an election was required, nine for two years or more. As can be seen in Table 2.1, the worst case was Simbu, with a delay of forty-one months (seven after establishment under the Preparatory Arrangements Act and thirty-four after official recognition under the OLPG).

Conclusions: some consequences of the establishment phase

The history just outlined had a number of important consequences not only for the politics of the provincial government system but also for the shape of the main features of the system as set out in the OLPG and their operation in practice both in the context of the system as a whole (discussed in the next chapter) and in the context of individual provincial governments.

For one, the key forces subsequently involved in shaping the way the system has operated in practice were largely formed during the originating period. (The roles played by those groups are discussed in Chapter 4.)

Important consequences also followed the national government's 1973 decision that Bougainville should not be treated as a special case. The series of uneasy compromises flowing from this decision eventually produced a system with both insufficient provincial autonomy to meet the ethnonationalist aspirations of mobilised Bougainville and too much autonomy for many other provinces to
Table 2.1: Dates of Establishment and First Elections, and Periods of Operation as Non-Elected Bodies, All Provincial Governments

<table>
<thead>
<tr>
<th>Provincial Government</th>
<th>Date estab. under Preparatory Arrangements Act</th>
<th>Date of Grant of Charter under OLPG</th>
<th>Date Polling Commenced in First Provincial General Election (months)</th>
<th>Period as Non-elected Body under Preparatory Arrangements (months)</th>
<th>Period as Non-elected Body under OLPG (months)</th>
<th>Total period as Non-elected Body</th>
</tr>
</thead>
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<tr>
<td>Western</td>
<td>4.2.77*</td>
<td>12.8.77</td>
<td>24.11.79</td>
<td>n.a.*</td>
<td>28</td>
<td>28</td>
</tr>
<tr>
<td>Gulf</td>
<td>—</td>
<td>1.12.77</td>
<td>10.11.79</td>
<td>n.a.*</td>
<td>24</td>
<td>24</td>
</tr>
<tr>
<td>Central</td>
<td>8.7.76</td>
<td>4.7.77</td>
<td>7.4.79</td>
<td>12</td>
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<td>34</td>
</tr>
<tr>
<td>Milne Bay</td>
<td>—</td>
<td>20.6.78</td>
<td>16.12.78</td>
<td>n.a.</td>
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<td>6</td>
</tr>
<tr>
<td>Oro</td>
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<td>1.12.77</td>
<td>10.11.79</td>
<td>10</td>
<td>24</td>
<td>34</td>
</tr>
<tr>
<td>SH</td>
<td>4.2.77</td>
<td>17.3.78</td>
<td>31.5.80</td>
<td>n.a.*</td>
<td>27</td>
<td>27</td>
</tr>
<tr>
<td>Enga</td>
<td>—</td>
<td>11.7.78</td>
<td>3.5.80</td>
<td>n.a.</td>
<td>23</td>
<td>23</td>
</tr>
<tr>
<td>WH</td>
<td>—</td>
<td>21.8.78</td>
<td>31.5.80</td>
<td>n.a.</td>
<td>22</td>
<td>22</td>
</tr>
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<td>31.5.80</td>
<td>7</td>
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<tr>
<td>EH</td>
<td>8.7.76</td>
<td>31.5.77</td>
<td>14.11.78</td>
<td>10</td>
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<tr>
<td>Morobe</td>
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<td>17.5.80</td>
<td>n.a.</td>
<td>27</td>
<td>27</td>
</tr>
<tr>
<td>Madang</td>
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<td>7.6.78</td>
<td>24.11.79</td>
<td>n.a.*</td>
<td>18</td>
<td>18</td>
</tr>
<tr>
<td>ES</td>
<td>8.7.76</td>
<td>23.11.77</td>
<td>22.9.79</td>
<td>16</td>
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</tr>
<tr>
<td>Sandaun</td>
<td>—</td>
<td>14.11.78</td>
<td>22.11.80</td>
<td>n.a.</td>
<td>25</td>
<td>25</td>
</tr>
<tr>
<td>Manus</td>
<td>4.2.77*</td>
<td>25.8.77</td>
<td>12.5.79</td>
<td>n.a.*</td>
<td>22</td>
<td>22</td>
</tr>
<tr>
<td>NI</td>
<td>4.2.77</td>
<td>18.1.78</td>
<td>25.11.78</td>
<td>11</td>
<td>11</td>
<td>22</td>
</tr>
<tr>
<td>ENB</td>
<td>8.7.76</td>
<td>31.5.77</td>
<td>26.3.77*</td>
<td>n.a.</td>
<td>11</td>
<td>11</td>
</tr>
<tr>
<td>WNB</td>
<td>—</td>
<td>5.10.78</td>
<td>31.5.80</td>
<td>n.a.</td>
<td>20</td>
<td>20</td>
</tr>
<tr>
<td>NS</td>
<td>26.7.74</td>
<td>13.10.77</td>
<td>17.7.76*</td>
<td>n.a.</td>
<td>25</td>
<td>25</td>
</tr>
</tbody>
</table>

Reproduced from Ghai and Regan (1992: Table 3.1), based on data from National Gazette (various dates) and Papua New Guinea Electoral Commission.

Notes

(a) The bodies recognised under the Preparatory Arrangements Act in Western, Southern Highlands, Madang and Manus provinces were constituent assemblies and not full provincial governments. The first provincial governments in those provinces were established under the OLPG.

(b) The first general elections for North Solomons and East New Britain were conducted in respect of bodies established under the Preparatory Arrangements Act and for this reason were held before the date the OLPG came into effect (1 April 1977).

(c) The date for the return of the writs for a general provincial election is normally more than a month after commencement of polling and this period has been taken into account in calculating the periods in columns four and five.
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handle. The logic of the 1973 decision was that any concessions won by Bougainville had to be generalised into arrangements made available to all provinces, irrespective of their interest in and preparedness for provincial government.

The processes used to establish particular provincial governments were in large part a consequence of that 1973 decision. The ad hoc arrangements developed under the *Preparatory Arrangements Act* meant that there were already governments operating or close to being established in most provinces by the time clear and consistent policy on provincial government was developed (that is, when the OLPG was passed). By then, the national government’s ability to initiate a more orderly establishment process was severely restricted – there was little point, for example, in incorporating the CPC’s ideas about staged introduction of provincial government. As a result, governments were established for provinces which were not prepared for provincial government; indeed, they were given structures with more autonomy and power than even their area authority spokespersons would have considered asking for had they been negotiating for enhanced government status without reference to the Bougainville experience.

In addition, because the establishment process was largely in the hands of the provinces, it was open to manipulation by narrow interest groups, particularly in provinces where there had previously been limited provincial-level political activity – and hence no mobilised public opinion to act as a check on political excesses – or where the local bureaucracy did not have enough experience to act as a check on the new politicians. In some provinces destructive patterns of political behaviour were established, distribution of patronage and accumulation of wealth becoming the focus of political activity.

While it seems certain that the consultation processes used in establishing provincial governments served useful purposes, there is little to suggest that they contributed much to the kind of mobilisation that had occurred around the Bougainville government. In retrospect, this is not surprising, for in that case consultation about establishment of provincial government was only part of a broader political mobilisation process, a consideration apparently given insufficient weight by the CPC. On the other hand, in the provinces where there was manipulation of the establishment processes and of the new provincial governments by narrow interest groups, the likelihood of mobilisation round the new governments was minimal.

Among the undoubted contributions of the consultation processes to the establishment of the provincial government system was the building of some consciousness of belonging to provinces and the spreading of information about the new system and in particular the fact that significant powers were to be vested in the new bodies. It probably also helped establish the status of provincial politicians vis-à-vis the previous major power figures (members of the National Parliament). It is difficult to say if the process did much more, and in particular whether it greatly assisted any real understanding of what was involved in the new system of government. On the other hand, it is doubtless the case that there was – and still is – limited understanding of the national government, for Papua New Guinea is a country where the penetration of the state in rural areas remains very limited.
In the process of implementing the OLPG, the Bougainvillean leadership realised that it had been too conciliatory in the negotiations for the 1976 Bougainville Agreement. As discussed in the next chapter, the powers available to provincial governments have in practice been much more limited than was anticipated when the Bougainville Agreement was signed. This fact has been a source of considerable discontent for political leaders in the North Solomons provincial government. The lack of real autonomy has been a factor fuelling the Bougainville secessionist crisis which began in 1988.

For its part, key elements of the national government bureaucracy took the view that too much had been conceded in the Bougainville negotiations, and gradually devised methods to limit its impact, as is discussed in the next two chapters. The fact that, from the beginning, the powers and resources that were devolved as a matter of course to all provincial governments were not well handled by some provided a justification for these steps.

The way in which the content of the OLPG was negotiated and the provincial government system implemented also had its consequences. For a start, the many opponents of decentralisation in the key centres of the bureaucracy (in particular the departments of Finance, Public Service and Provincial Affairs) were largely sidelined during the early period when the OLPG was being implemented (1977 to 1978). The key officials at this point were persons with some sympathy for the new system.

The process of finalising the OLPG had important impacts on the shape of the system. In particular, there was a tendency for some aspects of the legal arrangements (particularly but not only the financial ones) to reflect the needs and aspirations of Bougainville, a result of the fact that it was only one province that was negotiating the system which was to apply to all. In addition there was a higher degree of complexity in the legal arrangements than might have been the case if the finalisation of the OLPG had been done in a more leisurely way, using previous studies and reports, with ample time for reflection and revision. This was not possible because of the pressure for rapid agreement and implementation during 1976.

Some of the problems thus arising might have been ameliorated had there been a thorough review of the operation of the system carried out within a few years of its being established. Provision for such a review was included in the amendments to the Constitution in respect of provincial government passed in 1976 (see section 262). However, the act of parliament envisaged by that provision has never been passed, and the complex politics of the system has been such that an impartial review would be difficult both to carry out and to implement. Instead the problems have been dealt with through political processes and ad hoc adjustments to the system, matters dealt with in the next two chapters.
The operation of the main institutional, procedural and other arrangements which make up the decentralised system of government is provided for, in the main, in the constitution and the Organic Law on Provincial Government (OLPG). However, a number of arrangements – some of dubious legality – have developed outside the legal framework, most having had the intent and effect of increasing national government control over provincial governments. This chapter provides an overview of the intentions and the operation in practice of both the legal and extralegal arrangements, as a background to the provincial case studies. It provides a description of general features common to all provinces, so that some knowledge of the general workings of the system can be assumed in those studies. Discussion of the original intentions of the legal arrangements serves the further purpose of providing a background against which the case studies can be used to evaluate the extent to which those intentions have been met.

The legal arrangements examined include those in respect of provincial boundaries; the establishment and structures of provincial governments; the position of local (‘third level’) government; the division of powers and activities, and of fiscal and personnel resources, between levels of government; intergovernmental relations; suspension of provincial governments; and reviews of the system. The extralegal arrangements include the method of initial transfer of most activities to provincial governments; the ‘full financial responsibility’ arrangements; and the use of divisions 271 to 290 of the national budget.

A full understanding of the arrangements for provincial government would require a far more lengthy discussion than is appropriate in an introductory overview such as this. Most matters have, however, been described and analysed in detail elsewhere (May 1981; Department of Provincial Affairs 1984; Regan 1985a, 1985b, 1988; Axline 1986, 1988; Ghai and Regan 1992).

**Underlying principles: local autonomy; a unitary state; and flexibility**

The main assumptions underlying the institutional and other arrangements for the provincial government system can be traced back to the CPC. As will be evident from the previous chapter, a high degree of autonomy for provincial
governments was a central aim. The establishment processes were expected to create potentially strong new governments that could effectively serve their people and in doing so mobilise popular support to enable the provinces to bargain effectively with the national government for the powers and resources needed to be able to achieve still more. There was also a need to recognise the varied level of capabilities among provinces. It is in part for this reason that the OLPG did not seek to make definitive, once-and-for-all divisions of powers and resources between the levels of government. Rather, it set up arrangements flexible enough to enable wide powers to be vested in the provincial governments depending upon their relative capabilities and political strengths.

At the same time, the system was to retain its unitary nature, with the national government the ultimate authority. As the CPC said of its recommendations on provincial government, it ‘... sought to secure the autonomy of provincial government without undermining the role of the national government as guardian of the overall national interest’ (CPC 1974:10/23/198).

To balance those potentially conflicting interests was not easy, particularly when the division of powers and resources was deliberately left so flexible. Another factor was relevant here: because so much of what was recommended was ‘novel’ (CPC 1974:10/30/259), the CPC tried to build in as much flexibility as possible while at the same time ensuring some certainty about the key aims of decentralisation. The OLPG sought flexibility by: minimising the role of the courts; including much detail in ordinary rather than constitutional laws; deliberately being silent on many matters which could be resolved later (for example, the organisation of local-level government); and providing for a thorough review of the system within a few years of its being established (ibid.: 10/30/262).

**Provincial boundaries**

At all stages, there was acceptance of the CPC recommendation that existing district boundaries be the basis for the area of a province (see Chapter 2). This principle was given legal standing by the coming into effect at independence of the Organic Law on Provincial Boundaries, which defined the provinces in those terms (excluding only the area of the National Capital District which was excised from Central Province by the combined effect of both this organic law and the Organic Law on the Boundaries of the National Capital District). The OLPG provides for establishment of provincial governments only in the provinces so defined.

The Organic Law on Provincial Boundaries has the same constitutional status as the OLPG; that is, it is almost as difficult to change as the constitution itself. This entrenchment of the boundaries is an important safeguard for the security of the provincial government system, for alteration of boundaries could otherwise be used as a political weapon by the national government.

From the time the Organic Law on Provincial Boundaries was passed, what had previously been called districts were called provinces and, curiously, what had previously been subdistricts of the districts were themselves called districts.
The use of the old district boundaries for the provinces has two important consequences for the provincial government system. First, the land areas, populations, population densities and development levels of the provinces vary dramatically, a factor of which the funding and other arrangements must take some cognisance. Table 3.1 shows the variation in land area – ranging from only 2,100 square kilometres (Manus) to just under 73,000 square kilometres (Western) – and compares national census figures for provincial populations in 1980 and 1990. Of particular importance for funding arrangements is the variation in development levels. Some indication of the degree of variation is also given by Table 3.1 which shows the domestic factor incomes for all provinces in 1984 and their development levels as estimated by a 1986 study of a wide range of development indicators.

Second, the boundaries do not always respect cultural and linguistic divisions, and they frequently encompass groups with dramatically different levels of development. East New Britain, for example, includes both one of the most highly developed areas in the country and one of the least developed (see Chapter 14). Such anomalies have been important factors in a number of breakaway attempts, both in the period when provincial governments were being established and in subsequent years (see Chapter 4). None has received much sympathy from the national government. (The only amendment to the Organic Law on Provincial Boundaries was made in 1979 to provide for the boundaries of Enga and Western Highlands provinces, which had not been clearly defined when the former district was split from the latter in 1974.)

Procedures for establishment of provincial governments

Most issues under this heading were touched upon in the discussion of the origins of the provincial government system in Chapter 2. But a few points might be emphasised.

First, the OLPG provides flexible arrangements for the establishment of provincial governments in the existing provinces, leaving most matters about structures and timing of establishment to the choice of the people of the provinces through representative constituent assemblies recognised by the national government. Second, two separate establishment procedures were provided: one for provinces with governments already established under the Provincial Governments (Preparatory Arrangements) Act, 1974 and one for other provinces. Third, there is nothing in the constitution or either the OLPG or the Organic Law on Provincial Boundaries which would prevent the establishment of new provinces or governments.

Political institutions

The political institutions and processes of provincial government were intended to meet the CPC’s aims of a more participatory and responsive government system. Elections, and direct involvement in public office (local and provincial level)
# Table 3.1: Area, Population, Income and Comparative Development Levels, by Province

<table>
<thead>
<tr>
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<td>78,575</td>
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<td>64,120</td>
<td>68,060</td>
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<td>157,288</td>
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<td>n.a.</td>
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<td>National Capital District</td>
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<td>123,624</td>
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<td>3,010,727</td>
<td>n.a.</td>
<td>1787</td>
<td>545</td>
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(a) Excludes the Upper Strickland Tributaries, Murray Valley and Blucher census divisions, where census could not be completed owing to their inaccessibility (total population about 1,500).

(b) Excludes West Mianmin and Atbalmin census divisions, where census could not be completed owing to border disturbances (total population about 3,000).

(c) No census undertaken in North Solomons Province due to the prevailing political situation.
were to be the main avenues for participation. Greater responsiveness to local needs was expected to be achieved in a variety of ways: the CPC emphasised the need for people to choose suitable structures, and its concern was reflected in the establishment processes described above. The constitution and the OLPG leave much room for choice, merely stating minimum requirements for provincial government structures and leaving detail and a wide range of additional matters to be decided by the constituent assembly and included in a provincial constitution drawn up by the assembly and subject to national government scrutiny.

In practice, the structures provided by most provincial government constitutions are broadly similar. As required by national constitutional laws, all have an elected legislature (usually called the provincial assembly) of at least fifteen members (there being no upper limit to membership) and an executive body. All provide arrangements broadly similar to the Westminster model operating at the national level. Apart from the absence of any viceregal figure in the provincial structure, the most striking variation from the national government model is in the four provinces – Enga, North Solomons, Manus (from 1988) and East New Britain (from 1993) – where the chief executive (the premier) is elected in a direct (or ‘presidential’) province-wide election rather than from among the members of the legislature, as is the case in the other fifteen provinces.

As is the case at the national level, the absence of strong political parties means that the Westminster model operates somewhat differently from the way it operates in London, Ottawa or Canberra. The relatively small size of provincial assemblies makes the absence of political parties particularly important when the appointment and removal of the executive is considered (see below).

The assembly members are elected from single-member electorates, with general elections normally conducted every four years, though some provincial constitutions provide for five-year terms. Elections can be held before the expiry of the full term in various circumstances defined in the provincial constitutions, or as a means of re-establishing provincial governments following their suspension by the national government (see below). The dates (or proposed dates) of the first four sets of provincial elections are shown in Ghai and Regan (1992: Table 4.1). Recently, scheduled elections in about half the provinces have been disrupted as the result of provincial government suspensions.

In retrospect, it is perhaps unfortunate that other models for selection of assembly members were not utilised. The area authorities were made up largely of nominees of local government councils, and some of the first provincial governments established under the Preparatory Arrangements Act maintained that approach. It is made a possibility under the OLPG by provisions deeming such nominees to be elected members. If utilised, this approach could have had advantages such as making provincial governments more accountable to local needs; making assembly members more accountable (thereby lessening corruption); ensuring a more equitable distribution of government resources between local-level and provincial governments thereby reducing tensions between provincial and local-level governments (see below); and even of reducing the violence and other problems caused by provincial elections in some areas. But during the
process of establishing provincial governments, this option was rejected, perhaps in part because of the general perception in many areas of the ineffectiveness of councils (and area authorities) and in part due to a desire on the part of people to participate directly in the selection of their own representatives at provincial level rather than leaving selection of nominees to their local representatives (Waiko 1979:200).

Most provincial constitutions have provision for up to three assembly members to be appointed by the assembly, and those provisions are often used to enable women and church groups to have a voice. Resentment of provincial governments by backbench members of the National Parliament resulted in a 1981 amendment to the OLPG by which members of the National Parliament from the province are ex-officio, non-voting members of the assembly, and they are supposed to elect two from among their number to be non-voting members of the executive (though in practice that never occurs). There have been only two or three women elected as members, and at the time of writing only one province – New Ireland – has a requirement in its constitution that in the absence of an elected woman member there must be a woman appointed.

The executive body is drawn from within the legislature, and despite the suggestion made by the CPC that a committee system might be an equally valid way of organising provincial executive bodies, in all cases save Manus the system provided for by the national constitution is replicated and the portfolio system applies. In most cases, the premier has unfettered power to appoint all other executive members (called ministers) and each is given official responsibility for some aspect of the government’s activities. With no constitutional restriction on the size of the executive, the absence of strong political parties has made the allocation of portfolios the key mechanism for maintaining support for a premier. Hence the tendency has been for large executive bodies – in some cases more than half the assembly members (see below). Given the limited resources and responsibilities of provincial governments, there is little work for the majority of ministers, with usually only the premier and perhaps two or three key personalities having a major role in most provincial executive bodies. Unfortunately, use of the portfolio system tends to result in a sharp demarcation between the group in power and those in opposition. In small assemblies where political parties play a very minor role the outcome is often an antagonistic, personalistic style of political discourse which may also be at odds with the traditional Melanesian consensus style of problem solving. Needless to say, the greater power, status and remuneration of ministers’ positions makes them much sought after.

Manus is the only provincial government to try the committee system of organising the executive. Introduced in amendments to the provincial constitution which came into effect only after the 1989 provincial general election, the system is too new for any assessment to be made of its impact. Nevertheless it is likely that it will reduce political tensions inherent in the portfolio system, for it involves all members of the assembly in committees.

In the fifteen provinces where the premier is elected from within the assembly, a simple majority vote is normally required for that purpose, whereas removal
usually needs a two-thirds absolute majority vote of the assembly. The latter is
normally difficult to obtain in small assemblies, particularly because the power
to appoint and remove other executive members places considerable patronage
at the disposal of the premier. Frequent moves to amend provincial constitutions
to increase the size of provincial executive bodies have been aimed at ensuring
the amount of patronage available is sufficient to prevent motions of no-confi-
dence – although they are usually justified in public comment as aimed at increas-
ing political stability.

Despite such ploys, some provincial governments have exhibited considerable
political instability over many years, with seemingly constant votes of no-confi-
dence. As with the national government, a major contributing factor is the absence
of strong and stable political parties. In these circumstances, the winning of
elections often means little in determining leadership of an assembly; it simply
determines who is available to be lobbied and – if necessary – bought by however
many contenders for the premier’s job the election brings into the assembly. Once
in power, the premier cannot rely on party support to stay there. Rather, he or
she must constantly shore up support using whatever patronage is available,
always aware that opponents are likely to be buying support with offers of minis-
terial positions, trips and so on. The resulting uncertainty makes it difficult for
governments to develop policies or to effectively oversee their implementation
if they are made, and also encourages executive members to extract every possible
personal benefit out of their time in office.

In some provinces, however, there have been few – if any – votes of no-confi-
dence. Those with the ‘presidential’ system have been particularly stable, largely
because a successful vote of no-confidence normally results in a fresh province-
wide election for the premier rather than replacement by another member of the
assembly. (As there is normally a high turnover of assembly members at provin-
cial general elections, few members are prepared to risk their seats by precipitat-
ing an early election.) Other provinces, such as East New Britain and Eastern
Highlands, have largely avoided this kind of instability, in part by having premiers
of some stature but also through the premier choosing large cabinets (more than
half the members of the assembly in the case of East New Britain).

Since 1981, provincial governments have not had the power to determine the
salaries and allowances of members of either the assembly or the executive. Until
that year they did so, and a growing perception of abuse by some governments
resulted in an amendment to the national constitution to vest the power in the
national Parliamentary Salaries Tribunal (from 1989 the Salaries and Remunera-
tion Commission). Curiously, the result was higher salaries and allowances than
most governments had until then been allowing themselves. Despite
ongoing complaints about the cost of the system, there has been no attempt by
the national government to suggest to either tribunal any measures for reduction
of costs; indeed, a recommendation of a 1984 report on reform of provincial
government finances, that most assembly members and ministers be paid only
sitting allowances rather than salaries, has never been seriously considered, rais-
ing the question of whether there is any real concern in the national government
about the issue (or whether it provides a convenient justification for attacks on the provincial government system by members of the National Parliament).

A final point needs to be made about the costs of running the provincial government system. In debate on that issue, both in the media and in the National Parliament, it is sometimes suggested that there would be savings of tens of millions of kina if the provincial government system were abolished — a suggestion often made, for example, by Prime Minister Wingti (for example, *Post-Courier* 4 November 1988, 2 October 1992). In fact, the evidence to 1988 was that the proportion of provincial government funding spent on the salaries of provincial government politicians and other ‘overhead’ costs of running provincial governments was under some control in most provinces and that the total extra cost of the system, over and above the costs of carrying out government services by the provinces, was less than K15 million.

Axline (1988:Table 20) has analysed the additional costs of government activities since they were taken over by the provinces (that is, the cost of provincial legislatures and executives and the costs of planning and coordination units established since provincial governments began). Table 3.2 is reproduced from Axline’s study; it shows that those costs were reasonably steady from 1982 to 1988, at around 5 per cent of the total funding of provincial government activities. At least part of these costs — the cost of planning units — would not necessarily be saved even if provincial governments were to be abolished.

**Local-level government**

The position of local-level (third-level) government under the provincial government system has been a matter of some controversy from the beginning. The OLPG places local government under provincial government control, and in the ensuing struggle for power, resources and prestige, local government has been perhaps the biggest loser under the provincial government system. Hence, local government has provided a fertile source of opposition both to individual provincial governments and, at times, to the provincial government system as a whole.

Elected local government councils had first been established in 1949 and were gradually introduced across the country until by 1973, 163 councils covered more than 90 per cent of the total population (PNG 1974b). They operated under national legislation from which they derived limited powers and revenue sources. Much of the undoubted stature they enjoyed in the 1950s and early 1960s had been lost or diminished by the early 1970s. There was a long history of opposition to councils in some areas, not only the well known cases of Bougainville and East New Britain (Griffin 1982; Grosart 1982), and by the 1970s opposition in many areas saw local leaders establishing alternative structures. Councils were criticised as an alien form of administration, imposed and dominated by their white ‘advisers’, the patrol officers. The fiscal and political viability of many councils was threatened as their tax collections and levels of participation in all routine council activities, including elections and communal projects, decreased markedly (Crocombe 1968; Oram 1970; Holloway 1974; Staples 1975; Fenbury 1978).
### Table 3.2: Estimated Expenditure on Costs of Executive, Legislative, and Planning Activities of Provincial Governments 1982, 1984 and 1988: Amounts and Proportion of Total Funding of Provincial Governments

<table>
<thead>
<tr>
<th></th>
<th>1982 (K'000)</th>
<th>% of 1982 Funding</th>
<th>1984 (K'000)</th>
<th>% of 1984 Funding</th>
<th>1988 (K'000)</th>
<th>% of 1988 Funding</th>
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<td>Western</td>
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<td><strong>10,056,275</strong></td>
<td><strong>4.8</strong></td>
<td><strong>14,834,581</strong></td>
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Source: Axline (1988)

Note: Total funding of provincial governments includes all transfers from the national government as indicated in the *Estimates of Revenue and Expenditure* 1982, 1984 and 1988, as well as provincially-raised revenue as indicated in the estimates of revenue and expenditure of those same years. Costs of executive, legislative and planning activities are taken from the estimates of revenue and expenditure of individual provinces.

The picture was not uniform, with councils remaining important service providers in some areas (particularly the highlands), their leadership still having considerable local prestige.

The CPC noted the frustration of people with the councils and the development of alternative spontaneous associations being formed in many areas. It was also aware of the demise of councils on Bougainville and their replacement by village-level governments. This background encouraged it to recommend both that the new spontaneous organisations be given formal recognition and that full control of all aspects of local-level government should be vested in provincial governments, with limited ‘protection’ for the rights and powers of existing councils (CPC 1974:10/9/84, 10/3/28, 10/24/210-215). The national government came under strong pressure to provide greater protection for councils, for councils were
still important power centres in many areas. Hence the 1974 Government White Paper recommended that existing councils and their powers and revenue sources actually in use should be shielded from change (PNG 1974a:36). The Bougainville leaders opposed this approach and insisted on full control of local-level government. They compromised to the extent that following the Bougainville Agreement, the constitution as amended and the OLPG provided for full legislative control over local-level government to the provinces (OLPG section 24(l)) provided that existing councils could not be abolished without the consent of both the national and provincial governments.

Shortly after the OLPG came into effect, the national government transferred administrative control of the existing councils to all provincial governments through delegations of powers under the existing national legislation. By 1991, with the full cooperation of the national government, seventeen provinces had moved to take full legislative control of all aspects of local government. (Milne Bay and West Sepik were the only instances where local government councils continued to operate under national legislation.) Thirteen have done so merely by passing laws which continue the old local government system (but first abolishing the councils under the national law and then re-establishing them under provincial law). The other four have completely replaced local government councils by new community governments.

In a majority of the provinces where local government councils have been retained, many are virtually moribund, due to lack of fiscal and personnel resources, and loss of status, resulting from the subservience of local-level government to the new level of provincial government. Given the limited resources available to provincial governments, it is not surprising that local-level governments suffer. Nevertheless, they continue to exist, with regular elections being held. In some cases they act as centres of opposition to the provincial government and may even ally themselves with members of National Parliament in making attacks on provincial government. However, in a few provinces, such as Eastern Highlands, Southern Highlands and Madang, where there had been a long history of fairly effective councils with whom competent administrative officers had worked closely, there has been sufficient momentum for them to continue to operate reasonably effectively.

Community governments generally cover smaller populations than was the case with councils and some attempt is usually made for boundaries to take cognisance of ethnic groupings. It is arguable, however, whether their structures and procedures are any less alien than the councils. On the other hand, there has generally been more effort to involve community governments in planning development at the local level and to consult them about other matters likely to affect their areas. There is some evidence that community governments enjoy more local support than is the case with most local government councils.

The other major new development has been the trend towards establishment by provincial governments of appointed statutory bodies to administer the major urban centres in place of elected local government councils or community governments. Nine provincial governments had done so by mid-1991. There has
been a mixture of motives involved, including doing away with alleged corruption and mismanagement in the elected body; improving efficiency of urban services; provision of opportunities for patronage; and doing away with centres of opposition to and competition with provincial governments.

The limited extent of revenues and functions available to local government councils applies also, to some extent, to community governments and urban authorities, so that the growing resentment of provincial governments by local-level governments (see Chapter 4) is to some degree justified. It is in part for this reason that it was argued above that it was unfortunate that the possibility of provincial legislatures being made up wholly or in part by local government delegates was not seriously considered when provincial governments were being established. Reports of committees of the National Parliament in 1990 and 1991 (chaired by MP Henu Hesingut) and 1993 (chaired by MP Ben Micah) (see Chapter 4) have recommended replacement of provincial governments by bodies made up mainly of local government delegates. This move is in part a response to local-level resentment of provincial governments. As a result, the problem has been given belated recognition by provincial governments; in July 1991 a Premiers Council committee report answering the final report of the 1991 Hesingut Committee recommended that local government delegates numbering up to one-quarter of the elected members be included in provincial assemblies and that local-level governments be guaranteed 10 to 20 per cent of national government transfers to provincial governments (Times of PNG 18 July 1991).

**Powers and functions of provincial governments**

A central aim of the OLPG was to provide provincial governments with a secure basis for the exercise of potentially extensive powers so that they could develop policies and plans in response to the particular needs of the provinces they served.

To ensure security for the provinces in the exercise of their powers, the OLPG assumes that for the most part powers will be exercised under provincial laws rather than under administrative delegations from the national government. There is provision for powers and functions to be delegated (sections 42 to 44) but delegations were clearly intended to play a lesser role than provincial laws. Further, delegations can only be made in accordance with formal arrangements intended to ensure some security for the provincial government and to provide the provincial legislature with power to check on the functions being delegated to the provincial executive.

Quite complex provisions were made for the division of legislative powers between provincial governments and the national government. In general, rather than preserving large areas of power to one level of government or the other, the division of power was intended to be highly flexible. A few matters (such as laws needed to implement the constitution) are preserved to the national government (section 20(2) of the OLPG), and some areas of tax are reserved to the provinces (section 56). Almost all other legislative subjects are potentially open to either level of government. The assumption was that ongoing political processes
would resolve the division of powers appropriate from time to time. In the long term, the extent of provincial governments' powers would depend upon their political strength, and that in turn would depend upon not only the ability of individual governments to mobilise local political support but also the ability of the provinces to jointly pressure the national government.

Brief comments might be made about the categories of legislative powers left open to provincial governments by the OLPG. On some subjects provincial government laws are given precedence over national laws in case of inconsistency and on others vice versa; the former are included in a brief list of 'primarily provincial subjects' (set out in section 24 of the OLPG) while the latter are known as the 'unoccupied field' subjects, and include such matters as national security, international relations and defence. Both these groups of subjects are open to both levels of government unless the level of government whose laws have precedence legislates 'exhaustively' to cover the whole subject, in which case the laws of the other on that subject no longer have any effect.

But the bulk of the subject areas likely to be dealt with in the laws of a modern state are explicitly shared subjects. Called 'concurrent' subjects by section 27 of the OLPG, they are open to both levels of government, but national laws prevail in the case of inconsistency (section 28). The inconsistency provision on its own would leave little room for provincial laws, particularly as a range of national laws on most subjects predated provincial governments. Hence the OLPG includes other provisions designed to keep the concurrent subjects shared, including provisions limiting national laws on the subject to matters of national interest and giving provinces the right to seek repeal of national laws not covering matters of national interest (sections 29 and 114(3)).

While the vesting of some exclusive or potentially exclusive legislative powers in the provinces is an element of the decentralised system of government with a decidedly federal flavour about it, the ultimately unitary nature of the system is emphasised by the fact that, subject to complex consultative procedures, the National Parliament has power to disallow a provincial government law if it believes that it is 'in the public interest' to do so (section 35). That power has been exercised only once: in 1990 an amendment to the Enga provincial constitution extending the term of the provincial assembly from four to five years was disallowed.

Despite their potentially extensive legislative powers, there has been only limited legislative activity on the part of most provinces. In their first two years, most passed twenty or more laws, most of them standard 'machinery' laws drafted by national government officers because they were needed to get the governments fully operational. Since then the majority of provincial governments have passed very few laws in most years; indeed, a few are on record as passing only their annual appropriation acts for several years in a row. Most exercise a few of their functions under their own laws, in particular, liquor licensing, local-level government administration, and imposition of provincial taxes. A few have developed new policies, some even challenging existing policy under national government laws, good examples being the 1987 East Sepik laws on customary land regis-
The operation of the provincial government system

tration (Power 1991; Fingleton 1991; see also Chapter 11 below) and the 1989 Manus law on sustained yield management of its forest resource (Taylor 1991).

While these and other examples demonstrate the potential of the provincial government system, they are nevertheless the exceptions. There are several explanations for this. First, as discussed further below, the methods used to transfer most activities to the provinces in 1978-1979 were largely administrative, so that it is still the case that the majority of provincial government activities are not exercised under provincial law. The national government has not responded to requests from the Premiers Council for reviews of laws on the concurrent subjects with a view to repealing those aspects of laws not in the national interest. Second, most provincial governments do not have staff capable of developing new policies. Rather, staff are hard-pressed to continue to provide the services transferred to the provinces by the national government. Third, few provincial politicians have the training and experience needed to develop policy initiatives; even if they do, in many provinces their ability to give attention to such matters is limited by constant political instability.

Activities transferred from the national government

While operation under their own laws was the long-term goal for provincial governments, it was always realised that initially they would take over functions carried out by national agencies. It could have been expected that the delegation arrangements (sections 42 to 44) would be put to immediate use.

The particular activities transferred when the provincial governments were first established, and the method of transfer, have continuing importance both because they remain the core activities carried out by provinces in the 1990s and because the most significant grant paid to all provincial governments—the minimum unconditional grant—is calculated with reference to the 1976-77 costs of carrying out these functions. The method of transfer needs to be understood because it largely ignored the spirit—and arguably the letter—of the OLPG and tended to give the national government greater control over provincial governments than was intended by the OLPG.

In 1977, successive decisions of the National Executive Council identified the activities of national government agencies suitable for exercise by provincial governments and ordered a two-stage transfer of the activities together with the staff carrying them out in the provinces. The activities directed to be transferred were: 'provincial affairs' (the activities then carried out by patrol officers); health (including aid posts, health centres, provincial hospitals and malaria programs); primary industry (including agricultural extension and forestry management); education (including community schools, provincial high schools and vocational centres); business development extension services; government information services; and three works (construction) related functions, namely (major new) capital works, maintenance (of existing infrastructure) and the Rural Improvement Program (small-scale new projects largely implemented through local government councils). A later decision resulted in the transfer of Bureau
of Management Services functions (government accounting and related services) to all provinces.

There are problems inherent in the group of functions determined for transfer. In particular, they were not based on any coherent concept of the role and responsibilities of provincial government. Rather, they bore all the marks of the series of ad hoc decisions that led to their transfer. The lack of coherence contributes to the difficulties provincial governments have in coordinating activities and planning for the development of the provinces.

The first stage of the transfer was ‘on paper’ only and was simply designed to break the bureaucratic impasse that had developed in implementing the original transfer decision. Rather than transfer activities bit by bit as the various provincial governments were established, all relevant activities and staff were first transferred to the notional control of the Department of Provincial Affairs. The second stage occurred when a provincial government was fully established; at this point the provincial government was given control of the activity and the staff.

Nothing systematic, however, was done to give provinces a clear legal basis for the exercise of the functions so transferred. Gradually, some provincial laws have been passed and delegations made which regularise some arrangements. With some others, there is no real need for any specific legal arrangement; for example, provincial governments can carry out capital works programs provided they legally allocate funds and direct relevant staff. But other functions are being carried out without a clear legal basis. More importantly, the arrangements tend to tie the provincial staff to operating under national government laws and so answering to national departments in a variety of ways, thereby weakening the capacity of provincial governments to plan and manage their activities and organise their staff.

**Personnel resources**

While the Bougainville negotiators in 1976 were initially keen to have a separate public service, it was generally agreed that the CPC had been correct to recommend against provincial public services on the grounds of expense and administrative duplication. Hence the concern of the OLPG was to provide provincial governments with a secure personnel resource directed by them while also maintaining a single national public service.

To meet these aims, provision was made to limit the number of staff provincial governments could employ directly, to assign to the direction and control of provincial governments those members of the national public service carrying out transferred activities and to permit assignment of such other staff as may be agreed from time to time (section 49 and schedule 1.3). In addition, arrangements for transfer of control over members of the teaching service (which is separate from the public service) carrying out provincial activities were to be included in an act of parliament (section 52). Costs of salaries and allowances are met by the national government by deductions made from the base figures of the minimum unconditional grant, as discussed below.
The OLPg gives provincial governments the power to direct and control assigned public servants in relation to their duties; but, in part to shield public servants from political pressure, a provincial government cannot deal with ‘personnel matters’ (decisions about appointment, discipline, advancement in the service, and so on). The latter matters, normally the responsibility of a public service departmental head, are exercised by a ‘deemed departmental head’, an officer appointed through a process involving the approval of both the provincial government and the national government (section 50). That office was initially called the ‘administrative secretary’ in order to distinguish it from the ‘provincial secretary’. The latter was the head of the ‘provincial secretariat’, the six staff the OLPG permits a provincial government to employ directly (they do not hold public service positions). Originally provided to cater for arrangements already made in Bougainville (and, later, East New Britain) well before the OLPG came into effect, all provincial governments initially established secretariats.

Despite provision in the OLPG permitting provincial governments to choose between administrative structures with either the head of the secretariat (provincial secretary) or the section 50 appointee (administrative secretary) at the apex, in practice the lines of authority between them were not were not clearly drawn. In the early years, it was generally understood that the secretariat would function mainly as a policy development unit under the leadership of the provincial secretary, and hence it was usually called the ‘policy secretariat’. Under this model, the administrative secretary was responsible for direction and control of assigned public servants who implemented policies as finally determined by the provincial government, with both secretaries answerable to the provincial executive. There was inevitably much blurring of responsibilities and unless the two officers had good personal relations, there was the potential for tension between them.

The problems of having two secretaries were considerable in many provinces, so much so that by the early 1980s most provincial governments were quite receptive to suggestions from the Public Services Commission that the provincial secretariats be absorbed into the structures of the new departments of the provinces (see below), thereby creating a single line of authority under the section 50 appointee. In a change of names that still sometimes causes confusion, that officer, formerly known as the ‘administrative secretary’, now became known as either the ‘provincial secretary’ or the secretary of the department of the province. Initially only Eastern Highlands and North Solomons retained the secretariat and the dual secretary system, though by the late 1980s some other provinces’ dissatisfaction with public service performance (or in one or two cases, the desire for more sources of patronage) had resulted in reintroduction of the secretariat.

The provincial government’s power to direct and control staff (section 47(2)) clearly implied some power to control the way the staff structures are organised. This power was not accepted by the national Public Services Commission when provincial governments were being established. Instead, as part of the 1977 decisions about transferring activities to provincial governments, it was decided to organise all staff carrying out those activities in each province into a normal
public service department. In the late 1970s and early 1980s, nineteen departments of the provinces were created, and with them came new lines of control back to the Public Services Commission and the national government, rather than to the provincial governments.

The confusion thereby caused was resolved in 1984 by a Supreme Court decision which challenged what had, until then, been the standard practice whereby the senior public servant in each province was appointed both under section 50 of the OLPG and under the quite distinct procedures for appointment of the head of a normal public service department. The former required the appointment process to be initiated by the provincial government concerned, while the latter was ultimately a matter for the National Executive Council alone. Until 1984, the practice was to appoint a person approved of by the provincial government, but early in that year, at the height of tensions between the outspoken premier of Morobe and the Pangu government in Port Moresby, a person was appointed as departmental head for Morobe who was opposed by the provincial government.

In the first of several major decisions on the terms of the OLPG, the Supreme Court ruled that the departments of the province were unconstitutional in that they involved national government controls over the assigned public servants contrary to the OLPG. Consequently, there was no position of secretary of department of the province. The only office with powers of a departmental head was that created by section 50, and appointments to that office had to be made with the full involvement of the provincial government concerned. The decision also opened the way to local control of organisational matters, leaving provincial governments free to establish staff structures outside the departmental model. While a number of provincial governments have passed their own laws on staff administration, on the advice of national public service authorities most have simply replicated the old departmental structures. Only North Solomons broke the mould with a law that placed the head of the provincial secretariat at the apex of the administrative structure and gave the provincial government clear power to determine all matters concerning staff structures.

As already noted in relation to policy development, the capacity of the public servants in the provinces is generally limited. While this is part of a general pattern of administrative weakness in Papua New Guinea (Turner 1990:135-6; Turner 1992) there are particular difficulties peculiar to the provinces. Serious attempts to train Papua New Guinean public servants began only in the mid-1960s, and when it became clear in the early 1970s that independence was to come much earlier than expected, rapid localisation programs began. But in many provinces, such programs were almost nonexistent, and low- and middle-level staff stepped into the shoes of departing expatriates with little training. Shortly afterwards, with the establishment of the provincial government system those same staff, still struggling to perform the tasks in departments answering to Port Moresby, were expected to take on new policy development and planning roles they had no training for. In many of the weaker provincial governments, it is essentially the same staff that hold middle and senior management positions in 1990 as it was in 1977-78. Little effort has been made by national
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government agencies to assess, train or replace such staff with a core of competent staff.

Problems of personnel management also arise because of both provincialisation and politicisation of the public service in the provinces. Provincialisation refers to the trend for provincial positions to be filled largely by people originating from the province in question. This trend has been implicated by the Permanent Parliamentary Committee on Provincial Government Suspensions in the apparent increasing political pressure being applied to provincial public servants (National Parliament 1985). Politicisation refers to the fact that senior and junior appointments are often made more on the basis of the political acceptability of the appointee than on competence, a problem which applies even to some section-50 appointees. Growing politicisation helps explain the poor performance of most provincial public service structures, particularly because it makes management difficult and affects morale.

On the other hand, it is also arguable that the problems of public service performance may have been worse but for the establishment of provincial governments. There is no doubt that the highly centralised administrative structures which preceded provincial governments were not working well. The smaller-scale organisational structures represented by provincial governments may have prevented an even greater deterioration than has occurred. The poor performance of many of the national agencies which have continued to have responsibility for delivery of services in the provinces – for example, the departments of Lands and Physical Planning and of Agriculture and Livestock – is probably considerably worse than that of many provincial governments, suggesting that decentralised management may have some advantages.

Fiscal resources

Fiscal resources are discussed here in more detail than other aspects of the provincial government system not only because of their importance and complexity but also because a general explanation here will avoid repetition in the various provincial case studies.

While it was always accepted that provincial governments should have adequate and secure sources of revenue, from the time of the CPC’s Final Report it was clear that it was not feasible for them to be fiscally self-sufficient. A major consideration was the need for the national government to retain control of the major potential taxes for economic management purposes. An additional important factor was the disparate populations, taxable capacities and development levels of the provinces; heavy reliance on internal revenue would have left some provincial governments unable to manage existing levels of services let alone allow the least developed provinces any hope of equalising levels of development. Hence it was agreed that the primary source of revenue would be transfers from the national government. Among the possible disadvantages of reliance on such transfers from the provinces’ point of view were lack of local control and possible uncertainty about levels of funding from year to year; thus certainty of payment
and of levels of transfers, as well as ensuring local financial control, became provincial concerns in the Bougainville negotiations.

Ultimately a complex package of funding arrangements was provided in the OLPG, each element of which tended to serve a distinct purpose. Two general points must be made about the package before its elements are discussed. First, as with most packages where the elements are intended to complement one another, if any of the major elements is removed the package tends to fall apart. For example, as a result of the national government’s failure to use the ‘additional unconditional grants’ (see below) there is no element of the fiscal package working effectively to promote equalisation of development between the provinces. Second, the package has been the subject of critical review since 1980, with a joint national-provincial committee recommending comprehensive reform as early as 1982. (The history of the reform proposals is elaborated in the discussion of reviews of the provincial government system, below). The national government has accepted that there are serious problems with many elements of the fiscal arrangements and has agreed to a wide-ranging set of amendments to the OLPG which were introduced into the National Parliament in July 1990, but had not been debated by the time of the 1992 elections and so lapsed.

In terms of the sources of funds, the fiscal provisions of the OLPG draw heavily upon the recommendations of the CPC, which in turn relied on Tordoff and Watts (1974) who in their turn had drawn upon earlier studies of fiscal federalism (such as Adarkar 1933; Birch 1961; Watts 1966; May 1969). Three main categories of funding for provincial government activities are guaranteed: a range of transfers from the national government; arrangements, closely related to the main transfer (the minimum unconditional grant), for payment by the national government of the salaries of assigned public servants; and internal revenue raised by provincial governments. Other aspects of the fiscal arrangements reflect the provincial concerns raised during the Bougainville negotiations. The issues of security of payment and levels of payment were dealt with by provisions in the OLPG specifying the manner of calculation of the main grants and providing for their ‘pre-appropriation’ (that is, they were to be appropriated annually by force of the OLPG rather than by the annual appropriation act). The question of local control was also addressed: with the exception of the funds used to pay public service salaries, all the other sources of funding provided for in the OLPG are received directly by provincial governments and appropriated for expenditure under their annual budgets and in accordance with their laws on financial management.

Several new categories of funding arrangements have been developed outside the provisions of the OLPG. The main ones are: arrangements for funding the provincial governments without ‘full financial responsibility’; funding of activities in all provinces through Divisions 271 to 290 of the national budget; and the special funding made available to governments of provinces where major mining or petroleum projects are in operation.

The transfers under the OLPG are intended to be the single most important revenue source and are of three main kinds: unconditional grants based on formulae or other explicit provisions; proceeds of certain national government taxes
collected in the provinces, which are also for the unconditional use of the province concerned; and conditional grants. There are four distinct unconditional grants: the minimum unconditional grant (MUG); the derivation grant; additional unconditional grants (AUGs); and the secretariat staffing grant.

The MUG is intended to ensure that no province suffers financially from the establishment of provincial government and that each has at least sufficient funds to carry out all activities transferred to it from the national government at the level previously maintained by the national government. (Hence, the tag ‘unconditional’ is somewhat misleading.) At the time of writing, the MUG is paid in full only to the eight provincial governments with the status of ‘full financial responsibility’ (see below); hence much of the following discussion applies with full force only to those governments. The eight in question are North Solomons, East New Britain, Eastern Highlands, New Ireland, Morobe, East Sepik, West New Britain and Madang. A complex formula set out in a schedule to the OLPG provides for a ‘base amount’ calculated in respect of the cost to the national government in the year before the provincial government system began of each activity transferred to a province. (In practice, this means the activities transferred following the 1977 National Executive Council decisions discussed above, save that in the eleven provinces without ‘full financial responsibility’, the grant is in fact paid only in respect of the three capital-works-related functions, with funding for all the other transferred activities continuing to be controlled by the national government – see below) That base figure is adjusted annually by the percentage movement of either the CPI or the change from the previous year in government revenue, whichever is the lesser. Before the grant is paid, the national government deducts the estimated cost for the year of the salaries of the assigned public servants.

There is a number of significant problems with the MUG formulation, which has resulted in the real value of the MUG being significantly eroded. These complex issues have been analysed in detail elsewhere (May 1981; Department of Provincial Affairs 1984; Axline 1986:79-84; Ghai and Regan 1992) and so do not require full discussion here. In summary, among the deficiencies: the formula takes no account of increasing population nor of new activities taken on by a provincial government; nor does it keep pace with real increases in the costs of carrying out activities, with salaries in particular tending to rise faster than the increments to the MUG so that salary deductions are taking an ever-increasing proportion of the MUG base amount (indeed, the mean level of salary deduction for the eight provincial governments with full financial responsibility had increased from 46.7 per cent in 1978 to 72.4 per cent in 1988 (Axline 1988: Table 4), and has further eroded the net MUG in subsequent years). Attempts to deal with these and other problems with the MUG were made in the proposed amendments introduced into the National Parliament in July 1990.

As is the case with such grants everywhere, the main purpose of the derivation grant is to placate the richer provinces, particularly Bougainville, but it was also intended both to give provincial governments some incentive to encourage economic activity and to give them some truly untied funds that might be used to meet
the costs of new initiatives or a reordering of priorities. The grant is calculated at 1.25 per cent of the export value in the previous year of production originating in the province, minus the value of any royalties payable to the provincial government. (The deduction of royalties was originally included to prevent double payment to Bougainville, which had been awarded the national government's royalties on produce from the mine at Panguna.) The provision for deduction of royalties has caused one of the two major problems with the grant, for while mineral royalties are also payable at 1.25 per cent, timber royalties can be much higher. In provinces where substantial timber royalties are paid, deduction of the royalties can reduce the derivation grant to zero. The other major problem has been that the export figures necessary to calculate it are not available until two to three years after the year of export. These problems also were attended to in the proposed 1990 reform package.

The AUGs were also intended to provide provincial governments with untied revenue, but their primary aim was to equalise development. It was originally expected that substantial sums would be allocated for this purpose, with the national government being advised on distribution of the money by an expert and independent body established under the OLPG— the National Fiscal Commission. But the amount to be paid through AUGs was left to the discretion of the national government, which at first paid very little and since 1984 has allocated nothing at all. The funds that were expected to be available for AUGs have instead been allocated through the national government’s five-year rolling planning systems for non-recurrent expenditure (the National Public Expenditure Plan (NPEP) to 1985 and the Public Investment Program (PIP) from 1987 onwards). The NPEP was being established at almost the same time that the provincial government system was finally being set up, and the allocation of the majority of non-recurrent expenditure through that system represented a substantial victory for the elements of the national bureaucracy most opposed to the vesting of substantial powers and resources in provincial governments. Needless to say, only very limited levels of NPEP or PIP funding have been available to provincial governments, around 17 per cent in most years, the rest being shared among national government agencies.

While it is normal in fully federal systems to leave the national government unfettered in relation to payment of grants such as the AUGs, following that practice in the OLPG has skewed the intended effect of the fiscal package. But during the Bougainville negotiations, the national government was clear the grants should be discretionary, and it faced little opposition on the point from the Bougainville leaders, their need for development funding being less pressing than that of any other province once the national government agreed to paying Bougainville mineral royalties from the Panguna mine. The remaining grant—the secretariat staffing grant—is of much less importance. The national government pays each year an unconditional grant of the amount necessary to meet the costs of a six-member secretariat, whether or not a provincial government has a secretariat.

The requirement for transfer to the provinces of the proceeds of some national government taxes applies to royalties, particularly those on minerals, petroleum
and timber, and the proceeds of motor vehicle registration and drivers licence fees. (The proceeds of one other minor tax not mentioned in the OLPG are also paid, namely a bookmakers tax, and some provinces receive a share of national government tobacco excise in lieu of collecting retail sales tax on tobacco products – see Table 3.3). The payment of royalties is the most important of these transfers. It is intended primarily to provide provinces with some 'compensation' for the effects of major projects. While timber royalties have provided useful revenue to several provinces over the years, it has been mineral royalties that has had a major impact on the revenue of provinces hosting major projects. North Solomons Province received K4 million to 5 million per year in respect of the Panguna mine prior to its closure by militant secessionist rebels in mid-1989, while Western Province has been receiving significant revenue from the Ok Tedi mine since the mid-1980s – for example, an estimated K5 million in 1988 (see Table 3.3). Other provinces receiving significant revenue from the beginning of the 1990s have been Milne Bay (from the Misima mine), Enga (from the Porgera mine), and Southern Highlands (the Iagifu oilfield). New Ireland (Lihir mine) is also likely to be a major royalty recipient by the mid-1990s. A problem with royalties – as with new grants payable to mineral-and-oil-producing provinces (see below) – is that in the absence of the AUGs, they leave the majority of provinces which are without either royalty revenue or significant internal revenue sources with little prospect of being able to match the development levels of the relatively wealthy minority. In the long term, growing inequality of development levels is likely to place considerable strain on not only the provincial government system but the nation as a whole.

Little needs to be said about the final category of transfer, conditional grants. They are payable by the national government in respect of purposes agreed between the national government and provincial governments, and as the name implies must be spent on the agreed purpose. Most such grants to date have been allocated in the form of NPEP and PIP project funding, which has not been a major source of revenue save in the few provinces where large integrated rural development programs have been funded under the Less Developed Areas Program of the NPEP or PIP (namely East Sepik, Southern Highlands, Enga and Milne Bay). One other small conditional grant is paid regularly in respect of town sanitary services in rural centres.

Equally, little needs to be said about the payment of salaries of assigned public servants. In fact, no payment is actually received by provincial governments; rather, each fiscal year the estimated cost is deducted from the base amount of the MUG and the salaries then paid by the national government. Nevertheless, as the money involved is devoted to the costs of carrying out provincial government activities, it must be included in the total funding package.

The third major revenue category, internal revenue, provides provincial governments with discretionary funding. The OLPG provides provinces with several exclusive taxation powers, the most significant being retail sales tax, land tax and liquor-licensing fees. These taxes tend to favour the few provinces with relatively high levels of economic development, namely Morobe, East New Britain,
Table 3.3: Total Funding of Provincial Government Activities by Source 1988 (K’000)

<table>
<thead>
<tr>
<th>Province</th>
<th>271-290</th>
<th>271-290</th>
<th>Other</th>
<th>MUG Services</th>
<th>271-290</th>
<th>Health</th>
<th>271-290</th>
<th>Secretariat Salaries</th>
<th>Derivatives Grant</th>
<th>Tobacco Tax</th>
<th>Timber Royalties</th>
<th>Mining Royalties</th>
<th>Maker</th>
<th>Revenue</th>
<th>Motor</th>
<th>Town Services</th>
<th>Diff’nt Grant</th>
<th>Air/ Mariner</th>
<th>PS and TSC</th>
<th>Internally Raised</th>
<th>Total Funding</th>
</tr>
</thead>
<tbody>
<tr>
<td>Western</td>
<td>1,246,700</td>
<td>1,809,400</td>
<td>1,262,000</td>
<td>2,544,800</td>
<td>76,300</td>
<td>32,300</td>
<td>12,900</td>
<td>87,500</td>
<td>5,000,000</td>
<td>20,000</td>
<td>24,000</td>
<td>5,879,000</td>
<td>362,000</td>
<td>18,356,900</td>
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<tr>
<td>Gulf</td>
<td>1,665,900</td>
<td>568,000</td>
<td>969,100</td>
<td>262,200</td>
<td>76,300</td>
<td>80,200</td>
<td>37,500</td>
<td>621,300</td>
<td>30,000</td>
<td>4,016,200</td>
<td>427,320</td>
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<td>Central</td>
<td>2,093,600</td>
<td>839,400</td>
<td>479,200</td>
<td>846,600</td>
<td>76,300</td>
<td>87,200</td>
<td>100,500</td>
<td>162,600</td>
<td>21,000</td>
<td>6,759,500</td>
<td>1,172,810</td>
<td>12,634,710</td>
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<tr>
<td>Milne Bay</td>
<td>1,707,000</td>
<td>1,684,300</td>
<td>1,255,300</td>
<td>526,700</td>
<td>76,300</td>
<td>51,500</td>
<td>137,500</td>
<td>52,000</td>
<td>5,911,600</td>
<td>587,900</td>
<td>12,042,000</td>
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<tr>
<td>Oro</td>
<td>1,087,900</td>
<td>616,500</td>
<td>1,106,200</td>
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<td>76,300</td>
<td>852,200</td>
<td>45,800</td>
<td>112,500</td>
<td>81,000</td>
<td>4,304,100</td>
<td>917,100</td>
<td>8,699,000</td>
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<tr>
<td>S.Highlands</td>
<td>4,492,300</td>
<td>1,599,200</td>
<td>1,784,000</td>
<td>826,500</td>
<td>76,300</td>
<td>21,300</td>
<td>12,500</td>
<td>6,000</td>
<td>8,305,000</td>
<td>275,000</td>
<td>17,408,100</td>
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<tr>
<td>Enga</td>
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<td>757,500</td>
<td>1,399,300</td>
<td>76,300</td>
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<td>5,000</td>
<td>6,164,200</td>
<td>475,500</td>
<td>14,249,890</td>
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<td>9.4</td>
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<td>0.3</td>
<td>0.5</td>
<td>0.3</td>
<td>42.8</td>
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Source: Axline (1988: Table 10)

Note: In the 11 provinces without FFR, all salaries, and in the provinces with FFR, some salaries were allocated through divisions 271 to 290. (In the provinces with FFR, the majority of salaries were allocated through Division 298). For the sake of clarity, they have all been shown together, but separate from divisions 271 to 290, in this table.
Eastern Highlands, Western Highlands and – until the secessionist crisis closed the Panguna mine – North Solomons. There are many complex issues involved in provincial taxation but it is beyond the scope of this chapter to address them.

Revenue from investments is also available, and the main area of investment has been ‘development corporations’ established by all provinces. Some were originally set up by area authorities or interim provincial governments, but all followed suit when the 1978 national budget provided a grant and a K100,000 interest-free loan for establishment of such bodies. Their general aims were derived from early 1970s visions of Papua New Guinea-owned companies competing with and even buying back economic activity from Australian investors. With unclear aims, poor management and excessive political interference in management limiting most of them, very few have been profitable and a few have been financially disastrous. The history of many of these bodies is dealt with in subsequent chapters.

The first of the financial arrangements made outside the OLPG are the arrangements for ‘full financial responsibility’ (FFR), established with effect from 1979 by the Department of Finance with the agreement of the 1978 meeting of the national Premier’s Council Conference. Under the FFR arrangements the national government need not pay the MUG to provincial governments that the national ministers for Finance and for Provincial Affairs do not regard as meeting the criteria necessary to achieve FFR status. The eleven provinces without FFR receive the MUG only in respect of the capital works functions. All the other transferred functions – education, health and so on – are instead funded by the national government directly, through divisions 271 to 290 of the national budget (budget divisions – one per province – utilised primarily for allocation of funding for provincial government activities other than via the transfers provided for in the OLPG). The amounts allocated under the FFR arrangements are determined by the national government but are never actually paid to the provincial government. The arrangements are probably contrary to the OLPG in that activities which have been transferred to a provincial government are not being funded by the MUG, as is clearly required by Schedule 1 of that law (Regan 1988). Introduced because of the Department of Finance’s concern that during the period when provincial governments were being established some governments did not have the fiscal management capacity needed to control grant funds, the FFR arrangements have operated for thirteen years, with only eight of the nineteen provinces achieving FFR status. The provinces without FFR tend not to seek it largely because their activities are funded at a considerably higher level than they would under the MUG.

FFR has a range of consequences not anticipated at the time the arrangements were agreed to by the provinces. In particular, they enable the Department of Finance to keep closer control of provincial government funding than the OLPG

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1 The criteria were adopted by a resolution of the 1978 Premiers’ Council conference, and those that remain relevant in the 1990s include the passing of a provincial financial administration law and having an adequate budgetary capacity, accounting system and financial management staff.
envisaged and help provincial bureaucrats maintain some independence from the political control of provincial government. But they also cause practical problems for the provinces concerned. For one, the eleven provinces without FFR must maintain two sets of accounts: one for funds appropriated under the provincial budget and one for the activities funded under FFR. For another, they discourage provincial politicians from taking an interest in the transferred activities funded under the FFR arrangements; they tend instead to concentrate on the funds allocated through the provincial budget, and so do not take an overall view of activities in the province as a whole (ibid.).

The second set of extralegal arrangements operates with similar effect to those of FFR. As already noted, under FFR, funds for the majority of transferred activities in the eleven provinces concerned are paid through divisions 271 to 290 of the national budget. In addition to being vehicles for funding most transferred activities in the provinces without FFR, they provide the funding for several other activities carried out by all provincial governments, both with and without FFR status. These include provincial hospitals, rural power houses, and a few other functions. There is little advantage in the arrangements, particularly for the eight provincial governments with FFR, for as a result they also have to maintain accounts separate from those for provincially-budgeted funds. From 1991, with East New Britain and Madang as the test provinces, moves were being made to terminate these arrangements in the provinces with FFR; the funds will be paid direct to the provincial governments as conditional grants instead of being retained in the national budgetary system.

The final new category of funding was introduced in the 1990 budget. It involves special funding arrangements for provincial governments whose provinces host major mining or petroleum projects. As part of a resource development policy initiative announced in 1988, the national government is seeking to placate local interests most affected by such projects by increasing the spread of benefits to both landowners directly affected and to provincial governments. Interlocking agreements are signed between the national government, provincial government and landowner organisations, imposing a number of financial obligations on the national government: to pay a new grant – the ‘special support grant’ – to the provincial government at the rate of 1 per cent of the export value of mineral or petroleum products; to make available to the provincial government and landowners an option to purchase part of the national government equity in the project; and to pay for a range of infrastructure projects for provincial government and landowners. As noted, these new arrangements are likely to contribute to growing inequality – and consequential tension – between provincial governments, with those already receiving substantial royalties set to receive still higher levels of revenue.

The most recent fiscal year in respect of which funding from all sources has been collated and analysed is 1988. Table 3.3 shows the amount received by each provincial government from each source in that year. It will be seen that the various sources vary in importance from province to province. Table 3.4 groups the many sources of funding into the four most significant categories, namely
<table>
<thead>
<tr>
<th>Province</th>
<th>Transfers from nat. govt(^a) (K)</th>
<th>Transfers as % of Total</th>
<th>Division 271-290(^b) (K)</th>
<th>Division 271-290 as % of Total</th>
<th>PSC and TSC Salaries(^c) (K)</th>
<th>Salaries as % of Total</th>
<th>Internally Raised(^d) (K)</th>
<th>Internal Revenue as % of Total</th>
<th>Total (K)</th>
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<td>12,634,710</td>
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<td>44.6</td>
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<td>14,376,800</td>
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<td>2,531,500</td>
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<td>5,993,500</td>
<td>26.3</td>
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<td>120,500,300</td>
<td>42.8</td>
<td>32,315,395</td>
<td>11.5</td>
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</table>

Source: Ghai and Regan (1992: Table 7.2)

(a) The total in column 1 comprises the combined totals of columns 1, 5, 6, 7, 8, 9, 10, 11, 12 13 and 14 from Table 3.3.
(b) The total in column 2 comprises the combined totals of columns 2, 3 and 4 from Table 3.3.
(c) The total in column 3 is the total from column 15 of Table 3.3.
(d) The total in column 4 is the total from column 16 of Table 3.3.
transfers, funding under divisions 271 to 290, public service and teaching-service salaries, and internal revenue, and shows the percentage contribution of each category to the total funding for each provincial government. Again there are marked variations, particularly in the importance of internal revenue, which ranges from a high of almost 23 per cent in the case of North Solomons to a low of less than 2 per cent in the case of Southern Highlands.

Finally, returning to the question of provincial government control of funding, Table 3.5 groups the sources of funding into those under provincial government budgetary control – namely transfers and internal revenue – and those under national government budgetary control – divisions 271 to 290 and salaries. (It is arguable that part of the latter is subject to a degree of provincial control in that the eight provinces with FFR have indirect but nevertheless real control over the public service and teaching-service salaries, in the sense that their decisions about the number of assigned public servants and teachers they use will result in changes in the level of MUG they receive.) While there is considerable variation among the provinces, the general picture is of small percentages under provincial budgetary control; only one provincial government – North Solomons – had more than 50 per cent of its revenue under its own control, and all but five had less than 40 per cent under their own control. These figures indicate the extent to which the national government has been able to avoid the intent of the OLPG and has instead been able to maintain fiscal control of activities ostensibly carried out by provincial governments. The limited funding under their own control is an additional factor limiting the ability of most provincial governments to learn to effectively plan and coordinate their activities.

**Intergovernmental relations**

The OLPG recognises that the vesting of significant powers and resources in the provinces is likely to create situations where tensions arise not only between the national government and particular provincial governments and provincial governments as a group, but also among provincial governments. Some aspects of the ways in which powers are divided are themselves likely to contribute to tensions – for example, the very flexible division of legislative powers which ultimately relies upon the political strength of provincial governments to determine the extent of provincial powers. Accordingly, the law provides for a range of institutions and procedures for dealing with intergovernmental relations. Two institutions were specifically created for the purpose, while existing institutions have been vested with additional roles. But rather than rely on institutions to resolve disputes and problems when they arise the emphasis is upon involving governments in ongoing consultative relationships with the aim of lessening the likelihood of serious disputes developing.

The OLPG requires consultation between governments on a range of matters where friction might be expected to develop, including important aspects of the exercise of legislative power by either level of government (sections 30 and 31), the disallowance of provincial laws by the national government (section 35), and
The operation of the provincial government system

Table 3.5: Proportions of Funding of Provincial Activities, 1988, over which Provincial Governments and National Government Have Budgetary Control

<table>
<thead>
<tr>
<th>Province</th>
<th>Funds under Provincial control</th>
<th>Percentage of total</th>
<th>Funds under National control</th>
<th>Percentage of total</th>
<th>Total (K)</th>
</tr>
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<tbody>
<tr>
<td>Western</td>
<td>6,861,700</td>
<td>37</td>
<td>11,495,200</td>
<td>63</td>
<td>18,356,900</td>
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<td>34</td>
<td>5,815,500</td>
<td>66</td>
<td>8,754,020</td>
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<tr>
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<td>39</td>
<td>8,920,700</td>
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<td>9,377,700</td>
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<td>28</td>
<td>12,524,700</td>
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<td>17,408,100</td>
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</tr>
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<td>44</td>
<td>11,796,900</td>
<td>56</td>
<td>20,932,400</td>
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<td>Simbu</td>
<td>5,850,800</td>
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<td>12,805,900</td>
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<td>12,307,700</td>
<td>71</td>
<td>17,254,700</td>
</tr>
<tr>
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<td>36</td>
<td>3,814,600</td>
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<td>New Ireland</td>
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<tr>
<td>E. New Britain</td>
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<td>10,867,200</td>
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<td>16,230,800</td>
</tr>
<tr>
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<td>37</td>
<td>6,667,400</td>
<td>63</td>
<td>10,506,825</td>
</tr>
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<td>N. Solomons</td>
<td>14,271,700</td>
<td>63</td>
<td>8,525,000</td>
<td>37</td>
<td>22,796,700</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>102,920,095</strong></td>
<td><strong>37</strong></td>
<td><strong>178,867,200</strong></td>
<td><strong>63</strong></td>
<td><strong>281,787,295</strong></td>
</tr>
</tbody>
</table>

Source: Ghai and Regan (1992: Table 7.3)

(a) Funds under provincial control are appropriated under the provincial budget, and so allocated at the discretion of the provincial government.

(b) Funds under national control are appropriated under the national budget, and do not pass through provincial accounts. In general, their allocation is controlled by the national government, though provinces with full financial responsibility do have a measure of control in relation to salaries, in that decisions to increase or decrease staff numbers result in an inverse change in the salary deductions from the base amount of the MUG in the following fiscal year.

any major investment in a province (section 85). The explicit emphasis on non-judicial settlement of disputes and provision of other avenues for dispute settlement is part of the same approach.

The new institutions were the Premiers Council and the National Fiscal Commission, both of which were required by the constitution and provided for in the OLPG. The former is made up of the premiers of all provinces together with
the prime minister and the national ministers for Finance and Provincial Affairs. It is required to meet at least once a year to consider provincial finances and legislative powers as well as other intergovernmental matters. Its primary responsibility is ‘avoiding legal proceedings between governments by providing a forum for the non-judicial settlement of intergovernmental disputes’ (OLPG section 84). In practice, the Council has seldom met more than once a year and has been able to do little either to resolve intergovernmental problems or to avoid legal proceedings between governments. Indeed, resort by provincial governments to the courts has become more common from the mid-1980s as the provinces have found the national government harder to deal with. The council has, however, served useful purposes. It has assisted the provincial governments to cooperate in putting combined positions to the national government, on occasion forcing the national government to take provincial governments into account in policy matters relevant to the provincial government system as such and on other policy issues. For example, from the late 1980s working groups of the Premiers Council have played important roles in national government policy formulation on mineral and petroleum development and forestry.

The OLPG gives no guidance as to how a large body such as the Premiers’ Council should discharge a dispute settlement role, and it has not really attempted to do so. Its only direct contribution to dispute procedures provided under the Provincial Governments (Mediation and Arbitration Procedures) Act c382 is the appointment of a panel of arbitrators. The procedures have not been of any assistance in resolving the only major dispute referred under it – a 1988 reference by the Manus provincial government concerning exploitation of its forestry resources – mainly because both the national minister for Forests and his department refused to take part in the process (Taylor 1991, 1992).

The National Fiscal Commission was intended to be an independent, expert body with three main roles. In addition to advice to the national government on the allocation of additional unconditional grants (see above), it has advisory roles in relation both to resolving problems about provincial taxes allegedly discriminatory or excessive in rates, and to other provincial government fiscal problems referred to it. Since the discontinuance of additional unconditional grants in 1985, the National Fiscal Commission has become moribund; its other roles have been invoked only once each and in both cases it has had little or no constructive role in resolving the problems concerned (Ghai and Regan 1992).

Existing institutions vested with roles in this area include the National Parliament and the courts. The former is intended to be ultimate arbiter of some matters (such as whether provincial laws should be disallowed ‘in the public interest’ (OLPG section 37); whether a provincial tax should be disallowed or modified as discriminatory or excessive; or whether the provisional suspension of a provincial government by the National Executive Council should be confirmed). The assumption seems to have been that the parliament might balance potential excesses of the National Executive Council, a view that did not take account of the rapid growth of antipathy towards the provinces by backbench members of parliament, as discussed in Chapter 4. Apart from being critical of some decisions
on provisional suspensions of provincial governments, the record of the parliament has been largely antipathetic to provincial government.

The CPC was against any significant role for the courts in intergovernmental relations, hoping to avoid the excessive legalism which has bedevilled some federal systems. The specific mention of non-judicial dispute settlement in relation to the roles of the Premiers’ Council, the provision in the OLPG for several matters to be ‘non-justiceable’ (for example, sections 28(2), 29(2) and 31(5)), and provisions of the Mediation and Arbitration Procedures Act preventing recourse to the courts in relation to most disputes, reflect this view. However, provincial governments are one of the class of bodies listed in section 19 of the national constitution that can seek advisory opinions from the courts on constitutional questions. As the OLPG is a constitutional law, provinces can often get rulings on problems by framing them in terms of questions about the relevant provision of that law. In this way provincial governments have been able to obtain favourable rulings on a range of important issues from a court that at times seems to be almost the only constitutional institution attempting to ensure that the intentions of the constitution are met.

Suspension of provincial governments

In addition to the provisions on disallowance of provincial laws by the National Parliament, it is the provisions for suspension of provincial governments contained in the constitution and OLPG which most emphatically assert the unitary nature of the provincial government system. In their original form, the suspension provisions contained various procedural safeguards designed to protect provincial governments from precipitate or politically-motivated action by the national executive. The two laws were amended in 1983, removing or modifying almost all the safeguards, a step which shifted the balance in the decentralised system heavily towards the national government. In fact, the modified suspension provisions and the way they have been used since 1983 have moved the system closer to a local government than to a federal model. As can be seen from Table 3.6, as of early 1994, fourteen provincial governments have been suspended, the first (Enga) in 1984 and the latest (Madang and Enga again) early in 1993.

The original suspension provisions reflected the CPC’s concern that while the autonomy of the provinces should be secure, the national government had to protect the national interest, and therefore while the national government had to have a power of suspension it should be a ‘last resort’ power. For these reasons, the constitution was to clearly spell out the grounds for and the limits upon the use of the power. The CPC’s ideas were largely accepted and were incorporated into the constitution and OLPG as passed; suspension was to be effected only where there existed such grounds as widespread corruption, gross financial mismanagement or breakdown in administration, and the National Parliament could impose suspension only after receipt of a report from an independent commission.

From the late 1970s, although no attempt was made to use the suspension powers, successive national governments noted abuses by the new provincial
<table>
<thead>
<tr>
<th>Provincial government</th>
<th>Date of provisional suspension</th>
<th>Ground(s) for suspension</th>
<th>Date and process for resumption of provincial government</th>
</tr>
</thead>
<tbody>
<tr>
<td>Enga</td>
<td>1984</td>
<td>Gross financial mismanagement</td>
<td>1986 Lapsed; provincial general election 1994 Lapsed; members reinstated</td>
</tr>
<tr>
<td></td>
<td>1993</td>
<td>Gross financial mismanagement</td>
<td></td>
</tr>
<tr>
<td>Manus</td>
<td>1984</td>
<td>Gross financial mismanagement</td>
<td>1985 Lapsed; provincial general election</td>
</tr>
<tr>
<td>Simbu</td>
<td>1984</td>
<td>Gross financial mismanagement</td>
<td>1986 Lapsed; members reinstated</td>
</tr>
<tr>
<td>Western/Fly River</td>
<td>1985</td>
<td>Gross financial mismanagement</td>
<td>1987 Lapsed; provincial general election 1994 Lapsed; members reinstated</td>
</tr>
<tr>
<td></td>
<td>1992</td>
<td>Gross financial mismanagement</td>
<td>1994 Lapsed; members reinstated</td>
</tr>
<tr>
<td>Western Highlands</td>
<td>1987</td>
<td>Gross financial mismanagement</td>
<td>1987 Lapsed; members reinstated 1994 Court order; national govt control prior to provincial general election</td>
</tr>
<tr>
<td></td>
<td>1992</td>
<td>Financial and administrative irregularities</td>
<td>1994 Court order; national govt control prior to provincial general election</td>
</tr>
<tr>
<td>Central</td>
<td>1987</td>
<td>Gross financial mismanagement</td>
<td>1988 Lapsed; provincial general election</td>
</tr>
<tr>
<td>Province</td>
<td>Year</td>
<td>Reason for Suspension</td>
<td>Year</td>
</tr>
<tr>
<td>-------------------</td>
<td>-------</td>
<td>-------------------------------------</td>
<td>------------</td>
</tr>
<tr>
<td>Sandaun</td>
<td>1987</td>
<td>Gross financial mismanagement</td>
<td>1988</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>1989</td>
<td>Gross financial mismanagement and breakdown in administration</td>
<td>1991</td>
</tr>
<tr>
<td></td>
<td>1992</td>
<td>Gross financial mismanagement, political instability and breakdown in administration</td>
<td>1994</td>
</tr>
<tr>
<td>North Solomons</td>
<td>1990</td>
<td>Breakdown in administration</td>
<td></td>
</tr>
<tr>
<td>East Sepik</td>
<td>1991</td>
<td>Widespread maladministration and gross financial mismanagement**</td>
<td>1993</td>
</tr>
<tr>
<td>Gulf</td>
<td>1993</td>
<td>Widespread misappropriation, mismanagement, nepotism and favouritism</td>
<td>1994</td>
</tr>
<tr>
<td>Milne Bay</td>
<td>1992</td>
<td>Gross financial mismanagement</td>
<td>1994</td>
</tr>
<tr>
<td>Madang</td>
<td>1993</td>
<td>Gross financial mismanagement</td>
<td>1994</td>
</tr>
<tr>
<td>Southern Highlands</td>
<td>1992</td>
<td>Gross financial mismanagement</td>
<td>1994</td>
</tr>
</tbody>
</table>

* Suspension lapsed in August 1994
** Reasons for suspension not cited in official suspension order, but reported as being ‘widespread maladministration and gross financial mismanagement’.
governments and complained about the unwieldiness of the suspension procedures. In 1979, the then Minister for Decentralisation, Fr. Momis, moved for changes to enable the National Executive Council to move independently of parliament to impose a suspension that would subsequently be reviewed by parliament. It was not until 1983 that amendments along the lines Momis had proposed were passed. They provide for a two-stage suspension procedure. The National Executive Council can ‘provisionally’ suspend a provincial government if it receives a recommendation from the minister responsible for provincial governments based on the minister’s belief that one of the grounds for suspension exists and if it believes that only suspension can remedy the problem. The second stage involves confirmation of the suspension by the parliament, and can only occur when a permanent parliamentary committee has reported on the reasons for the provisional suspension. If parliament does not confirm it, the provisional suspension lapses. The parliamentary investigation and confirmation is intended to provide a safeguard for the provinces against unjustified action by the National Executive Council, but except where opposition-dominated committees have sought to use the processes to embarrass the government of the day, there has been limited scrutiny from a parliament where the backbench is essentially opposed to the provincial government system.

To some degree, the distinction between provisional and confirmed suspension is specious, for in both cases the elected members of the provincial government cease to have any legal powers, all legislative and executive power of the provincial government being vested in the National Executive Council. Further, the permissible period of a suspension makes no distinction; the initial period – before renewal by parliament is required – is nine months, inclusive of provisional and confirmed periods of suspension. Parliament can renew a suspension, provisional or confirmed, for six months at a time.

The history of the use the national government of its suspension powers is summarised in Table 3.6. The main ground for suspension has been ‘mismanagement of the financial affairs of the province’, being the sole ground in most cases. Only in North Solomons, where suspension was due to the breakdown of administration caused by the 1990 secessionist crisis, was financial management not a factor. Even in Morobe it was one among other grounds in the suspensions of both 1989 and 1992. There is little doubt that the complaints of financial mismanagement have generally been justified; such complaints would probably have been equally valid in respect of most provinces at various times.

On the other hand, it has not always been clear that the reasons given have in fact been the true motivation for suspension. The vesting of initial suspension power in the National Executive Council has largely removed the suspension process from public scrutiny and left it open to abuse. There is some evidence of political factors influencing suspension decisions in several cases, including those of Enga, Manus, Western Highlands, East Sepik, Southern Highlands, and Milne Bay. There is little room for redress by the provincial government where political motivation is evident. In October 1992, following the suspension of the Fly River (Western), Milne Bay, Southern Highlands and Morobe provinces, an
application was made to the national court by the Fly River provincial government seeking an injunction to restrain the national government from suspending the provincial government. This application was rejected but twelve months later the national court ordered the immediate reinstatement of the Milne Bay provincial government when the national government failed to contest a case against suspension initiated by the Milne Bay provincial government and after the Parliamentary Committee on Provincial Government Suspension had recommended reinstatement of the provincial government. The national government subsequently lost an appeal against this decision in the Supreme Court. (See Post-Courier 19 October, 1 December 1993.) More importantly, there is little evidence that suspension has been used either as a measure of last resort or as an opportunity for systematically dealing with the problems that gave rise to the suspension. Indeed, in several of its reports, the Permanent Parliamentary Committee on Provincial Government Suspensions has criticised the national government for failing to try lesser remedies before resorting to suspension. While national government investigations during suspensions have resulted in a number of prosecutions of individuals who have been involved in wrongdoing – provincial government politicians (including serving and former premiers) and public servants – very little systematic effort has been made to improve systems or expertise with a view to lessening the likelihood of future problems (Ghai and Regan 1992).

Reviews of the system

Reviews of the system can be considered under two main headings: the formal review provision contained in the national constitution, and various ‘expert’ reviews of problems in the system, especially the fiscal arrangements in the OLPG, made since 1978. (The reviews attempted by committees of national parliament in the 1985–93 period are discussed in the next chapter.)

Aware both of the impossibility of providing for ‘all contingencies’ in its recommendations and of the fact that implementation of the system would reveal ‘problems and possibilities’ not foreseen by it, the CPC wished to avoid rigidity in the system, particularly early on. It thus recommended provision for a comprehensive review of the system three years after it was established (when the system would be ‘properly “run in”’ but before its apparent shortcomings have either undermined the support that the system enjoys or become too deeply entrenched’ (CPC 1974:10/28/243). The review body, to be appointed by the Premiers Council, was to examine all aspects of the system, paying particular attention to distribution of powers and finances and sources of intergovernmental conflict, and its report was to be tabled in the National Parliament.

The constitution provides for a review body; section 262(1) enables a subsequent act of parliament to establish a commission ‘the primary function of which shall be to investigate the workings of the system of provincial government’. No such body has ever been established. Rather, there has been a series of official reviews of the workings of various aspects of the system (particularly the financial arrangements), a broad survey by the General Constitutional Commission, and
rather hostile investigations by two separate select committees of the National Parliament. Little needs to be said here about the latter investigations (see Chapter 4). The other reviews require some comment because, despite a frequently high degree of agreement on essentially uncontroversial problems in the system, no major change has yet resulted.

There were several investigations of problems with the system in 1978-1979, including studies by one of the architects of the system, legal adviser to the Bougainville leaders in 1976, Yash Ghai. But by that time several of the key officials generally sympathetic to decentralisation and involved in implementing it had already moved on, and there was no action. There has been remarkably little action, either, in relation to the well-known problems with the fiscal arrangements. Review of the fiscal arrangements was initiated in 1980 by officials from the Department of Finance who had become aware of major shortcomings (for example, in the MUG formulation). The 1980 Premiers Council Conference supported a proposed review and a joint national-provincial committee was established which was assisted by two consultants’ reports (Chelliah 1981; May 1981). It reported in 1982; dissatisfaction with the report at the 1983 Premiers Council conference resulted in the establishment of a specialised committee which reported in April 1984. A special Premiers Council conference in July 1984 resolved most matters of contention about the recommendations made, but nothing was done to implement them until 1988 when a joint national-provincial committee of officials prepared drafting instructions based on the 1984 report as well as seeking to solve other problems which had emerged since then (Axline 1993a, 1993b). This effort led to the drafting of amendments to the OLPG published in the National Gazette in November 1989 and introduced into the National Parliament in July 1990. As noted above, they had not been debated by the time of the dissolution of parliament for the 1992 national elections, and consequently lapsed. Thus thirteen years of reviews have produced no significant change to the law (though there have, of course, been informal changes wrought by the national government, such as modification of the MUG through the FFR arrangements and the effective abolition of the National Fiscal Commission).

The complex reasons for this situation will become clearer in the discussion of the politics of the provincial government system in the next chapter. But at this stage the point can be made that the outcome has much to do with the low priority which the provincial government system has with both officials and ministers at the national level, as well as the generally hostile attitude of the parliament as a whole. While able – so far – to successfully block moves to abolish the system, provincial governments as a group do not have the political muscle to set the reform agenda.

Conclusions

The extent to which the aims of the provincial government system as a whole, and of particular aspects of the arrangements that help make up the system, have been met is perhaps best assessed from the case studies that follow. Nevertheless,
some general comments can be made, particularly in the light of the key assumptions underlying the arrangements, identified at the beginning of this chapter.

Reconciling the principles of local autonomy and maintenance of a unitary state involved some difficult compromises during the negotiation of the Bougainville Agreement, so the provincial government system as provided for in the constitutional laws is difficult to classify in terms of commonly accepted categories such as federal or unitary states. What has emerged after nearly a decade and a half is not quite what might have been anticipated in 1976 (cf. May 1982e). Certainly, the balance has shifted more towards the unitary state, particularly because of the greater national control achieved through extralegal measures such as FFR and the method used for transfer of activities as well as the 1983 amendments to the constitutional laws in respect of suspension of provincial governments.

Nevertheless, when compared to the centralised state of the pre-independence era, the achievements in terms of local autonomy are immense. Nineteen local centres of power have been created, and powers and resources have been wrested away from the centre to enable the new bodies to deal with local priorities. If there is not as much local autonomy as was anticipated, it is in large part due to the provincial governments as a group having far less political strength than the system assumed they would have. After all, much about the powers and roles of provincial governments was deliberately left vague, the aim being that political processes – where the outcomes would depend on the political strength the provincial governments could muster – would resolve such matters. The reasons for the provincial governments being a weaker political force than was anticipated are considered in the next chapter.

It must also be noted that the greater-than-anticipated powers of control at the centre are by no means entirely unjustified. The performance of many provincial governments has, at different times, left much to be desired, so that there has often been good reason for maintaining some control. The greater problem has been that poor performance has prompted limited remedial effort, but rather has been the excuse for shifting the balance of power back towards the centre.

As to flexibility, its concomitant was complexity in the legal arrangements. More importantly, it was in the interests of flexibility that many aspects of the arrangements in the OLPG were not expressed in mandatory terms. In the absence of strong political pressures towards decentralisation, much could be ignored, as happened with certain aspects of the fiscal arrangements and those for the division of legislative powers. Uncertainty about powers, limited resources and other problems due in part to the deliberately flexible nature of the constitutional arrangements, have restricted the capacity of provincial governments to take strong and autonomous action.
Politics is a phenomenon found in and between all groups, institutions and societies, involving all spheres of human endeavour, public and private. It is manifested in the activities of cooperation, negotiation and struggle over the use, production and distribution of resources. It is an element of all human life: an inescapable dimension of the production and reproduction of society. Accordingly, politics is about power; about the forces which influence and reflect its distribution and use; and about the effect of this on resource use and distribution. (Held 1989:247)

The discussion in Chapter 2 provides some background to the intense political struggles involved in the establishment of the provincial government system in Papua New Guinea. Many of the actors involved in the establishment phase remained deeply involved in the discourse on provincial government after 1977. For example, elements of the bureaucracy that had opposed provincial government were able to limit the extent to which the original aims were met, often by modifying the way in which institutions and procedures were set up or operated, as outlined in Chapter 3.

As discussed in Chapter 2, the CPC had highly political aims, hoping to unleash new political forces through the establishment of provincial governments. At the same time, the new forces were to have at their disposal a range of resources which were to be largely wrested from the national government. In practice, what was unleashed and the way it operated was not always what the highly idealistic CPC leaders had envisaged. John Momis, the CPC’s de facto chairman and minister responsible for provincial government in much of the period 1977-1992, might have been forgiven for feeling that he was attempting to control an uncooperative genie so optimistically released from the bottle in 1977.

It is in this context that the passage from David Held, quoted above, is relevant. Major political and institutional changes accompanied by redistribution of significant amounts of fiscal and personnel resources, as were involved in the establishment of provincial government, present opportunities to many groups. Reforms intended to achieve particular purposes may be used in unexpected ways and so result in outcomes quite different to the expectations of the reformers.
The ingenuity of people in seizing opportunities and using them to their advantage in unanticipated ways cannot be underestimated.

The politics of the provincial government system as a whole is examined principally by reference to the main political actors. The discussion centres on the groups which have played major roles in shaping – not necessarily intentionally – or attempting to shape the system and the directions in which it has developed. While the identity of and roles played by the main actors in the originating phase, from 1972 to 1977, were touched on in Chapter 2, this chapter focuses on the part played by those and other groups in what can be treated as three distinct periods: the establishment phase, 1972 to 1977; implementation and consolidation phase, from 1977 to 1982; and the period of stalemate, from 1982 to the present.

To paraphrase David Held, the focus is on the forces which influence and reflect the distribution and use of power and the effect of this on resource use and distribution – in the simplest terms, on who won and who lost power (Held 1989:247). Reality, however, is often complex; groups that initially appear to lose, but which make the best of their position by being flexible enough to win back some of what was lost, may not lose in the long run, or will at least lose far less than those who accept their loss. Thus in the process of implementation of provincial government in Papua New Guinea, some elements of the bureaucracy that opposed decentralisation may have lost power to the provinces but nevertheless found ways of reasserting themselves, often outside the law but most effectively all the same. Moreover, the roles played by particular groups interested in the system have not always been consistent. In fact, as the following discussion shows, groups may change positions and mode of action in a quite marked fashion.

Some of the subjects discussed here have been dealt with in more detail elsewhere (May 1982e; Axline 1986; Regan 1988; and Ghai and Regan 1992). This chapter therefore provides only a selective and brief account of certain aspects of the dynamics of the system to facilitate an understanding of the operation and politics of particular provincial governments.

**The originating phase, 1972 to 1977**

Among the more important of the major actors involved in the period when the provincial government system was being established were: a range of interest groups within the national government; the leaders of the Bougainvillean and Tolai populations; the CPC; and members of various emerging elite groups in the districts/provinces.

The national government did not, of course, operate as a monolithic force; there was a range of groups within both the political and bureaucratic arms of government with quite distinct and sometimes changing interests in the provincial government question. As discussed in Chapter 2, while the Somare ministry, riding a wave of nationalist fervour, was initially supportive, it quickly became ambivalent, not just about what was seen as the radical CPC proposals, but about the whole concept of decentralisation. In part the change was due to the influence of key bureaucrats and in part to the reaction of people who once having got
used to the power of ministerial office were no longer as interested in losing part of that power to new political entities as they had been when they were idealistic outsiders first acceding to office.

The backbench of the National Parliament was ambivalent throughout most of the establishment phase. Few – if any – then foresaw the loss of status for backbench members that was to flow from the establishment of provincial governments and the almost uniformly fierce anti-provincial-government position of the backbench from the early 1980s onwards. There was not a general position on the issue, as was to be the case once the Organic Law on Provincial Government (OLPG) had been in force for some time. During the establishment phase some opposed the system out of conservatism, while others were influenced by the bureaucracy. Some supported provincial government, some because of links with the CPC or its members, while others had come to power via roles in local government councils and retained links with the area authority leadership who saw much to be gained in provincial government. The issue became a matter of controversy in the House of Assembly following the tabling of the CPC’s Final Report in August 1974, but even then there was not a general backbench view, and positions on the issue did not follow party lines. The former CPC members, regrouped as the Nationalist Pressure Group, lobbied for provincial government while both ministers and opposition leaders tended to be against provincial government. Hence, once the ministry was forced, by Bougainville’s secession, to support provincial government there was little backbench opposition to the passing of the OLPG.

In key sectors of the bureaucracy, there was considerable antipathy to the whole idea of provincial government. As a colonial state, Papua New Guinea was an administrative state, with political control and accountability centred in remote Canberra. Impending independence and consequential unpredictable political control from Port Moresby was sufficient cause for concern without creating new and – given the radical image of Bougainville and Tolai politics – even more unpredictable centres of political control of the bureaucracy. But some had more to fear than others. The key coordinating agencies, such as the Department of Finance, and the Public Services Commission and the new National Planning Office stood to lose control of a large part of the resources that gave them such power. The main agencies carrying out field extension work and whose activities were likely to be decentralised to local control stood to lose their complete identity (in the case of the District Administration officers, or *kiaps*) or control of a major part of their responsibilities (as with the departments responsible for education, health and agricultural extension work). While some peripatetic field officers welcomed the changes as likely to give them more autonomy, influence and power, a majority of senior officers in these organisations took strong stands against provincial government, some playing major roles in convincing key members of the Somare ministry of the practical and political dangers of decentralisation in general, but more particularly, of the ‘radical’ version put forward by the CPC.

Brief mention is required of the role played during this period by provincial governments themselves. The demands for autonomy from Bougainville and the
Gazelle had much impact on the provincial government debate, in placing decentralisation on the national agenda; in convincing the CPC that political mobilisation around provincial governments was possible; and – in the case of Bougainville – ultimately forcing the decentralisation issue through its secession (see Chapter 2). Bougainville and the Gazelle derived some support from pressure for provincial government elsewhere, the moves during 1975-1977 in districts such as Eastern Highlands and Gulf adding to the momentum towards decentralisation. But other than in the former areas, there was not the mass mobilisation around the new provincial governments that had been anticipated by the CPC, and the inability of the new governments to generate it in subsequent periods was to mean provincial governments as a group were to be a weaker political force than the CPC had assumed would be the case.

The CPC itself was, of course, an important actor during much of this period. Its support for provincial government was quite strong across its membership, save that the two ministers who almost never attended its meetings (Somare and Guise) initially disassociated themselves from the CPC report – and even tabled a dissenting minority report, though that was subsequently withdrawn. A problem for the CPC leadership – particularly Momis and Kaputin – was that they had no ready-made vehicle for pursuing the provincial government objective once the CPC finished its work. The Nationalist Pressure Group operated for a while but it was unable to maintain solidarity in the face of party and other pressures. Without a long-term vehicle, the CPC membership had ceased to be a distinct force by the time the constitution was adopted, and individuals such as Momis and Kaputin gradually became identified mostly with the other interest groups from which they had originated – in the cases of those two, the Bougainvillean and Tolai (Mataungan) leadership.

A final group of actors comprised members of emerging elite groups from or with links in particular districts/provinces, all of whom supported the introduction of provincial government, at least in part because of the new opportunities it would represent for them. They included big peasants and other rural businessmen, groups who tended to play a major role in local government councils (Morauta 1974:137; Finney 1973; Gerritsen 1981:15) and hence in the area authorities. Already striding the new arena of the area authorities, they could not fail to recognise the greater power and privileges likely to be open to them if provincial government was established. The leaders of local groups were not necessarily uniformly supportive of provincial government. As we have seen, there was little interest in the idea of provincial government in some provinces. But for obvious reasons, the leadership of all area authorities pushed for provincial governments to be established nevertheless.

There were also groups in some provinces which, while not necessarily opposed to the idea of provincial government as such, were opposed to belonging to the province which the existing district boundaries would place them in. These were generally minority groups from less developed, less populated, or ethnically distinct areas who, recognising that the new provincial governments would be significant arenas for resource allocation, anticipated that their area either would
attract more resources as a separate province, or might not be treated fairly by the dominant groups within the existing boundaries. In the establishment period, this was true of such areas as Kainantu in Eastern Highlands (Eastern Highlands Area Authority 1975:6), the Pomio area in East New Britain (see Chapter 14), and the Wahgi Valley in Western Highlands (Ballard 1977:120). Similar concerns have given rise to breakaway movements in later periods, as discussed below.

There were also young tertiary-educated people who had ‘been unable to find a niche in the public service or have chosen to remain closely attached to their home areas’ and who had worked closely with the local leadership of people’s movements (Barnett 1979:772). Momis and Kaputin had to some extent sprung from this group, as did some prominent provincial government figures in later periods, such as Utula Samana (premier of Morobe from 1980 to 1987, but provincial planner in the establishment period) and Pedi Anis (premier of New Ireland from 1987 to 1991, but also a provincial planner previously). They as well as other young educated people who returned home to work with area authorities and constituent assemblies often saw the possibility of important roles as advisers to the new governments.

Each of these groups, other than the CPC, was to have an important role to play in the subsequent history of the provincial government system.

Implementation and consolidation, 1977 to 1982

It was in the period from 1977 to 1982 that the long-term positions of the main actors interested in the politics of the provincial government system tended to be established. Hence this period is crucial to an understanding not only of the politics of the provincial government system but also of the closely linked issue of the way in which the institutional and other arrangements of the system were implemented and operated in practice. There were two main stages in the development of the provincial government system in this period: the first from 1977 to 1979, which mainly involved the implementation of the system provided for in the OLPG; the second from 1979 to 1982, which involved the consolidation of what had been carried out or begun in the implementation stage.

Implementation of provincial government involved complex administrative tasks for which there was very little guidance either in past experience in Papua New Guinea or in the OLPG. For example, a decision of the National Executive Council in January 1977 identified the activities of national government agencies that were to be transferred to provincial governments. As a result, mechanisms had to be urgently found to identify the staff and funds involved in carrying out the activities and then use the very broadly expressed staffing and fiscal provisions of the OLPG to transfer resources to each of the provincial governments as it was established. With no ready-made solutions to these and many other problems, there was plenty of opportunity for improvisation, manipulation and even sabotage. Even during the consolidation period (from 1979), the arrangements set up in the implementation stage had to be tested, adjusted and changed. While opportunities were less than in the first stage, there were still possibilities.
During most of the period from 1977 to 1982, the National Executive Council’s attitude to provincial government was largely one of acquiescence; the political necessity of holding Bougainville by agreeing to decentralisation was largely accepted by all save the odd maverick, such as Iambakey Okuk, deputy prime minister under Julius Chan from 1980 to 1982. Hence there was support for the implementation of the OLPG, and at times political pressure was applied when bureaucratic impasse seemed to be blocking the way. For example, then Public Services Commission Chairman Namaliu’s 1977 move to bring in consultants McKinsey and Co. to advise on the means of effecting transfers of activities and staff to the provinces was supported and their report implemented in full. But there was no great ideological commitment to the concept of decentralisation; it was simply a political necessity.

There was, however, a gradual change in attitude in the ministry during the consolidation period, with more open questioning of the need for provincial government. This change reflected a number of factors. Elapse of time reduced concern about Bougainville secession, and many members of the Chan-Okuk ministry which replaced the Somare government in a vote of no-confidence early in 1980 had either not been members of the National Parliament or had been in opposition when the Bougainville Agreement was negotiated and the OLPG passed, and so had not been as closely involved in the processes as members of the Somare ministry. Also, the backbench was feeling and complaining about loss of power and status because of provincial governments and was starting to pressure the national government for change (for example, the 1981 amendment to the OLPG making members of National Parliament non-voting members of provincial legislatures (see Chapter 3) started life as a private member’s bill which would have made members of parliament full voting members of the provincial bodies, thereby causing major difficulties in the operation of provincial constitutions and legislatures). Further, the well-publicised corruption and mismanagement in several provincial governments created a climate of public opinion more hostile to provincial government than had been the case. The scene was being set for a more overtly hostile stand after Somare’s Pangu Pati returned to power in the 1982 national elections.

While the backbench of parliament had been largely ambivalent in the period to 1977, it quickly became the source of the most fierce opposition to the system. This change had its genesis in the nature of parliamentary and party politics in Papua New Guinea. The absence of strong political parties has a number of consequences for the way the system operates. To be elected to parliament, a person must mobilise his or her own support, usually starting with his or her own clan and then seeking to exploit whatever links there are with neighbouring groups. There is a very high turnover of members in each election (approximately half) and so once elected it is vital to satisfy one’s own supporters and potential supporters from neighbouring areas that one is delivering ‘development’ in the form of roads, schools and other projects. Prior to the provincial government system, members were the main delegates for their electorates and could claim credit for all new government funding injected, whether or not they had had any real
role in developing the projects in question. With the establishment of provincial government, most new project funds were controlled by provincial governments, and members of parliament quickly found that there was very little happening in their electorates which someone else was not claiming credit for, and very little for which they alone could claim credit. Backbench members were the most affected, ministers having more access to discretionary funds. To make matters worse, backbench members found that members of provincial legislatures, and in particular provincial premiers, often had more standing in the provinces than members of the National Parliament, and certainly seemed to have access to more of the ‘perks’ of office. Simple jealousy became a factor, as did ever-greater political competition as some provincial premiers and ministers began to use provincial governments as springboards for moves into National Parliament in 1982, a development that was to become much more common in the 1987 national elections.

The growing opposition of the backbench was probably intensified in the consolidation period insofar as it was exploited by some ministers as part of their efforts to strengthen their prime ministerial or ministerial aspirations. The absence of strong political parties was a factor here, for it meant that members with prime ministerial aspirations had to buy support in the parliament by whatever means was available. Deputy Prime Minister Okuk was most adept at both fulminating against the evils of provincial government and using various means of diverting discretionary project funds to the control of members of parliament for use in their electorates. The best-known move of this kind was the diversion to the control of members of sectoral program funds for transport and other purposes, away from their stated purpose of allocation to small-scale projects administered by provincial governments in less-developed provinces. This was a matter referred by the provinces in 1981 as a dispute to be resolved by the National Fiscal Commission (an independent body established under the OLPG to deal with intergovernmental fiscal matters – see Chapter 3). While the commission’s report tended to favour the provincial government position, Okuk was unrepentant, largely because his stand enhanced his prime ministerial aspirations in the eyes of the backbench.

In the bureaucracy, a range of interest groups continued to take different positions on provincial government. As discussed above, a few sympathetic senior officials held key positions in the implementation phase, and were able to ensure that the basic tasks needed to establish the new governments were carried out. But they moved on quickly and were not in positions to influence the provincial government debate during the consolidation period, from 1979.

While the key coordinating agencies had always tended to oppose provincial government, once the system was established they had to adapt to it as best they could. It was clearly in their interests to ensure that provincial governments were not able to operate too independently, and accordingly they developed a range of mechanisms which effectively increased national government control of the provinces far beyond what had been anticipated in the negotiation of the OLPG. The discourse about these mechanisms was conducted largely in terms of the lack of administrative capacity in most provinces, and hence the need to maintain
various forms of national government control 'for the time being'. While concern at lack of capacity was certainly a factor, there is little doubt that keeping some control of personnel and financial resources was also a major concern both in the development of some mechanisms and in the long-term use of other mechanisms originally intended to be temporary.

The main mechanisms were discussed in Chapter 3, and so require only brief mention here. The Public Services Commission developed the departments of the provinces as the mechanism for organising staff assigned to the provinces; the Department of Finance developed the full financial responsibility arrangements for retaining control of funds which would otherwise have gone to the provinces as their major unconditional grant; the National Planning Office ensured that almost all 'new' funding (funding for other than costs of recurrent government expenditure) went through the National Public Expenditure Plan rather than to the provinces as additional unconditional grants; the initial method of transfer of control of activities from the national government (administrative transfers rather than the development of provincial laws) has never been reviewed, so that public servants carrying out provincial government activities are tied much more to national government agencies than was expected.

While the coordinating agencies were in a better position than others to reassert some control over provincial government resources, other national government agencies whose activities and staff were transferred to the provinces were able to maintain considerable control. In part this was possible because of the method of transfer of activities. Hence, the Department of Forests was able to maintain a remarkably high degree of control over most forestry staff transferred to the provinces because all functions they carried out were under national laws and required instructions from and reports to the national department. But it was also possible to maintain control in less formal ways. Bray (1984:96-98) points out a number of forces at work tending towards conformity in education services, despite their control having been decentralised. In addition to major legal controls remaining at the centre (for example, the national government determines almost all curriculum matters, inspection of school standards, pay levels of teachers and so on) other relevant factors are: the inherent conservatism of the education system, particularly in terms of the expectations of teachers and parents; the fact that the national Education Department runs numerous conferences and workshops for provincial staff 'which act as forums for coordination and harmonisation' (ibid.: 98); and continued mobility of education staff between provinces.

Some national government agencies continued to actively oppose provincial government despite the political directions to transfer staff and activities. Opposition took different forms, some subtle others more direct. An example of the more subtle approach was the Department of Primary Industry: along with other agencies, it was directed by the National Executive Council to transfer all its agricultural extension staff to the provinces as from 1978 other than those working on large national government projects (for example, oil palm estates); accordingly, it transferred control and cut the provincial staff loose, doing virtually nothing to support or train them; at the same time it built up the extension staff
working on national government projects to the point where, by 1986, there were more agriculture extension officers working for the national department than for all nineteen provincial governments (personal communication, R. Brew, Program Management Unit, Prime Minister’s Department, January 1987). An example of more direct opposition was the outright refusal by the Department of Health to transfer control of a range of activities and staff, despite having been directed to do so by the National Executive Council in 1977. Only change of senior personnel, considerable pressure from senior health officials in the provinces appalled at the inefficiency involved in continuing to answer to the disorganised national department, and fresh political direction from the National Executive Council in 1982, forced the transfers to take place, five years after they should have occurred. (See Thomason et al. 1991.)

A new element emerged in the bureaucracy in this period, namely the public servants working for the provincial governments. While there were growing links between senior bureaucrats at national and provincial level, their interests tended to be different, resulting in a sometimes ambivalent attitude towards provincial government by senior provincial staff. On the one hand they tended to be supportive of provincial government, largely because of the new opportunities it offered; most were at senior levels far earlier in their careers than would have been the case without provincial governments. In some cases they were also supportive because of what we might loosely call ideological reasons. Middle and quite senior-ranking public servants returned home in many provinces, hoping to assist their people through the new institutions. Some remained for many years, for example, Nason Paulias, the senior public servant in East New Britain from 1978 until his untimely death in May 1991 (he was appointed under section 50 of the OLPG, and while there was a provincial secretary he was called the ‘administrative secretary’; when the secretariat was amalgamated with the public service structures he became known as the provincial secretary - see Chapter 3). The young educated elite who had supported the push for provincial government initially held positions in the provincial secretariats but often moved into senior public service positions as the policy secretariats were discontinued. They tended to side with their political masters in any conflict with the national government, often complaining about the obstruction and opposition to provincial government experienced from national government agencies. On the other hand, senior provincial staff in some provinces were not used to the level of political interference in what they often regarded as public service matters that they experienced at the hands of provincial politicians. Hence they often saw little reason to push for changes to the mechanisms which increased control by national agencies, for the alternative would have been further increases in provincial political control.

While national government ministers were tending to become more anti-provincial-government and backbenchers more and more virulent in their opposition, political necessity was tying the provincial government system into national politics in a variety of ways. Of considerable importance was the fact that national political parties quickly recognised the advantages of controlling provincial governments. Not only were there possibilities for parties in opposition at the national
government to embarrass the national government through attacks from the provincial level, but control of a provincial government meant control of resources of considerable value in national election campaigns. With a growing tendency for national political parties to involve themselves in provincial government elections, the political links between the levels of government became ever more intertwined and complex. With the increasing movement of political figures between national government and provincial governments that developed from the 1982 national elections, this intermeshing was to complicate the picture for key figures in national governments who, while tending to oppose the provincial government system as a whole, often had close links with particular premiers or other key provincial politicians which tended to compromise their stand on provincial government.

While Bougainville and – to a lesser degree – East New Britain had been significant actors in the 1972-1977 period, it was during the post 1977 phase that the political roles of provincial governments became more complex. They became more important political actors, both as individuals, regional groups, and – on occasion – as a united group. But the strong popular mobilisation anticipated by the CPC was never really evident, save in North Solomons, where there continued to be intense popular support for local autonomy, and to a lesser extent in East New Britain and perhaps other Islands region provinces (see below). The absence of overt mobilisation did not mean that the general populace was opposed to their provincial governments; rather, they were not as deeply committed to local autonomy as had been anticipated. This was a factor of the very different experience of most provinces to that of Bougainville and the Gazelle (mobilisation there was largely a factor of opposition to a highly visible colonial state) and the indifferent performance of many of the new provincial governments, many dominated by selfish elements of the emerging local elite groups who in turn were not subject to the constraints that a mobilised public opinion imposed in North Solomons and East New Britain. Both the lack of mass mobilisation and the poor performance of some of them weakened the bargaining position of provincial governments as a group in their dealings with the national government. Nevertheless, they were not without some political strength.

As individual governments, North Solomons, East New Britain and Morobe, in particular, started to assert themselves against the national government in various ways by the early 1980s. North Solomons was initially the most outspoken, and in open conflict with the national government over numerous matters in the early years, perhaps the most significant being the renegotiation of the Bougainville Copper mining agreement in 1981-1982. From 1980, the new premier of Morobe, Utula Samana, became the most strident provincial critic of the national government, publicly opposing it on a range of development issues.

Individual provincial governments also made use of their own political contacts to advance their position with the national government in a variety of ways and on a variety of issues. In some cases, the members of parliament from a province had close and cordial relations with their provincial government, and worked to assist it at the national level. In some cases, too, provincial governments assisted
their MPs, even endorsing them or assisting them in other ways in the 1982 national election.

Regional groupings of the provincial governments (Islands, Papua, Highlands, and North Coast – or Momase, an acronym made up of the first two letters of Morobe, Madang and Sepik) developed from the basis of some previous common identity built upon by the practice followed from about 1979 of holding regional premiers meetings as a prelude to the annual Premiers Council conferences. Gradually, meetings were held more frequently (three or four times a year in the cases of the Islands and Highlands) and other forms of cooperation developed on issues affecting the provinces.

Despite a number of differences between individual provincial governments and between regions (for example, in the late 1970s there was tension between the Highlands and Islands provincial governments over repatriation of unemployed people from the highlands living in North Solomons and East New Britain), these tended to be overshadowed by the increasing differences between provinces as a group and the national government. As a result, all provincial governments tended to cooperate at Premiers Council conferences, where they tended to take a common stance on a range of problems they experienced in dealing with the national government. For example, at the 1981 Premiers Council conference, the premiers took a strong united stand against Deputy Prime Minister Okuk’s use of the transport sectoral program funds. The regional and national cooperation built in the period to 1982 laid the foundations for much greater cooperation in the period from 1982 onwards.

The emerging provincial elite groups who had supported provincial government in the establishment phase tended to remain enthusiastic supporters of the system. Those who had come to positions of high power without direct election were often reluctant to arrange the first provincial elections, but pressure from the national government and from local opinion (including other local bigmen wishing to have an opportunity to compete for provincial government power) eventually pushed all provincial governments to have their first election by the end of 1980 (see Chapter 2). While prominent local figures from most areas were supportive of the system and wanted to compete within the new arenas, leaders from a few areas continued to seek separation from existing provinces and provincial governments. As in the establishment phase, they were groups which for various reasons feared being treated unfairly in the provinces in which they found themselves. Several sought formal recognition of new provinces through amendments to the Organic Law on Provincial Boundaries. In addition to the breakaway groups already mentioned, the North Fly area of Western Province, the Jiwaka area of Western Highlands and the Anga area of the border between Central, Morobe and Gulf provinces have all produced separatist groups at different times, and there have been less strident separatist sentiments expressed in other areas as well, such as Maprik in East Sepik. The national government has consistently rejected such moves, and none of the breakaway movements has maintained much momentum beyond the consolidation period, except in the Pomio area of East New Britain and the North Fly area of Western Province.
The younger, educated people who had supported the introduction of provincial government in the establishment period tended either to be absorbed into the provincial governments or to move back to the national level during the 1977 to 1982 period. Initially, most took positions in the provincial secretariats. But, as described in Chapter 3, in most provinces the secretariats were gradually amalgamated into provincial public service structures, and many of the secretariat staff then became senior provincial public servants. Others such as Bernard Narokobi, planner in East Sepik, moved back to jobs in Port Moresby (Narokobi became an acting National Court judge, then a legal practitioner and finally entered the National Parliament in 1987). A few others moved on to become provincial politicians (Samana, planner in Morobe when the interim provincial government was operating in the late 1970s, became premier of the first elected Morobe provincial government in 1980 before entering the National Parliament in 1987; Sinai Brown, planner and provincial secretary in East New Britain during the first elected provincial government, entered the Provincial Assembly in 1981 and became premier in 1989).

With these changes, the young and educated element no longer comprised an identifiable group in the discourse on provincial government. In noting the role of this group in the push for provincial government, Barnett (1979:773-774) had predicted conflict between what he called the ‘intellectual critics’ and the emerging commercially-oriented ‘bigmen’ who tended to dominate the provincial legislatures. He saw the former as having links and sympathies with ‘the masses’ while the bigmen would tend to have their own interests at heart in the policies they favoured. In fact, the bigmen involved in many provincial governments have pursued their own interests in more direct ways, through what might most accurately be described as primitive accumulation. Until the late 1980s, provincial governments have had limited impact on commercial life; there has been very little policy development by the provinces let alone conflict over policy; and the ‘intellectual critics’ have tended to be revealed as differing very little from the bigmen in viewpoint, either in their roles as advisers or as politicians.

There can be little doubt that the biggest losers from the establishment of provincial government were the local government councils which lost resources, powers and status (see Chapter 3), all much resented by those council leaders without the option of moving into the provincial government arena. Attacks on provincial governments were sometimes fanned by failed aspirants to provincial government office as they sought to build stature for future elections. The councils which administered larger urban centres became particularly virulent opponents of provincial governments, for they tended to suffer a greater loss of revenue than other councils as provincial governments sought to exploit the revenue sources previously open to the councils, particularly land rates and taxes. They often became centres of strong opposition to particular premiers, and by the early 1980s moves were being made in a few provinces to do away with elected town governments and replace them with statutory bodies appointed by provincial governments, a change which had occurred in a majority of provinces by the late 1980s (see Chapter 3).
In summary, the picture by the end of the 1977-1982 period was one of growing opposition to the provincial government system, particularly by representatives of the groups and organisations which had lost most by the establishment of the provincial government system, none more so than the backbench of the National Parliament and local government bodies. The well-publicised poor performance of some provincial governments added to the public impression that the system needed major reform. On the other hand, the period had seen the emergence of provincial governments as a political force, and growing and complex links between them and the national government.

Growing tension, 1982 to 1993

The period from 1982 onwards saw a consolidation of trends established in the preceding period. Much the same actors remained involved, each tending to harden the position developed earlier. One important new actor entered the picture late in the 1980s, namely international capital, for as some provincial governments have developed policies and strategies for influencing economic activity – particularly in relation to mining, timber and petroleum developments – companies affected by these moves have become increasingly unsure about the efficacy of dealing with a multilayered government system.

Overall, the trend has been for a strengthening of the position of the groups opposing provincial government, so much so that by 1993 the future of the system may be in more serious doubt than ever before. Nevertheless, throughout the period provincial governments have become an ever more established factor in the national political arena. Several earlier national government attempts to abolish or emasculate the system were unsuccessful. On the other hand, strong anti-provincial feeling made it difficult to achieve reforms of the system which might have improved its performance.

A strong, far more overt anti-provincial-government position has been taken by successive national governments under prime ministers Somare (1982-1985), Wingti (1985-1988), Namaliu (1988-1992) and Wingti (1992-94). For example, Somare told the 1983 Premiers Council conference (at which the national government’s attempt to weaken the provincial government system by replacing the OLPG by an easily-amended ordinary act of parliament was being discussed) that if the abolition of the provincial government system were to be put to a vote in parliament, 100 of the 109 members would support the move. Wingti told the press after he lost power in 1988 that he wished he had moved to abolish provincial government and would do so if returned to power (Post-Courier 4 November 1988). Despite an initially strongly pro-provincial-government stance, by 1990 Namaliu was reported as saying he would like to ‘see the structure of provincial government reformed or abolished’ (Time Magazine 12 February 1990). In 1990 and early 1991, even the supposedly non-partisan governor general, Sir Serei Eri, was making calls for the abolition of the system without any adverse comment coming from the national government (see, for example, Post-Courier 17 April 1990). Returned to power after the 1992 national election, Wingti was
soon on the attack and in October 1992 announced that a National Executive Council decision had been made to introduce legislation to abolish provincial governments (*Post-Courier* 16 October 1992). He was supported by then opposition leader Somare (*Post-Courier* 20 October 1992), signalling strong parliamentary support as highly likely for any move for major change.

In part, the anti-provincial feeling in cabinet reflects the strength of feeling on the backbench which has grown more virulent throughout the 1980s and early 1990s, fuelled by the same grievances as in the previous period. No person with prime ministerial aspirations can be strongly pro-provincial, so that even the former premier for Morobe, Utula Samana, previously a strong critic of the national government as well as prominent spokesman for decentralisation, changed after entering National Parliament in 1987. He tended to speak in favour of the needs of members to control development in their electorates and against provincial governments (see, for example, *Daily Hansard* 5, 19 July 1990). The poor management of many provincial governments and the suspension of so many of them for gross financial mismanagement and/or breakdown of administration (see Chapter 3) fuels public debate on the system, although the main participants continue to be those groups most adversely affected by the introduction of the system. From the late 1980s, it seems likely that the difficulty experienced in dealing with provincial governments and landowners in preparing for large mineral and petroleum projects is an additional factor making ministers frustrated with the provincial government system. They probably also come under some pressure from international companies which experience even greater frustration in dealing with different layers of government with often quite different interests and attitudes in relation to particular projects.

The history of the major attempts to abolish or emasculate the system are illuminating of both national government attitudes and the decision-making process of the national cabinet, as well as of the resilience of the provincial government system. While the parliamentary committees of 1985 and 1990 were backbench initiatives rather than policy proposals from cabinet, they proceeded with cabinet support, and the growing strength of backbench feeling behind those moves no doubt encouraged the more serious abolition initiative from cabinet in October 1992.

The main moves against the provincial government system occurred in 1983, 1984, 1985, 1990-91 and 1992-93, although there have been lesser moves. In 1983, the proposal was to remove the constitutional protection provided the provincial government system by the fact that its detail was entrenched in an organic law. Shortly after it was announced, the move was strongly opposed at the May 1983 Premiers Council and by a June meeting of the Islands region premiers together with several of the more senior members of the National Parliament from the region, all of whom signed a letter opposing the proposal, which was subsequently dropped.

In 1984, the proposal was for a referendum on the future of provincial government, an idea put to and considered by cabinet without a written submission or evaluation of any kind. When announcing the decision, Prime Minister Somare talked at some length about the poor performance of provincial governments
and the constant complaints he received on the subject from people all over the

country. This move was also strongly opposed by the Islands region premiers,

who organised a meeting of various community leaders who condemned the

move. The premiers announced the willingness of their provinces to secede over

the issue, a threat which the national government has never been able to take

lightly if the North Solomons is involved. This opposition, together with depart-

mental advice about the considerable practical difficulties of conducting a re-

ferendum, resulted in the proposal not being proceeded with.

The main moves in 1985 and 1990-91 originated with backbench proposals,

namely motions to establish select committees of the National Parliament to

examine the operation of the system. One was set up in 1985 under the chair-

manship of National Capital District MP Tony Siaguru and a second in 1990 under

Morobe MP Henu Hesingut. Moving to establish both committees, virulent oppo-

nent of provincial government, Sir Pita Lus, made it quite clear that in his view

abolition of the system was all that the committees could recommend. Both com-

mittees toured the country ostensibly to seek the views of the people. While the

Siaguru committee made an effort to appear even-handed, there was little pre-
tence on the part of the Hesingut Committee. The 1985 committee was termin-
nated prematurely when the Wingti government came to power in a vote of no-

confidence in November 1985, in part because Wingti did not wish to see poten-
tial prime ministerial rival Siaguru gain kudos using the committee as a platform,

and in part because of the strong provincial links of some of Wingti’s advisers.

The committees established in 1990 and 1992 have, however, clearly had far

greater support on both sides of National Parliament. By this time there was a

strong feeling among most members of parliament that the time was right for

abolition. They wanted access to provincial resources. What public opinion there

is in Papua New Guinea seems to be in favour of radical change to what are per-

ceived as mismanaged, ineffective, and often corrupt bodies; and the demise –

for the time being at least – of North Solomons as a force in the provincial gov-

dernment debate presented an opportunity for radical surgery. The North Solomons

factor needs emphasis; the attempted secession of the province from May 1990

has allowed opponents of the provincial government system to argue that the

cessions to Bougainville in 1976 were not enough to keep it part of Papua

New Guinea, and hence no longer need to be maintained as a system. Further,

until 1989, North Solomons had not only long been held out as the model of

what was possible under the system, but was also a potent force opposing emas-

culation or abolition, any threat of North Solomons secession having to be taken

seriously. In terms of the present debate about the provincial government system,

it is felt in some quarters of the national government that North Solomons is no

longer a factor on either count. This may well be a premature evaluation, as any

negotiated resolution of the secessionist crisis may see even greater autonomy

for North Solomons – either within the present system or under new arrangements

– as a likely solution. Nevertheless, the perception among some in the national

government is that there is an opportunity to move while North Solomons is a

less definite actor in the discourse about the present system.
The 1990-91 committee chaired by MP Henu Hesingut recommended the abolition of provincial governments and their replacement by new provincial political bodies made up of chairmen of local-level government bodies. At the same time, local governments would be brought under national control, as would provincial public service structures, and provincial funding would move to more conditional arrangements (National Parliament 1991). While the Hesingut Committee was still waiting, in July a private member’s proposal was introduced into parliament for establishment of district-level development authorities. Debate on the bill on 19 July 1990 indicated that the understanding of MPs was that these new bodies would take over most of the powers of provincial government upon implementation of the Hesingut Committee proposals. The *District Development Authorities Bill* envisaged a new coordinating committee being established for each ‘open’ electorate in the National Parliament. To be chaired by the MP from the electorate, it would include representatives of provincial governments and local government councils and other bodies, and would be responsible for coordination of development projects in the district. In debate, it was clear that members regarded the proposal as necessary to give members of parliament their proper role in planning development in their electorates (*Daily Hansard* July 1990). The final outcome was *The Electoral Development Authorities Act*, certified in February 1992, which at last provided MPs with their mechanism for distribution of funds at the electorate level.

The committee established in November 1992 under the chairmanship of MP Ben Micah (the ‘Bi-partisan Committee’) made a new set of far-reaching recommendations in its first report on provincial government in March 1993 (National Parliament 1993). By offering a significant role to members of parliament in proposed new provincial political structures, the Bi-partisan Committee has already gone a long way to ensuring strong parliamentary support. Existing provincial governments would be replaced by authorities made up of all national MPs from a province together with some local government representatives and members to represent the interests of non-governmental organisations. The member of parliament from the ‘provincial’ seat (now the ‘regional’ member) would be a member of the authority and ‘governor’ of the province (as well as a member of National Parliament). Executive powers would be vested in a council of no more than one-third of the authority members and would operate through committees rather than members holding ministerial portfolios. There would be an electorate development authority for each national electorate (other than provincial electorates) which should constitute an administrative and planning unit within the overall government system.

At the time of writing (early 1994) it is by no means clear that the Bi-partisan Committee proposals will ever come into effect. An all-out assault on the provincial government system would be immensely divisive. The Islands region premiers have again signalled an intention to secede if abolition proceeds (*Post-Courier* 22 October 1992). Provincial leaders from other regions have also expressed strong opposition to the proposals. Of even greater importance may be the possible effects of abolition on efforts to resolve the Bougainville crisis. With
perhaps 75 per cent of the North Solomons under some form of national control, a meeting of provincial leaders on Buka Island in April 1993 called for the immediate re-establishment of the provincial government there, indicative of continued support for provincial autonomy. Abolition of the provincial system would undermine whatever popular backing the national government has from people in North Solomons disaffected by the secessionist leaders. But the policy-making process within the national government is sufficiently loose and disorganised for very poorly considered decisions – such as the 1984 referendum proposal – to be made. Given the strength of support for change in parliament it is quite within the realm of possibility that the massive practical and political difficulties of abolishing the system may not be considered fully until such a decision is in the process of implementation. The final outcome, however, will depend on the overall balance of political forces at the national level. The strength and flexibility of the provinces and the complexity of their political linkages into the national level make the future uncertain.

It needs to be emphasised that at the same time as opposition to the provincial government system has increased, the intertwining of provincial governments into the fabric of national politics has also continued to grow more complex. This factor results in a range of relationships and political debts between provincial and national political figures. At times when the provincial government system seems under threat, some of these debts tend to be called in. Thus the Islands region premiers, who in several cases have close links with and even provide electoral endorsement to some national MPs, have involved the MPs in public meetings opposing proposed reform of the provincial government system. The important point about the range and complexity of the relationships is that there are many ways in which provincial governments can oppose moves which they do not like. They could even create electoral and other political difficulties for individual members of parliament as well as for particular parties or even for a government as a whole.

A few examples suffice to illustrate the complex nature of the relationships. The struggles by national political parties to control particular provincial governments has intensified throughout the period since 1982. The Pangu and Melanesian Alliance parties have been particularly active in this regard, but are by no means alone in that endeavour. There has been considerable movement between the levels of government; two sitting premiers became members of parliament in the 1987 national elections (Bernard Vogae of West New Britain and Utula Samana of Morobe), both becoming national government ministers. Several former national MPs have become members of provincial government legislatures, even premiers (Angmai Bilas in Madang, Paul Langro in West Sepik and Tom Koraea in Gulf). Provincial governments which have formally endorsed national MPs include East New Britain and Southern Highlands, but many others provide less formal assistance for electoral purposes.

That such endorsement and assistance does create political debts was dramatically illustrated in the case of Iambakey Okuk. When he lost his Simbu seat in the National Parliament in 1982, his National Party arranged for the resignation
of a member in Eastern Highlands, where he was also able to stand by virtue of meeting residential qualifications through links to his wife’s clan. The National Party premier, James Yanepa, endorsed him and campaigned strongly for him. From the time he became a member for an Eastern Highlands seat, as the main opponent of the provincial government system in the National Parliament his teeth were drawn. In fact, he became something of a spokesman for the provincial government system, several times opposing moves in the National Parliament against provincial government, at least in part because he felt beholden to a prominent provincial government figure. (Examples include his comments on the 1983 amendments to the OLPG concerning suspensions of provincial government – Post-Courier 27 October 1983 – and his comments in several of the debates about suspension of particular provincial governments.)

The point was made above that the provincial governments themselves have become a force in the political discourse on the provincial government system, as individual governments, regional groups and also as a body through the Premiers Council. As their main – though by no means only – role in the discourse since 1982 has been reaction to anti-provincial-government initiatives from the national government, it is appropriate to discuss that role at this point. Of course, individual provincial governments have continued to deal directly with the national government on a range of issues, including such things as vesting new powers in particular governments, a move which led to the delegation of land functions to two provincial governments in 1987 (East Sepik and East New Britain). The Highlands region premiers have also played a constructive role in challenging national government policy on the involvement and compensation of local interests affected by large mineral and petroleum developments, and through the Premiers Council have influenced major changes in national government policy. But such action has been overshadowed by the more antagonistic standoff which has developed in the broader patterns of national-provincial relations.

As far as regional groupings are concerned, the Islands region premiers have been the most vocal and best organised in defence of the provincial government system, as evidenced by their actions in 1983 and 1984 (see above). The apparently concerted anti-provincial movement developing from 1990 again prompted the threat of secession ‘if the provincial government system was abolished, or changed’ (Post-Courier 7 May 1990). The Highlands region premiers have also been prominent in defence of the system from the late 1980s.

As a group, provincial governments have constantly sprung to the defence of their interests through the Premiers’ Council. While quick to defend the provincial system, they have not opposed all proposed changes; in 1984 they accepted proposals by the ‘Specialist Committee’ for reduction in size of provincial executive councils, and a range of other proposed reforms which were intended to streamline the system and reduce its cost.

Their most publicised stands have been at the 1983, 1990 and 1991 annual conferences of that body, but they have made similar attacks on less significant moves to alter the system to their detriment. The 1990 Premiers Council conference attacked the Hesingut Committee’s interim report in the strongest terms,
saying that it was biased, and established its own committee to present a more balanced analysis of the provincial government system. That committee reported in November 1990, requesting that the prime minister table its report in the parliament at the same time as that of the Hesingut Committee. Its report discussed the main achievements of the system and attempted to answer the main criticisms, such as the alleged excessive cost of the system (National Premiers Council 1990). The Premiers’ Council took a similarly strong stand against the Hesingut Committee’s final report in June 1991 (Times of PNG 4 July 1991), with yet another committee of the Council producing its reply to Hesingut. This time, accepting that the strength of anti-provincial feeling was at least in part based on real faults in the system, the premiers accepted more political changes. These included reducing the sizes of both assemblies and executives, direct election of all premiers, reduced allowances for provincial politicians, and even the existence of the electoral development authorities. These proposals were put forward in an effort to achieve a compromise whereby proposals for amendment of the OLPG would be withdrawn, and a joint national-provincial committee would bring together the best of the various reform proposals (National Premiers Council 1991). While the proposals were not accepted, they do not necessarily reflect only weakness in the provinces’ position but also the growing maturity and flexibility of the provinces and premiers as political actors. These are qualities that are likely to be tested further in the face of the concerted moves by the Wingti government and the Bi-partisan Committee.

Turning now to the bureaucracy, from 1982 onwards the national bureaucracy gradually began to take a more positive attitude towards provincial government. At least three factors have been significant. First, the generally anti-provincial-government senior officials who dominated the mid to late 1970s were moving on, and being replaced by officials who were comfortable dealing with provincial government. Second, the public service had learnt that it could exert considerable control over provincial matters through the various extralegal mechanisms referred to above; there was no need to consider abolition to gain control of much that mattered. Third, the bureaucracy realised the massive disruption involved in establishing the provincial-government system and did not relish the thought of the problems involved in dismantling and replacing it. Accordingly, while senior officials could not be described as avid supporters of the system they saw little point in abolishing it and consistently gave advice to that effect (for example, in respect of the 1985 referendum proposal). It is likely that if cabinet considers implementing the Hesingut or district development authority proposals there will be strong cautionary advice from key elements of the national bureaucracy.

At the provincial level, there has been some change in the position of senior bureaucrats from that of the 1977-1982 period. In the better-managed provinces – such as East New Britain, Manus, Eastern Highlands and (until 1989) North Solomons – the respective roles of public servants and politicians have become clearer, each side respecting that of the other. The bureaucrats have by and large found that they are listened to by the politicians on policy and planning issues. That is not to say that there is not sometimes what the bureaucrats feel is ‘political
interference’ in areas that should be their preserve, but rather that on balance they see the system working. As with the earlier period, not only do some support the system for ideological reasons, but many bureaucrats realise that they have advanced far more rapidly under provincial government than they might have otherwise. Nevertheless, in a number of provinces tensions between bureaucrats and politicians have increased steadily, with ever greater interference even in the management of personnel matters, as provincial politicians begin to treat the public service as a source of patronage and favours. As a result, in early 1990 senior public servants in several provinces in the Highlands region and in one in the Momase region spoke in favour of abolition of provincial government (confidential submissions to a 1990 working group examining the potential for greater provincial autonomy in the light of the secessionist crisis in North Solomons).

The position of the elite groups that have managed to get a foothold in provincial governments remains, of course, pro-provincial-government. In some provincial governments, there has been a slow movement since 1982 towards use of provincial government to advance the interests of particular classes. Thus in Western Highlands, provincial government funds have been allocated to a program of surveying land, the main purpose of which is to assist with movement towards land tenure conversion applications – that is, conversion of land from customary to individual freehold tenure, a move which has been shown in the past generally to benefit only a narrow and already wealthy elite (Fingleton 1984). Capital-works programs in various provinces have allegedly been used to fund roads and other infrastructure designed to assist already relatively well-developed areas. But in general, most provincial governments have until recently done very little which was directly intended to influence economic activity in any major way.

Since the late 1980s, however, the picture has changed as the provincial governments most affected by major mining projects and possible petroleum projects have actively sought to extract both maximum economic benefit from such projects for the provincial governments and the local landowners, as well as priority in employment and some access to ‘spin off’ businesses for people from the affected provinces. The provinces have demanded a part in negotiation of mining and petroleum agreements and in ongoing consultation about development.

Even before the late 1988 explosion of violence around the Bougainville Copper Ltd project in the North Solomons, there had been a growing sensitivity in Papua New Guinea to the needs of traditional landowners affected by major development projects. In part this sensitivity was because of the evident ability of landowners to cause difficulty with compensation demands, even with things such as new road projects. Their ability to cause difficulty, with high cost, in high-technology projects in the very remote areas where most major mining projects were proceeding was a matter of growing concern. The fact that virtually every Papua New Guinean is a traditional landowner made the issue particularly sensitive. Increasingly through the 1980s and into the 1990s that sensitivity was being exploited by elite groups as a way of gaining access to major projects.

In October 1988, a new mineral policy was announced by the incoming Namaliu government which saw provincial governments and landowners as part
of a consultative process, along with mining companies and the national government, preceding any mining agreement between the national government and a mining company. In addition, substantial new financial benefits were to flow to both provincial governments and landowners.

While the consultative ‘forum’ process which resulted from this policy initially seemed to have worked well in the case of the Porgera project in Enga Province, the new policy has also raised expectations among landowners and provincial government members generally, and has raised the stakes for a range of players hoping to derive financial benefits from large new projects. Provincial governments now tend to feel that they have far greater powers in relation to potential (and ongoing) mining and petroleum projects in their provinces. Landowner expectations being what they are, it is very easy to promote tensions between landowners and companies, and a few politicians – from both provincial and national governments – as well as both expatriate and Papua New Guinean business people have not been above promoting and exploiting such tensions, sometimes with personal benefits as an apparent motive. Examples in 1990 and 1991 include disputes about the control of an oil pipeline required for the Iagifu oil project in Southern Highlands, and about the ownership of land used for both the Hides gas project in Southern Highlands and the Mount Kare gold project in Enga Province.

In each case the proposed developer has found itself dealing with problems of ever-growing complexity. Such problems have caused delays with all of the projects. One of the frustrations for the developers is that they are required to take account of and consult with a widening range of interests. Several senior company officials have expressed their growing dismay about the escalating and unpredictable difficulties involved in dealing with the additional layer of government. There is little doubt that some of the companies are adding their voices to the chorus of critics of the provincial government system.

Finally, it remains to be mentioned that local-level governments – as noted, the greatest losers from the establishment of provincial government – continue to be generally opposed to the provincial-government system. For example, at the public meetings in Milne Bay, Oro and Gulf provinces conducted by the select Parliamentary Committee on Provincial Government chaired by Tony Siaguru in 1985, a very large proportion of the speakers against the provincial-government system introduced themselves as councillors or former councillors, and the same seems to have been true at the meetings held by the Hesingut committee (Regan 1990). The attacks on the system by local government representatives provide constant reinforcement to members of the National Parliament who have their own grievances against provincial government.

Conclusions

Held’s assertion that politics is essentially about the struggle of various forces over use, production and distribution of resources is supported by analysis of the politics of the provincial government system. Although there was already
considerable momentum for decentralisation before the September 1975 secession of Bougainville (see Chapter 2), it was ultimately Bougainville’s action that forced the massive redistribution of resources away from the national government and to the new centres of power constituted by the provincial governments. It was Bougainville, with its vital income-generating mine and its dangerous precedent for separatists elsewhere, which had the power to force the redistribution of resources. It was able to obtain a constitutional settlement which guaranteed a minimum level of powers and resources needed to operate new provincial governments, and agreed to flexible arrangements under which the additional levels of powers and resources would depend upon political processes (see Chapter 3). To a considerable degree, the arrangements reflected the CPC’s assumptions that provincial governments would be able to mobilise their populations so that together provincial governments would be a formidable political force.

There has not been, however, the degree of mass mobilisation expected, and other forces have proved capable of fighting against the loss of resources and powers they suffered with the full establishment of the provincial government system. Initially, the national bureaucracy proved the most capable force in that regard, particularly in establishing the various extralegal mechanisms it used to reduce the impact of the redistribution of powers and resources required by the OLPG. Eventually the national bureaucracy has reached an accommodation with provincial government. It not only has sufficient control not to feel threatened, but recognises the great problems involved in abolition of the system, and so—ironically—has become something of an ally for the continued operation of the system.

Over time, other groups that lost through the establishment of the system have maintained and increased their opposition. The lack of intense popular support for most provincial governments and the poor performance of many of them has enabled the backbench of the National Parliament to emerge as the outspoken champions of the opponents, most of which seek access to the resources of provincial governments. By the early 1990s, the coalition of groups seeking abolition or emasculation of the system has become a major force which may well succeed in achieving major changes. Nevertheless, the major redistribution of resources involved would be opposed by the many groups with strong interests in maintaining the system, and cannot be regarded as a foregone conclusion.
PART TWO

THE POLITICS OF PROVINCIAL GOVERNMENT: CASE STUDIES
The province

Gulf Province takes its name from the Papuan Gulf which forms its southern border. For much of the population of the province, the Gulf environment is dominant. Settlements are scattered along the broken and heavily indented coast and in innumerable lagoons, creeks and rivers that give onto the Gulf. Communication is almost exclusively by water. Fish and shellfish provide the protein that supplements the sago collected from palms that cluster on low ridges above the swampy mangrove and nipa-palm forests. The silty land abutting the coast spreads into the Gulf, and is sometimes reclaimed by it. Shifting sand bars occur all along the coast and sometimes can be found far inland, marked by the coconut palms that still grow on them, where they have been left behind by outreaching mangrove-created land fingers. Just as often the sand bars disappear into the sea, and the people who made their lives on them, like the Toaripi of old Uritai, have to move inland up the winding creeks or to other sites along the coast (Löfler 1977; King and Ranck 1982).

The possibility of relatively easy travel along the coast of the Gulf made trade a feature of the coastal peoples’ lives from very early days. Archaeological evidence suggests that pots from the Motuan area were being brought into the Gulf as early as the 8th century (Rhoads 1982). The Hiri voyages of lakatoi raft/canoes, with their characteristic ‘crab-claw’ woven sails, may not stretch unbroken back to that period. Trade may have ebbed and flowed over the years. But Gulf coastal peoples have a deep-rooted tradition of contacts over a wide area and with linguistically and culturally different peoples such as those of the savannas near what is now Port Moresby (Dutton 1982).

* Thanks are due to many people for help in writing this paper, not all of whose names can be listed. My greatest debt is to Chris Haiveta, whom other pressing commitments prevented from being a co-author, and to Orovu Vitaharo, my research assistant. The following were particularly generous in sharing their knowledge: Vitaharo Avosa, Marc Avai, John Morola, Chris Hova, Chris Warrillow, Tony Regan, Bill Kua, Dawn Ryan, Torea Erekofa, Daniel Itu, Fr John Flynn, Fr Maurice Adams.
Map 2: Gulf Province
The openness of the coastal peoples of Gulf to outside influences was not restricted to the Hiri trade. They felt the impact of Europeans throughout the 19th century. There were isolated contacts at first, increasing as missionaries and government officials established beachheads. Hostility and sporadic violence (Jinks, Biskup and Nelson 1973) gave way gradually to an acceptance of Christianity (often brought by Polynesian pastors, in the tradition of the London Missionary Society) and the Western values and styles of thought brought by teachers, patrol officers and health officers. By independence in 1975, the coastal people of the Gulf thought of themselves as advanced and knowledgeable. They produced outstanding leaders such as Sir Albert Maori Kiki and Sir Tore Lokoloko who played country-wide roles and enjoyed national reputations. This sense of a greater awareness of the world outside and a greater capacity for leadership was strong when they compared themselves to the more isolated highland peoples of the province.

Just north of Kerema, the mountains of the central spine of New Guinea reach down almost to the coast. Though they are rarely taller than 2,000 metres, they are rugged, densely-forested and tightly-folded. They are the home of the Kamea, a very large language group of some 72,000 that extends well beyond Gulf Province into Morobe and Eastern Highlands. They were formerly known as Kukukuku and established a name for ferocity, especially among the people of the east coast, on whom they would swoop in sudden raids (Blackwood 1978; Simpson 1953). They are distinct from the coastal peoples in both language and appearance. Contact with Europeans came much later for them than for the coastal region (Delbos 1985). A member of the first intake class of 1970 in the first primary school set up by Roman Catholic missionaries in Kanabea, Daniel Itu, in 1987 became the first Kamea university graduate to be elected to the National Parliament. He was just twenty-five. Indeed, the lateness of Kamea contact is still producing many ‘firsts’ of this kind.

The line that divides Gulf Province from Central Province is also a major linguistic division. Most Central Province peoples speak Austronesian languages; those of Gulf speak Non-Austronesian tongues, with the exception of the small border communities of Tati and Kovio (Brown 1965, 1972; Dutton 1982). From the Central Province border to a point just west of the town of Kerema, the coastal peoples speak four mutually comprehensible languages (Sepoe, Toaripi, Kaipi and Elema) often grouped together as Eastern Elema. Of these the most important (14,000 speakers out of 23,000 for the group) is Toaripi, probably because it became a ‘church’ language, used to spread the gospel in the area. Further west, along the coast to the Purari River, one finds the Western Elema group, made up of 14,000 speakers of Opao, Keuru and Orokolo. For them, Orokolo is the ‘church’ language in much the same way as Toaripi is for the Eastern Elema. Beyond them again are the 6,600-strong Koriki speakers, and west again, the Kerewo and North-East Kiwai who speak closely related languages. There are also enclaves of smaller languages. To the north is the Gulf section of the Kamea language group, which numbers about 14,000, and the much less numerous Pawaian, Ipiko and northern extensions of the Kiwaian language family (Dutton 1982).
The density of population overall is low (1.5 per square kilometre), particularly along the far west coast and in the north. The major exception is the north-east where the valleys of the Kamea are more thickly settled (5.4 per square kilometre). An exceptionally high outmigration pattern characterises the population of the eastern coastal villages (Table 5.1) and has political implications which will be noted below. The reasons for this population drift to the cities, and especially to Port Moresby, were originally economic. The search for cash incomes could be pursued by the eastern coastal peoples of Gulf (and those of Ihu) with special ease due to the traditional ties that had been established with the Motu-Koita peoples of the Moresby area by the Hiri trade. They also had building skills, taught to them in mission schools, which were in high demand in the postwar building boom in the capital city. Special features of the division of functions between members of a family in Toaripi society, probably shared by Kaipis and Moripis, reinforced emigration trends and served to make the outflow a family, rather than just a working male, migration. The failure of the copra cooperatives and a resulting lack of faith in village enterprise undoubtedly accelerated the urban drift (Morauta and Ryan 1982; Morauta 1984).

Gulf Province is divided into six administrative districts. They are listed in Table 5.1, with their estimated 1982 resident and absentee populations noted.

### Table 5.1: Gulf Province Population, by District, 1982

<table>
<thead>
<tr>
<th>Province</th>
<th>Total</th>
<th>Absentees*</th>
<th>%</th>
<th>Residents</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>District</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Kikori</td>
<td>9,348</td>
<td>1,632</td>
<td>17.5</td>
<td>7,716</td>
<td>82.5</td>
</tr>
<tr>
<td>Baimuru</td>
<td>8,647</td>
<td>2,396</td>
<td>27.7</td>
<td>6,251</td>
<td>72.3</td>
</tr>
<tr>
<td>Ihu</td>
<td>13,878</td>
<td>5,322</td>
<td>38.3</td>
<td>8,556</td>
<td>61.7</td>
</tr>
<tr>
<td>Kaintiba</td>
<td>14,125</td>
<td>732</td>
<td>5.2</td>
<td>13,391</td>
<td>94.8</td>
</tr>
<tr>
<td>Kerema</td>
<td>6,535</td>
<td>1,586</td>
<td>24.3</td>
<td>4,949</td>
<td>75.7</td>
</tr>
<tr>
<td>Malalaua</td>
<td>22,340</td>
<td>10,220</td>
<td>45.7</td>
<td>12,120</td>
<td>54.3</td>
</tr>
</tbody>
</table>

* Absentees are those who have not lived in their home area for six months or more.


Traditionally, many of the coastal peoples were hunter (fisherman) gatherers, for neither sago (the staple carbohydrate) nor coconut was cultivated except in areas on the sea such as Moru and Koaru where the land was stable down to the coast or, more extensively, in river valleys such as the Purari and the Kikori and their tributaries. In the mountains, shifting subsistence agriculture was practised with sweet potato the major garden crop. These economic patterns persist for the vast majority of Gulf’s peoples. To them has been added cash-cropping both on plantations and smallholder plots. Both rubber and copra are coastal plantation crops, although the latter is also a source of cash for village harvesters. Copra tonnage has declined, as has the international price for the product, but it still constitutes the largest commercial crop in the province. Cocoa, rice and chillies
are making small and irregular beginnings. Coffee, grown largely in the mountains, is a large and growing cash crop. From 1977 to 1982, tonnage increased from 21 to 76 while that of rubber declined from 42 to 19. Cash-crop figures rarely pay much attention to produce for local marketing, but both betel nut and sago are sold at a level of some 200 tonnes per year. Cattle raising is a small but growing activity, as is crocodile farming. Crocodile production can be integrated closely with fishing, for the offal and other waste from fishing operations provide crocodile food (Morola 1984).

Cora production had an importance in Gulf which went beyond the monetary value of what was produced. The villages of the coast were profoundly marked by the cora cooperatives which grew and prospered during the 1940s and 1950s. Especially among the Toaripi people of the eastern coast, the cooperative movement produced social mobilisation and a sense of ‘development’ in the villages that reached a peak with the purchase and operation of a coastal ship owned by their cooperative. The collapse of the cooperatives was even more precipitous than their rise, however, and the resulting disillusionment and discouragement has not yet been shaken off by the village people (Ryan 1963, 1969; Snowden 1981; Maher 1958). Coinciding as it did with the decline of local government councils, the failure of the cora cooperatives left a vacuum in eastern coastal community leadership structures that has yet to be filled.

Inland fisheries have always been exploited as part of the subsistence regime along the coast, as have been the stocks of crabs and other shellfish along the shore. More recently, the provincial government has encouraged commercial operations in the inland waters, with the barramundi fisheries of Kikori and Baimuru being most developed. Offshore fisheries are potentially very valuable. Prawn and lobster production in the Gulf Province waters constituted about one-third of total Papua New Guinea production by the late 1970s. By 1988 fears were being expressed that the prawn resource was being over-exploited and that too many ships were being licensed to trawl by the national government (Post-Courier 21 June 1988). The forestry potential of Gulf is also great, though current production is dogged by transportation difficulties and by the necessarily complex negotiations that have to precede the granting of licences to multinational forest exploitation firms, which have a history in Papua New Guinea of tax avoidance and failure to abide by environmental protection and conservation rules. Finally, in the mineral field the prospects are also promising. Proved reserves of natural gas have been found, oil exploration continues, and the search for ore deposits, especially in precious metals, has intensified.

Gulf lacks any large-scale industry. The provincial government has established business arms in fisheries, in nipa palm processing, in the hotel sector (Elavo Inn in Kerema), in crocodile production, and in building construction, but losses have been sustained in many of them and a company established in the late 1970s with the aim of developing roads and other projects for the Kamea people (Kamea Construction Pty Ltd) has been abandoned. Local private enterprise, excluding cash-cropping, has concentrated on limited PMV (passenger motor vehicle) operations and more extensive activity in trade stores, sometimes in competition with
national and multinational operators like Steamships and Delta Stores. Commercial, manufacturing, and primary production activity are all restricted by the inadequacy of road, air and water transportation. The hydroelectric power potential of Gulf Province is enormous, especially in the Kikori and Purari rivers, and there have been some ambitious plans for development. The vast Purari River project which was studied in detail in the 1970s by the Office of Environment and Conservation was a reaction to the first oil shock of 1973, when alternatives to power from petroleum were being sought desperately all over the world. Purari power was to be used for electrolytic processing of bauxite by a British aluminium firm. As the oil crisis eased, plans for the Wabo dam on the Purari faded. Large-scale development is now unlikely in the absence of industrial users. However, the proposed pipeline transporting oil from the Iagifu oilfield in Southern Highlands to port facilities on the Gulf coast may bring a range of economic benefits, both during the construction phase and in the form of rents, compensation payments, and employment at the port.

Gulf Province ranks ninth among the nineteen provinces of Papua New Guinea according to three of four measures used in a recent study of inequalities in the country (de Albuquerque and D’Sa 1986: Table 11). (An earlier study (Berry and Jackson 1978) ranked Gulf twelfth among the nineteen provinces in a composite index.) But conditions are far from homogeneous throughout the province. Table 5.2 shows that Kaintiba District, the centre of the Kamea-speaking population, ranks twenty-fifth and last among the districts of the Papuan region and eighty-first among the eighty-five districts of Papua New Guinea as a whole. Kerema, on the other hand, is one of the best-off districts, ranking third in the Papuan Region and ninth in the country. Malalaua, Baimuru and Ihu cluster together in the centre, while Kikori approaches Kaintiba at the low end of the scale. The significance of the low level of development in Kaintiba is increased, however, by the size of its resident population (13,391) in comparison with that of Kikori (7,716).

<table>
<thead>
<tr>
<th>District</th>
<th>Rank within Papua (Total: 25)</th>
<th>Rank within PNG (Total: 87)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kerema</td>
<td>3</td>
<td>9</td>
</tr>
<tr>
<td>Malalaua</td>
<td>8</td>
<td>25</td>
</tr>
<tr>
<td>Baimuru</td>
<td>11</td>
<td>30</td>
</tr>
<tr>
<td>Ihu</td>
<td>13</td>
<td>33</td>
</tr>
<tr>
<td>Kikori</td>
<td>21</td>
<td>57</td>
</tr>
<tr>
<td>Kaintiba</td>
<td>25</td>
<td>81</td>
</tr>
</tbody>
</table>

Source: adapted from de Albuquerque and D’Sa (1986: Tables 2 and 6), using Factor Loadings Index.

The political impact of these discrepancies in socioeconomic status and in access to government services is profound. The tension is greatest in the area covered by Kerema Open electorate: Kerema, Malalaua and Kaintiba. The Kamea
people, concentrated in Kaintiba, are fully aware of their disadvantaged position in comparison with the adjacent coastal peoples of Malalaua and Kerema. The manoeuvrings for provincial and national political power, and especially representation in both the NEC and the PEC, are a constant preoccupation of the Kamea political leaders who are spokesmen for the most underdeveloped area of Gulf. As the handful of educated Kamea leaders grows, it may be expected that pressure for regional equalisation will increase.

An area authority had been created in Gulf, as in most other provinces, early in the decade (1973) as a means of devolving power to regional authorities. In May 1975 the Gulf area authority appointed a five-person committee to nominate the members of a constituent assembly. The committee decided that the membership of the assembly should total fifteen and should consist of seven members of the area authority (one to represent each council of the province); one each from a women’s group, from Gulf students at the University of Papua New Guinea (UPNG), and from a non-council area; two from the church missions in Gulf, and the three national members of parliament representing the Gulf area. The seven representatives of the area authority were also experienced at the council level and several of them used the constituent assembly as a springboard for later election to the provincial assembly. This composition was skimpy in comparison with the Establishment Memorandum’s suggestions, which envisaged twenty to thirty members, but was probably a sensible number given the small population and limited funds of Gulf.

In August, the constituent assembly met for the first time and decided on an ambitious plan of consultation with the electorate. Three groups or teams were created, each of which was assigned a ‘patrol’. Between October 1975 and January 1976 these patrols covered an immense territory and often met with large audiences. Group One, led by Prosey Mailau (the UPNG student on the constituent assembly), reported that it had talked to 14,667 people in the Kikori and Baimuru districts. Group Two, which covered twenty-six villages in Malalaua, recorded meetings attended by as many as 181 and averaging well over forty per village. Group Three had to climb through the mountains and valleys of Kaintiba district as well as visit more accessible villages in Ihu and in and around Kerema. It contacted the remarkable total of seventy-five villages.

The consultations were well organised. A set of questions covering all of the major headings laid out in the Establishment Memorandum had been prepared in advance and formed the agenda for each meeting. The first question took the form of a motion ‘THAT THE PROVINCIAL GOVERNMENT SHALL BE ESTABLISHED WITHIN THE DISTRICT’. In three village meetings, at Moveave, Tapala and Karama, that motion was defeated. These three meetings were all in the Malalaua district of Group Two, led by an area authority member, Hasu Moava, who was usually accompanied by another area authority member from the Kapi-speaking area, Koaru Fosé. At Karama, the majority simply voted for a disillusioned motion that ‘they did not want it [provincial government]’. At Moveave and Tapala, the negative vote was a tactical move in a local battle to separate out certain Toaripi speaking groups from the East Kerema Local Government
Council. The villagers said they would support the motion for provincial government only if the central government recognised their separation from the East Kerema Council. Hasu Moava’s notes on the Tapala meeting refer to the ‘separatists’ (Minutes, Constituent Assembly Committee Meeting, 20 October 1975). The ‘inland Toaripis’ of Moveave and Tapala might have been against the idea of a provincial government, but they nonetheless made their feelings known about the shape of the new provincial electorates and the groups they wished and did not wish to be associated with. They did not want to be grouped with the other ‘inland Toaripis’ from three villages who had voted against separation from the East Kerema Council and they most definitely did want to be linked with Kovio voters. ‘They are quite angry’, the minutes report, ‘at the thought that the Kovios may join a Kamea electorate’. The Kovios occupied land that the ‘inland Toaripis’ regarded as traditionally theirs (Minutes of the Fourth Meeting, Gulf Province Constituent Assembly, 15-20 April 1976).

Once the consultation patrols were over, the constituent assembly turned to the preparation of the draft constitution which would make up the bulk of the submission by Gulf for provincial government. The constitution prepared by the constituent assembly followed closely the model of the Establishment Memorandum and covered all the questions that had been raised on the patrols. It was approved for presentation to the full area authority at the fourth meeting of the constituent assembly.

The road to final ratification was to be long and tortuous, however. During the course of 1976 the constituent assembly itself decided on another patrol of the province, this time undertaken by a group of three: the president of the area authority, Ope Oeaka, and the member of parliament for Gulf Regional, Tom Koraea, both of whom were members of the constituent assembly, and John Morola of the Department of Provincial Affairs. The object of the patrol was to test public reactions to the creation of an interim provincial government which would hold office until the first provincial elections could be held (Gulf Province Constituent Assembly 1977).

In February 1977, as a consequence of changes in the membership of the area authority, the composition of the constituent assembly was correspondingly changed. It is ironic that among the new appointees was Haiveta Erekofo (brother of the religious and political leader Torea Erekofo) who had been the seconder of the motion that led Moveave to reject the idea of a provincial government during the initial 1975 patrol. The ‘inland Toaripi’ move to separate from the East Kerema Council had succeeded and Erekofo represented the new Mailovera Council on the area authority and became an eighth authority representative on the constituent assembly. Having won their point, the inland Toaripi were now reconciled to provincial government.

In November 1976 the constituent assembly met again and approved amendments to the draft provincial constitution which were passed on to the new Department of Provincial Affairs.

The pre-independence legal basis for decentralisation, the Provincial Government (Preparatory Arrangements) Act, was superseded by the Organic Law On
Provincial Government passed on 7 March 1977. Section 2 of the Organic Law, however, did not depart significantly from the earlier scheme for establishing provincial governments. It repeated in part the language of the earlier legislation and called for the recognition of any 'properly organised body' as the constituent assembly of the province.

What was intended to be the final meeting of the Gulf constituent assembly took place on 23 March 1977 under the chairmanship of Tom Koraea, MP. It approved the draft constitution, endorsed a proposal for eighteen provincial electorates and proposed a provincial election for October 1977, if the national government could approve the constitution and electoral boundaries by that date.

In April, Ope Oeaka, the president of the Gulf Province area authority, submitted to the secretary of the Department of Provincial Affairs the documents that had been prepared by the constituent assembly, together with notice that the Gulf area authority had endorsed them. Rapid action was requested to meet the proposed October election deadline, but that was not to be. Gulf was told the Electoral Commission could not act in time; moreover, they would have to consider including in the draft constitution interim legislative and executive arrangements.

The Gulf constituent assembly was summoned back to work in July and, after hearing advice from legislative counsel for the national government, amended the draft constitution to include interim arrangements. The interim provisions designated the group then comprising the constituent assembly as the interim assembly to hold office until general elections could be held. They also provided for an interim executive made up of the executive committee of the constituent assembly, headed by a premier, who would be the person holding office as chairman of the constituent assembly immediately before the commencement of the constitution.

On 13 September 1977 the constituent assembly adopted the constitution, thereby turning itself into the Provincial Assembly. A Grant of Charter was issued to Gulf on 1 December, and two days later Ope Oeaka signed himself as 'Premier of Gulf'.

There is no indication from existing records as to how and when Oeaka replaced Tom Koraea as chairman of the constituent assembly. He had not been present at the July meeting that agreed to include the interim arrangements in the draft constitution. One can only assume that he became chairman sometime between July 12 and September 13. Be that as it may, Oeaka held office as premier for two years until after the first provincial election held in December 1979.

**The constitution: political and administrative structure**

**The constitution**

The constitution of Gulf Province incorporated in its preamble the Goals and Directive Principles of the national constitution and committed the province to political, social, educational and economic democracy, with assurances of the free participation of the citizens in collective decision-making. The constituent assembly that had drafted the constitution was, the preamble made clear, acting
in the name of the true source of the constitution and the new Gulf provincial government: ‘We, the people of the Gulf Province ...’

Since its original passage, the constitution has been amended only twice, although several other proposals for constitutional change have been drafted and never adopted. *Constitutional Amendment (No. 1) 1979* changed the residency requirement for candidates from six months in a constituency to six weeks, and *Constitutional Amendment (No. 2) 1981* changed the maximum size of the provincial executive council from seven to nine, and made allowance for a situation where supply had not been voted in time for a new fiscal year (the provincial executive council was authorised to spend up to one-third of the previous year’s budgeted total expenditure to cover the costs of government operations until the assembly made proper legislative provision).

Attempts were made at the end of 1981 to foresee the difficulties that might arise during the 1982 national and to have the Gulf constitution changed to force a member of the assembly to resign if he or she nominated for a seat in the National Parliament. At the same time, legal advice was sought by the secretary of the province on how to curtail the use of the vote of no-confidence (letter from D. Sigamata, Gulf provincial secretary, to secretary, Department of Decentralisation, 28 December 1981). A draft was prepared by the Office of Legislative Counsel of the national government requiring any motion of no-confidence made within six months of a previous unsuccessful motion to be supported by either half or two-thirds of the members of the Assembly (letter from J.M. Fraser, first legislative counsel to assistant secretary (legal and corporate services), Department of Decentralisation, 2 June 1982). Neither initiative for change came to anything.

Equally unsuccessful were attempts made in 1986 to revive the proposal that a provincial member lose his or her seat upon nomination for a national election and to launch a new initiative to prolong the life of Gulf’s assembly from four to five years (letter from R. Ikosi, Legal and Corporate Affairs Unit, Department of Provincial Affairs to the honourable speaker, Gulf Provincial Assembly, 21 May 1986).

**Constituencies and elections**

The task of setting the boundaries for provincial constituencies, and determining the number of provincial constituencies within limits set by the constitution (section 9(2)(a)), was assigned to a Boundaries Commission, set up in accordance with section 27 of the constitution. This commission was established by the national Electoral Commission, subject to provincial legislation. Although the constituent assembly had made detailed proposals on the number and shape of electorates, the commission made its own, new decisions. The constitution provided seats for a minimum of eighteen and a maximum of twenty-four elected members and, in addition, (a) the MPs of the National Parliament elected from the province, who would have voice but no vote and would not count towards a quorum; (b) not more than three nominated members (‘of whom one at least shall be a woman’) elected by the assembly by absolute majority vote. (No nominated members have ever been elected by the Gulf assembly. Three names were
placed before the assembly on 24 September 1979, but action on electing them was postponed and not taken up again.) The Commission opted for the creation of twenty constituencies, each electing one member as required by section 9 of the constitution. They were traced out by dividing each of the two national open constituencies into ten provincial constituencies. The number was increased for the 1983 elections to twenty-two. The elections themselves were to be conducted by the national Electoral Commission.

*The Provincial Assembly*

The Gulf legislature is a unicameral body and the assembly is presided over by a speaker and a deputy speaker who are elected by the members in a secret ballot. No procedure for removing the speaker is specified, a fact that has enhanced the power of the post. Procedures are governed by standing orders and the work of the assembly is done both in the assembly sitting as a whole and in permanent and ad hoc committees. Members may introduce bills, petitions, questions, resolutions or motions, but they must not propose money bills. The assembly elects the premier and the deputy premier and has extensive powers over the executive through motions of no-confidence. A motion of no-confidence requires fourteen days notice in writing and may be directed against the premier, the executive council or an executive member (section 40). It must be passed by a two-thirds absolute majority vote of the assembly to have effect. A motion of no-confidence in the premier must, during the first three years after the previous elections, nominate another member of the assembly to be premier. Although the constitution does not spell it out, it must be assumed that, since a vote of no-confidence moved in the premier during the last year of the life of an assembly cannot name an alternative premier, a successful vote of no-confidence will produce a general election rather than a change of executive leadership (opinion expressed in letter from A.J. Regan, Legal and Corporate Services, Department of Decentralisation, to secretary, Department of Gulf, 2 February 1982).

A crucial difference between the Gulf constitution and the national constitution is the absence in the former of the six-months’ freedom from votes of no-confidence after the election of a premier which is enjoyed by the national executive council. In Gulf, votes of no-confidence may begin immediately after the election of a premier and may continue without respite no matter how often they succeed or fail.

*The Provincial Executive Council*

The provincial executive council (PEC) is made up of the premier, the deputy premier and, since 1981, a maximum of seven other executive members. Since the passage in 1981 of an amendment to the Organic Law on Provincial Government, two members of the National Parliament from the province are also deemed to be members of the PEC, but they have no vote, do not count for a quorum, and are noticeably absent from the poster of pictures of members of the PEC which
hangs in most of the provincial offices. The premier is elected by a secret ballot of a simple majority of the members of the assembly (section 34). He or she is removed from office through resignation, a vote of no-confidence, ceasing to be a member, or for reasons of mental or physical incapacity. The deputy premier is elected and removed from office in exactly the same way (section 35), but is subject to suspension by the premier (section 40). The separate titles to office of the two leading executive officers has led to highly anomalous situations. Since the premier cannot dismiss a recalcitrant deputy, he faces the possibility that every time he leaves the province he is automatically replaced by someone he may not trust and whose interests are likely to be divergent from his own. Even if he suspends his deputy, his relief is brief unless the assembly backs him up with a vote of no-confidence.

The other members of the PEC are appointed by the premier ‘in accordance with a recommendation of the Executive Council Appointments Committee consisting of the Premier, the Deputy Premier, the Speaker and the Deputy Speaker’ (section 36(2)(c)). The committee is to obtain ‘so far as it considers practical’ as broad a representation of the various areas of the province as possible. The premier can suspend an ordinary executive member. If he does so, at the first sitting day following his action he must present his reasons to the assembly. The suspension will be lifted if a vote of no-confidence in the suspended member fails. If it succeeds, the executive member is dismissed from office. Suspension is thus a risky procedure for the premier to follow, especially since his discretion in choosing a successor to the executive member is so restricted by the powers of the Executive Council Appointments Committee.

The first PEC after the 1979 provincial election was headed by Sepoe Karava. It distributed portfolios among the seven executive members, with the premier handling Finance, and Policy, Planning and Research. The deputy premier, Pori Arialave, was assigned Provincial Affairs and Village and Community Development, and the remaining portfolios (Commerce and Tourism, Primary Industry, Health, Education, and Works and Supply) were each held by a separate minister. The naming and combining of portfolios has changed from time to time.

**Provincial administrative staff**

During the period of planning for provincial government, the staff of a secretariat for the constituent assembly was appointed by the constituent assembly itself and by June 1978 it had built up to positions for a provincial secretary (Charles Brillante), an administrative secretary (Donald Sigamata who had formerly been provincial commissioner), a planner, a finance officer, a research officer, a legal officer, and an administrative officer (the last two posts being unfilled). These small beginnings gave rise to a much bigger structure when national government functions, and the personnel who had until then been carrying them out on behalf of the national government, were transferred to Gulf. A Department of the Gulf was created in 1979, before the first election, headed by a secretary (Donald Sigamata) and made up of eight divisions, staffed as follows: Executive (including
Office of the Secretary and Office of Information) nine; Provincial Affairs forty-two; Education 315; Health 103; Policy, Planning and Research seven; Primary Industry sixty; Commerce nineteen; and Management Services sixty-five (Morola 1984). The numbers in each division give a rough idea of the relative importance of the areas of jurisdiction assigned to the provinces. In addition to the Department of the Gulf, other national government agencies and statutory bodies carry out functions in Gulf. These include Works and Supply, Labour and Employment, Physical Services, the Electricity Commission, Justice, the National Broadcasting Commission, Police and the Electoral Commission.

**Provincial finances**

As with the other ten provincial governments without ‘full financial responsibility’, the expenditures of Gulf provincial government have to be interpreted with caution, for they do not include the costs of the majority of transferred functions. The national government retains financial control of funding for those functions though the staff involved are under provincial control. As discussed in Chapter 3, the functions are funded through allocations to the departments of the provinces – in the case of Gulf, through Division 272 of the annual national budget. Those allocations include the salaries and allowances of hundreds of public servants and cover almost all activities except capital works and maintenance (Regan 1986, 1988). In 1988, for example, the province’s budget totalled K2,908,520, compared with K5,845,500 allocated through Division 272. The major burdens borne by the provincial budget are the capital works and maintenance programs, and the costs of the political arm of the government. In the 1986 budget, for example, spending on public works (K577,700) constituted 26 per cent of the expenditure total. Next in importance was assembly and cabinet services, which cost K511,900 (23 per cent of expenditure). Payments to statutory authorities and other bodies, including local government councils, non-council areas, missions and churches, amounted to K298,960 (13 per cent). Other expenditures (covering such things as sanitation, utilities, contingencies, celebrations and emergencies), general maintenance, and financial transactions took up the remaining K839,240 (38 per cent).

By contrast, Division 272 funding provides for not only public service and teachers’ salaries, but also the other recurrent costs for the carrying out of most of the provincial functions, inclusive of health, education, agricultural extension, business advice, and patrol officers. By far the biggest allocation is to education – about 40 per cent of Division 272 in most years.

Revenues for Gulf come from sources determined in scope by Part X of the Organic Law on Provincial Government. The largest single source, by a huge margin, is the minimum unconditional grant (MUG) from the national government. In 1986 in Gulf this source amounted to 76 per cent of provincial revenues. Next in magnitude came project revotes, also from the national government, at 11 per cent. Only then do we come to the largest source of provincially-raised money, indirect taxes (including taxes on cigarettes, tobacco, liquor, and
petroleum sales and a general retail sales tax), at 9 per cent. Small additional sums were obtained from rentals, investment receipts, royalties, fees, fines and rates, and sales of produce.

Local government

Gulf Province comprises eight local government councils and one development authority. The councils have boundaries and names that hark back to pre-independence days: Kikori, Baimuru, Orokolo, Koromiri, Kerema Bay, Kaipi, Mailovera and East Kerema. Kamea Rural Development Authority was created by the provincial government in 1979 and has a chairman and not less than six other members appointed by the premier. In 1979 a complex and lengthy Community Government Bill was drafted and presented to the assembly, but it was only enacted in 1987 and has not yet been implemented. The local government system of Gulf remains in its pre-independence form and in a state of radical disrepair. In the East Kerema Local Government Council, village councillors no longer convene for their monthly meetings, and sitting allowances have not been paid for almost two years (1986–87). Yet the struggle to separate Mailovera from East Kerema, already referred to, indicates that local government still has significance, at least for the distribution of development funds. In 1988, the Toaripi people valued local government enough to discuss separating from Kaipis and Moripis to have a council of their own (personal communication from Vitaharo Avosa, Local Government Council, Hamuhamu).

The Kamea Rural Development Authority had made little impact by 1987. It is inadequately funded and staffed, yet the role it could play remains significant. A recent study found that a development authority was needed to implement the development projects it proposed, particularly with respect to infrastructure. Its tasks would include support for a community education program based on ‘literacy, numeracy, primary health care, nutrition, home economics, agriculture, forestry and small business operation’. At present, what planning is devoted to Kaintiba district comes from the Kaintiba District Coordinating Committee which ‘comprises representatives from all Government Divisions, all non-government agencies, and the commercial and village sectors’. It too requires strengthening in personnel and resources so that it can work effectively with the Kamea Rural Development Authority (Levett et al. 1987).

The political history of Gulf Province

Politically, the people of Gulf Province can be divided (more simply than by languages) into three: western coastsal, eastern coastsal and the mountain Kamea. For national elections the province is split into two open electorates, Kerema Open and Kikori Open. Kikori Open links groups with historic connections; but in Kerema Open, the eastern coastsal and the Kamea are forced into a closer association than either would wish. Until the 1977 national election, the Kamea population was a traditionally hostile, but somewhat remote and unconsidered,
presence for the Moripis, Toaripis, Kaipis and Elemas, who constituted the chief coastal groups. The victory of a Kamea, Aron Noaio, in Kerema Open (repeated in 1982 and 1987) was a signal that coastal dominance in the public affairs of eastern Gulf could no longer be taken for granted. The traditional rivalries among the eastern coastal groups would have to be set aside if the growing assertiveness of the populous mountain communities was to be withstood. Wins by Kamea candidates in both Kerema Open and Gulf Provincial seats in the 1987 national election revealed more starkly than ever the high cost of eastern coastal divisions.

Table 5.3 gives a picture of the relative strengths of the language and cultural groups that figure prominently in Kerema Open elections. It shows the populations of Malalaua, Kerema and Kaintiba census districts. The Malalaua population is overwhelmingly made up of coastal; the Kaintiba population is almost exclusively Kamea; and that of Kerema is a mixture. It can readily be seen why the power situation is particularly galling for the eastern coastal. They constitute only 39.8 per cent of the resident population of Kerema Open, but 52 per cent of the total population. The difference is caused by the ‘absentees’ who live in many parts of Papua New Guinea, but especially in the settlements in and round Port Moresby. Malalaua has 45.7 per cent of its total population living elsewhere. Among the eastern coastal, there is frustration that power in Kerema Open reflects neither their ‘real’ political strength, nor what they ‘merit’ in terms of education, sophistication and experience in public affairs. From time to time the feeling becomes so strong that it breaks out in rioting, as it did after the defeat of the charismatic eastern coastal candidate from Maveave, Torea Erekofo, by Aron Noaio from the north in the national election of 1982.

Table 5.3: Population by Census Districts within the Kerema Open Electorate

<table>
<thead>
<tr>
<th>District</th>
<th>Population</th>
<th>Absentees</th>
<th>%</th>
<th>Residents</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kaintiba (Kamea)</td>
<td>14,125</td>
<td>734</td>
<td>5.2</td>
<td>13,391</td>
<td>94.8</td>
</tr>
<tr>
<td>Malalaua (Eastern Coastal)</td>
<td>22,340</td>
<td>10,220</td>
<td>45.7</td>
<td>12,120</td>
<td>54.3</td>
</tr>
<tr>
<td>Kerema (Mixed)</td>
<td>6,535</td>
<td>1,586</td>
<td>24.3</td>
<td>4,949</td>
<td>75.7</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>43,000</strong></td>
<td><strong>12,540</strong></td>
<td></td>
<td><strong>30,460</strong></td>
<td></td>
</tr>
</tbody>
</table>

Kaintiba: 32.8% (total), 44.0% (residents)
Malalaua: 52.0% (total), 39.8% (residents)


In a similar way to national politics, the dynamics of provincial politics are affected by the power relations between the three main groups. Roughly, the following groupings hold:
Table 5.4: Provincial Assembly Seats, Gulf Province

<table>
<thead>
<tr>
<th>Region</th>
<th>District</th>
<th>Seats</th>
<th>Totals</th>
</tr>
</thead>
<tbody>
<tr>
<td>West coast</td>
<td>Kikori</td>
<td>3</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Baimuru</td>
<td>2</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Ihu</td>
<td>4</td>
<td>9</td>
</tr>
<tr>
<td>East coast</td>
<td>Kerema</td>
<td>2</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Malalaua</td>
<td>5</td>
<td>7</td>
</tr>
<tr>
<td>Mountains</td>
<td>Kaintiba</td>
<td>6</td>
<td>6</td>
</tr>
</tbody>
</table>


The situation is slightly complicated by the fact that a Kamea-speaking candidate won the Kovoio seat in Malalaua in 1983, changing the balance to west, nine; east, six; mountains, seven. Obviously, if the coastal groups from east and west act together they can dominate. But just as evidently, the mountains can enjoy considerable power if it aligns itself with either east or west.

Political parties have not been a factor in Gulf provincial elections thus far. Although some leaders have had known connections with national parties (for example, Sepoe Karava and Pangu), provincial candidates have not competed on a party basis. For a time it seemed likely that the picture would change in the elections of December 1987 as a consequence of the remarkable success of the People’s Action Party (PAP) in the June 1987 national elections. The PAP held all three national electorates (Allan Ebu ran as a National Party candidate but switched to PAP as soon as the outcome was known) and, in interviews, both Aron Noaio (Gulf Provincial) and Daniel Itu (Kerema Open) were ready to make the party an overt provincial force. Sepoe Karava expressed similar views regarding a provincial role for Pangu. These intentions came to nothing. The December provincial election was no more penetrated by parties than those of the past.

Most informants from Gulf agree that provincial candidates have been supported on the basis of local affiliations of language, village or clan (rarely clan among the Toaripi), perceived ability to bring ‘development’, and personal leadership qualities. The ability to bring development may have been demonstrated at the local-council level, or through success in bisnis or as an officer in a cooperative. Peni Bori and Koaru Fosé are examples of former provincial members (both were defeated in 1987) who had each been active on council, leaders in the church, innovative in bisnis ventures (cattle raising or trawling or new crops), and had achieved a high standing in their localities. But the ability to wield influence in politics and to be respected in one’s community sometimes has other roots. The belief that there are short cuts to ‘development’, in the sense of access to material wealth, has a long history among the coastal people of Gulf Province. ‘The Vailala Madness’ was described thoroughly and patronisingly by the egregious F.E. Williams in the early 1920s (Williams 1976) and related beliefs and rituals have never completely lost their hold (Ryan 1969). It is impossible to draw a fine line between a ‘cargo cult’ leader, on one hand, and an enthusiastic and dedicated
advocate of the United Church, or cooperatives, or bisnis, or local government or provincial or national politics on the other. All promise ‘development’ and elements of the ‘rational’ and the ‘miraculous’ are present in varying proportions in the appeal of all of them (Ryan 1963). Fear of sorcery may go hand in hand with admiration for administrative efficiency and the ability to speak persuasively, village, family and church solidarity, and other such ‘rational’ factors in determining the way a vote is cast.

Turnover has been high in Gulf provincial elections. Only three of sixteen members of the constituent assembly were elected in the first provincial elections of December 1979, although two other veterans of the preparatory work in the constituent assembly turned up again in the 1983 list of successful candidates. Only one person, Ope Oeaka from Ihu, has lasted through from constituent assembly to the present without defeat. Turnover was reduced in 1987 when eleven of the twenty members (55 per cent) of the 1983 provincial assembly who stood for re-election were successful. This turnover rate compares with the same calculation for the national election of 1987 which gives 53.8 per cent (Turner and Hegarty 1987).

Gulf has had only four premiers. The first was Ope Oeaka, from Ihu, who moved from the post of chairman of the Gulf area authority to the top position in the constituent assembly’s executive and the title of premier in December 1977. He continued as premier until the elections of December 1979. The first premier selected by an elected Provincial Assembly was Sepoe Karava, who was a Toarripi-speaking resident of the provincial capital. He held office without a break until late January 1986, when he was forced to resign and was replaced by Francis Malaisa from Moveave who remained in office until after the December 1987 provincial election. He was replaced by Tom Koraea, a former member of the National Parliament who was himself replaced by Sepoe Karava in a vote of no-confidence in 1989.

This bald recital of facts may give the impression of reasonable political stability in Gulf and, in a sense, that is the case. Yet it is only the fact that a two-thirds absolute majority is needed to oust a premier by a vote of no-confidence that explains the comparatively long periods in office of Karava and Malaisa. In both cases, they have frequently been supported by less than 50 per cent of members of the assembly. Deputy premiers have enjoyed a similar security in office, since they are removable only in the same way as the premier himself.

Changes in the other posts of the PEC have been much more frequent. Six months after Sepoe Karava first took office, he made changes in his cabinet. The shifts were made by suspension of two ministers under section 40 of the Gulf constitution, an explanation to the assembly by Karava of his reasons for suspension, and a vote of no-confidence in the suspended members. Tom Koraea tried to make the case that the premier had acted unconstitutionally (letter from D. Sigamata, secretary, Gulf Province to secretary, Justice Department, Waigani, 28 July 1981), but nothing came of his protest.

Most major shifts in the cabinet have come about as a consequence of manoeuvres among the western coastals, eastern coastals and the mountain Kameas
at the time of a new election or a change in premier following a vote of no-confidence. In December 1983, after Sepoe Karava managed to retain the premiership on the second balloting for the post, he changed the balance of his cabinet from three east, three west, and one mountains (Kameas) by adding an eighth member of the PEC from the mountains. After he was forced to resign in January 1985 in a power play directed by the mountain Kameas in coalition with western coastal members, his successor, Francis Malaisa, put together a cabinet in which there was only one eastern coastal (himself) and the Kameas held four ministries to the western coastal’s two (a return to a seven-person PEC).

In December 1986, the Kamea forces overplayed their hand. An attempt to unseat Malaisa in favour of Lemek Kum, undertaken in conjunction with some of the western members, failed by one vote to muster the necessary fifteen votes out of twenty-two (a two-thirds majority), and although only four members voted in favour of Malaisa, he survived. (The other three votes are accounted for by a vacancy and two absentee.) All of the Kamea members of cabinet except Lemek Kum, the deputy premier, then resigned (a step ahead of dismissal) and a new line-up with one Kamea, two eastern coastal and three western coastal took over. A final irony, suggesting a glorious western coastal outmanoeuvring of the Kameas, came with the naming of Ope Oeaka, the man who moved the motion of no-confidence, as the additional western member of the new PEC. (The continued presence of Lemek Kum on the PEC as the lone Kamea was explained, of course, by the fact that he could only be removed by a secret ballot going against him by a two-thirds vote. Resignation was therefore unnecessary.)

After the December 1987 provincial election, the exclusion of Kameas from the PEC was carried a step further. Tom Koraea, the new premier, appointed no mountain representatives to the PEC, and the provincial assembly elected the outgoing premier, Francis Malaisa from Malalaua, as deputy premier to replace the former Kamea incumbent. In a nine-man PEC, there were six western coastal and three eastern coastal. An unsuccessful bid in July 1988 to have Francis Malaisa replace Koraea as premier led to the suspension and subsequent dismissal of two western coastal, charged with plotting with the opposition, and the removal of the provincial secretary. The Kamea members had, of course, been at the heart of the lack of confidence manoeuvre and they received no reward in spite of the two vacancies that were opened up by Premier Koraea. Instead, another two western coastal representatives were selected.

What kind of record has the Gulf provincial government achieved? There are many ways in which this might be measured. Perhaps arbitrarily, the following areas have been selected for examination: legislation, motions of lack of confidence, financial administration and business activities.

Since 1977, over fifty acts have been passed by the Gulf assembly including, as noted earlier, two constitutional amendments. The spacing of this legislative activity has been extraordinarily uneven. Twenty-eight acts were passed during the time preceding the first Gulf provincial election, and only eighteen of them in the seven and a half years from 1980 to mid-1987. Of the eighteen acts passed since elections took place, ten of them were enacted in the first two years, 1980
and 1981. From 1982 to the present, one to three acts per year have been passed. Indeed all acts passed between 1982 and 1987 were concerned either with raising money through taxes or spending money. In 1987, activity was greater. An act to create a provincial public accounts committee and an education act, based on a Department of Education model, were passed. In addition, a bill on local government, prepared on a Waigani model in 1979 which had been before the provincial assembly but had never passed, was finally given legislative approval.

The initial spate of nine acts, passed in the last month of 1977 by the constituent assembly, authorised by charter as the provincial government on 1 December 1977, can be explained as a consequence of the secretariat having available to it model bills providing for the general machinery and procedural matters needed to make the new provincial government fully operational. They were prepared by legislative draftsmen of the national government and circulated to all the provinces (for example, *Legal Proceedings by and against the Provincial Government Act; Loans (Borrowing from the State) Act; Gulf Province Gazette Act*). Much of the 1978 output of fifteen acts can undoubtedly be accounted for in the same way. Once the provincial assembly and the provincial public servants were on their own, with few models to guide them, the output of legislation fell sharply.

One factor that must have militated against the effective performance of a legislative function by the Gulf Provincial Assembly is the plethora of motions of lack of confidence with which the governments of the province have been plagued. The secretary of Gulf Province, trying desperately to find a way of reducing the number of such motions wrote: ‘The year 1981 has been a bad one for the Government. The vote of no-confidence was moved at the Government at every Assembly Sitting’ (letter of D. Sigamata, secretary, Gulf Province to secretary, Department of Decentralisation, 28 December 1981). The point was elaborated further in a letter from the Legal and Corporate Affairs Branch of the Department of Provincial Affairs to the first legislative counsel: ‘The working time of the Provincial Assembly has been occupied very substantially, in the last year or so, with numerous no-confidence motions. It seems that a major portion of each sitting has been taken up with an unsuccessful vote of no-confidence in the premier. Apparently after the vote has been taken, a number of members have often left (apparently disappointed) so that it has been impossible to obtain a quorum’ (letter from A.J Regan to J. Fraser, 10 June 1982).

Even when a vote of no-confidence failed, there were other manoeuvres to be used. Sepoe Karavas’s resignation in January 1986 was caused by the fact that he had not been able to get the assembly to pass an appropriation bill in 1985 to provide funds for the next year. He thus faced the prospect of governing without anything to spend and no way of meeting his payroll once the limit set by constitutional amendment (one-third of the previous year’s budgeted expenditure) had been passed. To obtain further funds, a majority was required, and although his opponents could not muster fifteen votes (a two-thirds majority) against him, they could easily prevent twelve members from voting for his crucial bills.

When the premier was not being attacked by a motion of no-confidence, it
was likely that one of his ministers or the speaker or deputy speaker was meeting a test of strength.

Under these circumstances, the legislative activity of the assembly was sure to suffer. But were other important functions being performed? It can be suggested that the primary aim of each individual member was to bring as much visible benefit as possible to those who had elected him, and would be asked to re-elect him. If this is so, the passing of bills for new policies, for which no new funding seemed likely to be forthcoming, might be seen as a very low priority. Meetings of the assembly could be and were used by members to question ministers about the money they were spending in the questioner’s electorate. A motion might be passed, if a majority could be put together, requiring that monies already appropriated be spent on their constituents’ roads or schools or health centres rather than elsewhere. If one could get to be a minister oneself, then control of funds was assured. If one’s friend from the same region was in office, the chances of getting looked after were reasonably good. If neither was the case, then a log-rolling bargain might still be struck. In most legislatures of the world where government spending on welfare programs or public works is a big part of total spending, and the major source of improvements in living standards, the elected members’ concern will be far more concentrated on the exercise of the spending power than the passing of new legislation. Gulf is no exception. The tactics members use are more transparent than in some places, but the goal of being in charge of the ‘authoritative allocations of values’ (Easton 1965: 96) is hardly a local peculiarity. If it seems apparent that the best interests of the province as a whole are not well served by the constant testing of executive power, either a separation of assembly members from the possibility of direct control of executive departments (that is, the congressional system or a variant of it) or a stringent limitation on the use of the no-confidence motion is required. Neither will be likely to do more than ameliorate a situation which is a logical response to the heavy pressure for access to scarce public development funds which comes from every part of the province (cf. Saffo 1983). If the Kamea-speaking members seem particularly prone to play the minister-baiting game, it must be remembered, first, that no Kamea has yet held the premiership, and, second, that Kaintiba is one of the least developed regions of Papua New Guinea, lagging far behind the other districts of Gulf (Table 5.2).

Gulf’s record in handling its financial affairs has been severely criticised by the auditor-general. Section 74 of the Organic Law on Provincial Government gives the auditor-general powers of inspection and audit of all provinces’ financial statements, with reports to be submitted to both the national government minister responsible for provincial affairs and the provincial government. The provincial minister of finance must prepare detailed statements of revenue and expenditure and submit them sixty days after the end of the fiscal year.

The audit of the 1982 financial statements of the Gulf provincial government is detailed. The accounting system used by the province was considered inadequate in many ways; too many ministers were appointed as financial delegates; proper procedures were lacking for controlling advances to ministers, public
servants, and members of the assembly, and over K38,000 in advances was not accounted for; the Works Coordinating Unit was not maintaining project files and entering in them its monitoring reports and information on project performance and completion; the bankruptcy of the Kamea Construction Company led to lost files and missing records of certificates of completion and financial transactions; the books of the Rural Commercial Fund had not been audited and K28,050 designed to help small businesses was not properly accounted for; a government-guaranteed bank loan to a commercial enterprise of K100,000 had not been repaid and the government had to pay the bank both principal and interest; no investment register was maintained and it was impossible to ascertain details of all the investments made by the government; and so the list goes on. Errors or absence of information were noted under thirteen of the twenty-two headings of the auditor-general’s report. On 21 March 1985, the premier of Gulf Province wrote to the minister for Provincial Affairs, apologising for the delay in responding to the auditor-general’s report for 1982, and attaching detailed comments on the improvements Gulf Province was making (Sepoe Karava to A. Farapo, 21 March 1985).

The auditor-general’s reports for 1983 and 1984 show little change. In both years, errors or inadequacies were noted in seventeen of the twenty-two financial statements provided by the Gulf. One other point is worth noting. Actual revenue from all ‘internal’ provincial sources in 1983 was 60 per cent of actual revenues but still much closer to target than in 1982 when only 15 per cent of estimated provincial revenues were collected. In five cases in the 1983 accounts, there were nil receipts from items, including timber royalties, from which K10,500 had been anticipated. In 1984, there was an improvement in revenue budgeting, and actual internal receipts were only K28,465 (or 5 per cent) off target.

The province’s financial situation left something to be desired in 1987 and the secretary of the Department of Provincial Affairs wrote to the secretary of Gulf Province pointing out that the financial statements for 1985 had not been submitted and that Gulf Province was in contravention of the law. He also pointed out that 1986 statements were due (F.J. Haynes to secretary, Gulf, 11 November 1987). In 1988, the chairman of the Parliamentary Public Accounts Committee, David Unagi named the Department of Gulf as one of two departments particularly guilty of poor accounting practices (Post-Courier 29 June 1988).

Gulf Province, and its predecessor the Gulf District, were involved in business ventures for many years. Particularly since the coming of provincial government, these companies were seen as business arms, potential sources of revenue as well as agencies for contributing to general provincial development. An idea of the ambitious range of development that the new provincial government hoped to promote can be obtained from a twelve-page 1978 document of the Planning Office in Gulf, entitled Gulf Provincial Transport and Rural Development Projects. Plans are outlined for roads; feeder roads; water transport infrastructure; sago production; crocodile farms; fish storage facilities; mud crab production; river reed and pandanus mats; tanning; mangrove forest development; nucleus estate rubber production; a poultry farm; fruit, vegetable and copra
storage sheds; chilli production; coffee (mostly for Kaintiba); rice; cocoa (mostly for Moveave and Popo); timber; furniture; handicrafts; weaving; land settlement; irrigation; small-scale hydro power; and business development. In each of these areas, the provincial government would have a role to play, often through its own business arm.

From early days many of the provincial government’s businesses experienced difficulties. In October 1978 an officer of the Department of Decentralisation in the national government suggested that the whole of the financial situation of Gulf provincial government’s business arms be looked into immediately with a view to offering some sound advice and guidelines for future operations (Memorandum from C. Warrillow to secretary, Department of Decentralisation).

By 1979 the provincial government had decided to consolidate its business activity through the creation of Gulf Investment Pty Ltd which was intended to provide overall supervision for business ventures and to encourage small trading groups by cash loans and business training and advice.

Gulf Investment received initial funding from the national government of K100,000. Its first ventures were the purchase of the Kerema Hotel (later Elavo Inn) and the Gulf Hotel and a small fish plant in Baimuru. Later in 1979 it created Gulf Marine Pty Ltd which in turn took over Gulf Sobhu Pty Ltd as a joint venture with a wholly Japanese-owned company, Pacific Seafoods Pty Ltd. The Gulf Marine share of Gulf Sobhu rose in 1982 from 50 per cent to 75 per cent and later to 100 per cent. The auditor-general’s report of 1982 lists four other enterprises as part of the Gulf business arms: Kamea Construction Company (liquidated in 1982); Gulf Rubber Development Corporation (described as having a ‘sorry record’ (De Garis 1983)), Tairuma Wholesale and Neuri Wholesale (both of which operated at a loss).

The creation of Gulf Investment Corporation did little to stave off the difficulties that had been foreseen in the management and financial situation of these provincial enterprises. In 1983 a business consultant, supplied by AESOP, an Australian volunteer service, was called in to advise the Corporation on management strategy. The report he submitted makes hair-raising reading. Gulf Investment Corporation had no full-time management staff; no accounting function; received systematic financial reporting from only one of the subsidiaries and businesses it was designed to control; had no financial controls, no profit budgeting, and no monthly cash flow controls of its own. ‘Thus there is no understanding in the Corporation and its businesses of expenditure commitments and cash availability. The accounts of the Corporation, Hotel Kerema, Gulf Marine and Baimuru Fisheries are not audited’. Furthermore, ‘files are scattered between departments, between officers within departments and documents scattered between different files. Documents are frequently unfiled and not actioned and lost’ (De Garis 1983).

The De Garis Report found one bright spot in this black picture, Gulf Sobhu Pty Ltd. Its books were in order, it was making a profit, it was directed by an outstanding general-manager, Hiro Muromoto. The consultant’s recommendations were keyed to this oasis of good management. Gulf Sobhu was to become
a 100 per cent provincial corporation incorporating Gulf Marine. The new corporation (which ultimately became Gulf Papua Fisheries Pty Ltd) would retain its profits for reinvestment, equipping itself with new boats to replace its rundown trawlers. A new subsidiary would be formed to market prawns directly in Japan and to recruit the Japanese fishermen necessary, at least in the short run, to man the ships. When eventually Gulf Papua began producing dividends, the Gulf Investment Corporation might think of expanding its activities. In the meanwhile, the Elavo Inn management was to be improved and the Baimuru fish factory was to continue to be run under an agreement with the national government.

Much of what the consultant recommended was accepted and implemented. Notably, Gulf Papua Fisheries was created, wholly-owned by Gulf Province, with its subsidiary, Isapea Japan Pty Ltd, operating as its marketing agent in the biggest area of sales. By 1988 it had the reputation of being a well-run corporation (confidential personal communications, Department of Provincial Affairs).

This picture of success was shattered in June 1988 when a confidential report of the National Intelligence Organisation (NIO) was leaked to the Post-Courier. National ministers and officials were described as being implicated in underhand dealings involving undergrading, underweighing and undervaluing prawns for export and of transfer pricing operations. Gulf Papua Fisheries and Isapea were named as companies involved in improper practices, which included paying too much for recently acquired vessels from Australia, marketing through a middleman in Japan, and not paying dividends to the provincial government which was its sole owner. It was implied that Muromoto was behaving improperly in benefiting both himself and his native Japan at the expense of Papua New Guinea. The reaction by Gulf Papua Fisheries to this headlined story (Post-Courier 20 June 1988) was almost as dramatic as the allegations made against it. Not only were detailed denials and corrections issued by the general manager of Gulf Papua, George Mero, and by Muromoto himself (Post-Courier 21 June 1988), but the former chairman of the board of Gulf Papua, Mekere Morauta, took full page advertisements in the newspapers to explain the Gulf Papua Fisheries situation, acclaim Muromoto and denounce the NIO, which frightened him by ‘its total ignorance and incompetence’ regarding Gulf Papua Fisheries, and was ‘lacking in basic intelligence’ (Post-Courier 24 June 1988). Morauta was both the chairman of the Papua New Guinea Banking Corporation, which had lent considerable sums to Gulf Papua Fisheries and been quickly repaid, and a Gulf man himself.

There was no immediate reply to the rebuttal and corrections supplied from Gulf Papua Fisheries and those connected with it. On the face of it, the NIO charges seemed wholly at fault. Gulf Papua Fisheries was simply following a consultant’s recommendation in setting up its own marketing subsidiary (which could hardly be called a ‘middleman’), in retaining its profits for reinvestment, and in purchasing high quality new boats (in Australia, not Japan). Premier Tom Koraea, however, reacted to the NIO story by calling for a full investigation of the prawning industry and omitting to make any distinction between his province’s company and other, largely foreign-owned, firms (Post-Courier 22 June 1988).
The damage that was done by ill-founded allegations against one of the rare provincially-owned corporations in Papua New Guinea with a reputation for good management is difficult to assess. The future of public enterprise in Gulf, still far from assured, obviously depends on the model of Gulf Papua Fisheries being followed and on the emulation of its management and accounting practices.

Conclusions

The accomplishments of the Gulf provincial government may appear sparse and tarnished. Can the government be seen as a vehicle for development? Is there within it the germ of a genuinely worthwhile system of government which simply needs careful nurture?

John Ballard has argued that the areas of Papua New Guinea that benefited from provincial government were those in which groups with a strong sense of ethnic identity (usually in large part ascribed to them by external forces) learned to mobilise successfully to achieve access to the values controlled by government. By becoming incorporated in the new political system, they gained the reputation in pre-independence days for ‘progressiveness’. Thus the Tolais, with a developed ethnic solidarity, a dominance in the Gazelle over other smaller, less integrated groups, and longstanding experience with the rules of obtaining access to public goods, could demand and, when the demand was met, make a success of provincial government. They had already seen to it that administration would serve them and by 1975 they demanded closer control over it. Similarly, a provincial government in Bougainville could be made a successful vehicle for the aspirations of a people which already had an island-wide capacity for mobilisation (Ballard 1978). In the successful provinces, administration had early been concentrated primarily on securing the exploitation of an important export resource, be it copra and cocoa in the Gazelle, coffee in the highlands, or gold and copper in North Solomons.

By contrast, Gulf was ill-prepared for provincial government. Its peoples had little sense of unity. Even the Eastern Erema identity that the United Church was in part responsible for creating never gave much of a sense of solidarity to the eastern coastal peoples, who usually thought in terms of much smaller groupings (Toaripi, Kaipi, Moripi, Sepoe). Collectively, they felt pride in their education and individual political achievements. But this was never translated into the kind of regional pre-eminence which the Tolai enjoyed in East New Britain. Among the western coastal peoples, particularism was even more pronounced. The identity of the mountain peoples of Gulf was at first provided externally by the epithet Kukukuku, which evoked a combination of fear and contempt among its users; only in recent years, under pressure of a need to mobilise for development, has a positive Kamea identity been defined. Gulf had never had a fully-fledged administrative presence which might evoke a common attempt to mobilise for access to the services it could provide. Poor communications over a watery vastness, without any obvious resources to exploit, had made of Gulf a place where ambitious administrators were unlikely to compete for appointments. Right up until independence, Gulf was understaffed and often poorly staffed.
If government did not provide a focus for social mobilisation, it might still act to reinforce local attempts at development. The aid given to the copra cooperatives had none of the intensity, technical expertise and high priority that went into concentration on coffee development in highlands smallholdings and plantations. But aid there was; unfortunately, it was ill-directed. The failure of the cooperatives occurred over a decade before the coming of provincial government and the sense of futility which this debacle brought with it was no preparation for an optimistic social thrust to create and control an effective decentralised administration. Nevertheless, the days of the copra cooperatives prove that when conditions are right local mobilisation can take place.

The case of Gulf can be compared with that of disadvantaged areas in many other countries. In Canada, the Maritime provinces of the east coast have a reputation of being poor, exporting brains and human energy to more prosperous areas, and running provincial governments that concentrate most of their efforts on increasing the size of subsidies and other transfers from the national government. So in Gulf, the extraordinarily high migration to Port Moresby has meant that the villages, left behind by the young and ambitious, are difficult to stir and desultory in their efforts to mobilise themselves to make their provincial government a more effective agent for their development.

Gulf was unprepared for provincial government. Its peoples did not know how to make the most of it; they were disunited and inexperienced in organising themselves for access to public benefits when such benefits became a real possibility. These same disabilities are present in the province today.

The shortcomings of Gulf government are obviously not all of its own making. Dedicated public servants working for the province draw attention to shortages of budget and manpower which leave the administration always scrambling to fulfil its obligations. The national government assigns personnel to the province and the provincial secretary has no way of knowing whether the incoming officer is an able public servant or a discard from the province that has released him or her. Provincial secretaries are supposed to have the same rank as the heads of other departments of the national government, but they are remote from the centre of power and only dimly aware of the shifts and twists of the Waigani bureaucracy. They are often made to bear the responsibility for the failures of central government departments. Poor provinces are neglected in comparison to rich provinces, which command frequent and regular attention from Waigani. And although the Department of Provincial Affairs bears responsibility for helping in the administration of the system of decentralisation, no one has the task of preserving the spirit of decentralisation. This specific litany of woes comes from a letter from the Gulf provincial secretary to the secretary of the Department of Provincial Affairs (18 June 1985) and although it may smack of special pleading, the question with which it ends – what are the costs and benefits of a replacement system? – must be answered.

To date, the Gulf provincial government has not been suspended.* Indeed, a

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* The Gulf provincial government was suspended in January 1993 – eds.
senior financial officer in Port Moresby, who does not wish to be quoted, is optimistic about the changes that are being made in the pursuit and proper negotiation and management of development projects. There are talents and skills that could be drawn back from Port Moresby to the province if opportunities were available for satisfying and rewarding work. The case for an overhaul of the Gulf government, and particularly of the procedures of the assembly, is overwhelming. Care must be taken, however, to make changes that will fit the province’s needs. Nothing that is wrong with the government of the province is likely to be improved by the implementation of a proposal of the former Wingti national government to amend the Organic Law on Provincial Government to give a vote to members of the National Parliament who sit on the provincial assemblies and provincial executive councils. Manus premier Steven Pokawi’s contents that they could simply form one more power bloc to undermine any provincial government and that they would make it that much more difficult to obtain a quorum, are well taken (The Times of PNG 24-30 September 1987).

By the 1990s, the possibility of very rapid development through the exploitation of newly-discovered resources may have opened up for Gulf. Oil and mineral discoveries are real prospects. Timber exploitation and a more effective use of fisheries are well within reach. If these developments occur, the province may be able to emulate the strategy used by the national government and seek to finance rural development and the provision of high levels of public service through export earnings. The likelihood that the people of Gulf will have learned how to gain access to these riches, rather than see them flow into the hands of a wealthy few, will depend on how well they have learned to mobilise for such action. The record thus far is not encouraging.

For the moment, however, a ‘bootstraps’ strategy will have to be followed. The ingredients of such a policy are in the process of being formulated. They are integrated rural development, reinforcement of local government, and reform of the government so that less time and effort is spent on personal power plays.

In the poorest region of Gulf, Kaintiba, a beginning has been made towards a rural development plan. It will be based on an expansion of an approach suggested by a Department of Agriculture and Livestock rural appraisal team’s report which did a quick survey of the needs of Ivore-Swanson and Hamdei census districts. The team’s findings illustrate graphically the problems of malnutrition, low productivity, and isolation which, though most serious in the mountains, are rife in the remote areas of the province (Levett et al. 1987). The role that the provincial government will play in pushing for and helping to implement this development plan will depend to a great extent on the ability of the Kamea people to mobilise themselves and to put forward a leadership which is able to carve out a full place for itself in provincial government.

The passage of the Community Government Bill in 1987 may presage an attempt to revive a capacity for village organisation which has declined since independence. As a training ground for political action and for administration, effective local-level governments are particularly needed in Kaintiba, which has never had them. Whether reinforcing local government will help provide a new
dynamic for the coast, especially those parts where outmigration is so heavy, remains to be seen.

Attempts have been made in the past to shift the focus of the assembly away from power manoeuvres centring on the vote of no-confidence. The 1981 proposal to require two-thirds support for making a motion, rather than just for the success on the motion, could be revived. Discussion in 1988 at the national level, some of which focused on making a successful vote of no-confidence the automatic signal for a dissolution and a new election, may have its impact on provincial governments. More important than a change in legislative procedures, however, is a change in perception of what an elected member should be doing. As long as the representative is judged on his or her ability to deliver piecemeal, strictly localised benefits, the fight to get a PEC position at all costs will go on.

The people of Gulf are not fed up with their provincial government if the interest in provincial elections is an index of support. Reinforcement and reform of the existing provincial government seem a much more promising route to constructive change than abolition of the provincial jurisdiction or the absorption of Gulf into a new kind of regional government.

R. Anere and A. Ley

The province

Milne Bay Province comprises the extreme south-eastern section of Papua New Guinea, embracing the eastern tip of mainland New Guinea and a series of archipelagos to the north and east. The dominant topographic feature of the mainland sector of the province is the Owen Stanley mountain range, a range of metamorphic and volcanic rocks, which forms the main watershed between rivers flowing south and north to the Solomon Sea.

Essentially a maritime region, Milne Bay is the most fragmented province of Papua New Guinea. Within the boundaries of approximately 212,380 square kilometres, the land areas consist of a mere 20,254 square kilometres, of which more than 60 per cent is on the mainland. The remainder of the land consists of over 160 named islands and some 500 islets and atolls. The seven main island groups are the Trobriand Islands, Laughlin Group, Woodlark Islands, D’Entrecasteaux Islands, Louisiade Archipelago, Conflict Group and Samarai Group. Great coral formations are a characteristic feature of the province. On the land areas the primary vegetation is tropical lowland forest. The drier north coast, lowland areas of the D’Entrecasteaux Islands, much of the Louisiade Archipelago, the Trobriand Islands and the northern part of Woodlark are covered with secondary regrowth forest or grassland used for subsistence gardening and hunting.

Several different peoples inhabit the province of Milne Bay. In rugged mountain country towards the western extremity of the province live the Daga people, a group of non-Austronesian speakers and the only major inland group. The diversity of peoples in Milne Bay is further exemplified by the number of language groups in the province. Austronesian languages are spoken on all the

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Map 3: Milne Bay Province
islands except Rossel Island and around the coasts of the mainland. There are thirty-five of these. The best known are Kilivila (Trobriand Islands), Muyuwe (Woodlark Island), Misima, Dobu, Wedau, Suau, and Bwaidoga. There are eight Papuan languages, seven of these are spoken on the mainland, generally inland of Austronesian languages. The eighth, Yeletnye is the only language spoken on Rossel Island in the extreme east of the province.

Men from the Trobriand Islands, Amphlett’s, D’Entrecasteaux Islands, Tube-tube, Ware, Misima, Woodlark, Marshall Bennett and some other islands practise a traditional system of ceremonial gift exchange called the Kula. The Kula involves the exchange of two main kinds of valuable objects: red shell necklaces and white arm-shells that form the customary gift and counter-gift respectively. All traditional inter-island trade was conducted along the routes of Kula expeditions (Malinowski 1922; Leach and Leach 1983).

In 1990 the population of the province was estimated at approximately 158,780. This population figure implies a density of just under eight persons per square kilometre. While overall there is abundant land for the people, population density varies between the extremes of potential land shortage in two census divisions of the Losuia district to very sparse population in the Makamaka census division. In 1980 the percentage of the provincial population under fifteen years of age was 45.3 (compared to the national average percentage of 43.1). This is partly explained by outmigration.

The number of Milne Bay people who live away from their villages is significant. The level of absenteeism, by district, is indicated in Table 6.1 below which is based on data from a 1979 village survey. The pattern of absenteeism from home varies from district to district within the province, reflecting such factors as lack of employment opportunities, land shortage and harshness of living standards (Milne Bay Rural Development Study 1981 vol. 1: 10). Milne Bay Province is an area of net outmigration because it has a good education system and little modern economic development.

| Table 6.1: Milne Bay absentee, by district (1979 figures) |
|---------------------------------|-----------------|-----------------|
| Rabaraba                        | 18,341          | 21,277          | 13.8 |
| Alotau                          | 11,571          | 13,835          | 16.4 |
| Samarai                         | 9,354           | 11,582          | 19.2 |
| Esa’ala                         | 36,980          | 42,285          | 12.5 |
| Losuia                          | 18,706          | 20,290          | 7.8  |
| Misima                          | 14,354          | 17,316          | 17.1 |
| **Total**                       | **109,306**     | **126,585**     | **13.7** |

As might be expected in such a fragmented province, there is considerable variation in the district populations which in 1990 ranged from 49,249 in Esa’ala,
to 26,789 in Alotau, 20,996 in Rabaraba, 20,706 in Misima, 20,607 in Losuia, and 14,137 in Samarai. Alotau, the provincial headquarters, had an urban population in 1990 of 6386, and Samarai 1356, together less than 5 per cent of the provincial population.

The earliest recorded visit to the area by a European was in 1606. Early voyagers had little effect on the people of the area, but the influence of missions, gold miners, traders, planters and soldiers from the 1880s onwards was significant. In 1847 a group of French Marists formed a mission on Woodlark where small-scale barter trade was engaged in. As well as this mission, the 1870s saw the arrival of labour recruiters on the Louisiades and D’Entrecasteaux. In 1891 the Kwato mission was set up by missionary Charles Abel as a model village to establish a Papua New Guinea independent church. Charles Abel brought in people from around Milne Bay and raised them in a semi-Western fashion, in so doing converting them to Christianity. Plantations, established to raise funds for the Kwato mission, provided jobs for local people. A hospital was established with an Australian doctor and locally-trained nurses and medical orderlies who toured the province tending patients with tropical ulcers and scabies. Men were trained in the skills of boat-building and women were not ignored but given jobs of enhanced responsibility in the church and other institutions. The missions did considerable work in health and education and their training programs were early forerunners of government policies in these areas.

In 1895 alluvial gold was discovered on Sudent and a rush of 300 men came from Australia. Another discovery of gold in the same year, on Woodlark, precipitated a further rush of Australians into the region. Small-scale consolidation of gold mining saw the first crushing mill open in 1901. There was also reef mining on Misima and in 1906 another gold rush to the Sagarai headwaters, above Gibara Creek on the mainland.

There has been spasmodic mining activity ever since (Nelson 1976; Gerritsen 1979:85). At present, prospecting authorities are held over areas in Misima, Woodlark and the D’Entrecasteaux islands. A large gold mine has been operating on the island of Misima since 1989 and there are prospects of a smaller mine at Wapolu on Fergusson Island.

Outsiders were attracted to the province not only by gold but also by land suitable for coconuts. On the remote Rossel Island in 1903 a coconut plantation and trading business was established by Frank Osborne. Around 1910 several large companies, individuals and missions developed copra plantations in Milne Bay. Approximately twenty years later, in 1934, Ahiomia Desiccated Coconut Company was established, obtaining supplies of coconuts from small plantations and villages. Development of the plantations was disrupted by World War II.

Despite a moderately speedy postwar recovery, economic development did not gain much momentum. On Misima a brief revival of lode mining occurred on the other hand, counted population according to where people ‘belonged’, with the use of the village register; if a person had been away for more than six months, he or she was recorded as absent.
and on Rossel coconut plantations and copper mines recommenced operations. Sudest people gained income for pearl shell and trochus. However individual projects were small-scale and scattered, and faced transport problems.

More recently the value of other natural resources has been recognised in Milne Bay Province. Up to 120,000 hectares of the province are believed to have commercial forestry potential, covering a wide range of timber types from tain, pencil cedar and basswood, to more valuable woods such as ebony and rosewood. Pearls, pearl shell, trochus, bèche-de-mer, clams, oysters and crayfish are among the marine resources which the province has produced. And the exploitation of energy from natural resources is in its infancy (Milne Bay Development Program 1981 vol. 1: 27).

In terms of development, Milne Bay is a mid-ranking province. The 1986 study by de Albuquerque and D’Sa ranks the province eighth out of nineteen on development level. This ranking, however, masks intraprovincial inequalities in development. Of the five districts in the province, only one (Alotau) was in the top 20 per cent of the eighty-seven districts. The other four districts – Esa’ala, Misima, Rabaraba and Losuia – ranked thirty-seven, thirty-eight, forty-eight and sixty-one respectively (de Albuquerque and D’Sa 1986: Table 10). The province’s per capita income per annum in 1984 was K270 compared with a national average of K545.

With gold production beginning on Misima Island in 1989 and possibly on Fergusson Island in the near future, it is hoped that some economic benefit will accrue to the province. But as these islands are isolated, it is unlikely that the economic impact will be widespread.

**Local movements and regionalism**

The geographic, economic and social diversity and fragmentation of Milne Bay has provided fertile ground for the emergence of local movements since the late 1960s. Several movements were prominent in the 1970s, notably the Kabisawali and Damuni movements. The Damuni Association expressed a widespread local demand for development. During the 1970s it underwent a series of transformations becoming the voice with the province’s relative lack of development (Gerritsen 1979: 83-4; 1982).

The Kabisawali movement evolved in the three years before independence. Led by former student activist John Kasaipwalova, the movement was centred in the Trobriand Islands and had considerable support there, as indicated by the demise of the local government council on the island (Griffin, Nelson and Firth 1979:203-4; Leach 1982). It also spawned a rival Tonenei Kamokwita (TK) movement among Kasaipwalova’s opponents in the Trobriands (May 1982d). Today the movement has subsided and no longer appears to be a significant local force in Milne Bay politics. John Kasaipwalova became a successful businessman and was succeeded in the Kabisawali movement by Gerald Beona. Several smaller movements emerged in other parts of the province in the same period (see May 1982b).

A local elite is emerging from churches, local government councils and self-help organisations. In the Suau area, for example, there are individuals who, by
virtue of the positions they hold or the activities they undertake, secure some degree of communal recognition and have shown interest in contesting provincial elections. Poniu Allan, a community leader and former community school teacher, has suggested that local-level organisations were increasingly being used as vehicles for seeking political office at the provincial level (Anere, interview with Poniu Allan, June 1986).

The extent and the influence of class formation in Papua New Guinea is a problematic issue (see May 1984). Gerritsen argues that during the period 1963 to 1968 a big peasant class began to emerge in the province, bound by locality interests (Gerritsen 1979, 1981, 1982). The new class had a substantial impact on the development of the area. Many of its members were recruited through the Tavara, Weraura, Misima and Basima Agricultural Associations. These new groupings, led by enthusiastic individuals, were the springboard for activities in the province. The late 1960s saw the emergence of a political elite from among the big peasants, which was prepared to put pressure on governments for economic development. There is little evidence, however, that this emergent class has influenced provincial politics since the Milne Bay provincial government was established; the explanation may be that provincial government activities do not involve this elite in any serious attempt to influence or regulate economic activity, the exception being the elite’s highly unsuccessful forays into business activities, discussed below.

**The establishment of provincial government**

The provincial government of Milne Bay was established in 1978. It was preceded by the Milne Bay Area Authority which had provided an opportunity for an emerging provincial elite, based on local government councils, to accustom themselves to the political and electoral processes, and to become acquainted with local political, social and economic issues and decision making. Of crucial importance was the need for the local elite to familiarise themselves with the electoral process which was to become the basis of popular participation in the province. It was the Area Authority which provided most of the members of the constituent assembly, which toured the province consulting widely on the contents of a draft provincial constitution. Upon approval by the national government in 1978, the provincial government was established under that constitution.

The first chairman of the Milne Bay Area Authority was Kingsford Dibela (later Sir Kingsford Dibela, governor-general of Papua New Guinea). When Milne Bay achieved full provincial government status in 1978, Vernon Guise, the brother of the late John Guise, became the first premier.

**Political and administrative structure**

The constitution adopted by the provincial constituent assembly in March 1978 provides for an elected legislature called the Provincial Assembly. Initially, fifteen members were elected from single member constituencies, but from the third
provincial election in 1986-87 the number of members increased to twenty-one. There may also be up to three nominated members appointed by a two-thirds absolute majority vote of the assembly. The normal term of the assembly is four years. The constitution provided for the constituent assembly to be recognised as the first provincial assembly pending the holding of general elections. Unlike some other provinces, the first elections were arranged promptly, being held in December 1978. There have usually been two nominated members, one representing women and one representing private sector interests.

Executive power is exercised by the Provincial Executive Council (PEC) headed by a premier elected from among the members of the assembly (section 14). While only a simple majority vote is needed to elect the premier, removal by the assembly requires a two-thirds absolute majority vote. The premier and deputy premier (who is elected and removed in the same manner as the premier) are members of the PEC together with ministers. Compared to other provincial governments, the Milne Bay provincial government has been relatively stable, with few motions of no-confidence in the premier. The constitution sets no limit on the number of ministers; it merely provides that not less than one-third of the assembly members should be ministers. The appointment of a large number of ministers tends to protect a premier from votes of no-confidence, and so the tendency has been towards very large PEC membership. The requirement of a two-thirds majority vote to oust the premier, combined with the premier’s power to buy support through appointment of ministers, makes it very difficult to pass a successful vote of no-confidence.

The provincial constitution provides for a provincial secretariat outside the public service, and in the early years of the provincial government the secretariat members played an important role. But from 1983, during Lepani Watson’s term as premier, the secretariat positions were incorporated into the public service structure making a ‘single line’ administrative structure.

**Finance**

The financial affairs of the provincial government are subject to authorisation and control by the assembly and are regulated by an act of the assembly. Each year there is a provincial budget comprising estimates of finance to be raised and estimates of proposed expenditure.

Table 3.3 indicates Milne Bay provincial government’s grant, revenue and other estimates for the year 1988.

Milne Bay is one of the eleven provincial governments that does not have full financial responsibility. As a result, funding for most activities for which the provincial government is responsible is controlled by the national government and does not go through the provincial budget. Instead, most functions are funded through Division 275 of the national government budget, which in 1988 amounted to K9,377,700. The provincial budget mainly funds capital works, maintenance, the costs of the legislature and executive, and a few other functions such as liquor licensing administration. In 1988, this budget amounted to only
K2.8 million, of which over K2 million was derived from untied grants, the largest being the minimum unconditional grant (MUG) of K1.7 million.

Up till 1990, the derivation grant and royalties did not contribute much to the provincial budget, a reflection of the relatively low level of economic activity in the province. With the commencement of gold production at the Misima gold mine in 1990, royalty payments of about K1 million per year are anticipated. Payments of the special support grant (see Chapter 3) amount to about K800,000 per year. These two payments will contribute a significant amount to the provincial government budget in the future.

At less than K600,000 in 1988, internally-raised revenue is of limited importance, again reflecting the low level of economic activity. Sales tax is the most important source, contributing an estimated K450,000 in 1988. It is, however, a source that can be expected to become more significant during the life of major mining projects in the province.

An additional source of funding for provincial activities after 1984 was the Milne Bay Development Program. Funded by the national government under the Less Developed Areas Program, it funded a range of infrastructure and agricultural development projects designed to promote economic development in the province. The program's aims and projects were based on a detailed province-wide development study carried out by the National Planning Office in 1980 and 1981.

The limited revenue available to the provincial government of Milne Bay places it under enormous pressure, particularly as demands for development are hard to meet with such a scattered population. It is not surprising that the MUG funds available to the province – paid only in respect of capital-works-related functions – were being allocated away from capital works and maintenance. In fact a 1988 study of provincial funding patterns shows that Milne Bay has consistently allocated far less to both works and maintenance than the MUG allocations (adjusted base amounts) made in respect of these activities. With regard to capital works, the amount by which the budgeted allocation was less than the MUG was K275,322 in 1982, K666,195 in 1984, and K969,788 in 1988; the figures for maintenance for the same years were K85,768, K175,192 and K387,016. A major part of the reason why provincial funds can be diverted from capital-works-related purposes has been the allocation of national government funds to capital projects through the Milne Bay Development Program. As a result, there is less pressure on the provincial government to allocate scarce resources to new capital projects. There is plenty of competition for the funds. In particular, the cost of operating the provincial government political arm is not fully covered by internal revenue. As can be seen in Table 3.2, by 1988 the estimated cost of the political and planning activities of provincial government was almost K700,000, over K80,000 more than the estimated internal revenue collections.

The reduced pressure for expenditure on capital projects has enabled the provincial government to emphasise other projects. In 1988 it allocated approximately K50,000 to health and approximately K190,000 to education, over and above the national government allocations for those activities under Division
275 (Axline 1988: Table 19). Further, the provincial government allocates funds by way of grants to a wide variety of organisations, including local governments and statutory bodies, youth and women’s groups, and so on; almost K900,000 was allocated to such purposes in 1988.

Local/community government

The Milne Bay constitution recognises the existence of a system of local, community or village government for the province (sections 47-48). In 1987 there were eleven local government councils and one community government. Together they covered the entire province. The councils are given decision-making, legislative and administrative powers by the national government’s 1963 Local Government Act while the sole community government, which operates in the Trobriand Islands, operates under a 1978 provincial law. This special community government was needed because the council in the Trobriand Islands had virtually become defunct prior to Papua New Guinea’s independence, a victim of the conflict surrounding the Kabisawali movement (Leach 1982; May 1982d). A factor in the opposition to the council had been resentment by the inherited chiefs that they had to be elected rather than hold ex officio positions and even if elected might be subordinate to educated commoners (Leach 1982: 257). Thus the provincial law provides for a bicameral community government, the upper house members being chiefs who hold office solely on the basis of chiefly status.

There are at least three important issues affecting the relationship between the provincial government and the councils: finance, managerial supervision and accountability. In 1986 the Milne Bay Solidarity Party was established. Under section 3.1.2 of its platform, titled ‘District Administration’, it sought to undertake the following:

(i) the provision of adequate financial and managerial supervision to councils through field staff of all divisions
(ii) to ensure adequate legislation is available at the provincial government level to bring local-level government alive again
(iii) to ensure that an integrated, coordinated approach is taken on district administration, and not a disjointed sector approach which has been the practice in the past. To this end, the Party seeks to ensure that all field staff are trained adequately in all aspects of administrative and basic technical subjects for effective delivery of services and information (Milne Bay Solidarity Party, Platform, 1986:10).

The platform highlights some important issues in provincial-local government relations. In general, councils have limited funds and so are able to take on very few responsibilities. Management is poor, with few experienced kia ps in the field, and most council clerks have limited experience. Accountability is a problem not only because of the lack of experienced staff in the councils but also because of the lack of accounting resources in the provincial government.
The political history of the province

Elections

Provincial elections are normally held every four years. A general election may also be required if there is a successful vote of no-confidence in the premier no less than twelve months before a provincial election, or if the assembly, by a two-thirds absolute majority vote, so decides (section 29). To date all elections have occurred at the end of normal four year terms; they have been held in 1978-79, 1982-83, 1986-87 and 1990-91. The extent of turnover of members in provincial elections has been quite high.

Provincial government activities in Milne Bay have not been adversely effected by frequent votes of no-confidence. In the period 1979-1986 there were five unsuccessful votes of no-confidence, two against Vernon Guise in 1979 and one against Patrick Paulisbo in 1981 which although unsuccessful precipitated his resignation. In 1984 a vote of no-confidence was moved against Lepani Watson. The only successful vote of no-confidence resulted in the ousting of Navi Aule in 1988.

The role of political parties

The people of Milne Bay have been slow to identify with and organise themselves in political parties. Political party activity in the province is very recent and parties have not established themselves at the grassroots level. Party activity is centred on Alotau and represents the interests of the provincial elite, with limited links to their areas of origin. To date parties have had little impact on the political process in Milne Bay.

Premier Lepani Watson, who was elected in 1982, was the head of the Kula Alliance in the Provincial Assembly and has had a close relationship with the Pangu Pati. More recently, Navi Aule was a member of the Peoples Progress Party (PPP) but during his period as premier he received no obvious assistance from PPP leader Sir Julius Chan, despite the fact that he and another PPP minister from Milne Bay (Jacob Lemeki) were in power from late 1985 to mid-1988.

In mid-1986 Papua Party executives flew to Alotau to establish a party branch and the People’s Progress Party (PPP) opened a branch at Alotau at about the same time in preparation for the provincial elections and the 1987 general elections for the National Parliament. But the development of party politics and party machinery in the province has been slow (Anere, interview with John Kaniku, PPP national coordinator, October 1986).

A few other political groups have emerged and sought representation. Table 6.2 overleaf indicates the names of political parties which in 1986 were officially established in Milne Bay and the provincial assembly members who acted as their main ‘representatives’. The table also indicates the names of other individuals outside the assembly who acted in this capacity.

Membership of most of these factions is based on political and economic interests rather than on ethnicity. For example, the Kula Alliance headed by Lepani
Table 6.2: Political Parties in Milne Bay Province, 1986

<table>
<thead>
<tr>
<th>Name</th>
<th>Provincial Party Leaders</th>
<th>Year established</th>
</tr>
</thead>
<tbody>
<tr>
<td>Papua Party</td>
<td>Dickson Daduwe (deputy premier)</td>
<td>1986</td>
</tr>
<tr>
<td>People's Progress Party</td>
<td>Navi Aule (leader of opposition)</td>
<td>1986</td>
</tr>
<tr>
<td>Pangu Pati</td>
<td>Lepani Watson (premier) (Kula Alliance)</td>
<td>1982</td>
</tr>
<tr>
<td>Melanesia Alliance</td>
<td>None</td>
<td>—</td>
</tr>
<tr>
<td>People's Democratic Movement</td>
<td>None</td>
<td>—</td>
</tr>
<tr>
<td>Independent Group</td>
<td>David Nipuega</td>
<td>1986</td>
</tr>
<tr>
<td>(Ted Diro)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Milne Bay Solidarity Party</td>
<td>Keneth Kaiwa*</td>
<td>1986</td>
</tr>
<tr>
<td>Esa’ala Independent</td>
<td>Thomas Elizah*</td>
<td>1983</td>
</tr>
</tbody>
</table>

* Not a member of provincial assembly

Source: information supplied by John Kaniku, People's Progress Party national coordinator, NCD, October 1986.

Watson, which operated in the assembly to 1986, was a strong advocate of 100 per cent provincial government ownership of a proposed hotel project at Alotau without any equity ownership by local groups, while the PPP faction in the assembly strongly opposed the idea on the grounds that ownership rights of the local people were being overlooked. The project was continually delayed as a result of differences of opinion and the fact that no suitable contractor was found. The land on which the hotel was to be built was forfeited to the state. The National Lands Board eventually decided to hold onto the land until such time as an agreement regarding its ownership was reached in the provincial assembly. (Interview with Matilda Pilacapio, June 1986).

**Local and regional factors**

To what extent do relations of kin or region affect the running of the provincial government in Milne Bay? Are elected members expected to bring benefits back to their home region and is their performance judged on this? Saffu made the point in 1983, in relation to the West Sepik (Sandaun) Province, that members, including ministers, acted more like delegates than representatives: ‘They were dispatched by their constituencies to capture some specific items of development from the budget. Roads, bridges, aid posts, water pumps and requests for teachers were typical items on the delegates' shopping lists’ (Saffu 1983). In the Milne Bay Province the members and ministers take on a similar function. According to David Crilley, the coordinator of the Milne Bay Development Program, the
usual requests were for upgraded aid posts, schools and water supplies; members’ performance is measured on the benefits they bring back to the province.

Only since the late 1980s has kinship or regional background been a factor in provincial politics. Initially mission associations were important. More recently the Esa’ala Group has been formed; the inhabitants of Esa’ala District had a growing awareness that they were a big group and needed representation. Ferguson, Goodenough and Normanby islands have never had real leadership in the Provincial Assembly, so members from this area joined together to form the D’Entrecasteaux Islands Group but this had less to do with the distribution of spoils than with a D’Entrecasteaux demand for a share of the leadership. The changes that have occurred in the PEC have come about through the resignation of a member, the sacking of a member by the premier, and the loss of seats in elections. There has been relatively little infighting on the basis of regional differences.

The performance of the Milne Bay provincial government


The advent of provincial government took place in 1978. Since then, the provincial government of Milne Bay has established itself as an agent for legislation, development, financial administration and business throughout the province.

Vernon Guise was elected the first premier of Milne Bay in the 1978-79 general elections. Guise’s original power base was in the influential mixed race community in the province. Not long after his election, however, a motion of no-confidence was moved against him (Post-Courier 2 July 1979). The motion failed to gain the required two-thirds majority of eleven votes, nevertheless a majority of ten of the fifteen members supported the motion. Declaring that he had lost the majority of the members of the assembly, Guise negotiated with the opposition faction to become deputy premier. Later in 1979 Patrick Paulisbo was elected as the second premier of Milne Bay. Paulisbo’s term as premier was cut short in 1981; though a vote of no-confidence failed to oust him, again a majority supported the vote leaving Paulisbo virtually powerless. He resigned and was replaced by John Tubira, who remained in office until June 1982. After Tubira, Lepani Watson was elected premier in January 1983 and served until voters ousted him in the provincial elections of January 1987.

Navi Aule came to power after Watson, but Aule was ousted in 1988 in a vote of no-confidence, the first successful no-confidence vote in Milne Bay’s history. The reasons for Aule’s defeat are various. According to news reports at the time, three groups joined together to remove him: the Milne Bay Solidarity Party, led by former premier and then deputy premier Tubira; the D’Entrecasteaux Islands Group, headed by Billy Inafala, and the independents. In all eight ‘rebels’ resigned. Inafala said that his group was concerned about appointing a good leader who was accountable to the people through representation. He claimed that one of the reasons for Mr Aule’s demise was that as chairman of a provincial-government-owned company (Milne Bay Properties) he had not once tabled
annual reports or satisfactorily answered members’ questions about the company. Inafala further complained that Aule had been touring the province extensively and committing the government by promising people cash handouts without first making sure that there were sufficient funds available to honour the promises. The mover of the motion, Pilikesa Manimua, referred to ineffective administration, irregular activities in public investment and lack of financial control and management by Aule.

A letter to the editor of the *Times of Papua New Guinea* at the time suggests that Navi Aule was just about to ‘expose’ and ‘dispose’ top public servants in Alotau who had become rich overnight, and that the business dealings of the defunct Milne Bay Development Corporation needed examination. This possible threat to senior public servants’ vested interests and Aule’s dictatorial style may have eroded his support in the assembly. It has also been suggested that he was more interested in self promotion than programs; he was nicknamed the ‘fax’ man as a result of his habit of constantly faxing press releases to Port Moresby.

Kaidama Elliot came to power after the vote of no-confidence against Aule, but he was unseated in January 1991 and was succeeded by Jeffrey Toloube, a Pangu supporter. Titus Philemon became deputy premier.

**Functions and administration**

The main functions carried out by the provincial government of Milne Bay remain those transferred from the national government to all provinces in 1977-1978 (see Chapter 3). As with most other provinces, staff are organised into a departmental structure, with a separate division for each major function. In an effort to coordinate activities, there is a provincial management team (PMT) made up of the heads of all divisions, which meets monthly. The success of the PMT from time to time has depended on the personality of the person in charge, the secretary of the provincial department. The main function of the PMT has been the preparation of the annual budget. Performance has varied considerably but the PMT has not been a major initiator of policy. Recently the PMT has been instructed to pour resources into Misima.

On two occasions the provincial government of Milne Bay, through the national public service, has restructured departments to get rid of particular divisional heads whom the politicians thought were not performing well enough. But on both occasions the outcome has been the upgrading of the positions of those they had wanted to depose.

As in several other provinces (though not to the extent of some provinces such as Simbu) the provincial government in Milne Bay was from an early stage dissatisfied with the performance of the provincial division of the national Department of Works. In the early 1980s it moved to establish its own works capacity, establishing a construction company (Milne Bay Construction Pty Ltd), whose main function was to provide a responsive road building capacity. Antipathy toward the Works Department, however, was largely based on lack of understanding of the process of road building, and in particular the necessity for detailed
and often time-consuming design work prior to the commencement of construction. Milne Bay Construction's capacity was not large, comprising one bulldozer and two trucks, and it worked mainly on lesser roads. Some of these roads were built in odd locations simply because a politician wanted access to a particular area. They were unrealistically funded and seldom used or maintained. By the mid-1980s, the construction company was defunct.

Legislative and policy initiatives

Since 1977 fifty-five acts have been passed by the provincial government of Milne Bay. Twenty acts were passed in 1979. But after this initial flurry (which involved the passing of model machinery laws prepared by legal advisers of the national government), legislative activity of the Milne Bay provincial government has been low: four acts were passed in 1980, six in 1981, and three in 1982. The provincial government's main legislative policy initiative was also a model prepared by the national government. The Small Crafts Act, prepared by the national Department of Transport, was passed in 1983. It provided for the compulsory registration of all boats under 10 metres. Although the rationale for this legislation was 'safety', the clear intention at provincial level was to raise revenue. It was a failure on both counts. No one wanted to pay the registration fee. If implemented, the act may have had a concentrated local impact, the south coast and islands having many small boats.

Apart from this, the provincial government of Milne Bay has not had a great deal of impact on the lives of people. According to Mr Novau, the cabinet secretary (Ley, personal communication with Milne Bay provincial administrative centre, March 1991), lack of availability of legal draftsmen has contributed to the delays in the passage of legislation, and unclear division of responsibilities with the national government, particularly in relation to the concurrent legislative subjects under the Organic Law on Provincial Government, has created confusion. The lack of legislation, however, is consistent with the general performance of the provincial government. There has been an almost complete lack of policy initiative; the government has been largely content to continue to oversee the provision of those government activities transferred to it by the national government. In large part this has been because it lacks both public servants and politicians with the experience and skills needed for policy development.

One innovative policy experiment, piloted in the period around 1980 to 1982, however, was an attempt to promote economic development in several of the island groups where there was very little regular transport. The Milne Bay Development Corporation was given a brief to run an initially provincial-government-subsidised program to supply wholesale trade store goods. The idea was that a greater range of goods could be made available at a cheaper rate than that in the isolated trade stores if the traders obtained their own supplies from the provincial centre. A coastal vessel was employed for the purpose. The long-term aim was that as people in the islands became used to a regular service, the boat could be back-loaded with copra, carvings and other goods for sale, thereby increasing
the cash available to the people. They in turn would then be able to buy more trade store goods and the increased cash flow would eventually mean there was no need for the provincial government subsidy. Though the project worked well for eighteen months or so, a personality clash between the company manager and the then provincial Minister for Finance, Dennis Young, resulted in the manager resigning early in 1982; the promising wholesaling service collapsed, never to be revived. As a result of the subsidy to the company, there was a substantial loss to the provincial government. There has been a history in Milne Bay of provincial government businesses in construction, transport, fishing and so on, many established during the period when Dennis Young was minister for Finance (Young had considerable influence over Premier Paulisbo). Unfortunately, none has survived as an independent business and most have cost the provincial government dearly.

Essentially, the provincial government of Milne Bay has been little more than a provider of services transferred to it at its inception. There has been little policy change in relation to those services, and almost no movement into new areas of activity. The main debates have been about allocation of works and maintenance funding, and the unsuccessful use of construction and other companies owned by the provincial government to carry out provincial government activities. To some degree, the use of these bodies has reflected dissatisfaction and frustration with the capacity of the public service (both the provincial government and national Department of Works); but poor planning and management resulted in failure, with considerable loss of funds.

Fiscal management

While the Milne Bay provincial government’s record on financial management is by no means as bad as many other provincial governments and national agencies, successive reports by the national auditor-general reveal a number of continuing problems. Action has been taken by the provincial government to remedy some of these problems but many were repeated from year to year. The reports for 1984, 1986 and 1987 all stated that accounting records and controls were inadequate in various ways, including: inadequate bank reconciliation records; mistakes in financial statements; incomplete assets and investments registers; failure to apply provisions of the provincial Financial Management Act and the annual appropriation acts to budgeted expenditure; inadequate records of purchase procedures, in particular in relation to the provincial supply and tenders board (Auditor-General 1987a, 1990a, 1990b.)

Rather than being indicative of major corruption or gross mismanagement, the problems listed in the auditor-general’s reports are symptoms of lack of experience in keeping records, and shortage of skilled managerial staff. The building of high institutional standards requires an infusion of skilled staff, and with a major scarcity of such expertise in Papua New Guinea, existing problems are unlikely to be solved rapidly.
The Milne Bay Development Program

Prior to the Milne Bay Development Program there was no strategic plan for the allocation of provincial monies, although there were 'policy directives', such as district-based high schools and regular government marine services. Decisions on development were made largely on the basis of allocations between electoral boundaries. In 1985 project funds for the Trobriand Islands were cut from K170,000 back to K85,000 because the then premier, Lepani Watson (who came from the Trobriand Islands), felt obliged to reduce the allocation for political reasons. This meant that road equipment barges went out and came back in half the original estimate of time and that economies of scale were lost. Councils and districts put up proposals for funding, which were culled and given priority in Alotau on the basis of political considerations. Development of the province was given a new impetus with the advent of the Milne Bay Development Program (MBDP) in 1981. Eight provincial development objectives were listed:

1. to improve the present level of economic development;
2. to expand the wealth base;
3. to develop facilities to sell produce;
4. to undertake the reorganisation of the public service;
5. to encourage and support nationally owned enterprises;
6. to mobilise people in the development process through productive self-employment;
7. to provide an equitable distribution of services throughout the province and to allow greater opportunity for the development of the more isolated areas;
8. to raise revenue on a fair and equitable basis.

(Milne Bay Rural Development Study 1981 vol. 1:1)

The projects undertaken by the MBDP in an effort to achieve these objectives included the D'Entrecasteaux cash crop project; forest development; small island project; village fisheries; tourism; small boat, marine infrastructure, and marine transport proposals; Cape Vogel access project; the Rabaraba-Sirisiri, Saga-Aho-Fife, and Sinaketa-Vakuta roads; the community school education program; rural health services; village water supply; nutrition education and nutrition farms.

The MBDP's nutrition program attempted to break down food taboos. In the province, nutrition is hampered by food taboos – young children are not fed certain vegetables, pregnant and lactating women are not allowed to eat fish, which leads to poor diet at critical stages of physical development, and so on. Unfortunately, food taboos are still extensive throughout the province despite the attempts of the Nutrition Program to break them down, and are specific to certain areas, clans or groups within the community. On Wamea Island, Esā'ala, pregnant and lactating women are not allowed to eat clam shell, squid, turtle, shark or large fish. According to David Mitchell (DAL) all of the food restrictions are poorly reviewed and are scattered in patrol reports and unpublished papers. No evaluation of change has been done following MBDP. Many food taboos are
still strong. The main emphasis in health has been on MCH clinics, immunisation, and VBA (Village Birth Attendants) on Kiriwina.

The Amphlettes are rocky islands off the coast of Fergusson Island, famous for making clay pots, which the islanders traded on the mainland for part of their food supply. An achievement of the MBDP’s small islands project was helping the islanders of Amphlettes to cultivate drought tolerant, salt-spray-tolerant plant introductions so that they would have something to fall back on if problems arose in the trading of their pots. It appears that the overall impact of MBDP on small islands was minimal; a better backup from the DAL research centres through to the farmer is needed (personal communication, David Mitchell, DAL, 19 July 1994).

One aim of the MBDP was to develop tourism. Under the MBDP a visitors bureau with a single tourism officer was established. A Tourism Board was set up for tourism development and promotion. Meetings were held and ideas discussed. None of the key tourism businesses in the province at the time (such as the Masurina Lodge or the Halstead diving business) were represented on the board for fear that they might lobby for individual business gain. An assessment of tourist potential for Misima was done; the Losuia Airstrip terminal was built under MBDP; the Esa’ala Guest House was initiated. Presently most tourists come to Alotau on cruise ships and the local ‘Melanesian Discoverer’ from Madang. The main tourist developments are not due to MBDP. A tourism policy is likely to be drafted soon by the tourism officer.

When Lepani Watson was asked what was his greatest achievement he nominated the Daga access road. This road goes from the coast into the mountainous regions of mainland Milne Bay. The highland areas are good for coffee cultivation, especially arabica, and are also suitable for cardamom and temperate zone vegetables. Roads like this are an achievement, as coastal areas of Milne Bay rely on copra and fishing, both of which face marketing problems. However, according to David Mitchell, most of the roads were completed only to the design phase, as there was no finance to actually build the road. Most do not link major areas and agricultural production is minimal. Traffic is thus minimal. According to David Mitchell, the overall usefulness of the roads is very slight.

The Milne Bay Development Program as such came to an end in 1988 when David Crilley, the program coordinator from 1983, left; but recurrent components were transferred to the relevant divisions of the provincial government. Although there has been no assessment to date of the MBDP, Crilley (interview with Ley, Canberra, 20 February 1991) believes that however small the achievements of the Development Program may have been, their greatest impacts were in access roads, small islands agriculture, nutrition education and tourism development.

The report of the Milne Bay Rural Development Study (Milne Bay Development Report, December 1980, vols 1,2) was well understood by many of those responsible for implementing the MBDP. Many sections of it are still relevant in the current situations. Some administrators hold the view that it should have been evaluated and a change in emphasis undertaken. In hindsight some of the targets were not practically achievable. More specific performance objectives through
the lifespan of a project could have assisted and would have facilitated an ongoing evaluation.

*Bisnis*

The provincial government has invested considerable sums in a number of business ventures, as indicated by the shareholdings listed in Table 6.3. But there has been little, if any, return to the provincial government, with virtually all enterprises dogged by at least one of the three factors so common to public enterprise in Papua New Guinea: poor management, lack of accountability, and political interference.

**Table 6.3: Investment in Business Arms and Companies**

<table>
<thead>
<tr>
<th>Company</th>
<th>Amount invested by Milne Bay provincial government</th>
</tr>
</thead>
<tbody>
<tr>
<td>Milne Bay Properties Pty Ltd</td>
<td>92,002</td>
</tr>
<tr>
<td>Milne Bay Construction Pty Ltd</td>
<td>30,000</td>
</tr>
<tr>
<td>Cape Vogel Cattle Co. Ltd</td>
<td>135,300</td>
</tr>
<tr>
<td>Ulabo Timber Co. Pty Ltd</td>
<td>306,000</td>
</tr>
<tr>
<td>Milne Bay Development Corporation</td>
<td>200,005</td>
</tr>
<tr>
<td>Milne Bay Shells Pty Ltd</td>
<td>2a</td>
</tr>
<tr>
<td>Hotel Alotau Pty Ltd</td>
<td>2b</td>
</tr>
<tr>
<td>Samarai Air Transport Pty Ltd</td>
<td>30,000</td>
</tr>
<tr>
<td>Woodlark Island Development Corporation</td>
<td>10,000a</td>
</tr>
<tr>
<td>Lottery Management Services Pty Ltd.</td>
<td>3,000b</td>
</tr>
<tr>
<td>TDD Group of Companies</td>
<td>85,000c</td>
</tr>
<tr>
<td>Papua Lombardo Marine Pty Ltd</td>
<td>13,200</td>
</tr>
<tr>
<td>Talusila Development Company Pty Ltd</td>
<td>104,500d</td>
</tr>
</tbody>
</table>

(a) shares held by Milne Bay Properties
(b) shares held by Milne Bay Development Corporation
(c) provincial government grant for feasibility studies


The national government bears some of the responsibility for these problems, as it has collaborated with the provincial government on several projects, including a fish processing plant at Samarai, the Ulabo Timber Co., and the Oil Palm Development Corporation.

**Relations between the national government and the provincial government**

As might be expected, relations between the provincial government and the national government have varied a great deal depending on who was in power.
at both levels and what issues arose at particular times. But at no time has real hostility dominated the relationship: problems have arisen and criticisms been made but relations have always been open and, at a personal level, respectful. The call of the interim premier, Vernon Guise, on the Milne Bay’s national parliamentarians to forget about their political affiliations and ideological differences and fight for the development of the province (Post-Courier 17 July 1978) may have suggested forthcoming conflict, but relations over the decade were generally cordial. However there is little evidence of national members from the province attempting to attract development funds to the province.

A number of minor criticisms of the national government by the provincial government have focused the national government’s attention on the province. In 1981 the then premier, Paulisbo, attacked the prime minister, Julius Chan, and threatened to withdraw his support from national government policies if national ministers ‘kept telling lies’ (Post-Courier 16 January 1981) and ignored the wishes of the province in the setting of project priorities. Chan cooled the situation by admitting the national government had concentrated on land transport, roads and bridges at the expense of the legitimate needs of the maritime provinces.

Paulisbo attacked national government ministers over the ‘immoral’ use of public money (Post-Courier 3 April 1981), referring to the allocation of transport sectoral funds to ‘certain national government members’ as ‘immoral use of public money’. Paulisbo claimed the sectoral funds were being used by the national government to buy political support for the coming election. This was a widely felt grievance at the south-coast regional secretaries conference.

Serious tension between the national government and the provincial government arose briefly in 1981. The provincial government was deeply concerned about lack of consultation by the national government over the issuing of fishing licences for Milne Bay waters. The Milne Bay government sought a national court order cancelling fishing licences which it alleged were granted to a Taiwanese operator without consultation (Post-Courier 3 March 1981). It sought a ruling that the Organic Law on Provincial Government guaranteed it a right to consultation in the issuing of fishing licences. The provincial government lost the court case on a technicality, but the adverse publicity generated by the case and the threat of more arising from a possible appeal were not welcome in a pre-election year, and the national government backed down, promising consultation in the future.

Problems also arose between the national government and the provincial government over ownership rights in the issuing of a timber permit to the Suau people to develop their timber resources (Post-Courier 24 September 1981). The then member for Milne Bay, Sir John Guise, said that he was deeply concerned by the provincial government’s plans to include village-owned Suau timber in the Sagarai-Gadaisu timber project. The Suau had a basic right to ownership of the timber under the Forestry (Private Dealings) Act as well as under the constitution, Sir John said. The minister of Forests, Joseph Aoae, gave an undertaking that he would issue the necessary permit to allow the local people to develop timber
projects under that act. Another grievance during the early years of provincial government was the Milne Bay provincial government's continued call on the national government for assistance with surveillance patrol of the province and outlying islands. Repeated complaints were made by the Milne Bay assembly about inadequate marine surveillance by the national government (*Post-Courier* 2 September 1981).

Lack of consultation over development projects has been a sore point. In 1985, for example, the then premier, Lepani Watson, complained that his government was left out of negotiations over the development of an oil palm project in the province. He claimed that the project had been kept secret (*Post-Courier* 25 January 1985).

Criticism of the national government's treatment of Milne Bay has not come solely from the provincial government. At a conference in Aotau in 1986, the Milne Bay council presidents alleged financial mismanagement at the national government level and voiced their suspicions about national government politicians lining their own pockets. They called for all national funds for councils to be released direct to local and community governments, and resolved that the provincial government should write a letter of concern to Prime Minister Wingti requesting that the system of channelling National Development Fund monies through national MPs be abolished. The presidents said many MPs used the funds for their own purposes and never informed the provincial government or the councils in their provinces about how much they were allocated. This was an implicit attack on Jacob Lemeki (see *Post-Courier* 8 August 1986).

Some of these issues remain unresolved. According to the cabinet secretary, Mr Novau (Ley, personal communication, March 1991), cooperation has been lacking for quite some time and there are no real signs of compromise. National MPs tend to pursue development projects without consulting the provincial government. Party affiliations and political point-scoring seem to have influenced the relationships between national MPs and provincial politicians, though national MPs tend to court the provincial politicians before national elections, for obvious reasons.

**Conclusion**

Milne Bay is a fragmented maritime province in which problems of unequal development, communication and access are endemic. Provincial government has not worked out as its planners hoped. Part of the idea of the provincial government system was to break down the highly centralised administration inherited from Australia, in the hope that smaller-scale provincial government would be more

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2. *The Forests Act* gave the national government control of forest development but included safeguards to protect local groups from being exploited. In the mid-1970s, Julius Chan introduced *The Forestry (Private Dealings) Act*, which allowed forest operators to deal directly with landowners. While the act was supported by many landowners, it in fact offered the local people no protection.
efficient and more responsive to local needs. At the Milne Bay constituent assembly’s first meeting in Alotau in 1977, the president of the area authority, Kingsford Dibela, emphasised the need for members to work together to produce a constitution which would truly reflect the wishes of the people (*Post-Courier* 17 January 1977). But the then provincial minister for education, John Kanadi, claimed that the national government was using decentralisation to cover up dissatisfaction in the provinces and lack of economic development in the rural areas (*Post-Courier* 3 July 1979).

Many who were not as pessimistic as Kanadi still see problems. Dibela’s expectations that the constitution would truly represent the wishes of the people and that legislation would enhance the situation of local groups, have not been fulfilled. Plans for balancing development in the rural areas have not materialised. Doubts about the adoption of a ‘European’ system of government, with which Milne Bay inhabitants have little experience, and which fits rather incongruously over such a scattered group of islands and cultures, remain. While successful politicians are mobile, smaller groups are limited by the size of their political base and fail to secure representation. Several questions need to be asked: is provincial government encouraging disunity and unequal development? Are members’ interests removed from the needs of those they represent? How much control does Milne Bay exercise over its government when a large part of the provincial budget is controlled by the national government?

Reports of mismanagement and disorderly conduct fuel anti-provincial-government sentiment. Lack of familiarity with accounting practices, born of inexperience rather than systematic corruption, produce confusion and administrative inertia. The resulting incompetence can frustrate the intention of provincial government, that it bring control of government closer to the people.

Relations between national politicians and provincial politicians may appear to be fragile. However, during the period under examination relations have been generally cordial. Indeed there appears to have been something of a convergence of national government and provincial government interests. The emergence of the Esa’ala Group is evidence of a realisation that a larger group has a better chance of a share of leadership. Social tensions between the need for development of smaller groups and the political reality that a broad base is needed for successful election have been partially eased by development programs which target and assist specific groups. A public meeting at Rabaraba district headquarters on 20 June 1990 was used as a forum to voice discontent. Those who spoke reflected a serious determination to make provincial government benefit the people of Milne Bay: ‘what is really needed is a coordination of all efforts’ (*National Parliament* 1990b vol. 2:minutes of meetings and written submissions from Milne Bay Province, p. 7 (Valentine Vaima)).

A growing political awareness is manifest in the changing voting patterns, too. In the first provincial elections people voted according to tradition. But now the people of Milne Bay vote on broader issues and perceive the government less as bringing home the bacon. Tradition is losing its hold on the people. The bicameral political system which is a concession to traditional chiefs in the Trobriand
Islands is an isolated phenomenon going against the general shift to ‘modern’ political and economic interests. There appears to be an increasing acceptance of provincial government as a tool for economic and social development.

Postscript

In mid-1992 Titus Philemon left the provincial government to contest the national elections, as a PPP candidate, and was elected to the seat of Samarai-Murua. He was succeeded as deputy premier by Daniel Banige, a Milne Bay Solidarity Party supporter. In August the same year it was reported (Post-Courier 20, 21 August 1992) that Philemon had written to Premier Toloube and Deputy Premier Banige ‘warning them of an imminent suspension of their government unless they changed its leadership’ (Philemon apparently sought to replace Toloube by Banige). Copies of the letters were forwarded to the ombudsman.

In October 1992 the Milne Bay provincial government was suspended, the grounds being given as gross financial mismanagement. The government promptly challenged the suspension and a national court ruling supported the provincial government’s objection and ordered its reinstatement. The national government appealed the decision and successfully sought a stay of execution, but in November 1993 the Supreme Court upheld the national court decision and the Toloube government was reinstated.
ENGA PROVINCE, 1978-1991:

THE TRANSFORMATION OF THE *TEE*

Harry Derkley

Traditional highland societies in Papua New Guinea are renowned for their intense preoccupation with competition, among both individuals and groups, to control the allocation of resources. The Enga-speaking people, who comprise the bulk of the population of the Enga Province, are no exception; a long-time observer of Enga culture and society wrote in 1965 about the Mae Enga, the largest of the Enga speaking groups: ‘Mae society comprises many small territorial units … They compete ceaselessly for prestige, land and other scarce goods’ (Meggitt 1965:128).

What Meggitt saw in the 1960s was a traditional society still largely unaffected by outside influences. It was characterised by extreme fragmentation on the one hand and intense competition on the other, culminating in the great *tee* trading cycles which progressed through the main central valleys of the Enga Province every four to five years. This paper argues that the nature of politics in the Enga Province, though its forms have been dramatically transformed and the arena in which it operates considerably expanded, is fundamentally unchanged. It is still marked by extreme fragmentation and intense competition, ‘the politics of spoils’ as it has been aptly described (Gordon and Meggitt 1985:157). The clan – and not the individual, class, elite, party or any modern sociopolitical form – continues to be the prime mediating force in Enga politics. Contemporary politics in Enga cannot be understood without an understanding of the politics of the *tee*. There is a remarkable, underlying continuity between the ‘old’ and ‘new’. This continuity is encapsulated in the remark made by a highly educated Engan about the 1990 provincial elections: ‘Now, the elections are our *tee*.’

This paper will look briefly at the role of the *tee* in traditional Enga society and then at the modern political development of the Enga Province – contact,

* The author is an Australian lawyer working for the Enga provincial government. He acknowledges his debt to Regina Sagu, a fellow lawyer working for the provincial government, and Phillip Kikala, deputy secretary of the Department of Enga, both Engans, and to Graham Taylor, past secretary of the department and now Porgera zone coordinator, for a great deal of the information and many of the insights in this paper. However, the views expressed are the author’s own.
Map 4: Enga Province
colonial administration, the growth and decline of local government, the often crisis-ridden history of the provincial government, and the intense, sometimes explosive, interaction between national and provincial politics. This latter interaction is likely to increase as a significant part of the wealth which is expected to be generated by the Porgera goldmine project1 begins to flow into the province. As a result the provincial government is likely to become more than ever the focus of politics in Enga. The continuation of the politics of the tee in its modern form will, however, place enormous pressure on the provincial administration. Competition between clans, the most dramatic evidence of which is the continued and growing incidence of tribal fighting, will become ever more destructive unless the provincial administration can meet the challenge of more effectively distributing goods and services to the people of the province, and the relentless urge to acquire power and prestige by manipulating that distribution in the old ways can somehow be redirected.

Enga in brief

Enga Province lies to the west of the Hagen Range. It is the most rugged and elevated province in Papua New Guinea, with most of the land lying at an altitude of more than 1,200 metres. Much of the province is covered with temperate rainforests. These give way to alpine grasslands above 2800 metres, which is also the absolute upper cultivation limit of the highland staple, sweet potato. In the central valleys between 1,800 and 2,400 metres much of the land has been cleared for gardens. This is the ‘core’ of Enga, where the bulk of the population live and pressure on land is severe. Here the land is fertile enough to support sweet potato gardens on a two or three year fallow cycle. In the Porgera area, and the lowerlying valleys between 1,400 and 1,800 metres in the north of the province, arable land is less fertile but more abundant and shifting cultivation is practised. In the far north and west live the Hewa and Net people, many of whom have only recently been contacted by government, and who continue to subsist on a mixture of hunting and gathering and shifting agriculture.

The province is among the least developed in the country. In 1980 it ranked lowest in per capita income (Carrad, Lea and Talyaga 1982:148). There is no large-scale commercial agriculture, although there is significant small-scale cash cropping of coffee and, at higher altitudes, pyrethrum, as well as the cultivation

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1 The Porgera project began in May 1989. It involves the construction of underground and open-cut mines at a current estimated cost of almost K1 billion, and is expected to be one of the largest goldmines in the world, with an average annual production of 800,000 ounces per annum and total production valued at K4 billion over an eighteen-year lifetime. It is a joint venture between the Canada-based Placer, Australia-based Mount Isa Mining (through its subsidiary Highlands Gold) and Renison Consolidated Gold (a subsidiary of the UK-based Consolidated Goldfields), which each have a 30 per cent equity, and the national government, which has a 10 per cent equity.
of introduced vegetables for sale either locally or outside the province. Government constituted virtually the only form of modern economic activity until the late 1980s with the development of the Porgera goldmine project. Subsistence agriculture remains the lifeblood of the Enga economy. The main subsistence crops are sweet potato, taro, sugar cane, bananas, a variety of green vegetables both traditional and introduced, pandanus nuts and the casuarina trees which are planted for shade, firewood, building materials and to replenish the soil with nitrogen. A large proportion of the sweet potato is fed to pigs, which were traditionally the chief, and remain an important, item of exchange.

Enga Province is unique in Papua New Guinea in that the vast majority of its people belong to one language group (made up of nine mutually intelligible dialects) – the tok ples, Enga – which is by far the largest in the country. At the 1980 national census the total indigenous population numbered 159,310, while first but unofficial returns from the 1990 census place it at 232,000. With an estimated annual growth rate of 2.3 per cent the number is likely to continue to grow rapidly, though there is significant outmigration (Carrad, Lea and Talyaga 1982:45, 50). A number of other languages is spoken in the fringe areas of the province, the most important of which is Ipili, spoken in the Porgera area. However, almost all other groups speak, or at least understand, Enga, which makes it the lingua franca of the province.

This has some important political consequences. Although English and Tokpisin are the official languages of government and administration, a great deal of important business, government and other transactions are informally conducted in the Enga language, a situation which probably occurs nowhere else in Papua New Guinea. For example, almost all provincial assembly members elected in the 1990 provincial election made their ‘maiden’ speeches in Enga. The widespread use of tok ples serves to create a strong quasi-nationalist feeling among an incipient Enga administrative elite. Enga speakers are often favoured for government jobs and ‘outsiders’ discouraged. In general, however, clan loyalties are stronger than any broader loyalty to Enga – though the tendency to try to place fellow clan members in jobs, or even use outsiders to deny access to key jobs to rival clans, remains potent in most situations.

The tee

Enga was first penetrated from the north and east by prospecting parties. In 1939, one of the earliest Europeans to enter the Lai Valley, the patrol officer Ian Downs, recorded his wonder at the gardens of Enga, but more especially at the communication system: ‘[T]he entire country is riddled with roads and paths ... This is one of the unique features of the Enga country’ (quoted in Carrad, Lea and Talyaga 1982:10). These roads and paths were the routes along which the Enga traded shells, tree oil, salt, stone axes, bird plumes and above all pigs. The latter were the mainstay of the tee. The three main tee cycles were located in the east of the province and started in the fertile Tsak valley near Wapenamanda, though more informal trade networks extended to the peripheries of the province (ibid.:
They travelled in a generally east to west direction up the Lai, Ambum and Saui valleys (Whittaker et al. 1975:56). The tee were elaborate and massive events involving the movement of thousands of pigs from east to west over a number of years and then the return of pigs, shells and other goods in repayment from the opposite direction. They were mediated by bigmen who arranged through overlapping trading partners in other clans complex chains of exchange based on notions of credit and debt as well as interest. The culmination of the trading cycles was a series of gatherings in which thousands of tribesman participated in exchanges of pigs and other goods and, if all went well, singsing and even mock battles.

As in other highland societies, there was no hereditary leadership. Any male could aspire to leadership by becoming a bigman. It was through these exchange cycles that Engan males could carve out their reputation as bigmen, persons of wealth and social prestige within their clan and even more widely. All lesser exchanges, such as bride price and compensation payments, were ultimately subordinate to the needs of the tee. Gordon and Meggitt theorise that the elaborate network of exchange relationships which make up the tee served to create social order within and between clans in a non-hierarchical social environment that was marked by distrust and hostility between tribes or phratries (yumbange), clans (tata), and even between smaller units within clans, the sub-clans (akalyanda) and lineages (takange): ‘Social relationships have constantly to be validated by material transactions or observable deeds. Such relationships provide a measure of order, social control, and predictability for Enga which reach their culmination in the trade cycle’ (Gordon and Meggitt 1985:148). However, they go on to point out that the tee may also be a source of disorder, because failure of trading partners to live up to their obligations causes resentment: there is a common Enga saying, ‘First we make te, then we fight’ (ibid.: 149);

The tee was initially opposed by the kiap, the missions and some Christianised Enga as a wasteful and extravagant use of resources. However, the kiap soon came to rely on the tee as a means of identifying the natural leaders of Enga society and recruiting them as luluai and tultul (ibid.: 149). Rather than diminish, the tee thrived in the years of colonial administration with the spread of roads, pacification and the burgeoning supply of goods which could be fed into the great ‘river’ of the tee. However, the last great tee in a recognisably traditional form seems to have taken place in 1974. Increased mobility leading to the expansion of trade in many directions, the availability of cash which makes debts and obligations infinitely divisible and more easily settled without the creation of new obligations undermining the dialectic of the tee, and the ability of many young educated entrepreneurs aspiring to tee, have all diffused the tee. Traditionally it took considerable time and effort to acquire a stock of fat pigs. One needed gardens and wives to cultivate them and tend to the pigs (Meggitt 1965:157). Now, a young upstart employed in the public service can buy a pig with a fortnight’s wages.2 As one old informant said when asked whether there would

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2 Pigs sell for what in Western terms are enormous sums. A large fat pig will fetch
be another tee: ‘The tee is like a great river. Now there are too many little rivers’.

Nevertheless, the dynamic of the tee lives on. No businessman, or businesswoman, can thrive for long, and no politician aspire to win office at local, provincial or national level, in the Enga Province without the successful manipulation of a network of exchange relationships built up over many years, with the support of his or her clan and other clans. Expatriate businesses, though to some extent exempt from this imperative, lead on the whole a rather precarious existence in the province. Other bases of political support – independent personal wealth and influence, class, membership of an independently powerful elite – have as yet not taken firm root in Enga society.

Contact, colonial administration and local government

There were a few hostilities between prospecting parties and Enga warriors in the 1930s, resulting in at least one recorded massacre. However, the ‘pacification’ of Enga by the kiap was, as elsewhere in the highlands, a bloodless affair achieved mainly with the active cooperation of the traditional bigmen. The first administrative outpost was established in what is now the provincial capital of Wabag in 1948, with control being extended over the main valleys in the 1950s and the outlying areas in the 1960s. This coincided with the influx of missionaries, mainly Lutheran, Catholic and Seventh Day Adventist, who established schools and hospitals. As bringers of desirable goods and services they were readily sold clan land, though with the consequence that it is still not uncommon for clans which own the land to deny such services to other clans, especially where there is a dispute between the ‘landlord’ clan and another.

The most significant effect of kiap administration, as elsewhere in the highlands, was the almost complete suppression in the 1950s and 1960s of what had up till then been endemic tribal fighting. How this feat was achieved and why the ‘peace’ was so quickly undone in the 1970s is still a topic of heated controversy (Gordon and Meggitt 1985:39-69). What is not in doubt is that many older Enga still regard the kiap time as a golden age when laws were ‘strong’ and people felt ‘secure’, and contrast this time bitterly with that of the present home-grown administration, whose laws are ‘weak’ and which seems impotent to stem the breakdown of ‘law and order’ which has brought back the old insecurities with

K400-500. This is far above the commercial value of its meat and underlines its value as a medium of exchange rather than an item of consumption. (Knocking over a pig on a road incurs compensation for the lost value of the pig, but does not entitle you to take the pig home to eat.) Cassowaries, another traditional item of exchange of great prestige, especially in bride-price exchanges, fetch even higher prices – up to K2,000-3,000.

This occurred in the far north of the province in Maramuni and was perpetrated by the notorious Schmidts, father and son. The surviving father was hanged in Rabaul in 1936 for this and other crimes (Carrad, Lea and Talyaga 1982:14). One man is recorded to have been killed near Wabag by the 1934 Leahy expedition, though local people still claim that up to twenty people were killed.
a vengeance (ibid.: 18). Paradoxically, it also appears to be the case that the golden age was achieved only through the active cooperation of the many Enga bigmen with what was always nothing more than a handful of scattered and inexperienced kiap.

Some of the seeds of the coming disorder can perhaps be seen in the early career of the local government councils, insofar as they were meant by the colonial administration to be the first steps to the devolution of political power to the people. These were progressively introduced in Wabag, Lagaip and Wapenamanda in the 1960s. Significantly, the boundaries of the council areas followed the boundaries of the ‘core’ Enga-speaking groups – Wabag, the Mae of the upper Lai and Ambum valleys, Lagaip (based in Laiagam), the Yandapu of the Sirunki Plateau and upper Lagaip Valley, and Wapenamanda and the closely related Syaka and Laiapu of the Tsak, lower Lai and Minamb valleys. Councils established in the early 1970s in the outlying areas of Kompiam (Sauj), Kandep (Kandepe) and Porgera (Ipili) also followed this pattern. Council wards in turn were, and continue to be, clan-based (Gordon and Meggitt 1985: 96-97).

Councils were not greeted initially with much enthusiasm. Generally, the clans elected the luluai and tulul, typically traditional bigmen, because of their experience in dealing with the administration. This was important because councils were closely supervised in their operations locally by their administration-appointed advisor and by the district administrator himself who had the power to approve the annual budget estimates. Fairly considerable resources were made available to councils. Membership remained reasonably stable until the 1970s, when word that the introduction of elected district and provincial government was imminent motivated a younger, more ambitious, less traditionally-oriented, and more educated group to stand. Nonetheless, councils have remained largely the domain of the traditional bigman. Councils in the highlands never became the focus of micronationalist aspirations, as they did in other regions of Papua New Guinea in the years immediately prior to independence (May 1982a:7-25).4 Enga was no exception to this phenomenon. Until 1974, however, Enga still consisted of two subdistricts of the Western Highlands District, and there was increasing pressure from local leaders for a separate, unified Enga District (Carrad, Lea and Talyaga 1982:276).

Councils in Enga, even during their heyday before the advent of provincial government, were not a great success. Properly trained staff were not available because of the remoteness of the province and the fearsome reputation of Enga, and councillors and local members of parliament interfered with the implementation of development plans to suit their own and clan interests. The predictable result was that development funds were mismanaged and wasted (Gordon and

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4 May’s book includes a chapter by Bill Standish on the Highlands Liberation Front (Standish 1982:359-415). This movement was significantly different from other micronationalist movements, apparently having no mass base, strong localised following, nor quasi-religious character, and not being essentially anti-colonial in character.
The area authority and interim provincial government

Enga was declared a separate district in 1974, and at independence became a province. An area authority, consisting of twelve voting members appointed by the six councils plus five non-voting members, was set up in March 1973 primarily to advise the district commissioner on the administration of the province, though it was also given the power to supervise the allocation of the quite considerable Rural Improvement Fund (RIP). There were difficulties with its relationship to the administration, which in many ways went about its business oblivious of the area authority, and because of lack of adequately trained and independent staff there was a great deal of waste and mismanagement of area authority funds (ibid.: 127-28, 133).

Provincial government was instituted in 1978 when the area authority, after the preparation and promulgation of the Enga constitution and under the legal authority of that constitution, declared itself to be the Interim Enga Provincial Government. The first premier was Don Kapi, previously chairman of the area authority. The record of the interim government was little better than that of the area authority (ibid.: 137). Its legitimacy was questioned from the beginning. Even the semblance of good administration was hampered by the institutional conflict between the provincial secretary, head of the provincial secretariat (an advisory body appointed directly by the provincial government) and the administrative secretary, the head of the Department of Enga, appointed by the national government though on the recommendation of, and answerable to, the provincial government (ibid.: 137-38).

The interim government finally went to election in 1980 with two factions, both from the Wabag area and each made up of a complement of politicians and their administrative supporters, competing fiercely for office (ibid.: 138). As the premier was elected on a ‘presidential’ province-wide ballot, the result of this competition was that the premiership went to an outsider from the periphery, a pattern that has been repeated in subsequent provincial elections and has probably spared Enga from serious threats of secession by the peripheral areas. The much less congenial pattern of senior public servants becoming embroiled in electioneering by actively supporting one or other of the candidates for premier, or even resigning to contest the position themselves, has also repeated itself. The predictable result has been that relationships between senior public servants and politicians have frequently been marked by intense distrust, rivalry and jealousy which has had detrimental effects on good administration in the province.

Premier Tindiwi (1980-86 and 1990 to the present) came from the southern Kandep area and Premier Laina (1986-90) from the northern Kompiam area.

Two senior officers (including one who was also one of the candidates for premier...
The evolution of the political and administrative structure

The Enga Province is one of the few that has stuck with the presidential system of direct election of the premier by the people. That system was abolished in the Southern Highlands in 1984 after the untimely death of the premier there, modified in the North Solomons in 1988, and introduced in Manus only in 1988. The system appears never to have been under serious challenge in Enga, though there does not seem to have been any strong reason for instituting it in the beginning. Nowadays it is popular with the people of Enga, who say that a directly elected premier makes for strong and stable government. There is little doubt that a Westminster approach (the premier being elected from among members of the legislature) would have led to unstable government in Enga. There would almost certainly have been frequent challenges to the office mirroring the continually shifting alliances among the clans. If this is what concerns those who support the presidential system, their fears have been banished because there has never been a motion of no-confidence in the premier. The explanation probably lies in the constitutional obstacles involved in removing a premier — an absolute majority is required which, if obtained, precipitates a midterm by-election for premier unless the motion is passed in the final year of office when an early general election is required, something too forbidding to contemplate. Instead there have been far less disruptive attempts at ‘proxy’ votes of no-confidence in the deputy premier. One such vote was successful during the term of the Laina government in early 1987.

Because of the mode of election of the premier, and the power and impregnability of the office, it is a prize which is keenly sought after. Just as under the Westminster system, the premier has the right to pick his ministers. By contrast, whereas under that system cabinet reshuffles may be attended by the risk that the premier’s position itself comes up for consideration, there is no such appreciable risk in Enga. The premier can hire and fire his ministers with impunity. Under the provincial constitution it is also the premier, on the advice of the cabinet, who initiates the provincial budget, though the detailed work is largely done by a committee made up of public servants (which, however, is very mindful of the requests of members, particularly ministers, for the needs of their constituencies).

This arrangement obviously gives the premier considerable powers of patronage, both direct and indirect, because the distribution of projects — the construc-

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7 A bill was drafted in 1985, while the provincial government was suspended and the province was under national government administration, to abolish the presidential system. It was approved by the National Executive Council but was not approved by the National Parliament, as required under the OLPG.
tion and maintenance of trunk and feeder roads, foot bridges, airstrips, aid posts, schools, and so on – which make up a large part of the expenditure directly under the control of the provincial government, is generally considered to favour the ministers. Ministries also carry with them perks of office such as increased salaries and sitting allowances, and greater access (in some cases unofficial) to vehicles, travel (especially to Port Moresby) and phones. It is the ministers who have been in the running for contracts generated by the construction of the Porgera goldmine. This is not to suggest that self-aggrandisement and looking after the interests of one’s clan supporters are the sole interests of ministers. Quite a number spend considerable effort in mastering their portfolios, despite the frustrations of severe limitations on their powers because of the dynamics of the allocation of responsibilities between the national and provincial governments under the Organic Law on Provincial Government, and the legal and administrative arrangements for the financing of these responsibilities which are described elsewhere. Enga, not unexpectedly given its undeveloped nature, is one of the provinces that has not obtained full financial responsibility.

The assembly had grown from the original sixteen members to eighteen in the first months of the interim provincial government and to twenty-three with the creation of a further five constituencies following the 1983 report of the provincial boundaries commission. The cabinet was enlarged from the original eight to nine ministries by means of a constitutional amendment in 1987, but there has been no attempt, as has occurred in some provinces, to expand the cabinet to include the majority of members in an apparent effort to promote government stability. Perhaps this has not been necessary because of the strength of the premier’s position in Enga.

There have been administrative reorganisations over the years, which parallel developments in other provinces. After the disruption caused by the twin secretaries under the interim provincial government, there has been no provincial secretary since the beginning of elected provincial government. The administrative secretary, now just secretary, carries out the functions of both the provincial government’s chief adviser and the administrative function of head of the Department of Enga.

The secretariat exists in name but does not function as a body. There is separate legislative provision for the appointment of its members, and this was utilised until 1986. However, with the creation of the Enga Employment Authority in that year, for the specific purpose of creating a formal structure for the appointment of provincial government employees outside the national public service, those officers nominally employed in the secretariat, such as the assembly clerk, chief liquor licensing commissioner and cabinet secretary, lost their special legal status, although they may nevertheless acquire considerable political influence through astute use of their statutory powers under other legislation or because of their political position.8

8 Prior to the imposition of the provincial liquor ban in September 1989, the offices of chief liquor licensing inspector and cabinet secretary were held by the same
Until 1989 the Department of Enga was organised so that all administration of key line functions (education, health, agricultural extension, and so on) was carried out at provincial headquarters in Wabag with only generalist administration at the level of the six districts – Wabag, Laiagam, Wapenamanda, Kandep, Kompimam and Porgera. This has now changed in a bid to decentralise the administration and bring services closer to the people. The province has instead been divided into three administrative economic zones – East (Wapenamanda), West (Laiagam) and Porgera (the latter because of the perceived need to boost administrative capacity in view of the advent of the Porgera goldmine project) – each under a first assistant secretary responsible to the secretary, and field activities of line functions are carried out at district level under the supervision of an assistant secretary. Line functions maintain specialist support staff at headquarters, responsible to the secretary. However, the process is far from complete because of difficulties in providing office and residential accommodation and the need effectively to devolve financial and decision-making powers.

Financially, Enga has up till now remained heavily dependent on transfers from the national government to finance its operations. As with the other ten provinces without full financial responsibility, funding for most provincial functions is not under provincial control – rather, it is allocated through Division 278 of the national budget. For example, in 1987 allocations under that Division were K10,169,200 compared to K4,694,630 under the provincial budget. Approximately 85 per cent of the provincial budget is derived from national government grants, the bulk of which is made up of the minimum unconditional grant (MUG). In 1989 total revenue appropriated was K4,552,660, of which K650,960 was raised internally. Retail sales tax is the most significant internal source of income. In 1989 the tax (which is imposed on the sale of all goods, though tax on petrol, liquor and cigarettes are collected under separate administrative arrangements) provided a total of K405,200. This was less than 10 per cent of provincial revenue, despite up-to-date legislation and above-average administration. There is considerable tax loss due to cross-border purchases of wholesale goods at the booming Western Highlands centre of Mount Hagen just over the border. In 1988 the provincial government made an unsuccessful constitutional challenge to the retention of the taxes on wholesale goods intended for retail in the Enga Province by the Western Highlands. However, following the commencement of production by the Porgera goldmine in late 1990, considerable revenues – expected to more than double provincial government income in many years – are likely to flow to the provincial government from the mining royalty and the special support grant negotiated as part of the Porgera Agreements.9

person, who was thus able to exercise quite considerable powers under the provincial Liquor Licensing and Control Act and influence the exercise of the cabinet’s powers under that act.

9 The three Porgera Agreements were negotiated between the national and provincial governments and the Porgera landowners as part of the negotiations between the national government and the mine developers. They cover a variety of topics,
Local government councils were reconstituted under provincial legislation in 1981, but have generally declined in power and influence in line with the trend in the rest of the country. General purpose grants by provincial government for their operations have been niggardly. The standard provincial government grant to each council for its general functioning has been K25,000 per annum since 1987. The old head tax, which was traditionally the main source of council income, is no longer politically acceptable. This leaves only trading licence and market fees as sources of independent revenue. Neither of these is particularly lucrative. Although the provincial government has attempted to boost the administrative capacity of councils by seconding its own employees to serve as council clerks, the accompanying loss of council's ability to hire and fire their key employee has only served to underline the decline in their authority. However, the creation of the Porgera Development Authority, as a result of the negotiation in 1989 of the Porgera Agreements between the Porgera landowners and the provincial and national governments, will mean a very considerable devolution of power from the provincial centre to that authority. Not only will the authority have a guaranteed indexed annual grant of K500,000 from the provincial government for the administration and development of the Porgera district and 5 per cent of the royalty generated by the mine, it will also receive and administer allocations in the provincial budget for the Porgera district.

Elections, suspension and provincial politics

Provincial government in Enga has regularly attracted such epithets of condemnation as ‘corrupt’, ‘mismanaged’ and ‘lacking administrative capacity’. But to describe it merely in those terms is to fail to grasp the essence of politics in Enga, which is that the introduced Western-style system of provincial government and administration is continually under severe strain from jostling clan interests which press in on it at all points. Gordon and Meggitt describe the Enga world view as essentially dualistic, a universe consisting of the moral domain of the clan, where one has strictly defined and all-embracing obligations and responsibilities, and the rest of the universe to which that morality does not extend, which is essentially hostile, the arena for aggrandisement of clan interests. Within this context they maintain that the provincial administration is seen as a ‘super-line’ — that is including an increased flow of benefits by direct grants both from the national to the provincial government, and from the provincial government to the landowners; the taking up of the national government's 10 per cent equity in the project by the provincial government and the landowners; the provision of infrastructure at Porgera; preference for Porgerans and Engans in jobs and spin-off contracts; and a variety of other matters. At a gold price of US$350 an ounce, the special support grant and royalty payments are expected to contribute K68.7 million to the provincial government, compared with K465 million which goes directly to the national government as taxes.
‘super-clan’ (Gordon and Meggitt 1985:157). However, this argument misses the point; it attributes far too great an autonomy to provincial government.

Provincial government, and the apparatus of national government of which it is a part, does not function so much as a ‘clan among clans’ but as an arena where the furious contest between clans for the spoils of government – jobs, cash, houses, vehicles – continues unabated. It is often only the threat of total loss of control of the source of these goods by the ultimate sanction – suspension of provincial government – which serves to preserve a facade of legality and adherence to ‘proper procedure’. (There is, however, evidence that even suspension means only the transfer of resources from clan interests focusing on provincial politicians to those focusing on national politicians.)

In the adjoining Western Highlands Province the 1986 suspension there is believed to have been essentially a scramble for provincial funds for distribution prior to the 1986 national elections. It is these goods of government which have become the stuff of the ‘tee’ in Enga, and the control over their distribution by the politicians, and to some extent senior public servants, the means by which the traditional role of bigman has been translated and transferred into the modern political sphere.

This is not to say that many public servants and politicians do not take seriously the new philosophy of the ‘beneficent state’ which is there to see that all its citizens obtain a reasonable share of the goods and services at its disposal and to provide security of life, limb and property. Only that this new political morality, one which seeks to extend the moral universe beyond the horizon of the clan, is one which struggles to establish itself in Enga. The state apparatus, both in its national and provincial aspects, is essentially weak in the face of the virtually all-consuming, amoral interests of the clan, in which the politician, and often the senior public servant as well, must aspire to play and fulfil the role of bigman. This shows itself in other ways. The control of government land is increasingly under challenge from clan interests, and businesses wishing to establish themselves on such land must first reach an accommodation with the relevant clan. Commercial property is under frequent threat of arson by enemy clans. For example, during the rioting and looting following the murder in June 1988 of regional national member, Malipu Balakau, a large wholesale store in Wabag was burnt down by members of the local clan. Attempts to rebuild the store have been prevented by the insistence of the local clan that they must ‘joint venture’ with any business which uses the site, most of which is held under a long-term government lease to the Wabag Local Government Council. The bush materials, bucket, and hand pump ‘service station’ is a unique Enga response to this rampant insecurity. There is no material basis for the formation of a home-grown or expatriate economic elite as there is, for instance, in the Eastern and Western Highlands. One of the first acts of the new Tindiwi government elected in 1990 was establish-

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10 The suspension of the Enga provincial government is widely believed to have been engineered by a national government member in 1984 concerned that the then premier was building up a base of support for a possible bid for national politics through redirection of provincial funds to meet bride-price obligations.
ment of a town authority to administer the provincial centre of Wabag, the bulk
of the members being appointed by the premier on the recommendation of thir-
teen surrounding clans.

Access to land is the key to status in Enga society, both at the clan and individu-
al level. A man who does not have land is a rabisman tru (worthless person). The
nationally-based Land Court has not sat in Enga since 1980 to resolve the
land disputes which appear to underlie many tribal fights (Wormsley and Toke
1985:80). The ‘writ of law’ does not run in Enga except, very inefficiently, in
relation to the tiny sector of town-based crimes and disputes in which the clans
have no direct interest. The police are unable to control the tribal fighting.\textsuperscript{11}
Through tribal fighting the clans continue to assert their autonomy from the state
apparatus. When the clans fight, as they do almost weekly somewhere in the
province, politicians and public servants frequently go into hiding because they
are the favoured targets of the opposing clan. They are also known on occasions
to join the fight to show their solidarity with the interests of the clan. The state
can neither protect them nor give them the prestige which, in the final analysis,
the clan is able to provide.

Of late, fights seem to have become more bloody and destructive than was
the case traditionally, with axe ambushes displacing massed frontal assault on a
designated fighting ground and shotguns replacing wooden spears and unfletched
wood-tipped arrows. The stakes are higher and the frustrations and loss of face
from missing out in the modern tee run deeper. There is much greater emphasis
on wreaking the maximum of economic damage by destroying gardens, cutting
down trees and burning and looting trade stores than was traditionally the case.
The scores of killings which occur in the course of such fights every year are
rarely the subject of judicial proceedings. Instead they are generally dealt with
by traditional means in the village courts, which meet in the shadow of provincial
government buildings in Wabag and other provincial centres. Their jurisdiction
may ostensibly derive from the relevant national and provincial government
legislation; but their real authority rests on the power of the clans to make war
and then gather under the auspices of introduced law to negotiate a peace in which
traditional compensation is awarded for deaths and injuries. As one commentary
put it: ‘Tribal fighting is seen as being none of the government’s business’
(Wormsley and Toke 1985:24).

It is in this sociopolitical context that the role of provincial government must
be evaluated, and in this context provincial government in Enga has had its suc-
cesses as well as its failures.

All three provincial elections have attracted a large field of candidates, both

\textsuperscript{11} Incursions by the Mount Hagen-based Mobile Riot Squad, usually followed by
complaints of assaults, arson, pig-stealing and rape, are temporarily successful.
Local police are frequently accused of joining sides in exchange for beer or other
rewards. The police station has recently been raided on two occasions and police
firearms stolen. There was a reported incident in early 1989 of police actually being
disarmed by angry clan members for refusing to disarm an attacking clan.
at constituency level and for the position of premier (though in the case of the latter the field was considerably smaller in the 1990 elections than in the previous two). In the 1980 elections there were twelve candidates for premier. In 1986 the average nomination per seat was 10.4 and 17 candidates stood for the premier’s position. In the 1990 elections the corresponding figures were 11.8 and 7. There have been very high turnover rates, with only three survivors in 1980 from the original eighteen-member interim provincial government, six from the 1980 elections surviving in the enlarged twenty-three-member government elected in 1986 and only five of twenty-three surviving in 1990. (After the 1990 election, there was only one ‘survivor’ from the first elected provincial government.)

At constituency level, each of the clans tends to nominate its own candidate, a fact which is underlined by the displays surrounding the nomination of the candidates who come into the provincial centres at the head of a chanting, dancing mass of supporters in traditional battle formation and decoration. The atmosphere at the time of the poll must be strongly reminiscent of the days when the bigman waited apprehensively at the tee ground to see whether the pigs he had been promised by his distant trading partners would finally materialise (Whittaker et al. 1975:58-9). Defeat, or anticipated defeat, is not taken with equanimity by the losing clans. Both provincial and national elections have been marked by generally very plausible allegations of bribery, stuffing of ballot boxes, wholesale destruction of ballot papers, a general eruption of tribal fighting, and on the occasion of the last provincial elections, the burning down of government buildings.

Candidates for premier have of necessity drawn their support more widely. The general strategy is to secure a base in the candidate’s home area and from there to seek to draw further support in other areas of the province. This is done by drawing on inter-clan links formed in marriage exchanges and past kinship relations (provided they have been well maintained by continued exchanges, attendance at ‘cries’ for the death of clan members, and support in fights), as well as more modern links established as a kiap or in other government offices or by residence in particular areas. The tee principle operates strongly in both

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12 Results generally appear to be known well before the count. The protection of secret ballot seems largely nonexistent. The illiterate voters, still the vast majority, are assisted by representatives of the candidates (often called, significantly, scrutineers) to ‘mark’ their ballot papers. Voters usually go to the polling booth by clan or sub-clan, chanting the name of their candidate as they go. Every election has been the occasion of a half dozen or so killings of people who voted for the ‘wrong’ candidate.

13 Outright bribery involving the buying of votes with cash handouts in the vicinity of the polling booth, contrary to the assertions of some, is not a modern manifestation of the traditional tee exchange system. The purpose of the tee is to build up mutually advantageous long term relationships between trade partners and clans which in the modern context also become the basis for securing votes and vote exchanges. Blatant cash handouts are regarded as subversive of these carefully built up relationships and are keenly resented and despised.
spheres. There have been only two elected premiers – Danley Tindiwi from 1980 to 1986 (though his government was suspended from early 1984) and 1990 to the present, and Ned Laina from 1986 to 1990. Both appear to have successfully utilised both traditional and modern bases of support, both having been *kiaps* in various parts of the province. In the 1990 elections, there was some evidence of trading of support for constituency candidates in exchange for support for premiership candidates, and even promised support for candidates in the national elections in 1992. This is probably a partial explanation of the narrower field of candidates for premier in that election, though the three leading candidates, the ex-premier, the sitting premier and a prominent and very talented former public servant, were all persons with a considerable following from their previous careers and a significant track record (including a carefully-built-up network of exchange relationships) which was not the case in the previous two elections.

The intermingling of provincial and national politics in the 1990 elections was probably a significant and welcome development. Competition between national and provincial politicians in the past has been bitter and destructive. The first Tindiwi government especially was marked by continual, fierce controversy over the alleged use of government funds at provincial level to promote or undercut the careers of national politicians and vice versa. National politicians saw the advent of a provincial government with its own considerable means of clan patronage, as a big threat to their own power bases. In 1982 the province secured a World Bank sponsored five-year integrated development program, the aim of which was to lift the Enga Province from its position as the least developed province by creating an infrastructure of roads and airstrips, expanding aid posts, educational and agricultural extension facilities and services, and strengthening provincial administrative capacity. The Enga Yaaka Lasemana (EYL, ‘Enga must go ahead’) Program, as it was known, was immensely popular, and was very much provincial-government-centred. It provided many roads, new aid posts, schools and agricultural projects. It did not, however fulfil its more ambitious aim of creating a more efficient, competent and honest administration to build upon this new infrastructure.

The success of the EYL Program may well have aroused the jealousy of national politicians. Although there was, no doubt, sufficient corruption and mismanagement on a large scale to justify the national government’s suspension of the Tindiwi government (Gordon and Meggitt 1985:141), the ferocity of the campaign for suspension, particularly by the national member for the province, and its timing – in February 1984, a bare two months before the provincial elections were due – were believed in many quarters to be evidence of a blatant attempt by certain national politicians to take control of provincial politics for their own ends. In July 1984 Premier Tindiwi was gaolled for five years on charges of misappropriation, but this appears to have had little effect on his support in the 1990

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14 Typical responses from supporters when questioned on this are: ‘He did it to benefit us, not for himself’; ‘He took the blame for others’. A bigman in his Kandep base of support is reported to have said when approached by a rival candidate to stand
election campaign.\textsuperscript{14}

Relations between national and provincial politicians appear to have improved markedly during the Laina administration. This is probably due, in part at least, to the increasing amounts of money placed at the direct disposal of the national politicians through the National Development Fund (recently increased to K100,000 per member), direct tied grants to local government councils, and other discretionary funds. However, the perceived need on both sides to work closely together to secure maximum advantage for the province from the development of the Porgera goldmine project also appears to have played a part. In 1987, under the Wingti administration, Enga was powerfully represented by three ministers in the National Executive Council. In 1988 this changed drastically with the advent of the Namaliu administration; Enga was represented by only one minister, the late Malipu Balakau, who was murdered in the following year. The provincial government, however, by taking up the cause of the Porgera landowners and also securing the support of the Premiers Council in 1988 for a better financial deal for, and more involvement by, both landowners and provincial government in the development of major mining projects, was able to obtain considerable concessions from a sympathetic national government. National and provincial politicians worked closely together in subsequent negotiations in the Mining Development Forum set up by the national government to ensure substantial input from the landowners and the provincial government in the Porgera project.

The 1990 provincial elections were precipitated earlier than had been anticipated by the intervention of one of the Enga members of the National Parliament, who was generally believed to be a strong supporter of one of the leading contenders for the premier’s post. He moved in parliament for the use of an until then unutilised power under the OLPG to disallow a constitutional amendment extending the provincial government’s term of office by one year. (The power to extend the term of office of a provincial government by amendment of the provincial constitution is a loophole which has been used by other provincial governments and is the subject of one of a package of proposed amendments to the OLPG introduced into the National Parliament in July 1990 but not yet made law.) However, significantly, the move was accompanied by little rancour on either side. It appears that all the Engan national politicians took a keen interest in the provincial elections and supported one or the other candidate for premier, as well as constituency candidates. But this was generally done in a tactful, low-key way. Equally, a number of the sitting Enga members of the National Parliament have the strong support of the new provincial government in the 1992 National Parliament elections. The prospects of those members for re-election are generally regarded as better than those of members who backed the previous premier and his adherents in the 1990 provincial election.

against Tindiwi: ‘If a bigman gives pigs, cows, shells or cash money, these can be repaid, but there is no way that five years spent in gaol can be repaid’. Such responses amply illustrate that the morality of clan loyalties is fundamentally at odds with the political morality meant to bolster the introduced institutions.
The 1990 elections, however, gave rise to the same loud accusations of bribery, corruption and interference which loomed so large in previous provincial election campaigns. These included allegations of ballot box stuffing and even of voting at gunpoint. There were five deaths attributed to election-related violence.

Political parties are not much in evidence at provincial level, though some provincial politicians privately profess to have allegiance to one or other national party. It is probable that some of the funds generated by national party machines find their way into provincial campaigns, and that this is the way such links and loyalties are established.

Women have little visible impact on Enga politics. This reflects their traditional subordinate role as the producers of the wealth of the bigmen – the pigs raised on sweet potato – but their exclusion from the politically prestigious role of its distributors in a strongly patriarchal society. However, there is increasing activity against high levels of domestic violence (Wormsley and Toke 1985:25) by a women’s group strongly supported by one of the major churches in the province. The agitation of this group may have contributed to the declaration of the highly popular provincial liquor ban which has been in force since September 1989. A Porgera-based women’s group has become active since the advent of the Porgera goldmine, its main aim being to help women in ‘relocation’ settlements meet the challenges of living in an unfamiliar semi-urban environment. It is, however, also becoming increasingly active in local bisnis, cultural activities and politics. The only woman candidate in the 1990 provincial elections, who stood in the Wabag Central constituency, was sponsored by this group. There are some signs of the beginning of recognition that women have independent interests from those of men. Provincial laws for both the Porgera Development Authority and the Wabag Town Authority have made provision for the appointment of a member ‘representing the interests of women’.

Members of successive provincial governments have tended to be younger and better educated. Those elected in 1990 were overwhelmingly in their late twenties to early thirties. There was a significant sprinkling of middle-level public servants – mostly community (primary level) school teachers and health workers (aid-post orderlies).

**Bisnis**

Until the advent of the Porgera goldmine project, bisnis in its modern manifestations had not played a major role in Enga politics. Every aspiring politician – and there are probably more per head of population than anywhere else in Papua New Guinea – has his trade store or passenger motor vehicle, but only one candidate for premier in 1986 would really have qualified as a ‘big businessman’. This is in sharp contrast to other highland provinces, particularly Eastern and Western Highlands. Scarcity of suitable flat land and heavy population pressure have prevented the establishment of an economic base of commercial agriculture. Also, although there are very successful Engan businessmen, both large and small, the secret of their success seems to have been to stay well clear of Enga
and Enga politics, except in the case of some national politicians who have shown a remarkable aptitude for combining political and business acumen. At home the continued dominance of the politics of the *tee* and the clan in Enga society has proven to be particularly hostile to the rampant individualism which seems to be a necessary condition for the flourishing of *bisnis*. The expectation by fellow clan members that credit will be freely available and that profits will be distributed on demand make running a business hazardous, if not impossible.\(^{15}\) The spectacular failure of a once-thriving mission-sponsored fresh vegetable production and marketing company in the early 1980s, in which many Engans had put their small savings, has also engendered a suspicion of modern business methods. A well publicised but modest share issue in 1990 in the new Enga-based public company established by the provincial government to take advantage of the business ‘spin-offs’ created by the Porgera mine, and generally considered to be well managed, was only half subscribed.

The provincial government has attempted to fill this gap through its wholly-owned business arm, Enga Investment Corporation, but with very mixed results. Its attempts to invest in the provision of commercial accommodation, liquor wholesale and earthmoving have been foiled by political interference and mismanagement. Its separate promotion of a modest vegetable-marketing project and a sawmill with local equity involvement have been more successful. The corporation is in the process of being wound up.

The securing of business opportunities for landowners and other Engans was one of the key issues pursued by the provincial government in the Porgera negotiations. Large and small businesses have sprung up to take advantage of the opportunities, but because of chronic lack of management expertise and support services, and a generally bad business climate due to the Bougainville crisis, on top of the pressure of traditional expectations, failures are already rife. The businesses which appear to have the best chances of survival are a large landowners’ company, the new public company promoted by the provincial government, and other companies in which they have a dominant interest. Both the former companies have significant political involvement, the chairman of both being provincial politicians. Local government councils are major shareholders in the public company and in a very successful trucking company in which both the landowners’ company and the provincial government have the remaining interest. It may well be that local government will regain not only a revenue base but some political influence in the province by means of these investments.

**The role of Enga in national politics**

Despite its economic backwardness and the late stage at which it was drawn into the orbit of the national polity, Enga has played a significant role at certain critical

\(^{15}\) Gordon and Meggitt (1985:150) quote a revealing remark made by one Engan to another: ‘If my dear brother has a business I go ahead and cause trouble against my clan’s enemy so that my brother’s business can be damaged. This is because
times in national politics. This role has been both negative and positive. Engan politicians lost no time in becoming involved in national politics. Anton Parao was a founding member of the proto-political parties the Brothers Club and Compass, later to give birth to the United Party, a powerful conservative force in the immediate pre- and post-independence years (Stephen 1972:159-66), and in the Highlands Liberation Front.16 Sir Tei Abal was for many years the leader of the United Party, and the leader of the opposition until 1977. Parao and Abal were members of the Constitutional Planning Committee. Engans have held numerous ministries in successive administrations and have been unusually active in parliamentary debate.17 Informants say that their electoral fortunes paralleled their success in manipulating the tee. Traditionally, a bigman’s fortunes could expect to decline as he reached his forties; the high turnover rate at both provincial and national elections is probably related to this. Bigmen do not leave ‘empires’ to be inherited by sons. Their assets are exhausted well before death by unsuccessful battles, integral to which are failed election campaigns, with younger competitors.

On the negative side, it was in Enga provincial government’s case that the power of suspension was first called into use, and its repeated use in other provinces in the next three years maintained a pattern of mixed motives – abundant pretext combined with the settling of scores between national and provincial politicians – which bedevilled provincial/national government relations until recently.

More positively, the establishment of the Mining Development Forum and the subsequent negotiations leading to the Porgera Agreements may yet lead to a significant shift in power towards landowners and provincial governments in the troubled, but economically vital, mineral sector. This mode of consultation and the cash/equity/infrastructure package codified in the tripartite (landowners, provincial and national governments) Porgera Agreements have become the model for similar developments in other major mining and petroleum projects.

**Conclusion**

Traditionally, the politics of the tee did not greatly influence the non-Enga-speak-
ing peripheries of the province. However, recently the Ipili landowners were heard to say that they would not allow any of their Porgera development money to go to the Paiela area, because the Paielans had not agreed to share the money they were going to get from the Mount Kare alluvial gold project\textsuperscript{18} with the Porgerans: ‘We have agreed to share our large pig with them, but they have not agreed to share their small pig with us!’ Such sentiments are an attractive aspect of the \textit{tee}, the brilliant cultural invention which in pre-contact times enabled the Enga to enlarge their universe and enrich it with goods, ideas and relationships which might otherwise not have been available. This traffic also prepared the Enga to face the onslaught of the outside world with much more confidence than many another isolated civilisation in similar circumstances.

One of the challenges to the traditional order is that the main source of modern wealth, gold from the Porgera and Mount Kare projects, does not come from the Enga heartland but from the non-Enga-speaking periphery. Unless the clans from the periphery are brought into the new \textit{tee} as equal exchange partners, and in turn are willing to be incorporated in this way, conflicts are bound to result which will place the future of the Porgera and Mount Kare projects in jeopardy. There is also talk across the border in Southern Huli mats, among the powerful Huli clans of the Tari Basin, that the Mount Kare, and even the Porgera, gold is theirs and that a new Huli ‘Heliland Province’ should incorporate this area of the Enga Province. There is some sympathy for this among the Ipili clans, who have strong cultural links with the Huli. Observance of the letter and spirit of the Porgera Agreements will be critical in this regard.

The darker side of the \textit{tee}, the seeds of envy frustration and disorder carried in its transactions, are already surfacing in the demands being heard that the Porgera Agreements have been ‘broken’ and must be ‘renegotiated’. Also, the intangible goods which the modern \textit{tee} now seeks to distribute – education, health, agricultural know-how – do not travel well by the traditional methods and routes. Schools, agricultural projects and medical facilities cannot be rationally allocated by competition between the clans and their bigmen. The continued flow of much-desired new \textit{tee} goods – vehicles, frozen meat, hi-fi sets, houses – depends on the existence of a new, much larger ‘\textit{tee}’ in which the provincial and national government apparatus, with its proffered aim of rational planning

\begin{footnote}{This is a CRA (a subsidiary of Rio Tinto Zinc) project which started in September 1990 amid great controversy. The provincial government has not given the project its ‘blessing’ because the consultative processes pioneered in development of the Porgera project were not followed, and a faction of local landowners has mounted a legal challenge to the validity of the national government’s grant of approval of the project. That faction may have been involved in the temporary closure of the mine in early 1991 after an armed raid at the mine site. Mount Kare was the scene of the much-publicised goldrush which took place in 1988. The project is a much smaller one than Porgera, but a lucrative one nevertheless, expecting to produce K234 million worth of gold in its lifetime. The gold is expected to be mined by a joint venture company in which the landowners will have a 49 per cent equity.}
\end{footnote}
and development and its political and economic links with the rest of the world, plays an indispensable part. The creation and distribution of these new goods is a complex business of a different order to the *tee*. It requires that Enga society willingly becomes an integral part of a new order and accept in its midst people and institutions – government, big mining companies, banks – which will not and cannot operate by the rules of the Enga *tee* because the exchanges required for their survival cannot be regulated by its rules and rituals.\(^{19}\) This will cause deep anger, resentment and frustration among many of the Enga clans and their bigmen. Whether this can be overcome, and Enga society come to an accommodation with, and within, the new ‘*tee*’ remains to be seen. The process might be less painful if the ‘intruders’ were to take some measures to accommodate to Engan society, difficult though this might be.

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\(^{19}\) Recently the village court in Porgera purportedly ordered Placer to pay compensation for injuries done by its employees to members of a local clan in a motor vehicle accident. The village court had no legal jurisdiction to do this, but the more important point is that the village court magistrates, themselves clanspeople, saw no inconsistency in treating Placer as another ‘clan’.
Western Highlands Province, the third most populous province in the country, lies in the middle of the highlands region. Its rural economy accounts for half of Papua New Guinea’s coffee exports and almost all of the tea crop, while the provincial capital, Mount Hagen, dominates the regional business economy by virtue of its favourable location on the highlands road network, a plentiful supply of land for subdivision near the town, an airport capable of handling jet aircraft, and a service sector primed for expansion by the size of the plantation sector. If, by the mid-1980s, Mount Hagen did not surpass Goroka in these respects, gold, oil and gas developments to the west at Porgera and Mount Kare, in Enga, and at Iagifū and Hides, in Southern Highlands, have since given rise to an investment boom which has assured Mount Highlands an unchallengeable position as the primary service centre of the highlands region. Despite fears in some quarters of a temporary oversupply of office space, Mount Hagen is unlikely to surrender this role for the rest of this century.

Mount Hagen’s current dominant role in the region has come about through a favourable conjunction of arbitrary historical events (see van der Veur 1966), moulded by regional attributes of physical and cultural geography. During the German 1912-13 Kaiserin Augusta Expedition to the Sepik headwaters, Walter Behrmann picked out a high mountain massif to his south-east and called it after a German official the ‘Hagen Range’; however, he was unable to leave a sufficiently clear indication of which of the mountains he was referring to. The eventual opening up of the highlands came, not from the Sepik, but from patrol routes leading from the Markham Valley. The gold prospector Michael Leahy and the patrol officer Jim Taylor formed a joint patrol party in 1933 to test Leahy’s theory that a wide expanse of grassland existed to the west of Bena Bena (Leahy and Crain 1937:155). Having established this, on 18 April 1933 they set up a base camp at Kelua No. 2 village at the foot of a mountain they understood to be ‘Mount Hagen’ (Burton and Gorecki 1984). The Lutheran Mission followed the precedent of the two pioneers, while the Rebiamul Catholic Mission and the government patrol post formed the nucleus of the eventual town of Mount Hagen at the ‘Mogei’ strip 5 kilometres to the south, near Taylor and Leahy’s 1933 base camp.
Map 5: Western Highlands Province
At first the region was called the ‘Purari River headwaters area’. Then, from the formal establishment of a patrol post in 1938 up to the early part of the Pacific War, the Mount Hagen area was part of a hugely enlarged Morobe District (Simpson 1954:97, 101). Under ANGAU (Australian New Guinea Administrative Unit) rule, it formed part of Bena District, which subsequently was split to form Bena and Hagen districts. Hagen District comprised three subdistricts, Wabag, Hagen and Chimbu. Under ANGAU, Chimbu extended westwards from its present borders at the Numants and Ga rivers to the Tuman and Kimil rivers, thus including the current North and South Wahgi council areas, or what was referred to by 1970s Wahgi separatists as ‘Jiwaka’ – Jimi-Wahgi-Kambia. Had this border been retained, we might well be looking at an enlarged ‘Central Highlands Province’ where we now see Simbu. In fact, Chimbu was merged with Bena to form Eastern Highlands District after 1949, and Hagen with Wabag to form Western Highlands District, which stretched west as far as the Strickland River. Both were subsequently split into two, Chimbu achieving district status in 1966 and Enga in 1973.

In the first House of Assembly elections, in 1964, neither the then district boundaries nor that between the two territories (Papua and New Guinea) was respected in drawing electoral boundaries. The present Tambul-Nebilyer open electorate formed part of the ‘West Papua’ special electorate and part of the Ialibu open electorate. Minj extended from East Kambia to the Yaot River, while Hagen comprised the modern Mul and Hagen council areas (Bettison et al. 1965). In 1968, these were reorganised and only Kandep-Tambul and Kompiam-Baiyer were left across what is now the Enga-Western Highlands boundary (Epstein et al. 1971: Map 9). The present boundaries of the seven open electorates (for the National Parliament), together with those of the province, were fixed in time for the 1977 national elections.

Western Highlands Province forms part of the central valley system of the highlands. The three major valleys are the Wahgi and Baiyer, with extensive areas of drainable swamp flats and grasslands, inimical to pre-contact settlement, and the Nebilyer. Most settlement in these areas is at an altitude of 1,500 to 1,650 metres. Subsistence agriculture centres on medium to high intensity sweet potato cultivation on volcanic soils with the ditch style (baret kaukau) cultivation the norm to the north and east of Mount Hagen town (Brookfield and Brown 1963) and mound cultivation (maunten kaukau) the norm to the south and west (Waddell 1972). Shifting, forest-fallow cultivation is virtually unknown in these areas and population densities rise locally above 100 persons per square kilometre. Traditional methods of pig raising are followed, but the trend is towards chicken raising using commercially available feeds.

Each of the valleys is able to support cash-generating as well as subsistence agriculture; the reclaimed swamps of the Wahgi Valley support plantation tea and coffee, the Baiyer Valley is home to a cattle industry, while all three support smallholder coffee production. Cash cropping has not noticeably led to competition for land with subsistence agriculture, as it has in Simbu, but since little systematic study has been done the point is open to question.
The remaining areas of settlement are the Jimi and Tambul valleys, and East Kambia—the southern flank of the Kubor Range to the bank of the uncrossable Kaugel River. The Jimi Valley suffers from remoteness from markets, a population density of 10-20 persons per square kilometre, and extremely rugged topography. Forest-fallow cultivation is the norm. The Jimi people have limited access to cash and there is a high rate of outmigration in the twenty to forty-five age group.

Tambul is disadvantaged by the high altitude of its gardening land, making coffee growing difficult. Potato and pyrethrum growing have been encouraged in recent years, but marketing difficulties and poor road access have up till now hampered development.

East Kambia has the province’s most scattered population: fewer than 1,500 people in a land area of 864 square kilometres. Access is by foot track or by air to the Mount Au airstrip.

Western Highlands Province has a land area of 9,147 square kilometres and in 1980 had a citizen population of 264,129, comprising 229,437 persons born in the province and 34,204 persons born in other provinces, and a non-citizen population of 1,527 persons (National Statistical Office 1982b, 1982c). The province has a birth rate which lies at the higher end of the figures for the highlands, at around 3 per cent (Bakker 1986:Fig. XIV); however all five highland provinces lie at the very bottom of the scale for Papua New Guinea as a whole. Western Highlands differs from its neighbours in that it imports migrants to its resettlement blocks, its plantations and to work in Mount Hagen town. On this basis, the citizen population of the province in 1990 is probably around 340,000 to 350,000. The number of non-citizens may number anything between 1,800 and 2,500: the continuing localisation of public service positions and the apparent decline in the number of overseas-based missionaries and volunteers is likely to have been offset by strong growth in the business sector and an expansion in the numbers of managerial and professional people at work.

A 1986 study indicates that the province ranks in the lower half of the nineteen provinces when a range of indicators of development is compared (see Table 3.1). But the study also shows that there is considerable intraprovincial inequality in development levels among the five districts of Western Highlands, with only Hagen Central and Wahgi ranking among the top 50 per cent of the eighty-seven districts making up the nineteen provinces. The rankings of the five districts are: Hagen Central twenty-one; Wahgi forty; Hagen North forty-five; Tambul fifty-nine; and Jimi seventy-one (de Albuquerque and D’Sa 1986: Table 10).

Fourteen languages are native to the province: Melpa and Temboka are spoken by about 120,000 ‘Hageners’; Middle Wahgi and Nii by about 60,000 ‘Wahgis’; Gawigl or Kakol and a dialect of Imbonggu at Tambul; Narak, Kandawo, Maring, Kalam and Kopon in the Jimi Valley; Aua in East Kambia, and Kyaka Enga in the western Baiyer Valley. All except Kalam, Kopon and Pinai are members of the ‘central family’ (Wurm and Hattori 1981) or ‘Chimbu family’ (Foley 1986) stocks, and most speakers can understand the adjoining languages, but rarely those further away.
Nowadays *Tokpisin* is universally spoken by men born after 1930 and women born after 1950, but it is rare to find anyone born before 1930 who has a grasp of the language.

English is the preserve of the highly educated. Few school students practice English socially before finishing Grade 10 and it is noticeable that little political discourse among adults, or formal policy formulation, is conducted in English. Few of the provincial assembly members, for example, would be comfortable speaking English during meetings.

It is difficult to understand the politics of Western Highlands without also understanding the main features of its tribal organisation and leadership. Like Kundiawa, but unlike Mendi or Wabag (which may be more typical of the highlands as a whole), the Mount Hagen social landscape is dominated by large tribes, that is, political and military alliances of clans who may or may not share common descent. Tribes may be divided into sections, and the sections broken down further to groups of 500 to 1,500 people that we might call clans. Thus the Jika, who number some 12,000, may be broken down into three exogamous sections, and then into a total of nineteen or twenty clans. Unless they are very small, clan areas typically correspond to local government council wards. The Jika have twelve of these. In the Hagen Council area or ‘Hagen Central’, two other large tribes, the Mokei, with about 11,000 people, and the Yamka, with about 3,500, are demographically important, with eight smaller tribes being either allied with them, neutral, or traditional enemies (A.J. Strathern 1971; A.M. Strathern 1972; Burton 1988b, 1989).

Traditional leaders in Papua New Guinea societies can acquire their eminence by virtue of chiefly status, hereditary headmanship or ritual prowess, by being war leaders, through oratory and by giving wise counsel, and through success in competitive exchange. Hagen leaders traditionally acquire theirs by the last two methods, in particular through the vehicle of live pig exchanges, known as *moka* (A.J. Strathern 1971). *Moka*, however, does more than build up bigmen; it acts to create links of debt and trust between individuals in an otherwise atomising society. Hagen bigmen were notable in the colonial period for their regional influence and their skill in a system of political patronage which simply awaited a Tammany Hall to graft onto.

The most famous of these men in the 1950s and 1960s were Ninji Kama and Sir Wamp Wan. Wamp had been to Australia to see the queen on her tour in 1953 and his knighthood is ample proof that his influence reached well beyond the Hagen council chambers. Ninji and Wamp, both Mokei Nambkas, were once cited as Hagen’s foremost advocates of modernisation and even of the abandonment of *moka* (Simpson 1954:252–267). Wamp and Ninji’s tribe, the Mokei, the traditional owners of the land that Hagen stands on (and in particular the sections closest to the town – notably Nambka, Komunka and Kiminingka) contrived over the years to convert Hagen council area into a Mokei fiefdom. Ninji Kama, who died in 1963, was the first president of the Hagen Local Government Council. Mokei dominance has continued and is particularly strong in the early 1990s, with the provincial government and the Hagen Town Authority in the hands of
younger political and business leaders from Nambka, Komunka and Kiminingka. Indeed the current configuration of a Hagen premier and a Minj deputy premier – down to their particular tribe and clan affiliations – might be said to reflect the equilibrium about which provincial politics has orbited since the provincial government system was first mooted. Political struggles in other corners of the province are, by contrast, completely peripheral.

On the other hand, in the North Wahgi area, where moka is absent and leaders are unable to hold sway over affairs in such a definitive manner (Burton 1988a), there has been a proliferation of smaller leaders, and at national elections more candidates. In 1987 there were sixteen candidates for 19,976 electors in North Wahgi Open whereas in Hagen Open there were seven for 23,109 electors, three of whom scooped 83 per cent of the vote (Lucas 1987; Burton 1989). Coordinated political activity seems to hold limited interest for North Wahgis, considering that one of their own, Philip Kapal, was premier through the most turbulent period in the province’s political history.

Local government began in Western Highlands in 1961 with the formation of the Hagen, Minj (South Wahgi) and Nangamb (North Wahgi) local government councils. Minj and Nangamb were merged in 1965 to form the Wahgi Council, while the Hagen Council – which was originally formed by joining Kui Council (covering the Jika tribe) and Hagen Council (covering the Mokei) – grew to incorporate the modern Nebilyer and Angalimp councils. At the time of writing there are twelve councils.

Although some councils were powerful and important bodies in much of the 1950s and 1960s, by the early 1970s the council system in Western Highlands was seen as stagnating. In 1976 a development association called the ‘Sixteen Lost Brothers Club’ was formed to redress the problem, and even proposed to run a candidate in the 1977 national elections. The problems of the councils were not improved with the establishment of the provincial government, for the councils thereby lost resources, powers and prestige – only those few councils with shareholdings in the Wamp Nga group of companies have much revenue other than the relatively small grants received from the provincial government, and so they are generally able to provide few services. Hence there is some uncertainty about the continuing role of councils. Two local government reviews conducted by the provincial government, one in 1983 and the other in 1989, while intended to rationalise the local government system, have resulted in little more than recommendations for reorganisation of the provincial government’s Division of Local Government.

Despite uncertainty about their future, there is some degree of consensus that councils have a continuing role both as voices representing local interests and as bodies able to assist in resolution of local disputes.

The transition to provincial government

A Melpa Area Authority came into being in 1973, representing the local government councils of the then Western Highlands District. This body created the
constituent assembly which formed the interim provincial government. (Although the name of the area authority might suggest a concern with affairs in the Melpa language areas, that is the western half of the province, it was evidently meant to include the eastern, Wahgi, half as well; the word ‘Melpa’ in the Hagen language refers to the Wahgi.) The first president was an expatriate businessman, John Colman, whose appointment was a compromise to satisfy Wahgi and Hagen competition. His presidency was short-lived, as he was voted out of office while away on holiday and replaced by Nambuga Mara, who was president of the Hagen Local Government Council, then a much larger body than now, with seventy councillors from the modern Hagen, Nebilyer and Angalimp councils (Dunkerley 1974). Such was the dominance of Hagen, it seemed a foregone conclusion that the Hagen council president should head the area authority. Similarly, it seems to have been assumed that the vice president would be the president of the Wahgi council; this man was Nop Nop Tol of the Mokei tribal counterpart at Minj, the Konumbka. Nop Nop died in October 1975 and was replaced by Tumun Dupre, from the neighbouring Kondika.

The movement towards establishing the provincial government was not without its opponents, the strongest being from the movement for the Jimi, Wahgi and Kambia areas to break with Western Highlands to form a separate Jiwaka Province. A group of University of Papua New Guinea (UPNG) students formed the Wahgi Tuale (‘Middle Wahgi’) Association; they were described in the Post-Courier as a ‘main force’ behind the separatism call, though in fact feelings ran much deeper – which is hardly surprising given the hegemony of Hagen in the area authority’s affairs. Also, the Wahgi council’s finances were undoubtedly in much better shape than those of the Hagen council at this time and its business arm, Wahgi Mek Plantations, owned the Waraka, Jimbina and Talu plantations. The Hagen council executive officer (until 1978) was Paul Pora. In March 1976 he was quoted as saying that the Hagen council was without funds for the third year in succession because people in the area would not pay head tax; the council was paying salaries out of its overdraft. In 1977, Paias Wingti, the national member for Hagen Open, criticised the council for slackness: it kept no minutes of meetings, it did not have proper agendas, and the clerks roamed around at will in council vehicles; K13,000 had been collected in taxes as against K130,000 in Wahgi. The Wahgi leaders could hardly help but feel aggrieved at their lack of political progress.

A leading figure in the push for a separate provincial government for the Wahgi was Opai Kunangel of the Jimi Wahgi Development Authority and National Parliament member for Angalimp-South Wahgi, 1977-1982. Kunangel’s statements, however, were not always consistent. In April 1976 he was quoted in the Post-Courier as saying that most people in his area favoured staying with Western Highlands; in February 1977 he threatened that if the plans of the Jimi Wahgi Development Authority’s committee for separate provincial status were not approved, the Wahgi people would march to ‘dirty the town of Minj’; later he was quoted as saying that there was nothing to tie the Hagen and Middle Wahgi people together and that ‘the people of [the Jimi, Wahgi and Kambia areas]
... differed from the Hagen people in language, culture and ways of thinking and talking (Post-Courier 6 December, 1977). A letter-writer to the Post-Courier (15 March 1977), signing himself ‘Wagi Ye Ende’ (‘a Man of the Wahgi’) traced the separatist movement back to a 1974 march by UPNG students and pleaded that his people were ‘suffocating from lack of development’. Men like Tony Kubul, later to become the North Wahgi council president, and Philip Kapal, later to be the third provincial premier, attended meetings on Wahgi separatism and there appeared to be widespread support within the Wahgi.

Another aspect of Wahgi separatist sentiment was the call (Post-Courier 22 February 1977) to repatriate the pasindia Simbu (Chimbu migrants) who were allegedly filling the schools and stirring up trouble. Earlier it was said that the Wahgi people had ‘maintained silence’ about the migrants and borne the bad reputation that had been earned for the highlands by Hageners and Chimbus, but now, for this reason, they wanted to have their own province. It was not an entirely consistent viewpoint: when a letter of invitation had been received from the premier-elect of Simbu Province, Siwi Kurondo, to stage a Central Highlands Show, the councillor who previously had risen to speak on the eviction of Chimbus now said ‘it was a good thing, as Wahgis and Chimbus had many customs and traditions in common’.

The Jimi-Wahgi-Kambia movement was flawed by a lack of solid agreement. The Jimi council went along with the idea for a while, but as peripheral players in the whole issue of decentralisation very likely feared a worse deal from Minj than they already had from Hagen. They withdrew support for the movement at a meeting in Tabibuga in February 1977. As for the Kambia people, they were too few in number for their opinions, if solicited, to matter either way.

In any event, the constituent assembly pressed on with its work and in July 1978 the Western Highlands provincial constitution prepared by it was approved by the minister for Decentralisation; the charter of provincial government was signed in August. The Melpa Area Authority held its last meeting in September and the unelected interim provincial government came into being on 26 October 1978.

The interim government was composed of members of the outgoing Melpa Area Authority, and some additional appointed members. Nambuga Mara assumed the position of interim premier, with Awap Rumints as deputy premier. The provincial constitution required that the first election be held within a year, but was later amended to allow a period of not more than two years. Mara also became the first elected premier in the 1980 election.

The first act of the provincial assembly was to pass the standing orders of the parliament and, with the assistance of Desmond O’Connor, the first provincial lawyer, twenty-seven laws were passed during the first year. In the main, they were the standard ‘machinery’ laws mentioned in Chapter 3, including the Financial Administration Act, various tax acts, an act to provide salaries and allowances for members of parliament, and an act to establish a policy secretariat.
Political and administrative structure

Members, ministers, portfolios

The constitution of Western Highlands, as initially adopted, allowed for a parliament of twenty-six elected members and two appointed members to represent women and the churches. Both the premier and deputy premier were to be elected by parliament, and could be removed by a vote of no-confidence with a two-thirds majority of the assembly (section 41). There has been no move to adopt the presidential style of directly electing the premier.

A cabinet, called in the constitution the Western Highlands Ministry, was to be formed by the premier, with no less than four and not more than twelve members in addition to the premier and his deputy. A chart, dated 1 September 1984, shows the structure of the Koroka government with a full twelve ministers in what was by then known as the Provincial Executive Council (PEC); the portfolios covered Works, Planning and Forestry, Primary Industry, Commerce, Liquor Licensing, Education, Home Affairs, Health, Provincial Affairs, Local Government, Finance, and Lands. In addition, a thirteenth member, shown on the chart as connected to the PEC by a dotted line, had responsibility for the Western Highlands Development Corporation. With the speaker, sixteen of the nineteen members needed to win (or head off) a vote of no-confidence thus were members of the executive. In fact, few of the 'ministries' have any meaning because the incumbents play little role in policy development and implementation. Rather, the running of their divisions is fully in the hands of assistant secretaries who in practice answer more to the departmental secretary than to the 'responsible' minister.

A similar list for the Kapal government, drawn up just before the 1988 elections, shows that the premier had additional responsibility for Justice and the deputy premier for Transport, that Planning had moved from Forestry and Planning to Finance and Planning, and that a new ministry, Youth, had taken the place of Works (Works having been made autonomous under the provincial engineer).

Administration

As in other provinces, there is a sharp distinction between the Western Highlands provincial government and the Department of Western Highlands. Although established under a provincial law, the department operates very much in the manner of a normal public service department. It carries out almost all governmental functions for which the provincial government is responsible, including education, health, local government, and finance.

One of the first Mara administration's actions was to establish a policy secretariat, a body independent of the Department of Western Highlands and with its own secretary, provincial planner and research officer. The appointments made to the secretariat were political, and were made from among Mara's Pangu colleagues. Predictably, since the provincial secretary and the departmental secretary had equal rank, the secretariat and the Department of Western Highlands found themselves duplicating many functions and being unable to agree on issues. (In
fact observers speak of an all-out war, with, apocryphally, a connecting door between the respective offices being nailed shut.) The secretariat was abolished and incorporated into the new departmental structure in 1983, in line with arrangements proposed by Port Moresby. The provincial secretary’s position was downgraded to that of first assistant secretary, planning and executive.

All the departmental officers reporting immediately to the secretary – that is to say, first assistant secretaries and assistant secretaries, together with the provincial engineer and provincial planner – formed an ‘administrative cabinet’ known as the Provincial Management Team (PMT). The chart of the Koroka government shows that this comprised fourteen people in 1984.

In 1987, a new administrative structure was approved by the Department of Provincial Affairs, which aimed to decentralise the delivery of services to four administrative zones – Hagen, Tambul, Jiwaka and Dei – each of the zones being headed by a zone coordinator. In 1989 an attempt was made to re-establish a policy secretariat outside the Department of Western Highlands. Called the Support Services Division, it was short-lived, being abolished in May 1990.

Unfortunately, lack of skill and experience among the officers appointed to the provincial bureaucracy means that various tasks of government are left undone or are done in an inefficient or half-hearted way, though this is hard to document since little has been written down in the twelve years of provincial government. For example, there appear to be no records of debates in the provincial assembly nor consistent minutes of PEC meetings. No full run of the Western Highlands Gazette, which records the passing of laws, is available. The provincial information office began a useful newsletter, Western Highlands News, in April 1988, but using extraordinarily primitive equipment; the newsletter is nowhere near the sophistication of, say, the late Arawa Bulletin. The records available to the office are extremely limited; even lists of past ministers would be hard to assemble from sources in Mount Hagen.

The drafting of legislation, obviously an essential function of government, is technically beyond the abilities of both members of the assembly and most public servants. Yet the position of legal officer has been filled only intermittently in the past twelve years and consultants have been hired at unnecessary expense. The auditor-general complained that a barrister had been retained as a consultant in 1982 at a cost of K15,000 a year plus free air travel, hotel and vehicle hire costs – in spite of the fact that the provincial government already had a full-time expatriate legal officer (Auditor-General 1986a:32).

The important position of financial controller was held, for several years up to 1989, by CUSO volunteers and that of legal officer was held by an Australian volunteer in 1990. Although the situation has now changed, it is absurd that, having localised its expatriate positions early on, a provincial government should later have to beg for foreign volunteers to carry out its central functions.

A sore point with the auditor-general (Auditor-General 1986a, 1987b) was that no tenders board existed in the early 1980s; nor was there an assets clerk. A further observation – made both officially at the time the provincial government was suspended in 1987 and by us more recently – is that senior and junior
positions alike are filled with individuals whose experience and qualifications leave them much to be modest about. At the very least, one might expect economics graduates somewhere in the structure and, since the province’s income is heavily dependent upon agriculture, graduates in agriculture. But this is not the case. Nor do we find graduates with a background in social development in Home Affairs or Youth, and the cultural section was staffed in 1989-90 with personnel who have a derisory interest in culture, judging by their behaviour, and no training at all. Only the division of Education appears to pass muster on the score of appropriate experience and qualifications of staff.

A proper program of staff development for all public service officers in the province would probably improve the situation dramatically. The province grossly under-utilises the services of national post-secondary training institutions and makes no use at all of the ample sources of overseas funding for which it is eligible. As far as we know, the provincial government’s Office of Training and Development does not keep personnel records and has never sought counterpart help from Port Moresby. The provincial government did not show interest in setting up a university extension centre until 1990; it opened one early the following year.

**Sources of provincial government revenue**

As with the other ten provinces without full financial responsibility, the funding for most of the functions for which the Western Highlands provincial government is responsible is controlled by the national government, and does not go through the provincial budget. Most functions are funded through Division 279 of the national budget, which in 1988 amounted to K11.9 million. The provincial budget – which mainly funds capital works, maintenance, and the cost of the provincial parliament and executive – amounted to K9.2 million. The largest contributor to the provincial budget was untied grants from the national government, which totalled K5.7 million. The single most important of these was the minimum unconditional grant (MUG) which totalled K3,750,000 (see Table 3.3) and by 1990 was up to K4.2 million. In 1988, internal revenue was estimated to contribute K3.4 million to the provincial budget, with about K2.3 million expected to come from sales tax. The relatively high tax revenue is a reflection of the high level of economic activity in the province.

The high internal revenue collections are a relatively recent phenomenon; in 1984 actual internal revenue collected was only K270,000 (Axline 1988: Table 7). Retail sales tax, introduced in 1984, has dramatically changed the situation. To some degree forced on the provincial government by declining grant revenue, the introduction of sales tax has given the provincial government sufficient additional revenue to enable it to set new priorities. This is evident in the funding it allocates not only to capital works and maintenance, but also to activities in respect of which the national government retains fiscal control. Looking first at capital works and maintenance, prior to 1985 (the first full year of general sales tax) the amounts allocated were not very different from the components of the
adjusted base amount of the MUG payable for those functions. But after 1984 the picture changes, and in 1988, for example, the provincial government allocated almost K6 million to capital works, over K2.2 million more than the MUG component for capital works. For maintenance, the figures were K3.2 million and K1.2 million respectively (Axline 1988: Tables 16 and 18). These figures represent a substantial movement in priorities from those indicated by the MUG base amounts (which are an estimate of 1976-1977 national government spending on the activities in question) and indicate the extent of the pressure on the provincial government to provide development spending.

Movement in priorities can also be seen in the allocations made in the provincial budget to health and education, activities in respect of which the national government retains fiscal control. In other words, there is no need for any provincial allocation unless the provincial government has its own priorities which it believes are not being met by the national government allocation. In 1988, Western Highlands allocated K237,235 to Health and K333,700 to Education (Axline 1988: Table 19).

An important contribution to the provincial budget is usually made by the derivation grant, reflecting the fact the province produces almost half of Papua New Guinea’s coffee. In 1988 the derivation grant was K1.4 million. But it may well be that it should have been larger; calculated as being 1.25 per cent of the value of exported commodities originating in Western Highlands, accurate calculation of the province’s entitlement would require accurate data on the provincial economy. Such data would also assist in assessing the true potential revenue from sales tax (imposed on all goods sold in the province at a rate of 2 per cent).

Unfortunately, the provincial administration does not attempt to collect or publish economic statistics. It is hard to even speculate what the ‘gross provincial product’ might be. In any event, some collection of data should assist the provincial government to argue its case on derivation grant (rather than merely accept national government calculations) and focus its tax effort. Regular collection of data is particularly important because of the great variations, from year to year, in not only commodity prices but also levels of economic activity. In relation to the former, coffee prices in particular tend to be subject to fluctuation. Concerning economic activity, in 1988 a CRA spokesman said that between 8 and 10 tonnes of gold had been panned by alluvial miners at Mount Kare – or 300,000 to 370,000 ounces – worth K80 million to 100 million at bank prices. Much of this money would have been spent at businesses located in Western Highlands, whether at wholesale stores selling cake rolls, car dealers selling Toyotas or helicopter companies selling transport. Any attempt to get such data is beyond the capability of a provincial government without staff with higher qualifications of education and experience than is presently the case in Western Highlands.

**Business activities**

Up to 1985 the provincial government operated a wide range of businesses through its wholly-owned company, the Melpa Development Corporation. Under
this, the Western Highlands Development Corporation was a holding company
for Central Highlands Printers, Hagen Metal Industries (at one time Highlands
Softdrinks), Melpa Electrical Contractors, Melpa Properties, and Central High-
lands Food Corporation. As a group, these companies made large losses: in
1982, K288,341; in 1983, K126,011; in 1984, K351,019 (Auditor-General 1986a,
1987b, 1988). The provincial government also held a 50 per cent interest in Jimi
Earthmoving Contractors. In 1984 it reported an accumulated loss of K121,128
and no dividends had been paid since 1980. The provincial government also held
a 30 per cent interest in Niugini Rent-A-Car. This company was liquidated in
1985 with outstanding debts guaranteed by the Western Highlands Development
Corporation. Interests in the other companies were sold off some time after 1985.

By 1990 the province retained various property interests through a holding
company, Western Highlands Development Corporation Pty Ltd. The manage­
ment of that company had been undertaken by Engineering Management Pty
Ltd (formerly the Engineering Division of the provincial government). The En­
gineering Division had benefited from the management skills of successive well-
qualified heads and from virtual autonomy from the provincial government. At
the time of writing, it continued to maintain (extremely well and cheaply) all
roads except the national highways, and construct capital works projects (such
as airstrips, outstations, bridges and schools). In fact, the major part of the pro-
vincial budget is allocated to capital works and maintenance, and so its expen­
diture is handled by Engineering Management Pty Ltd. Its efficiency is reflected
in the fact that its administrative costs amounted to only 6 per cent of its total
expenditure.

The political scene

The premiers

There have been four premiers in Western Highlands in the period 1978-1990 –
Mara, Koroka, Kapal and Roika. The first was Nambuga Mara of Pabarabuk in
the Nebilyer Valley who remained at the helm from 1973 to 1984, first as presi-
dent of the Melpa Area Authority and the constituent assembly (from 1973 to
1978), then as unelected interim premier (1978 to 1980) and finally as the first
elected premier (from 1980 to 1984). Mara formed the first elected provincial
government, a Pangu-United Party coalition. Though respected as a traditional
leader, his record in office was unspectacular. In his period as unelected premier
tribal fighting broke out in the Nebilyer Valley and he refused to come out of his
village for almost four months. The acting premier and Finance minister, Awap
Rumints, threatened to resign unless Mara came to work (Post-Courier 27 June
1979), prominent national politicians from the highlands, Iambakey Okuk and
Raphael Doa, called for the government to be suspended (Post-Courier 28 June
1979), and the provincial cabinet passed a motion asking Mara to show up or
quit (Post-Courier 17 July 1979). Evidently he was fairly confident of his posi­
tion, for on his return he promptly reshuffled his ministers and pointedly demoted
Rumints (Post-Courier 23 August 1979).
In its second (elected) term, the Mara government weathered various problems. In 1981, Mara sacked a minister in March, survived the threat of a no-confidence vote in April, and was fined on a drunk and disorderly charge in June. In April 1982 the National Party called for investigations into alleged misappropriation of funds. Mara retained his seat of Lower Nebilyer at the June 1984 elections, despite a strong challenge from Clem Leahy (Leahy polled 2432 votes to Mara’s 2737). However Mara announced that he would not stand for re-election as premier and nominated his Minj constituency deputy, Simon Koiam. Mara said he ‘wanted a rest’ and wished to see younger leaders take over (Post-Courier 4 July 1984). In fact, the members chose Kaugel Koroka, from Tambul, with Koiam as deputy premier. Mara took the speaker’s position. Pangu was the easy winner at these elections, with a nominal sixteen members plus the support of two Peoples Progress Party members. The National Party had eight members, including Philip Kapal, a former broadcaster and one-time chairman of the Coffee Industry Board, who was elected from the Banz constituency.

In 1984 Western Highlands was entering its seventh year of provincial government, but a program of development had still to be spelt out. The senior ministry, with the exception of the demoted Rumints, a former assistant bank manager, and Koiam, a teacher, had not noticeably included individuals with any degree of schooling. It is thus not surprising that younger, better-educated men, not involved in Hagen power-broking, sought an excuse to move against the leadership. This came in April 1985 when Philip Kapal moved a motion of no-confidence in Koroka and won by nineteen votes to four. Ostensibly, the reason was that in the space of less than twelve months Koroka had presided over the demise of local government in the province (Post-Courier 10 April 1985). But in fact neither Koroka nor Mara was competent to run the government.

Shortly after this, Mara was convicted on three charges involving the misappropriation of minor roads funds totalling K4,100 in 1983-84, and was sentenced to a three-year term of imprisonment (he served two years). The amounts involved were trifling compared to, for example, the K50,000 also misappropriated in the early 1980s by the premier of Enga. Indeed, as one local commentator (a National Party supporter) put it in late 1988, Mara was punished on behalf of others because he lacked the education and connections to either cover his tracks properly or put up a decent legal defence. In view of the uncertain state of the provincial accounts revealed by the auditor-general in 1987 (at the time of the suspension of the provincial government), Mara must have been extraordinarily unlucky to get caught.

Kapal’s cabinet saw the normal Hagen-Wahgi dualism reversed. His deputy premier was Lucas Roika, a well-to-do businessman from Hagen Central (from the Mokei Andakelemb clan just north of the town boundary) newly elected in 1984. His minister of Finance was Awap Rumints. Rumints lost his Minjigina seat in 1988, but Roika stayed on during Kapal’s second term.

Kapal brought welcome management skills to the office of premier and, by comparison with his predecessors who could justifiably claim diminished responsibility for the failings of their ministries, could not be accused of lack of ability.
Shortly after coming to office Kapal announced a major policy initiative to facilitate rural investment by means of customary land survey. A consultant was engaged to look at the problem (*Post-Courier* 4 July 1985). Out of this grew a program of free customary land survey, which was still operating five years later. In the 1988 election campaign Kapal also claimed another policy initiative – free community schooling (though parents in fact paid fees in 1989 – see *Western Highlands News* 6 May 1988 – and have continued to do so since).

As against this, Kapal’s government, like those of his predecessors, had no answer to the problem of tribal conflicts – which measured by the number of tribal fights, the introduction of guns, and the number of government and other buildings burnt down, grew worse over the years – no better record of encouraging small businesses, nor any notable success in social or cultural programs.

Kapal survived three votes of no-confidence, all brought by his predecessor, Kaugel Koroka. The last came on 9 March 1987 just before his government’s suspension by the Wingti government (see below). However, Kapal resigned without warning to his staff on 12 December 1989. He told the provincial assembly he was resigning for ‘personal and health reasons’. No convincing explanation for this action was advanced in Western Highlands at the time, though the most popular theory implicated political activists in Hagen Central in threats against Kapal’s personal safety. A former candidate for the Western Highlands regional seat, there was keen interest in whether he would challenge the incumbent member of the provincial seat in the National Parliament, Paias Wingti, in the 1992 elections (*Post-Courier* 29 December 1989). [In the event, he did not – eds.]

Kapal’s successor, chosen at the December 1989 meeting, was his deputy, Lucas Roika; the new deputy premier was Yuants Kaman, from Minj. The selection of Yuants bucked the trend towards younger, better-educated men and saw a return to the traditional counterweight appointment of a Konumbka to balance the provincial leadership role of a man from Hagen Central. Roika’s Mokei section has a close alliance with the Nambkas of Sir Wamp Wan, Ninji Kama and Raphael Doa.

**The pattern of political party formation**

A complication to the picture sketched above – of Hagen Central dominating its region, with increasingly peripheralised groups further out – is the division of the two largest tribes in Hagen into opposed factions, and their patterns of alliance with neighbouring groups. These factions are still comparatively large by highlands standards, and have provided perfect soil for party-aligned interest groups. In the early 1980s, Paias Wingti’s support base among the Jika was Pangu-aligned, while Doa’s among the western Mokei was United-Party-aligned. In the mid-1980s Wingti led a group of followers in the National Parliament, including Thomas Negints (member from 1982 to the present for the neighbouring Temboka-language-speaking electorate of Tambul-Nebilyer) out of Pangu to form the People’s Democratic Movement (PDM). This led to the alignment of Wingti’s western Jika, all Temboka speakers, with PDM at the 1987 national elec-
tions. Under the new PDM banner Negints thrashed his opponents to retain his seat; Wingti won as the regional member. A Pangu rump survives in Western Highlands; the party’s only national member in 1987 was Melchior Pep (Dei).

Doa’s former United Party base retains its cohesion and controls the town authority, but does not have a party affiliation. At the time of the 1987 national elections the status of the United Party was confused and all its nominated candidates lost (Turner and Hegarty 1987:Table 9). From the same western Mokei base, Michael Kunjil, standing as an independent, polled strongly (Burton 1989: 270). Raphael Doa and Opai Kunangel ran unsuccessfully as United Party candidates for the Western Highlands Regional and Angalimp-South Wahgi Open electorates, respectively.

The third strong player in Hagen has been the National Party. Among its founding members in the early 1970s were Paul Pora from the western, Melpa-speaking part of Hagen Central, Michael Mel from neighbouring Angalimp, and various other politically interested younger leaders in the Wahgi area. The National Party was disorganised in the early 1980s but rallied after the 1984 provincial elections to take power provincially in 1985, under Philip Kapal, the member for Banz. In July 1988, Kapal formed a new government with sixteen National Party members and seven independents. A year later opposition leader Kaugel Koroka ‘resigned’—largely because there was barely an identifiable opposition to lead. But in 1990 he resumed the position when the national government’s Salaries and Remuneration Tribunal awarded salary increases to opposition leaders.

Nationally, Pora and Mel won the adjacent open seats of Hagen and Angalimp-South Wahgi in 1987, with support from the eastern Mokei, Pora’s home sections of the Yamka, the allies of both, and other National-aligned tribes in South Wahgi.

**Parties and the formation of provincial governments**

When the interim provincial government was formed in 1978, party affiliation was of little importance. The major concern at this time was with securing a balanced representation of the different regions of the province, and to a certain extent of different sectoral interest groups (the business community, the churches, women’s affairs). These are no longer issues. The constitution provides for one nominated member of the Provincial Assembly to be drawn from the churches and one to be a woman. To date, however, no appointed member has moved any legislation of substance nor held a ministerial portfolio. There is no reason why the women’s member, say, could not be an educated and articulate champion of women’s—or any other—affairs. But in practice the nominees have been selected for their neutrality and lack of political sophistication, which has translated, as intended, into obeisance to the government of the day.

The first provincial election campaign opened with little scent of party power-brokering. The writs were issued in April 1980, along with those for Simbu, Southern Highlands and West New Britain. (This was just eighteen months after the formation of the interim provincial government, which technically could have continued in office until October 1980.) In the light of subsequent developments,
Premier Mara issued a rather ironic call for the nationally-active parties not to endorse any of the candidates, and outward signs of participation by parties in the campaign were minimal. The main worry was that the Mul people might boycott the election out of dissatisfaction with their boundaries. There were no election issues.

After three weeks of polling in June 1980, the votes were duly counted and the results declared; 107,533 votes were cast which, when compared to the enrolled voter figure of 142,200 provides a voter turnout figure of 75.6 per cent. There was then a period of intensive lobbying in which the major parties took a keen interest, and where guarantees of support were obtained. Michael Mel, the National Party president, alleged that bribes were used to gain support and that a group of members had been ‘locked up’ after the declaration of results, and had been flown to Moresby, Wewak and Madang, from whence they were brought back by charter plane in time for the opening of the assembly (Post-Courier 8 July 1980). Father Momis, the minister for Decentralisation, was reported to have been ‘shaken’ by this claim and called on Mel to put his complaints down in writing.

In what can be seen as the beginning of an intriguing struggle with his provincial opponents from the National Party, Paias Wingti was dismissive of Mel’s allegation (Post-Courier 10 July 1980). He said that Pangu had spent a modest K4,100 on campaigning in Western Highlands; that the members whom Mel had said were ‘closeted in a private residence’ (Bindon Plantation) were in fact there ‘to work out strategy’; and that the Pangu-UP victory was a clear sign that National Party strength had dwindled away in Western Highlands.

From this point, two rival factions – perhaps only disguised as the Pangu Pati and National Party – have waged a bitter struggle for power within the province. Far from ‘dwindling away’, the Nationals have swept the board locally since the arrival of Kapal in 1985. The suspension of his government by Paias Wingti’s national government, led by PDM, the provincial successor to Pangu, is uniformly seen as simply a more recent round in this struggle.

The suspension of the Kapal government

The tenure of the Kapal government was interrupted on 20 March 1987 when a provisional suspension was ordered from Port Moresby on the basis of matters arising from the auditor-general’s reports for 1982 and 1983 (Auditor-General 1986a, 1987b). The secretary for Lands, Karipé Pitzz, was appointed temporary administrator. On appeal, the suspension was temporarily lifted in the National Court in September 1987 (see Philip Kapal v Independent State of Papua New Guinea; (Unreported, 1987) N616), and reimposed in the Supreme Court in November 1987 (see Independent State of Papua New Guinea v Philip Kapal (1987) PNGLR). Finally, the parliamentary committee on provincial government suspensions recommended against confirmation of the suspension in November 1987 (National Parliament 1987). The suspension period expired without renewal on 20 December 1987.
This complex affair has several facets.

First, there were the substantive matters raised in the auditor-general’s reports. These related to the period 1982-83, when Philip Kapal’s group was not in office. The kindest thing that might be said about the provincial accounts was that if the auditor-general had been able to extract more from the provincial government’s books earlier, grounds for suspension would have surfaced before they did. Among the anomalies highlighted in the auditor-general’s 1982 report were:

- a bank reconciliation had not been done since 1980;
- there was no record of creditors or debtors;
- there was no stocktaking of assets, nor a list of vehicles;
- there was no evidence of competitive tenders for work paid for;
- various sums, totalling thousands of kina, were paid without evidence of receipt;
- a cheque for US$18.46 (the ‘Lamberto C. Ella’ cheque) was fraudulently altered to US$90,918.46 by a company proposing to carry out forest projects for the provincial government and cashed by the Western Highlands Development Corporation in December 1980.

The auditor-general’s 1983 report draws attention to a letter from the accountant hired to prepare the province’s financial returns. It included the passages ‘bearing in mind that much source documentation was unobtainable …’ and ‘I express no opinion on whether they present a true and fair view of the position or of the year’s receipts and expenditure allocations …’ (Auditor-General 1987b: 39, 61). What is significant about all this, however, is the inference that a government should be held accountable for the misdeeds of its predecessors, on the grounds that, since there was no evidence the system had been improved, the current office-holders were equally blameworthy.

A second aspect concerns opposition politics in the province. Kaugel Koroka, the leader of the opposition, made complaints to the minister for Provincial Affairs, Glaime Warena, a week before the suspension (Post-Courier 1 March 1987) concerning a ‘ministerial car deal’ and housing scheme, continuing salary payments to Mara while in gaol, and a greater number of ministerial appointments than allowed by the provincial constitution.

The ‘car deal’ is well documented in the financial statements for 1985, in copies of correspondence forwarded by the premier to the auditor-general on 17 March 1987, and later in a lengthy ‘toktok klia’ in Western Highlands News (6 April 1988). Under a Parliamentary Salaries Tribunal determination, provincial ministers were to be provided with transport when on official business. But on the grounds that this was costing K200,000 a year, Kapal’s cabinet resolved in May 1985 to begin a scheme whereby ministers would be able to buy new vehicles themselves, with loans guaranteed by the provincial government. The repayment arrangements were connected with a group bank account into which government members were contributing K50 each fortnight. A flat rate of K100 per month was to be paid to ministers as a transport allowance, while a further K100 would be deducted from their pay packets each fortnight and paid to the loan account.
at Westpac bank until June 1988, when the next elections were due. In the event of a minister’s death, the group bank account, or, as a last resort, the provincial government, would cover any losses. It is hard to determine whether the Kapal government was legally out of order in proceeding with this scheme. Strictly, the Parliamentary Salaries Tribunal ruled against it, but the anticipated savings might have made it attractive to national authorities. In August 1985, Kapal’s minister for Finance, Awap Rumints, wrote to the national minister for Finance at some length to explain the deal; subsequently Kapal himself wrote to the Parliamentary Salaries Tribunal, the minister for Provincial Affairs, and the chief ombudsman to clear matters up. Replies were not forthcoming, and the vehicles (single-cab utilities) were delivered. During the suspension (in 1987), however, the Department of Provincial Affairs terminated the provincial government loan guarantee.

There had been an earlier car deal under Mara, with the then Bank of New South Wales. In relation to this the auditor-general complained that, apart from the fact that it was in breach of the Parliamentary Salaries Tribunal determination, there was no evidence of valuation by a competent valuer before the sale to ministers, and that the cost of repairs to the cars immediately before their sale was as high as, or even higher than, the selling price (Auditor-General 1986a:29-31). Again, it is arguable that the Kapal government suffered ‘referred blame’ for the earlier arrangement reported by the auditor-general.

A third facet of the suspension of the Kapal government concerns the National Court appeal proceedings taken by Philip Kapal against the state and the subsequent reversal of the appeal in the Supreme Court. Briefly, Mr. Justice Hinchcliffe found in favour of Kapal in the National Court because he found it ‘reasonable to infer’ that the National Executive Council (NEC), meeting on 19 March 1987, had been unaware that the auditor-general had written to the provincial government on 19 February 1987 seeking explanations and action, and ‘clear’ that it had not seen the provincial secretary’s reply, dated 17 March 1987. The justices of the Supreme Court said, in essence, that there was equally no evidence that the NEC had not seen the 17 March letter, and that, whether it had or had not, the NEC did not err in law in suspending the provincial government. But while this ruling may be relevant to questions of procedure concerning suspensions in general, it was of minimal importance in the case of Western Highlands.

Fourthly, there is a question of whether, evidence of gross mismanagement having been uncovered, suspension was the appropriate response. The Parliamentary Committee’s report found that the minister for Provincial Affairs was ‘justified in holding the opinion that there had been gross mismanagement of the financial affairs of the Western Highlands Province’ (National Parliament 1987b:6), but found no evidence that the NEC had considered any options other than suspension. It suggested that the NEC could have directed the sale of the ministers’ vehicles, the withdrawal of the loan guarantee (it is not clear whether this had already been done) and a change in the means of availing transport to ministers; failing action on this, it might then have suspended the provincial government.
A fifth aspect of the suspension issue concerns the role of party political rivalries in the suspension. Justice Hinchcliffe heard evidence from ministers in the suspended government that shortly before an unsuccessful vote of no-confidence in Kapal’s government moved by Koroka a few days before the suspension, they had been asked to go to Kaugel Koroka’s home where Prime Minister Paias Wingti had told them that if they failed to support Koroka he would suspend the provincial government. The prime minister stated in an affidavit to the court that he was present at the meeting but had not made a threat of suspension. Justice Hinchcliffe took the line that it did not really matter whether Wingti did or did not threaten to suspend the government, because the prime minister is only one member of the NEC. From the published record, then, the question of political interference is moot. Whatever the case may have been, it is sufficient to note that Koroka and Wingti invited ministers to a closed meeting in a province where association is invariably perceived as collusion. If he wished to escape the subsequent allegation of a ‘political suspension’, Wingti should have kept away from Koroka, certainly not called a meeting of his opponents, and focused his attention on the auditor-general’s comments.

A final footnote concerns the altered Lamberto C. Ella cheque. This was tendered to the Papua New Guinea Banking Corporation (PNGBC) by a Filipino firm in the name of the Western Highlands Development Corporation in 1980. The PNGBC paid the US$90,918 before the Bank of America (eleven months later) detected the fraud, and the PNGBC sued to recover the money. According to the auditor-general, the money was used on a timber feasibility study (Auditor-General 1986a:35). Kapal alleged (Western Highlands News 8 April 1988) that Wingti and Nambuga Mara, together with Thomas Negints and other staff of the old policy secretariat, had started timber dealings with a company named as ‘Crusader’, and that it was to this company that the money was paid. No further information has been forthcoming.

The province in national politics

We have discussed above the party struggles in Western Highlands, and have described what was widely seen as a failed attempt by a PDM-led national government to change the course of provincial politics. Another instance of national-provincial political interaction relates to the toppling of the Wingti government. One of us (Burton 1989) has elsewhere dissected the electoral base of the National Party and the Peoples Democratic Movement in the Hagen open electorate in 1987. In 1988 the Namaliu-led Pangu-PAP-MA coalition ousted Wingti’s PDM-PPP-MUF-PAP-NP government in a vote of no-confidence. The critical element in this was a rift between two factions of the National Party, one led by Michael Mel, who had joined Wingti and been given the Treasury portfolio a month earlier (see Post-Courier 2 June 1988; Times of Papua New Guinea, 2-8 June 1988), and the other by Paul Pora, who was rewarded by Namaliu with the Finance ministry after the successful July 1988 vote of no-confidence. Wingti himself saw the cause of his downfall in terms of the desertion of Pora’s faction, which
included two other Western Highlands National members, Joel Puaa and William Wi (Post-Courier 5 July 1988).

One might ask: 'What was the origin of the National Party split?' One explanation would focus on personalities, policies, and lobbying for numbers. Another would consider the positions of National Party members in relation to provincial politics. The suspension of the provincial government tempered the attitudes of National Party members to Wingti's political motives. This produced a bias against the PDM. Mel's bias was overcome by giving him the Treasury ministry; James Kubul's electorate (Jimi Open) had a record of distrust of all provincial governments. But there is no obvious reason why the other National Party members, Pora (whose personal relationship with Wingti was widely known to have been strained), Puaa and Wi, should have followed Mel into an alliance with Wingti so shortly after his government's attempt to destroy the National Party provincially.

Local elites

It will be clear from our discussion so far, that since the early 1970s Western Highlands politics can be reduced for the most part to the plays and counter­plays of half a dozen key figures and their close associates – a sort of 'Great Men' version of provincial history. While commentators on national politics have often been obsessed with the number of trivial electoral nominations and the fragmentation of the national political map, the Western Highlands story has been to a large extent one of the ebbing and flowing of a few political fortunes.

It is in this context that we may examine the question of whether a class of permanently advantaged families, customary groups or professional cliques is emerging. With regard to advantaged customary groups, we have already suggested that Western Highlands is dominated by the tribes of Hagen Central, and, secondarily, those of the Minj area, with groups from other areas comparatively underdeveloped and peripheralised.

We have not examined closely the picture of business ownership, and particularly of the control of large plantations. Both the film Joe Leahy's Neighbours and the everyday attribution – even by passengers in passing PMVs – of one or another plantation on the Highlands Highway to this or that member of national or provincial parliament – highlights an aspect of class formation in Western Highlands. Nevertheless, the idea that a class of rich farmers will shortly reduce the rest of the population to a land-impoverished peasantry is at present far from reality. Many, perhaps most, of the highly capitalised plantation businesses in the province are struggling under burdens of indebtedness that make them scarcely viable. The dominant crops are tea, which has never produced high returns, and coffee, for which the price is dangerously variable. No underclass of Western Highlands peasant workers has yet to emerge – few Western Highlanders pick other people's coffee at any price – though increasing numbers of more marginalised people from other provinces do supply labour in Western Highlands. If they become permanent residents, the picture may change.
A permanent class of well-to-do Western Highlanders may well emerge if Hagen becomes a major industrial centre for an extended period and if the returns from real estate allows fortunes to be made. Restricted availability of land is likely to impose constraints and customary claimants to town land have consistently shown that the ‘market’ for land is not a free one.

A final possibility is the growth of a highly-educated elite class of professional people – doctors, lawyers, accountants, management specialists, civil engineers, and so on – able to do well locally. Such people tend, however, to be extremely mobile and are unlikely, in the near future, to base themselves in Mount Hagen. Indeed, villagers of middle age have cause for lament that their years of struggle to pay school fees have simply resulted in a flight of talent from the land, which they earnestly wish to develop, to urban centres beyond the borders of Western Highlands Province.

**Conclusion**

We conclude by questioning the extent to which provincial government in Western Highlands is putting down roots deep enough to permit sustained political development. Most adverse criticisms centre on indicators of the capacity of the provincial government to serve its growing population – such things as lack of statistics and records, undertrained divisional staff and a general lack of ‘institutional memory’.

The problems involved are illustrated in the perpetual loss of history, virtually as soon as it happens. The province was in the throes of elections at the time of the tenth anniversary of the establishment of the provincial government in 1988, and so the anniversary was celebrated in 1989 instead. No one noticed the discrepancy, nor apparently the incongruity, when the ‘tenth anniversary’ was again celebrated in 1990. In a similar vein, in 1978 a community school teacher won K50 in a competition to design a provincial flag. In 1989, another teacher won a similar competition, held for no apparent reason, to design a new flag.

We simply ask whether the two flags and the two tenth anniversaries are not symbols of the limited extent to which provincial government has taken root in Western Highlands, even among the politicians and bureaucrats which serve it.
The socialisation of costs and the private appropriation of profits creates a fiscal crisis or 'structural gap' between state expenditures and state revenues. The result is a tendency for state expenditures to increase more rapidly than the means of financing them.

In this chapter I will show that a tendency toward fiscal crisis has been occurring in Eastern Highlands Province since the formation of provincial government. A fiscal crisis may or may not destabilise a government. Much depends on the skill of the government in juggling its budgetary outlays. In the short term,
Map 6: Eastern Highlands Province
some expenditures can be cut more than others are expanded and vice versa. To be effective such budgetary manipulation requires a good deal of stability in personnel, and expert coordination within the government. The provincial government has developed a remarkably durable mechanism for coordinating and implementing supply-side reductions in budget expenditure while at the same time not undermining political support for the government by ignoring demands made on the budget.

The coordinating mechanism developed in situ, on the basis of accumulated trust between the key actors who dominated the decision-making process during the first decade of the provincial government: James Yanepa, premier from the beginning of provincial government in 1977 until the end of 1986; Levi Yogiyo, administrative secretary from 1977 to 1987; and provincial secretary, Yangao Uyassi. But the patterns they established have continued under the new premier, Walter Nombe, and Yogiyo’s successor, Andrew Atiyah. These relations of trust are not inviolable but where they exist they have overlapped with ethnic and cultural ties to create a sort of ‘spontaneous solidarity’ in the government of the province. I will refer to these relations of trust as ‘communal solidarity’, by which I mean a decision-making order where the principal actors are clans, or lineages, where esteem is the principal medium of exchange, where the predominant resources are trust and inherited status, where the principal motive is belonging to a group, and where relations are ruled by common consent and unanimous agreement. The principal lines of cleavage in such a system are clan rivalries and personal disputes.

Coordination and stability in provincial administration have also been enhanced by unusual methods of organising political legitimacy, namely spreading executive authority among the majority of the members in the provincial assembly (‘government without opposition’), retaining a provincial secretariat, and careful and judicious regional representation on the Provincial Executive Council (PEC), the provincial cabinet.

The final section of the chapter compares and contrasts the communal solidarity decision-making order that dominates the Eastern Highlands provincial government with the reality that Eastern Highlands Province is a class-divided society (Stewart 1984, 1986). I ask if it is likely that these communal bonds will continue to dominate decision-making at this level of government. There is evidence that the continuing fiscal crisis is pushing the Eastern Highlands provincial government to drastically cut funding, especially to local government councils and to pursue new revenue-raising means such as the setting up of a provincial government management agency for coffee, Koma Kama, to compete with private companies in the market place. The implications of these changes, as O’Connor (1973) has predicted in general terms, may be that the provincial government will find itself embroiled in a situation where private actors try to appropriate state power for their own particularistic ends. In particular, drastic budgetary cuts which are likely to reduce local government councils to just another interest group, and which are leading the provincial government to compete in the market place rather than resolve the fiscal crisis, might generate unintended strains on
the government that the communal solidarity decision-making system cannot cope with.

The province

The large population of Eastern Highlands Province, coupled with the limited fiscal resources of its provincial government, make it a particularly interesting model for the study of provincial government. In population, it is the second-largest province: at the time of the 1980 census its estimated population was 274,600, second only to Morobe with 305,000. The population of Eastern Highlands was 9.2 per cent of the estimated national population of just over 3 million. A 1986 study (de Albuquerque and D’Sa 1986), comparing a range of development indicators for the eighty-seven districts and nineteen provinces, found that Eastern Highlands ranked sixteenth in level of development. In terms of absolute amounts of revenue available to provincial governments, Eastern Highlands ranks fourth out of the nineteen provinces (see Table 3.3). But on a per capita basis, Eastern Highlands receives the second-lowest level of funding from the national government.

The geographical and economic realities of a province can have a marked effect on its political development. Eastern Highlands Province was the first highlands area to be opened up by the Australian administration: the first patrol post was established at Kainantu in 1932. One of the first highlands airstrips was at Bena, an area which attracted the attention of early gold prospectors such as Mick Dwyer and Mick Leahy (Post-Courier 4 September 1984). Goroka town (population in the mid-1980s 18,511), established in 1939, became the major administrative and commercial centre of the province, rapidly pulling ahead of Kainantu (population 6,370). The modern settlement pattern in the province, a concentration of people on the flat lands around both Kainantu and Goroka, reflect the demography of the province. The rich alluvial valleys around Goroka, drained by the Asaro and Bena Bena rivers, and the Kainantu plateau support higher population than do the surrounding rugged complex of mountains which give the highlands its name. In these temperate rugged valleys, and on the slopes of the ridges, a thriving arabica coffee industry has been established. Coffee, ‘money that grows on trees’, is the lifeblood of Eastern Highlands Province.

There are six administrative districts in Eastern Highlands – Goroka, Kainantu, Henganofi, Lufa, Okapa and Marawaka. The 1986 study referred to above found that only Goroka and Kainantu ranked among the upper half of the eighty-seven districts of Papua New Guinea. Indeed, Marawaka ranked last on three of the four main indicators, and Lufa and Okapa ranked in the lower 10 to 20 per cent of districts (de Albuquerque and D’Sa 1986:Table 10). The estimated populations of the respective districts are shown in Table 9.1, overleaf.

Goroka town grew rapidly because it became the centre of the coffee industry. Jim Leahy, a pioneer in the industry, established his first coffee plantation in Goroka. By 1953 some forty coffee plantations had been established in and around Goroka on alienated land as expatriates and some expatriate-sponsored locals,
such as Sinake Giregire, established the production base of the industry (Finney 1973; Stewart 1986; 1992). Goroka is also the centre of the marketing of *Arabica* coffee. The Coffee Industry Board (CIB) has its headquarters in Goroka and large exporters, such as Angco, are based in Goroka. Goroka’s leading citizens are the bigmen of business, the rural capitalists, described by Finney (1973). The bigmen of business built upon their clan connections and other ethnic bases for commercial support to marshal savings and establish today’s successful development corporations, such as Gouna Development Corporation and Eastern Highlands Development Corporation (Good and Donaldson 1980; Stewart 1986, 1987).

By contrast, Kainantu developed under the protective wing of a single development corporation, KKB. KKB’s base was a community institution, the Kainantu High School. It marshalled resources by appealing more to a community than a communal solidarity. The high-school base gave KKB the support of a broader coalition of interests, including expatriates, than the aggressive, competitive, tightly-knit development corporations from Goroka. It also meant that KKB had a semipublic institutional base which gave it a legitimate claim to be furthering the development of the whole Kainantu community. If it is acceptable to talk of the development of rural capitalism in Goroka, it is not too far-fetched to label the development around Kainantu as agrarian socialism.

Kainantu and Goroka have always been rivals and their separate patterns of development have not diminished this rivalry. Kainantu people feel themselves to be different and are uneasy about Gorokan dominance. They are sensitive to Gorokan interference in their own unique form of development. These rivalries are not expressed in very subtle terms. Nobody argues, for example, in terms of ‘agrarian socialism’ versus ‘rival capitalism’. Instead, opposition takes the form of personality conflicts. Sir Barry Holowe, from Kainantu, is frequently at loggerheads with the Goroka-based former premier of Eastern Highlands, James Yanepa. And in Goroka itself, former local member of the National Parliament Bebes Korowaro was aligned with Holowe, understandably putting him offside with almost every powerful figure in Goroka. This rivalry is also reflected in the constant pressure for Kainantu to form a new province and break away from Eastern Highlands Province altogether.

As this rivalry is played out, frustrations are multiplied by state and market relations in the province. For, while the reason for secession is the desire to in-

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Table 9.1: Population of Districts, Eastern Highlands Province, 1986

<table>
<thead>
<tr>
<th>District</th>
<th>Population</th>
</tr>
</thead>
<tbody>
<tr>
<td>Goroka</td>
<td>100,712</td>
</tr>
<tr>
<td>Kainantu</td>
<td>68,542</td>
</tr>
<tr>
<td>Okapa</td>
<td>57,572</td>
</tr>
<tr>
<td>Henganofi</td>
<td>42,514</td>
</tr>
<tr>
<td>Lufa</td>
<td>34,208</td>
</tr>
<tr>
<td>Marawaka</td>
<td>10,305</td>
</tr>
</tbody>
</table>

Source: EHPG (1986:11-12).
crease wealth and maintain local development strategies (especially in Kainantu), the conflict takes place through political representatives who do not, through their office, have a role to play in the wealth-generating coffee industry. In other words, while the wealth of everyone in the highlands depends mainly on the coffee industry, neither the national nor the provincial governments are heavily involved in the regulation of the production and marketing of coffee.

The establishment of the Eastern Highlands provincial government

Eastern Highlands took the lead in the development of provincial government in the highlands and established an area authority in 1973, with James Yanepa as area authority chairman. In September 1975 an Eastern Highlands constituent assembly submitted a formal request for provincial government, which followed the format proposed by the national government’s guidelines of April 1975 (see Chapter 2). This submission provided full details of the proposed structure of the new government (Conyers 1976). The first budget was presented in February 1978 and the first election was held later that year. Altogether, there have been four provincial elections: in 1978, 1982, 1986 and 1990.

The Eastern Highlands provincial government has been fortunate in that it made an early start and has had a good deal of continuity in key administrative and political positions. James Yanepa, the longest serving premier in the country (1976 to 1986), was elected leader of the appointed constituent assembly in February 1976. The draft constitution for the province was presented in August 1976 and the interim provincial government was established three months later. The long-serving administrative secretary, Levi Yogiyo, and provincial secretary, Yangao Uyassi, both joined the provincial government in 1977 and still held these posts ten years later. The Eastern Highlands provincial government attained its charter on 31 May 1977. In October that year the important works and budget priority committee was formed. As discussed later in this chapter, both the retention of the separate provincial secretariat and the formation of the works and budget priority committee have been crucial features of political development in the province.

Performance – the planning/budget process

As one of the eight provincial governments with full financial responsibility status, Eastern Highlands has control of most of the funds allocated for carrying out its main activities. But salaries of public servants and teachers as well as funds for some health activities, NPEP/PIP projects and some other minor functions remain under national government control.

The annual budgetary process begins in April when all divisions and other agencies of the provincial bureaucracy estimate recurrent expenditure needs for the following year as well as compile the projects they want to be funded. In June, the major coordinating work begins. This is done mainly by the provincial secretariat, which in 1986 consisted of the provincial secretary, provincial
planner, works coordinator, provincial finance officer, and provincial research officer. The provincial secretariat receives budget submissions from the divisions and agencies. These and capital projects are put into a budget format for presentation to the main coordinating body, the works and budget priority committee, which is made up of politicians.

The works and budget priority committee is unusual in that although it has a key coordinating role in the budget allocation process, its membership consists largely of ordinary members of the assembly; it is not a committee of the PEC. The provincial secretary and the works coordinator share the main burden of coordination within the provincial secretariat. Both in and out of the works and budget priority committee the role of the provincial secretary is central in that he is the medium through which all budget brokerage occurs. The works coordinator is also powerful: it is his job to attest to the feasibility of a project and to supervise its implementation. Any capital project – a road, or an aid post, or a bridge – costing more than K10,000 must normally be carried out by the national Department of Works. Smaller projects can be implemented by private contractors. The works coordinator must work closely with the national Department of Works if the province’s projects are to be completed.

In July, the budget is finalised. This stage involves cabinet approval of the priorities recommended by the works and budget priority committee. There are many problems at every stage of this process. Politicians from both the committee and the PEC tend to publicly commit funds for projects before the budget is finalised, which can cause embarrassment and delay finalisation. The provincial secretary has the job of ensuring priorities are maintained and/or finding alternative funds for precommitted projects. Alternative sources of project funds include the national government’s capital works programs and its programs for funding new projects (NPEP/PIP) and even funds from provincial government involvement in a company which manages a nationwide lottery known as Win-monii. For example, if the project is a road, the national Department of Transport may assist, bridges can become special projects through the NPEP, and aid posts can be provided out of Win-monii funds.

The completion of the budget does not end the budgetary process. Revenue allocation to the province remains uncertain until the national government’s budget is brought down in November. This paralyses the provincial government for some months and allows time for more brokerage at the provincial level. The provincial budget is finally presented for approval by the provincial assembly in December or January.

Budget coordination has been made more difficult by fiscal crisis, as can be seen in Table 9.2. That table shows revenue and expenditure budgeted by the Eastern Highlands provincial government for all years 1980-1986 (actual figures for 1980-1983 and estimates for 1984-1986). Table 9.3 shows the December increase in the Consumer Price Index 1972-84. Clearly there has been a decline in real terms in funding to the provincial government. In 1981, total revenue fell by K425,960 – 6.9 per cent – at a time when the annual inflation rate was 8.1 per cent. In 1982, total revenue rose by K503,766 – 8.7 per cent – when the inflation
Table 9.2: Eastern Highlands Provincial Government Expenditure 1985-1986 (K’000)

<table>
<thead>
<tr>
<th></th>
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<tr>
<td>External Grants</td>
<td>5,190</td>
<td>4,484</td>
<td>3,665</td>
<td>2,715</td>
<td>4,047</td>
<td>4,677</td>
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<td>External Revenue</td>
<td>520</td>
<td>510</td>
<td>597</td>
<td>821</td>
<td>855</td>
<td>841</td>
<td>850</td>
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<tr>
<td>Internal Provincial Taxes</td>
<td>185</td>
<td>327</td>
<td>840</td>
<td>1,476</td>
<td>1,453</td>
<td>1,595</td>
<td>2,473</td>
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<td>Internal Fees &amp; Fines</td>
<td>224</td>
<td>255</td>
<td>276</td>
<td>35</td>
<td>34</td>
<td>68</td>
<td>69</td>
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<tr>
<td>Business Receipts</td>
<td>20</td>
<td>66</td>
<td>48</td>
<td>13</td>
<td>90</td>
<td>100</td>
<td>105</td>
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<tr>
<td>Other Receipts</td>
<td>14</td>
<td>84</td>
<td>807</td>
<td>714</td>
<td>526</td>
<td>550</td>
<td>570</td>
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<tr>
<td><strong>Grand Total: All Revenue</strong></td>
<td><strong>6,153</strong></td>
<td><strong>5,727</strong></td>
<td><strong>6,231</strong></td>
<td><strong>5,774</strong></td>
<td><strong>7,005</strong></td>
<td><strong>7,831</strong></td>
<td><strong>7,173</strong></td>
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<td>Office of Premier</td>
<td>438</td>
<td>650</td>
<td>610</td>
<td>785</td>
<td>818</td>
<td>878</td>
<td>623</td>
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<tr>
<td>Office of Secretary</td>
<td>24</td>
<td>42</td>
<td>71</td>
<td>39</td>
<td>63</td>
<td>75</td>
<td>42</td>
</tr>
<tr>
<td>Office of Provincial Affairs</td>
<td>154</td>
<td>177</td>
<td>204</td>
<td>203</td>
<td>229</td>
<td>363</td>
<td>372</td>
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<tr>
<td>Office of Health</td>
<td>522</td>
<td>636</td>
<td>505</td>
<td>872</td>
<td>905</td>
<td>916</td>
<td>930</td>
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<tr>
<td>Office of Education</td>
<td>264</td>
<td>216</td>
<td>323</td>
<td>263</td>
<td>359</td>
<td>390</td>
<td>381</td>
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<tr>
<td>Office of Agriculture</td>
<td>232</td>
<td>190</td>
<td>182</td>
<td>156</td>
<td>200</td>
<td>249</td>
<td>266</td>
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<tr>
<td>Office of Forests</td>
<td>282</td>
<td>276</td>
<td>228</td>
<td>201</td>
<td>217</td>
<td>214</td>
<td>210</td>
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<td>Office of Community Development</td>
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<td>37</td>
<td>39</td>
<td>37</td>
<td>76</td>
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<td>c</td>
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<td>Office of Business Development</td>
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<td>22</td>
<td>24</td>
<td>30</td>
<td>40</td>
<td>64</td>
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<tr>
<td>Office of Finance &amp; Admin.</td>
<td>49</td>
<td>38</td>
<td>47</td>
<td>38</td>
<td>38</td>
<td>52</td>
<td>170</td>
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<tr>
<td>Office of Information</td>
<td>14</td>
<td>21</td>
<td>19</td>
<td>16</td>
<td>20</td>
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<td>c</td>
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<td>General Overheads – Provincial</td>
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<td>127</td>
<td>107</td>
<td>180</td>
<td>563</td>
<td>262</td>
<td>257</td>
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<td>– Shared</td>
<td>36</td>
<td>109</td>
<td>160</td>
<td>230</td>
<td>188</td>
<td>151</td>
<td>165</td>
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<tr>
<td><strong>Sub Total: Divisional Expenditure</strong></td>
<td><strong>2,235</strong></td>
<td><strong>2,537</strong></td>
<td><strong>2,517</strong></td>
<td><strong>3,045</strong></td>
<td><strong>3,707</strong></td>
<td><strong>3,590</strong></td>
<td><strong>3,481</strong></td>
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<td>Capital Works</td>
<td>1,193</td>
<td>1,369</td>
<td>1,441</td>
<td>774</td>
<td>597</td>
<td>824</td>
<td>680</td>
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<tr>
<td>Maintenance</td>
<td>2,049</td>
<td>2,085</td>
<td>1,512</td>
<td>900</td>
<td>1,623</td>
<td>1,732</td>
<td>1,589</td>
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<tr>
<td>Rural Improvement Programme</td>
<td>259</td>
<td>323</td>
<td>344</td>
<td>824</td>
<td>621</td>
<td>665</td>
<td>725</td>
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<tr>
<td>Grants, Investments &amp; Other</td>
<td>166</td>
<td>207</td>
<td>156</td>
<td>233</td>
<td>459</td>
<td>411</td>
<td>550</td>
</tr>
<tr>
<td>Secretary’s Advance</td>
<td>14</td>
<td>55</td>
<td>–</td>
<td>87</td>
<td>4</td>
<td>4</td>
<td>10</td>
</tr>
<tr>
<td><strong>Sub Total: Capital/Maintenance/Other</strong></td>
<td><strong>3,683</strong></td>
<td><strong>4,038</strong></td>
<td><strong>3,453</strong></td>
<td><strong>2,818</strong></td>
<td><strong>3,304</strong></td>
<td><strong>3,642</strong></td>
<td><strong>3,554</strong></td>
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<tr>
<td><strong>Grand Total</strong></td>
<td><strong>5,918</strong></td>
<td><strong>6,575</strong></td>
<td><strong>5,970</strong></td>
<td><strong>5,863</strong></td>
<td><strong>7,011</strong></td>
<td><strong>7,231</strong></td>
<td><strong>7,035</strong></td>
</tr>
</tbody>
</table>


(a) Shortfall in revenue and large commitment to capital works and maintenance partially funded from trust account appears to account for deficit spending.

(b) Provision of trust account commitment of K291,174 distorts this figure.

(c) Both Offices of Community Development (K53,800) and Information (K23,000) now incorporated with Provincial Affairs.
Table 9.3: Consumer Price Index, All Groups Weighted Urban Average, 1972-1984

<table>
<thead>
<tr>
<th></th>
<th>Year ending 31 December</th>
<th>Year ending 30 June</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consumer price index (1977=100)(^a)</td>
<td>60.4 65.4 80.5 89.0 95.8 100.0 105.8 111.9 125.4 135.5 143.0 154.3 165.8</td>
<td>62.0 73.1 85.2 93.1 97.7 102.8 108.3 118.5 131.5 138.7 148.3 161.2</td>
</tr>
<tr>
<td>Change over previous year</td>
<td>8.3 23.1 10.6 7.6 4.4 5.8 5.8 12.1 8.1 5.5 7.9 7.5</td>
<td>17.9 16.6 9.3 4.9 5.2 5.4 9.4 11.0 5.5 6.9 8.7</td>
</tr>
</tbody>
</table>


(a) Index values before 1976 (calendar year series) and before financial year 1977 (year ending June series) are obtained by splicing the series published formerly with base 1971=100 into currently published series with base 1977=100. The regimen and weighting scheme was changed in 1977.
rate was 5.5 per cent. In 1983, total revenue fell by K457,632 – 7.3 per cent – when inflation was running at 7.5 per cent. On the other hand, in 1984 the revised estimate of revenue rose by K1,237,806 – 21.0 per cent – a far greater increase than that in the inflation rate – 7.5 per cent. Overall, however, total provincial revenue for the period 1981-1984 declined in real terms in the order of 13.1 per cent. The main factor contributing to the fall in revenue has been the decline in the minimum unconditional grant, brought about mainly by the ever-increasing deductions made to meet the costs of salaries of public servants and teachers carrying out provincial functions (see Table 3.3). The provincial response to declining grant revenue has been primarily to focus on internal revenue, principally through the introduction in 1982 of a provincial retail sales tax on all goods sold in the province. As can be seen from Table 9.2 the contribution of internal provincial revenue increased markedly in the 1980-1986 period – up from K224,436 to K2,472,916. Most of that revenue has been derived from retail sales tax. By way of example, in 1988 retail sales tax contributed K2.7 million to an internal revenue total of about K2.9 million (Table 3.4). While the tax effort has been impressive, its further exploitation possibilities are limited. Hence the long-term revenue picture is a matter of grave concern (Regan 1987).

The decline in total revenue in real terms has caused an uneven performance in the provision of provincial services. Priorities have shifted in ways that have offered short-term relief to fiscal managers, or satisfied powerful actors in the brokerage game. A decline in real revenue sharpens tensions and reduces budget management to a squalid struggle between powerful actors. The lower part of Table 9.2 shows budgetary expenditure 1980-1985 broken down into two main categories: divisional expenditure, and expenditure on capital projects, maintenance, RIP, grants and investments. These figures indicate that divisional expenditure increased almost as sharply as infrastructural provision (capital projects and maintenance) declined. The RIP allocation rose sharply in 1983 but then levelled off. There was a steady increase in grants, subsidies and investments after 1982.

We need to look more closely at the funds allocated to particular functions to understand which services have been favoured and which have suffered. In fact, as the lower part of Table 9.2 shows, the support for divisions has been uneven. The office of the premier and the division of health – both ministries held by James Yanepa until 1986 – and the division of provincial affairs have experienced the largest increases in funding. Total funding for the office of premier rose from K437,852 in 1980 to K622,899 in 1986 (reaching a high of K878,056 in 1985). Total funding for health rose from K522,412 in 1980 to K930,000 in 1986. By comparison other divisions have suffered, notably forests, dropping from K282,244 in 1980 to K210,050 in 1986.

The uneven impact of declining revenue is also evident in capital projects, maintenance, and so on. Capital expenditure on bridges and airstrips was maintained, although capital projects for education, which totalled more than K500,000 in 1981 and 1982, virtually stopped after 1983. Maintenance was cut dramatically in the period – from a high of almost K2.1 million in 1980 to less than K1.6 million in 1986 – though spending on maintenance of roads and bridges
remained consistent at about K1 million a year. RIP grants increased, reaching a high point in 1983. Grants, subsidies and investments increased almost fourfold.

Given the decline in total revenue in real terms, and the difficulties this creates for budget management, the provincial government performed creditably in the period examined. Some judicious juggling of budget outlays and successful applications for NPEP and PIP projects in some sectors reduced the shock many would have felt if cuts had come in one area at one time. For example, capital projects in education were cut but schools were assisted through grants and NPEP projects. Also, the decline in agricultural field services in 1983 was somewhat offset by the increased RIP vote to local government councils in the same year. The RIP further absorbed part of the cost of maintenance by granting money to councils to undertake maintenance on roads, health, education and water supply infrastructure. The government also transferred funds from division to division so that each year one large project might be funded in at least one division. Large divisional projects have become expensive for provincial government as costs have increased. Inflation has also been a cause of the increase in spending in the office of premier; there have been large increases in the personal emoluments of assembly members as determined by the national Parliamentary Salaries Tribunal and in costs of members’ overseas travel. The huge increase in health spending has met a provincial need.

The provincial government failed, however, to develop an adequate planning system. In 1984, Craig McConaghy, then acting provincial planner, drew up a five-year capital works, rural improvement and maintenance program for the province. It set down objectives for each division and strategies for coordination of planning across divisions. But the plan had its limits: its main purpose was to detail a five-year projection for each item of budget expenditure so that future outlays could increase by a set percentage. The rationale for the program was that it would get away from the existing situation where ‘the process by which decisions are reached at the provincial level can be a complete mystery even to those who participate in the system’. McConaghy argued that ‘if provinces are to retain an identity and not be forced into an ultimate position of “project takers” as opposed to “project initiators” then appropriate action ought to be taken’ (McConaghy 1984:1).

McConaghy is undoubtedly correct but even his limited notions of planning could not be achieved under existing organisational and fiscal circumstances. This is because the cost of the judicious juggling of budget items and coordination in the provincial secretariat and the works and budget priority committee has been the cause of the demise of interdepartmental coordinating committees such as the district management teams and the provincial management team. The district management teams have disappeared altogether and the provincial management team has been reduced to discussing minor new works and the biennial Goroka Show. Thus coordination across divisions seems unlikely. Also, the decrease in real revenue makes a nonsense of doing five-year projections. Those who argue that provinces need to plan, and feel that planning can be done by hiring an expensive university graduate, must realise that governments which
lurch from fiscal crisis to fiscal crisis cannot be expected to plan rationally their own demise.

The juggling of budget outlays and failure to plan can introduce an ‘ad hocracy’ into the budgetary process which could reduce accountability. That accountability is weak and that there is waste and corruption in provincial government are charges which have been made against provincial government from the inception of the system (Standish 1979). In some people’s eyes these charges undermine the legitimacy of the entire system. All provincial governments are required to submit a comprehensive financial statement to the auditor-general. Due to omissions in the Organic Law on Provincial Government, some areas of provincial expenditure, however, escape the auditor-general’s scrutiny, notably expenditure by provincial development corporations. This has been a problem in Eastern Highlands, where large grants of money have been swallowed up by the province’s development corporation, Nokondi, on projects whose records, the auditor-general notes, ‘were not available for audit examination’, or on investments in companies where ‘copies of the audited accounts … and the original cost and dates of acquisition of these shares are awaited’ (Auditor-General 1986b).

Performance – political stability in Eastern Highlands

Despite the ‘fiscal crisis’, the Eastern Highlands provincial government was remarkably stable until the 1986 election. This is exemplified in the performance of Yanepa, premier from 1975 to 1986. His base was the outlying district of Lufa and he represented Yagaria constituency. Self-taught, he worked for the Lufa Local Government Council and Yagaria Rural Cooperative before becoming area authority chairman in 1973. In 1982, after winning Yagaria for the second time, he was elected premier, unopposed. How did Yanepa manage to organise such a long period of stability in the turbulent world of Papua New Guinea politics? Can his achievement be generalised as a political solution to present instability?

The Eastern Highlands provincial government is, in theory, a Westminster-style government. Section 53(1) of the Eastern Highlands constitution states that ‘The Provincial Assembly shall elect the Premier who shall be a member of the Assembly’. It is assumed, in the Westminster tradition, that the majority leader in the Assembly will form an executive, drawn from and responsible to the assembly, and that a majority party or coalition will be confronted by an opposition party or coalition. Because the members of the PEC in the mid-1980s claimed party allegiance to the National Party or to the Peoples Progress Party (PPP) the Eastern Highlands provincial government had been labelled a party government of this kind.

Yanepa, and others, however, claimed that it was not a party government (interview with James Yanepa, September 1986). They claimed that the government was committed to the development of all Eastern Highlanders, that they did not support party competition at the provincial level because it would ‘be divisive and slow down development in the province’. In making this point, they claimed that the government operated on the basis of consensus or ‘communal solidarity’,
rather than on the lines of adversary politics which characterise the Westminster model. These views are persistent and cannot be dismissed as mere rhetoric.

It is therefore necessary to study the role of the provincial assembly and of the PEC and the relations between the PEC and the administration, to show how the voting in the assembly, the spread of executive authority, the selection of ministers, and the resolution of conflict within the government cut across party lines. These phenomena provide support for the proposition that decision-making was based on communal solidarity. Yanepa was able to adapt the exercise of power to communally-based decision-making and this was probably the source of his success.

The Provincial Assembly

The provincial constitution states that there shall be twenty-seven members elected directly by the people of the province (section 12(1)). In the second half of the 1980s, the assembly was divided into ten PEC members, a speaker and deputy speaker, and fifteen ordinary members. The constitution also lays down the limits to the power of the assembly, particularly in terms of its financial powers and the drawing of constituency boundaries. As is often the case with variants of the Westminster system, in practice the PEC has greater power over fiscal matters than the assembly. What is unusual in Eastern Highlands is the extent of the power of the speaker and deputy speaker and, even more surprisingly, that of members of committees appointed by the assembly itself (and in particular the works and budget priority committee).

As shown in the previous section, the key coordinating committee in budget preparation is the works and budget priority committee. In 1986 that committee was chaired by the provincial Works minister but included only one other minister (the minister for Finance) and nine ordinary members. The dominance of this committee by ordinary members of the assembly might be thought to give the latter significant power over budgets. If ordinary members can have significant input on the formulation of budgets, can they also do more than simply authorise executive taxation, loans and expenditure? Does the composition of the works and budget priority committee remove control over finance from the executive and give it to the assembly? The answer is no. Once the budget is formulated, the provincial constitution follows the model of the national constitution (and many other Westminster variants) and reduces the role of the assembly to one simply of authorisation. Section 41(3) provides that ‘The Assembly may reduce the amount of any proposed taxation, loans or expenditure, but shall not increase or reallocate the amount, or change the purpose of, any proposed taxation, loans or expenditure’. In the Eastern Highlands context, the effect of this limit is to make the PEC and the works and budget priority committee, regardless of composition, more powerful than the assembly in financial matters.

The provincial constitution also limits the power of the assembly over its appointed officers, the speaker and deputy speaker, and thereby gives these officers a status closer to that of ministers than of ordinary members. In particular, they
can only be removed from office by a motion passed by a three-quarters absolute majority (section 31(1)).

The officers of the assembly and the members of the works and budget priority committee are in a position to combine with the PEC and dominate the ordinary members. Rarely, however, has there been reaction on the part of ordinary members of the assembly in attempting to frustrate the will of the governing group. An analysis of the resolutions passed by the provincial assembly in 1984 shows that of forty-three resolutions passed, thirty-two were passed unanimously. Of the eleven motions that were not passed unanimously, eight were passed with a majority of eighteen votes or more (ten votes of the PEC and the eight to nine members of the works and budget priority committee). The issues on these occasions were either procedural, matters to do with the role of members nominated to the assembly, or budgetary matters. The three votes that achieved a majority smaller than eighteen all related to the constitution: a resolution to eliminate local-council representatives from the assembly in February 1984, and resolutions in May 1984 to reduce the role of the deputy speaker in government business and to clarify the status of an assembly member who stands for National Parliament.

**The provincial cabinet**

By 1986, ordinary members had rarely cohered in opposition in attempts to frustrate the will of the executive. In terms of the Westminster model, such an outcome is difficult to explain. One answer could be that the absence of party divisions has discouraged a government versus opposition line of cleavage in the assembly. In contrast to the Westminster model, voting in the assembly seems to be remarkably free of division, especially on key budgetary matters. It may be that ordinary members really do accept communal solidarity or that divisiveness in the province is a ‘bad thing’, that each assembly member belongs to the larger ‘family group’, that they share common values and goals and value common consent, unanimous agreement and esteem for the premier and his ministers above the competition of the Westminster model. But I would argue that until his defeat in 1986, Yanepa and his executive had used the absence of party and the persistence of feelings of communal solidarity to maintain stability and enhance executive dominance over ordinary members. In particular, the premier had enhanced the already significant power he was given under the provincial constitution to broaden executive authority to embrace officers of the assembly and members of the works and budget priority committee, and by judicious selection of ministers when conflict has spilled out into the open.

The provincial constitution follows the Westminster model in the selection of premier and provincial ministers: ‘The Provincial Assembly shall elect the Premier who shall be a member of the Assembly … (and) shall be elected by a simple majority’ (section 53). Until 1985, the constitution provided for members to be elected by the assembly, but by convention the premier appointed the provincial ministers. From 1985, the amended constitution gave the premier a clear power to appoint them. In this as well as in other ways the constitution provides substan-
tial protection for the premier. He holds office until he ceases for any reason to be a member of the provincial assembly, until a new provincial cabinet is appointed following a general provincial election, or until he resigns or is dismissed from office by a motion of no-confidence. As a two-thirds absolute majority is required for a successful motion of no-confidence in the premier, the position has much greater protection than that of ministers, who can be dismissed either by the premier or by a motion of no-confidence carried by an absolute majority (section 61(1)). Dismissal of a minister does not necessarily threaten the premier, as it would under a system of collective responsibility.

The constitution thus qualifies the principle of collective responsibility by giving the premier authority separate from the authority of the cabinet. The premier is not simply first among equals, as in the Westminster system, because the separate line of constitutional authority makes him less vulnerable, constitutionally, than a minister. This separate line of constitutional authority has allowed the premier to spread executive authority beyond the cabinet: both the works and budget priority committee members and the speaker and deputy speaker function as lines of advice to the premier. The works and budget priority committee has the authority to formulate a budget without the responsibility for administering divisional expenditure. In this process, the executive has been expanded from the constitutional minimum of ten (including the premier and deputy premier) to twenty (including the speaker and deputy speaker and the eight members of the works and budget priority committee).

The centrality of the premier to this spread of executive authority should be emphasised. He accepts the authority of the works and budget priority committee over the formulation of the budget while acknowledging the power of the cabinet, and divisional heads, to implement the budget. Yanepa even claimed to have little practical control over the deliberations of the works and budget priority committee: in November 1983 it was reported that he had told a provincial management team meeting that a recent budget meeting, involving members of the works and budget priority committee, provincial ministers and assistant secretaries, had suggested that there be a period of consolidation and a minimum of new projects, but that ‘As yet he is unaware of the committee’s final decision’ (EHPG Provincial Management Team Minutes 16 November 1983). It may be true that the premier cannot influence the outcome of the committee’s deliberations, but what is important, from his point of view, is that the power of the works and budget priority committee broadens the range of actors in the brokerage game. The separate lines of advice to the premier allow him to draw a greater number of assembly members into the exercise of largesse. He can cajole, bully and persuade different people involved in the formulation and implementation of the budget in order to get his way. Such a structure also puts the premier and his ministers in a stronger position in a period of expenditure cuts: they can lay blame for budget formulation at the feet of the works and budget priority committee, and at the same time stand on collective responsibility in the implementation of the budget.

By dividing executive authority between the supply side and the demand side of the budget, the premier has not only managed to spread executive authority
in a way that introduces a larger number of assembly members into the brokerage game but has also drastically modified the Westminster-style executive, in which individual members hold portfolios. Modification of the Westminster-style executive by provincial governments was suggested by the Constitutional Planning Committee (CPC 1974: 10/3). As Regan (1986:6) notes, the CPC recommended an alternative kind of executive which it called an ‘executive committee system’. ‘Under the executive committee system the Provincial Cabinet (or Cabinet) would act collectively in all matters’ (ibid.). Regan (1986) laments that the executive committee system was not tried by any province, and argues that such a system may be preferable to the divisiveness fostered by oppositional politics in small-scale political arenas. In fact, something akin to the executive committee system is operating in Eastern Highlands. The spread of executive authority is not unlike collective decision-making; the difference is that, rather than collective decision-making in all areas of expenditure, the Eastern Highlands system establishes different collectivities for the supply side and the demand side of the budget. This system is very different from the portfolio system where ministers are pitted against each other in the formulation and implementation of the budget. It must be emphasised, however, that the practice of executive government in Eastern Highlands is different from the prescription set down in the constitution, which gives the impression that the province has a Westminster-style executive.

The spread of executive authority has not entirely neutralised opposition to the executive. Motions of no-confidence in ministers have been moved from the floor of the assembly. There appear to have been two motions of no-confidence in the 1980s. A motion of no-confidence in the deputy premier was moved in 1982. Another was moved in March 1985 against the then minister for Primary Industry, the minister for Works and Transport, the minister for Youth and Community Development and the deputy premier. It is a striking commentary on the stability of executive government and the dominance of the premier that so few no-confidence motions have been moved, especially since the constitution makes it comparatively easy to move a motion (support is required from only one-quarter of the total number of voting members of the assembly). How then has the premier responded?

The 1985 motion was brought by three assembly members outside the PEC—the then deputy speaker, Schubert Kamunda, and two ordinary members, Jonah Masive (a former provincial Finance minister) and Walter Nombe (then deputy chairman of the works and budget priority committee, later minister for Works and Transport and premier from 1986). The motion failed on a technicality. However, dissatisfaction with the performance of some ministers continued to simmer in the assembly. In October 1985 Yanepa reshuffled the cabinet. He did not, however, simply reward his followers and demote the incompetents. Instead, he promoted and demoted ministers strictly on the basis of district. In adopting this criterion, Yanepa was mindful of section 50(2) of the constitution, which in broad terms calls for representation in the PEC according to the various areas of the province. But in applying the criteria with such rigidity Yanepa also judged that stability could only be maintained by equal representation from the districts.
Before the reshuffle, district representation in the executive was: Goroka, four; Kainantu, three; Okapa, two; Lufa, two; Henganofi, one. This roughly accords with district population (Table 9.1), although Lufa, the premier’s district is over-represented, Henganofi is under-represented, and Marawaka, the least populous district, is not represented at all. Rivalry between the two most populous areas, Goroka and Kainantu, is settled by the rigid application of the population criterion. In the reshuffle, five ministers were dismissed – Taigi (Okapa) Fuka (Kainantu) Bahia (Henganofi), Sapu (Lufa) and Kamunda (Kainantu). Five new ministers were appointed: Saga (Henganofi), Iserepano (Okapa), Yarakei (Marawaka), Nombe (Goroka) and Ikao (Kainantu). In 1986 the minister for Primary Industry, Olekevea (Goroka) died and was replaced by Ora (Kainantu). This left the district representation as follows: Goroka, four; Kainantu, three; Okapa, two; Lufa, one; Henganofi, one; Marawaka, one.

Relations between the PEC and the provincial administration

A legacy of the circumstances under which government was established in Papua New Guinea was the formal separation of policy and planning capacity – in the provincial secretariat – from the administrative arm within the department of the province. This separation reflected the belief that provincial politicians should have a source of independent advice at a time when it was widely believed that the public service was opposed to decentralisation (Regan 1986:10). Today, Eastern Highlands is one of only three provinces which have retained a provincial secretariat. Regan suggests that in the other provinces, which have incorporated the provincial secretariat into the public service structure, ‘the phasing out of these secretariats is a measure of how public servants and politicians have learnt to work relatively well together’ (ibid.). I would argue, however, that the role of the provincial secretariat is perhaps more complicated than Regan suggests, especially when, as in the case of Eastern Highlands, the provincial secretariat plays a major role in coordinating relations between politicians and the provincial administration.

A major problem confronting any government is the coordination of administrative and policy advice. In the Westminster model, the principal institution for coordination is the cabinet. In theory, the cabinet makes policy and the public service implements it. Leaving aside the question of public service intervention in policy-making through setting options, implementing policy, and so on, it is cabinet which acts as the final arbiter of policy advice and has final responsibility for policy decisions. In Eastern Highlands, however, the centrality of cabinet has been modified by the division of policy advice between the supply and demand sides of the budget. Cabinet is still the final arbiter but it is deprived of the necessary information about the formulation of the budget and hence is in no position to determine which projects get accepted, which revenue will be levied, how expenditure proposals will be assessed, and so on. In short, cabinet is denied a brokerage role on the supply side of the budget.

The inability of cabinet to coordinate both sides of the budget has given the
provincial secretariat a long – perhaps permanent – lease of life. Attempts have been made to incorporate the provincial secretariat within the public service structure: in August 1980 a committee chaired by administrative secretary Levi Yogiyo recommended incorporation (EHPG 1980). The issue arose again in 1986 when it was bitterly fought by the provincial secretary, Yangao Uyassi (interview, Geoffrey Bueneflor, acting provincial secretary, September 1986).

Coordination is the key function of the provincial secretariat. Among the tasks it performs are project compilation, collation of divisional works projects, assessment of the viability of projects, advice on alternative projects or funds, project estimates and alternative budget projections. On both sides of the budget, the provincial secretariat functions as the channel of communication between assembly members and others who wish to propose projects, and even between ministers and their divisions. The assembly members and others put project proposals to the provincial secretary, who will either steer them through the works and budget priority committee and cabinet, or provide details of alternative funding. Ministers will often enlist the support of the provincial secretariat to get a project accepted rather than deal with the division. As the acting provincial secretary has said:

At present, ministers submit projects to the policy secretariat. This is what they prefer. They do not want to submit projects directly to divisions. Our job is to liaise between divisions and politicians. There are some ministers who feel unable to deal directly with divisions. They would be lost if we abolished the Provincial Secretariat (interview, Geoffrey Bueneflor, September 1986).

Elections

Provincial elections are held every four years. The first were held in 1978, the second in 1982, the third in 1986 and the most recent in 1990. As with national elections, there is an extremely high turnover of members at provincial elections but, unlike national elections, in provincial elections in Eastern Highlands it is not necessary to have a party affiliation to be a viable candidate. In an earlier study of the 1982 national election for Goroka Open I argued, ‘it is probably no longer possible to run a front-line candidate without a party label’ (Stewart 1984), but in the run-up to the 1986 provincial elections party affiliation seemed optional; Finance minister Kuso told me, ‘I am a member of the PPP but I haven’t decided if I will use the party label yet’ (interview, S. Kuso, September 1986). This reinforces the view that provincial politics operates according to communal solidarity rather than the adversary politics of the Westminster model.

Campaigning for provincial elections in Eastern Highlands has not involved the degree of commitment and expenditure that one observes during a national election. In 1982, for example, polling was very low-key, the only highlight being the presence of national politicians lambakey Okuk and Ted Diro to campaign for Premier Yanepa (Post-Courier 18 November 1982). More than 250 candidates contested the twenty-seven seats. Only nine sitting members survived; four
ministers and the speaker lost their seats. The nucleus of the old executive, however, survived, including the premier, deputy premier (Arege Yamegu) and deputy speaker (Samuel Kuso). Yanepa was able to put together a new executive fairly quickly. In early December he declared that he had signed up twenty members, including six former MPs, to form the government (Post-Courier 7 December 1982).

More recent information on elections and campaigning is presented in Table 9.4. In 1986, questions were asked of ten sitting members, including five ministers, the speaker and four ordinary members. Kuso, Nombe, Masive, Mehuwo, Homate and Kemiepa all have constituencies close to Goroka Town. Yanepa, Yamagu and Kamunda have constituencies in more remote areas. Ora's constituency is near Kainantu Town. Responses indicated that half the sample would not stand with a party label; one was unsure; three wanted party attachment, and one would not contest the election. Most expressed opposition to parties at the provincial level. All but one of the sitting members knew well before the writs were issued who their main opponents would be.

Most sitting members seemed certain of support from their village. This accords with the idea of communal solidarity, where the principal cleavage is along clan lines. Clan loyalty, however, seems not to be an inexhaustible resource. In constituencies close to towns, where clans are more fragmented and where members have held their seats for longer than four years, there is less certainty of village and clan support. Local government support has virtually disappeared as a basis for mobilisation, probably reflecting the extent to which provincial politics now dominates local-level politics. Local government councils still have extensive financial resources but, as argued in the next section, they are being treated by provincial politicians increasingly as service delivery organisations rather than as competing political arenas.

Those interviewed saw roads, water supplies and schools as the main electoral issues. For most candidates, however, communal solidarity is more important as a means of getting votes than a policy or issue stance; emphasis was placed on personal standing and personal performance rather than on issues. Exceptions to this were the very articulate ministers Mehuwo and Nombe. Mehuwo emphasised community schools as an issue and Nombe, elected premier after the 1986 election, stressed the importance of public works. Expenditure on provincial elections was low compared to national elections. Few sitting members could afford to spend more than K1,000. However, Premier Yanepa, who in 1982 dropped his leaflets from a chartered helicopter, spent between K7,000 and K10,000 on his 1986 campaign, closer to the amount one would expect to be spent by most candidates in a national election.

The elections of 1986 and 1990 reflected a major change in Eastern Highlands provincial politics. By 1990, politics was more competitive and bitter. The safety of 'communal solidarity' and mateship evident in the Yanepa-led governments of the early 1980s was gone. Nombe was appointed premier after the 1986 election and attempted to continue the Yanepa system. But in the 1990 election only four members were re-elected. By 1990 personnel had changed almost complete-
Communal versus class solidarity in Eastern Highlands

Until 1986 the Eastern Highlands provincial government coped well with its tight budgetary constraints by juggling budgetary outlays. It is argued here that political stability was maintained by the spread of executive authority and by judicious selection of ministers according to district representation. Coordination and stability were achieved by a decision-making order based on communal solidarity.

Such communal solidarity is in contrast not only to the adversary politics of the Westminster model but also to the antagonistic social relations associated with the development of capitalism in Eastern Highlands (Stewart 1986). By 1990, ‘communal solidarity’ appeared to be in decline, no doubt provoked not only by changing personnel but also by continuing pressure from declining revenues and more ambitious politicians. The personal relations of trust evident in the early 1980s had disappeared with the people themselves, resulting in a corresponding loss of governability in the province. How can stability be restored? There does not seem to be any basis for predicting the emergence of class politics at the provincial level.

An economic profile of ten members of the provincial assembly (including five ministers and the speaker) does not show a consistent class pattern (Table 9.5). Commercial, or petite bourgeois, ventures are in embryo. Landholdings are generally smaller than landholdings of big peasants; the pattern of landholdings of these sitting members suggests they could be labelled middle peasants (except for Homate, Masive and, now, Yanepa, whose landholdings are on the big-peasant scale). Middle peasants are defined by Bernstein as being “able to reproduce themselves mainly through family labour and land. However, at a critical period in the agricultural cycle, they employ seasonal labour which is provided by “poor” peasants …’ (Bernstein 1979: 431). All the sitting members employ labour except for Kemiepa. Some of this labour would be full-time judging by the size of their landholdings. Visits to their villages, however, suggested that most labour used was still family labour. The impression was that most of the sitting members surveyed ran their landholdings along the lines of middle peasants like Sinake Giregire rather than along the factory agriculture lines of GOUNA and the Eastern Highlands Development Corporation.

Previous examples of attempts by middle peasants to mobilise support in Eastern Highlands have failed (Stewart 1986: 177). It is therefore likely that the middle peasants will not retain enough cohesion to impose a middle peasant complexion on the provincial government. Indeed, class representation provides neither motivation nor a base for mobilisation for election to the provincial government. Rather, some provincial members seem almost to be inheriting a role in provincial government that their fathers once had in local government councils. Mehuwo, Yamagu and Kemiepa are in this position and Yanepa and Nombe were councillors themselves. Still others who stand for provincial government are
Table 9.4: Personal Profile and Campaign Strategy of Ten EHPG Members

<table>
<thead>
<tr>
<th>Name</th>
<th>Position in Government</th>
<th>Age</th>
<th>Village</th>
<th>Wife’s Village</th>
<th>Education</th>
<th>Previous Employment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kohitete Kemiepa</td>
<td>Speaker</td>
<td>33</td>
<td>Korofeigu</td>
<td>Korofeigu</td>
<td>Grade 9</td>
<td>Apprentice Electrician</td>
</tr>
<tr>
<td>Steven Homate</td>
<td>Ordinary Member</td>
<td>38</td>
<td>Kame</td>
<td>Yuana</td>
<td>Form 4</td>
<td>Stocktaker</td>
</tr>
<tr>
<td>David Mehuwo</td>
<td>Minister for Education</td>
<td>30</td>
<td>Luhuka</td>
<td>Korepa</td>
<td>Grade 12</td>
<td>Motor Mechanic</td>
</tr>
<tr>
<td>Job Ora</td>
<td>Minister for Industry</td>
<td>32</td>
<td>Baranda</td>
<td>Kafe</td>
<td>Grade 10</td>
<td>Teacher at Community School</td>
</tr>
<tr>
<td>Schubert Kamunda</td>
<td>Ordinary Member</td>
<td>34</td>
<td>Omeme</td>
<td>Omeme</td>
<td>Grade 10</td>
<td>Science Teacher</td>
</tr>
<tr>
<td>Arege Yamaga</td>
<td>Deputy Premier</td>
<td>43</td>
<td>Barapa</td>
<td>4 wives</td>
<td>Grade 5</td>
<td>Coffee and Vegetable Farmer</td>
</tr>
<tr>
<td>Jonah Massive</td>
<td>Ordinary Member</td>
<td>46</td>
<td>Kogaru</td>
<td>Divorced</td>
<td>Grade 8</td>
<td>Coffee Buyer</td>
</tr>
<tr>
<td>Walter Nombe</td>
<td>Minister for Transport</td>
<td>43</td>
<td>Yabiufa</td>
<td>Keiya</td>
<td>Grade 9</td>
<td>Assistant Secretary, Finance, EHPG</td>
</tr>
<tr>
<td>Samuel Kuso</td>
<td>Minister for Finance</td>
<td>36</td>
<td>Kabiufa</td>
<td>Kainantu</td>
<td>Form 3</td>
<td>Civil Engineer with Public Works</td>
</tr>
<tr>
<td>James Yanepa</td>
<td>Premier, Health</td>
<td>58</td>
<td>Haga</td>
<td>3 wives</td>
<td>No Schooling</td>
<td>Cooperative Official Councillor</td>
</tr>
<tr>
<td>Constituency</td>
<td>Party in Election</td>
<td>Opposition Known</td>
<td>Favour Parties</td>
<td>Village Support</td>
<td>LGC Support</td>
<td>Ranking Issues</td>
</tr>
<tr>
<td>--------------</td>
<td>-------------------</td>
<td>------------------</td>
<td>---------------</td>
<td>----------------</td>
<td>-------------</td>
<td>---------------</td>
</tr>
<tr>
<td>Lower Bena</td>
<td>Will stand as Independent</td>
<td>Yes, at least ten in Opposition</td>
<td>No, not at provincial level</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gahuka</td>
<td>Will stand as Independent</td>
<td>Yes, at least four are known</td>
<td>No, not at provincial level</td>
<td></td>
<td>Yes</td>
<td>1 Roads 2 Water supply 3 Schools</td>
</tr>
<tr>
<td>Lower Asaro</td>
<td>Will stand as PPP</td>
<td>Not known</td>
<td>Yes, parties are inevitable</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tairora</td>
<td>Will stand as Independent</td>
<td>Yes, at least three are known</td>
<td>No, I do not believe in parties</td>
<td>Yes</td>
<td>Yes, as far as I know</td>
<td>1 Agric 2 Community schools 3 High schools</td>
</tr>
<tr>
<td>Kamano No. 1</td>
<td>Will stand as Independent</td>
<td>Yes, at least twelve are known</td>
<td>No</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Agarabi</td>
<td>Will stand as PPP</td>
<td>Yes, at least nine are known</td>
<td>No, not at provincial level</td>
<td>Depends on the councillor</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Upper Bena</td>
<td>I will resign</td>
<td>Yes, at least three are known</td>
<td>No, not at provincial level</td>
<td>LGC support not essential</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unggai</td>
<td>Will stand as Independent</td>
<td>Yes, at least four are known</td>
<td>No, not at provincial level</td>
<td></td>
<td></td>
<td>1 Roads 2 Schools 3 Health</td>
</tr>
<tr>
<td>Goroka Town</td>
<td>May stand as PPP</td>
<td>It is not vital at provincial level</td>
<td>Yes</td>
<td>Depends on the constituency</td>
<td></td>
<td>1 Sewage 2 Town roads 3 Law and order</td>
</tr>
<tr>
<td>Yagaria</td>
<td>Will stand as National</td>
<td>Yes, some will oppose</td>
<td>No, not at provincial level</td>
<td>Yes</td>
<td>They are playing their own politics</td>
<td></td>
</tr>
<tr>
<td>Name</td>
<td>Landholding</td>
<td>Lease</td>
<td>Govt Assistance</td>
<td>No. of Farms</td>
<td>Earnings from Ag</td>
<td>Employ Labour</td>
</tr>
<tr>
<td>-----------------</td>
<td>----------------------------------</td>
<td>--------</td>
<td>-----------------</td>
<td>--------------</td>
<td>-----------------</td>
<td>---------------</td>
</tr>
<tr>
<td>Kohitete Kemiepa</td>
<td>1 coffee plantation (Namaro)</td>
<td>No</td>
<td>No</td>
<td></td>
<td>Coffee K2,000</td>
<td>No</td>
</tr>
<tr>
<td>Steven Homate</td>
<td>2 coffee plantations (Ipagu and Gomana)</td>
<td>No</td>
<td>Yes, Dev. Bank finance</td>
<td>2</td>
<td>Coffee K327,000</td>
<td>Yes</td>
</tr>
<tr>
<td>David Mehuwo</td>
<td>Coffee gardens</td>
<td>No</td>
<td>No</td>
<td>Scattered gardens</td>
<td>Yes</td>
<td>Building a trade store</td>
</tr>
<tr>
<td>Job Ora</td>
<td>Coffee gardens</td>
<td>No</td>
<td>Yes, 20 ha coffee block</td>
<td>3 plots</td>
<td>Coffee K2,400</td>
<td>Yes</td>
</tr>
<tr>
<td>Schubert Kamunda</td>
<td>Coffee garden plots</td>
<td>Yes, 20 ha coffee block</td>
<td>Yes, Dev. Bank finance</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Arege Yamagu</td>
<td>Coffee plantation</td>
<td>No</td>
<td>Plantation plus scattered gardens</td>
<td>Yes</td>
<td>To revive my coffee plantation</td>
<td>Closed 3 trade stores</td>
</tr>
<tr>
<td>Jonah Masive</td>
<td>20 ha group coffee</td>
<td>No</td>
<td></td>
<td></td>
<td>I own a company</td>
<td></td>
</tr>
<tr>
<td>Walter Nutsche</td>
<td>Coffee garden plots</td>
<td>No</td>
<td>Yes, DPI assistance</td>
<td>Scattered gardens</td>
<td>Coffee K2,000-K3,000</td>
<td>No</td>
</tr>
<tr>
<td>Samuel Kuso</td>
<td>Coffee plantation</td>
<td>No</td>
<td>No</td>
<td></td>
<td>Yes</td>
<td>Coffee development</td>
</tr>
<tr>
<td>James Yanepa</td>
<td>Coffee plantation</td>
<td>Yes, NPMA and PNGDB</td>
<td>Coffee K92,000</td>
<td>Yes</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
lower-level public servants and teachers (Kuso, Ora). Local big businessmen and big plantation owners (such as Olekevea) are only on rare occasions attracted to standing for provincial government office.

A number of reasons could be suggested for the failure of provincial government in Eastern Highlands to become an arena of class contestation. The first reason would be that provincial government is simply too limited both in its resource base and functions to attract a class interest. Provincial governments are very small governments with small budgets. Their regulatory power over any market is virtually nonexistent. They can impose retail sales tax but this is too small, and too difficult to collect, to denote market interference let alone regulation. Provincial governments, until the appearance of coffee rust, played no role in the coffee industry apart from assisting to provide access roads to plantations. There is virtually no coffee industry interest in what the Eastern Highlands provincial government does. A second, and related, reason is that provincial governments seem to have inherited the role of local government councils as the main site for local politics. As such they function more to reflect local pride and cohesion than to offer a contestatory arena.

Nevertheless, the Eastern Highlands provincial government became a more contested terrain after 1986. This has probably occurred as a result of the basic problem that provincial governments face, which is a ‘fiscal crisis’. Steps have been taken to alleviate the pressure on the provincial government budget. On the demand side, the provincial government is moving to reduce its social expenditure to local government councils. In 1986, RIP grants to local government councils in Eastern Highlands totalled K725,000, over 10 per cent of the provincial budget. One implication of reducing the local government council grants is that communal solidarity is undermined because local government councils come to be treated more and more as simply another interest group making demands on the provincial budget.

Polarisation of Eastern Highlands people on the basis of interests and classes rather than as members of clans will make provincial government a more contested terrain and perhaps even cause the establishment of competing parties at provincial level. The Yanepa system of juggling budgets, personal trust, trading of clan loyalty and spreading executive authority could not survive a major clash of interests at the provincial level.

Conclusion

This chapter has analysed the Eastern Highlands provincial government in the area of planning/budget process, politico-administrative structure and the role of the provincial government in the social relations of Eastern Highlands. It has been shown that the provincial government performed well up until 1986, within the constraints of fiscal contraction. Planning was, however, limited by the uncertainties and reductions imposed on it in the provincial budget.

The Eastern Highlands provincial government also had performed credibly at the politico-administrative level until 1986. Political stability had been
maintained. The main problem faced by provincial governments is coordination of the administrative and policy machinery. In Eastern Highlands this has been achieved by the retention of the provincial secretariat. However, by 1990 this stability had begun to break down. This was principally because of the collapse of relations of trust which had existed in the early years and upon which the early coordinating devices had been based.

The future will involve a search for new coordinating devices; but just as it will be impossible to go back to the Yanepa system, so too will it be difficult to develop an interest-based system of strong party affiliation in which the cabinet will play a major coordinating role. The future looks uncertain and marked by political instability. The Westminster system, perhaps surprisingly, proved flexible enough to accommodate a communal solidarity political style. It remains to be seen if it is also flexible enough to accommodate a political style located neither in party, class nor clan solidarity but caught somewhere between.
MOROBE PROVINCE, 1978-1991*

Hartmut Holzknecht

The province

Morobe Province is the largest province in Papua New Guinea in terms of population, and one of the largest in terms of landmass (34,500 square kilometres). It occupies a central location in the country (Map 7) and in the past its provincial government has seen the province as being the primus inter pares of Papua New Guinea’s provinces. Morobe Province shares its boundaries with West New Britain to the east, Oro to the south-east, Central in the extreme southern corner, Gulf to the south-west, Eastern Highlands to the north-west and Madang to the north.

The 1980 census gave Morobe’s population as 310,622, including 5,266 non-citizens. Table 10.1 shows the provincial population by district. Preliminary figures from the 1990 census give the total for Morobe Province as 357,000, an estimated increase from 1980 of 15 per cent (Times of PNG 4, 11 April 1991).

Geographically, the province’s main feature is the broad Markham Valley which divides the province into two and through which the major road system in Papua New Guinea, the Highlands Highway, passes on its way into the highlands. To the north-east of this valley lie the rugged Finisterre, Saruwaged and Rawlinson ranges, the latter making up the backbone of the Huon Peninsula. To the south-west of the Markham Valley there also lies mountainous country drained by extensive river systems including the Waria, Bulolo and Watut rivers and other tributaries of the Markham River. This was the area of many gold prospecting expeditions in the early 1900s resulting in gold finds at Edie Creek near Wau, subsequent gold rushes, and later extensive dredging of the river flats around Bulolo.

Morobe Province is a most varied province in a number of ways – linguistically, culturally, and in terms of religious adherence. The geographic features range from islands and a long coastline (circa 400 kilometres) to rugged mountain

* I wish to thank in particular both Ron May and Tony Regan for their unstinting encouragement, advice and assistance in the rewriting of this chapter for publication.
Map 7: Morobe Province
ranges with altitudes of approximately 4,150 m. There are raised coralline formations both in the mountains south of the Markham River and along the coast near Sio, attesting to a slowly rising littoral for the latter area and a previously encroaching sea in the former followed by a lifting of the landmass.

Linguistically, a broad belt of Austronesian languages in the Markham Valley and the edges of the Huon Gulf separates non-Austronesian-speaking peoples in the mountains on either side (S. Holzknecht 1982, 1986, 1989). Most groups of people speaking non-Austronesian languages in Morobe Province have been shown to belong to what has been called the ‘Trans-New Guinea Phylum’ (McElhanon and Voorhoeve 1970; see also McElhanon 1984). There are also much smaller pockets of Austronesian-speaking peoples down along the coast south from Lae and on the coast from Lae to around the end of the Huon Peninsula. Some of these coastal groups, in the past, played an important part in trading networks, including the Tami Islanders and the people of the Siassi Islands (Harding 1967), and were at the forefront of contact with foreigners and early economic development, but now find themselves living in economic backwaters in the province.

Culturally, communities in Morobe range from very small and mobile quasinomadic groups living in very rugged country in the headwaters of the Markham River in the Finisterre Range to the tall and more materially sophisticated people inhabiting the Markham Valley and coastal areas around Lae. The Angan people living around Aseki and Menyamya, formerly known as Kukukuku, used to raid almost to the Papuan Gulf. Like many peoples in Papua New Guinea who live along provincial boundaries and in more inaccessible areas, they have only relatively recently had access to ‘development’. The coastal peoples, who live away from the vicinity of Lae and who have been in contact with outsiders and outside influences the longest, appear to have been bypassed by more recent developments. The Buang people who live in the mountains between Lae and Bulolo are active participants in the game of development, with coffee, and vegetable growing and marketing. The people in the mountain valleys of the Huon Peninsula, too, are very active in coffee growing.

In terms of adherence to church denomination, the vast majority of the population of Morobe Province would consider themselves to be members of the Evan-

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Table 10.1: Morobe Province Population, 1980

<table>
<thead>
<tr>
<th>District</th>
<th>Population</th>
</tr>
</thead>
<tbody>
<tr>
<td>Finschhafen</td>
<td>49,365</td>
</tr>
<tr>
<td>Kabwum</td>
<td>30,925</td>
</tr>
<tr>
<td>Kiaispit</td>
<td>35,950</td>
</tr>
<tr>
<td>Lae (incl. Lae Urban, 61,617)</td>
<td>112,032</td>
</tr>
<tr>
<td>Menyamya</td>
<td>40,088</td>
</tr>
<tr>
<td>Mumeng</td>
<td>13,354</td>
</tr>
<tr>
<td>Wau</td>
<td>28,908</td>
</tr>
<tr>
<td>Total Province</td>
<td>310,622</td>
</tr>
</tbody>
</table>
gelical Lutheran Church of Papua New Guinea (which has its headquarters in Lae). The Lutheran Church, which celebrated its 100th anniversary in Papua New Guinea in 1986, began its mission activity near Finschhafen and spread very rapidly in the Morobe region in the early 1900s, and from there into the Madang area; its missionaries were the first Europeans into the highlands region in the early 1920s (Wagner and Reiner 1986). With the increased movement of peoples, particularly of Papua New Guineans themselves, especially after World War II, adherents of other churches established themselves in Lae and gradually in various places in the rural parts of the province, so now there are islands of other church groupings in this largely Lutheran sea.

Economically, too, there is a wide range of degree of access to goods and services, access to transportation networks, involvement in the cash economy, entrepreneurial activities, and access to power or to those with power and influence. In terms of socioeconomic ranking within the province, a number of districts are disadvantaged, while in other less disadvantaged districts some subdistricts rank very low in a nationwide comparison of access to health services, access to communications networks, access to education, possibilities for cash cropping, and so on (Wilson 1975). In a more recent study of spatial inequalities in Papua New Guinea, de Alberquerque and D’Sa (1986) ranked Morobe a lowly seventeenth out of the country’s nineteen provinces. Of Papua New Guinea’s eighty-seven districts, only two of Morobe’s seven districts ranked within the top 50 per cent and three fell within the lowest third (see Table 10.2).

Table 10.2: National Ranking of Morobe Province’s Districts
(de Alberquerque and D’sa’s factor loading index)

<table>
<thead>
<tr>
<th>District</th>
<th>Factor Loadings</th>
</tr>
</thead>
<tbody>
<tr>
<td>(N=87)</td>
<td></td>
</tr>
<tr>
<td>Lae</td>
<td>7</td>
</tr>
<tr>
<td>Wau</td>
<td>16</td>
</tr>
<tr>
<td>Mumeng</td>
<td>49</td>
</tr>
<tr>
<td>Finschhafen</td>
<td>56</td>
</tr>
<tr>
<td>Kalapit</td>
<td>75</td>
</tr>
<tr>
<td>Kabwum</td>
<td>82</td>
</tr>
<tr>
<td>Menyamya</td>
<td>85</td>
</tr>
<tr>
<td>Morobe Province (N=19)</td>
<td>17</td>
</tr>
</tbody>
</table>

Source: de Alberquerque and D’Sa (1986:48).

Lae City has been thought to absorb a disproportionate amount of provincial funds, and when Utula Samana became premier quite large amounts of money previously allocated to the Lae City Council for such purposes as road and water supply maintenance were redirected to rural areas of the province. (Lae City Council was renamed Lae City Interim Authority, and subsequently further renamed Lae City Authority.)
Post-contact history

The post-contact history of Morobe Province has been heavily influenced by a number of developments: major changes in economic activity in mining (especially gold), agriculture (coffee, cattle and peanuts) and timber; changes in access and mobility due to improved transport; and increasing secularisation of education.

The pre-World War II gold rush at Bulolo and Wau (Nelson 1976) brought outsiders and huge aircraft and machinery into the area, making Bulolo a company town. There is also ongoing exploration for gold and other minerals; CRA is currently assessing the feasibility of major developments at Hidden Valley and Wafi. Small-scale goldminers continue to be very active in the Bulolo and Wau valleys (Healy 1967; Blowers 1988). The early activities brought in a flood of outsiders – foreigners following the gold rush as well as many Papuan New Guineans who were recruited and flown in to provide the labour force for mining activities. Few such labourers had left their home areas before or had previously worked as contract wage labour. The major importance of aircraft development in Papua New Guinea was proven in Wau all and all parts of the dismantled dredges were flown into the area. The style of goldmining (dredging and sluicing) brought about much environmental damage and left a legacy of degraded land, eroded hillsides and extensive heaps of waste, without any rehabilitation. But mining activity (especially goldmining) also engendered a great deal of small-scale alluvial mining by Papuan New Guineans (Healy 1967) and thus has made a marked contribution to the local and provincial economy by providing local employment and income as well as royalties for the province.

Agriculture has been another focal element of development in the province, with coffee continuing to be a major cash crop in virtually all inland areas (Jackson 1965). With its large areas of flat grassland, the Markham Valley became ‘cattle country’ with both large expatriate-owned ranches (on alienated land) and smaller group- and individually-owned cattle projects (on land under customary tenure) being developed, the latter with financial support from the Papua New Guinea Agriculture Bank (formerly the Papua New Guinea Development Bank). Virtually all of the locally-owned cattle projects have now collapsed or closed down for lack of support and extension assistance.

The Markham Valley was also the focus of Papua New Guinea’s only peanut-growing and processing industry. An active peanut cooperative was started in 1962 as a ‘rural progress society’ and exported raw peanuts to Australia; it subsequently became a cooperative (see Singh 1974). Following a change in company law the organisation became a limited rural cooperative company. From this time on extension officers were not involved with peanut growers or their problems. The company grew, purchased, processed (into roasted peanuts and peanut butter) and marketed peanuts and peanut products and was beginning to export these. It also had the fuel agency for a large part of the valley, ran retail stores and a wholesale outlet, purchased coffee beans, copra and centrosema seeds, and ran a sizeable cattle herd. A total change of the board took place in 1983, as a result of local political intrigues and the exploitation of a fluid situation and ineffective
management for personal gain. This resulted in many short-term decisions being made by an inexperienced board and brought about the total collapse of the company by 1985, with hundreds of thousands of kina owing.

Besides being intimately involved in subsistence agriculture, a very large proportion of rural people are either intermittently or more fully involved in various kinds of cash cropping. All Morobeans now have a regular need for cash to buy clothing and tools, for travel, to pay school fees for their children, and for store goods such as tobacco, tinned fish, rice, sugar and tea. Cash cropping is easier in some parts of the province than others because of differential access to transport and markets. Another common way of acquiring cash is to sell surplus garden produce in urban markets or along busy highways.

Timber has also been a focal element of development, with much logging around Lae and its hinterland in the 1950s and 1960s. Exploitation of these areas destroyed whole forests with the only tangible benefit to local communities being the roads which contractors left behind; royalties paid to landowners at that time were minimal. With little (if any) maintenance, such logging roads often became impassable within a short time. Only in the Bulolo area was a concerted effort made to develop an ongoing timber industry by reforestation and the establishment of a plywood factory in 1952. For its time this was a very progressive and far-sighted decision (Healy 1967).

The development of transport networks, both within the province and linking Morobe to other provinces, has also been important. The province has benefited in many ways from the existence of the Highlands Highway. Lae became and remains the main entrepôt for imports and exports for the highlands area. Its rise in prominence has also made it accessible to a very large and often drifting population from many other provinces (as well as from within its own borders) hoping to find work or diversion. The continuing development of intraprovincial transport networks through the building of wharves, rural airstrips and road systems has been a preoccupation of all colonial and post-independence provincial authorities. However, funding for the maintenance of these assets continues to lag far behind the funding of their expansion. Access to urban markets for rural agricultural products (vegetables, greens, fruit, coffee, and so on) in particular has improved considerably, allowing rural people to earn cash.

Access to Lae through improved transport networks has in some ways exacerbated a number of rural-urban problems in Morobe Province. By allowing visitors from other parts of the province or from other parts of the country to see ‘what might be’ in their own areas, many such visitors stay in the city, some for years. In other ways the improvements have made public servants, politicians and organisations and businesses more accessible (and answerable) to the rural population. People are very critical of their political representatives and of public servants in their areas if they are not doing an evenhanded and representative job.

The importance of the secularisation of education needs to be seen against the background of the preeminent role which the Lutheran Church has played in Morobe. Besides strictly religious aspects, expatriate missionaries and their companion Papua New Guinean evangelists and teachers played critical roles
in initial contact, in pacification, in providing health and education services and sometimes even in a quasi-administrative capacity in areas which were not staffed by colonial administration for many years. The Lutheran Mission, in particular, saw education as one of the best ways to influence and re-educate the population, especially the young. Each village had its village school in which evangelists and teachers used either the local language or a church lingua franca for instruction (Kotte in inland, non-Austronesian language areas and Yabim in the coastal, Austronesian language groups). Besides religious instruction, lessons in reading, writing, arithmetic, geography, science, and health and hygiene were taught. The children passing the four years of village school were sent on to a higher school, usually at the mission station for the area, whence they could go on to a higher-level district school. They could in their turn serve their church and their people by working as evangelists or teachers either in their own areas or in other areas of the country where the mission was opening up new mission fields.

This all-encompassing and self-contained education system which produced educated Lutheran young people could not continue. Gradually the colonial administration began opening up ‘A’ schools (A for administration). Government schools were seen by Morobears as competition for mission schools and were described as being there ‘to help the body’ while mission schools were there ‘to help the soul’. Since the national education system has brought all these schools together, the differences and the inherent competition involved have all but disappeared. However, many older Morobeans are sad to see the demise of their village schools, which gave an all-round basic education in a village setting.

The establishment of provincial government in Morobe Province and the evolution of its political and administrative structure

The background to the establishment of provincial government has been described in detail in Chapter 2; its formal establishment in Morobe Province follows much the same pattern as in other provinces and so does not require detailed discussion here.

An area authority came into being in August 1973 (Conyers 1976) which dissolved itself into a constituent assembly to prepare a draft provincial constitution. Upon approval by the national government, the constitution recognised the constituent assembly as an unelected interim provincial government assembly, pending the holding of the first provincial elections. The provincial constitution provides for four-year terms for the assembly and elections subsequently took place in 1980, 1984 and in 1988. The fourth provincial elections, in early 1991, were held early, following the suspension of the provincial government (see below).

With the establishment of the interim provincial government in March 1978, Morobe followed the example of most other provinces in adopting a dual administrative structure: a policy secretariat (provincial secretary, provincial planner, legal officer, and so on), appointed by and answerable to politicians, was grafted as a separate unit onto the existing public service structure. The provincial secretariat’s overall task was to bring about development in the province through
proper planning and coordination and control of staff and financial resources. This dual structure continued through the life of the interim provincial government in Morobe, although it became increasingly clear that there were basic problems and conflicts. By the time of the provincial elections in 1980 meetings had already taken place at which it was agreed to remove this dual system. Within six months the secretariat was absorbed into the provincial public service with the provincial secretary as head of the Department of Morobe. Heads of various public service divisions within the province are called assistant secretaries.

**A political history of Morobe Province**

**Elections**

Morobe Province has in the past always been considered the preserve of Pangu Pati. It was one of the regions which accepted Pangu Pati wholeheartedly and, in national elections at least, has been most reluctant to abandon it (Voutas 1970; H. and S. Holzknecht with Baing 1976). Almost all elected members of National Parliament have been Pangu or Pangu-aligned and have been elected as such (although a number of them subsequently shifted allegiance to other parties). This pattern has continued through all national elections since independence. That Pangu has not had the same pervasive influence in provincial politics until very recently is in large part due to the influence of the dominant figure in Morobe politics in the 1980s, Utula Samana (see below).

For the 1980 elections the provincial constitution provided for an assembly, or *Tutumang*, of thirty-three members who together elect the speaker, and the premier and his deputy. The provincial constitution requires only simple majorities for the election of a premier, contrasting with the requirement of an absolute two-thirds majority to remove a premier. This crucial difference later was the cause of a lot of difficulties which became major law and order problems within the province (see below). From 1984 there were thirty-five constituencies. The premier names *Tutumang* members to his cabinet, or *Sam Sewe*.

In the 1980 elections, in which Samana became premier, almost all of the members of the previously-appointed provincial government (who themselves had been appointed to the constituent assembly to draw up the province’s own constitution) contested the election. Most were at least nominally Pangu Pati members (there being no other well-organised political organisation in the province) and a majority of these was elected. A number of better-educated new members, together with some of the previously elected members, rallied around Samana and narrowly got the required number of votes to bring Samana to power. Following this vote the normal drift of elected members took place to align themselves with the party in power.

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1. ‘*Tutumang*’ means ‘assembly of persons’ in the Kotte lingua franca and *sam sewe* in the Yabim lingua franca also means ‘assembly’ or ‘meeting’ but has taken the meaning of ‘meeting of delegates’ from more recent church usage.
The dominant political personality

Utuoc Utula Samana, the elected member for Lae East, became the first substantive premier of Morobe Province. Born in Finschhafen in 1948 (with one parent from the Morobe area and the other from the Finschhafen area) he is married with four children. Samana’s wife, Fungke Zimike Samana, is a university graduate in agriculture.

Samana completed his primary schooling in Lae and his secondary schooling at Lae’s Bugandí High School before proceeding to tertiary studies in 1970. At the University of Papua New Guinea he was recognised as an exceptional speaker and leader by his teachers and fellow students, among whom were Paias Wingti, Gabriel Ramoi, Rabbie Namaliu, Stephen Pokawin and many others who are or have been members of parliament, provincial leaders, or senior public servants. Largely because he challenged existing views and established ways of doing things, he was labelled by colonial administrators a ‘radical’ and a ‘troublemaker’. From early in his studies he was an ardent admirer of Chinese communism, in particular of such grassroots-oriented projects as the barefoot doctors scheme; he supported massive reforestation projects, emphasised the importance of agriculture, accepted as necessary the transformation of Papua New Guinea by building on its existing communal and group-oriented structures, and advocated the politicisation of ‘the masses’. He was most disturbed at the time about the deviation from the Maoist line of development by Chinese leaders after the deaths of Chou Enlai and Mao Zedong.

Samana, a member of the Lutheran Church of Papua New Guinea, graduated in 1974 with a Bachelor of Arts from the University of Papua New Guinea, where he majored in political and administration studies. Between 1974 and 1975, Samana worked in the Social Planning Division of the Central Planning Office in Waigani. From 1976 he spent a total of 14 months as a tutor in the Department of Political Science of the University of Papua New Guinea; he left in 1977 to contest the Morobe regional seat in the national elections of that year, a contest which he lost to Boyamo Sali, a relative from the Finschhafen hinterland.

When the interim provincial government was set up in 1978, Samana became the first provincial planner and set into train a broad-based provincial planning system. Following some demonstrations against the interim provincial government by urban ‘squatters’, which he was accused of organising, Samana was dismissed (in late 1979) by the interim premier for alleged disloyalty. He was then offered and accepted a research-officer position in the Lutheran Church headquarters but was already beginning to campaign for the forthcoming elections while there, perhaps with the intention of using the very extensive and influential church structure in Morobe Province. Asked to resign from this position, he campaigned in earnest and ran a very capable and ultimately successful campaign in the provincial electorate of Lae East. This election saw the beginning of his characteristic vocal anti-Pangu Pati platform; he also received strong support from landless urban people (‘squatters’) living in his electorate and on the urban fringes generally (Hegarty and Samana 1976).
Samana was always an activist premier, as will be seen below. He has many areas of genuine interest and concern in the promotion of styles of development appropriate for the people of his province, and during his tenure tried to move his province forward in all of them (examples include a three-year micro-hydro development program funded by Morobe provincial government and coordinated and implemented by the University of Technology in Lae; the growing of rice for local consumption; ecologically sensible agriculture; improving communications between rural areas and the provincial centre; and grassroots involvement in planning and development). But he found it difficult to prioritise and therefore fund them all. He also seemed to find it very difficult to delegate authority and responsibility to his ministers. As a result many files from the different divisions and ministries had to cross the premier’s desk for final approval. Ministers were usually not permitted to make public statements or press releases without the premier’s approval; these then invariably came from the premier and not from the minister concerned. This strengthened the premier’s control over all matters, especially in public relations, and caused tension between himself and his ministers.

Although he was elected to National Parliament in 1987 on a Morobe Independent Group ticket in the Morobe Provincial electorate, Samana subsequently formed his own party, the Melanesian United Front (MUF), and supported Wingti’s PDM in government. In December 1987 he was appointed to the Public Service ministry and in June 1988 became minister for Agriculture and Livestock. The Wingti government was defeated in a vote of no-confidence early in July 1988 which brought a Pangu-led coalition government to power under Prime Minister Namaliu. MUF subsequently switched its support to the new government and Samana was named minister for Education in August 1990.

**Regionalism**

Regionalism and breakaway movements had surfaced briefly in Morobe from time to time both before and after self-government and independence. They arose again during the time of the first elected provincial government. Representatives, especially national members of parliament, from the Finschhafen-Kabwum area of the province began agitating to break away from Morobe Province (see Adams 1982). One reason was that this region felt itself deprived over a long period of time of development resources (especially funding for roads). Other reasons given at the time were that the populations of this area were culturally and linguistically quite homogeneous and had had the experience of cooperating under the Finschhafen-Kabwum Planning and Development Authority (FKPDA), and that Lae was too remote and so could not understand the region’s needs. The FKPDA, which could be seen as an avenue for channelling such breakaway energies into more productive activities in that region, most likely also contributed to a feeling of unity within the region and so towards the calls for a separate province. Although it took some time to die down, this proposal was finally shelved when the national government stated that no new provinces would be created.
**Political parties and suspension**

On a provincial level, what may be called Morobe’s schizophrenia shows through in the repeated election of provincial governments dominated by non-Pangu Pati groups. This may indicate that in the past in Morobe (at least), voters have seen national and provincial issues and problems as being quite different and requiring different solutions. In the year or so leading up to the suspension of Morobe provincial government (in September 1989), however, renewed agitation by the provincial Pangu-led opposition about unfair provisions in the Morobe constitution, and a number of majority (but not absolute two-thirds majority) votes of no-confidence against the provincial government linked the provincial opposition and the national government, which agreed not only to bring about changes in the Morobe constitution but also to investigate rumours of corruption within the provincial government. Thus the suspension came about.

In 1984 political parties and local movements which contested the provincial elections included Pangu, People’s Progress Party (PPP), National Party (NP), Melanesian Alliance (MA), Morobe Independent Group (MIG, Premier Samana’s own group), Morobe District People’s Association (MODIPE – originally a precursor of the Morobe Independent Group but which split off to maintain a separate identity), and the Ahi Association (a Lae area landowners’ development and pressure group). As well, many at least nominally independent candidates stood. Candidates were often supported in specific areas by local pressure groups; in the Huon Peninsula, for example, the owners of a large timber resource (who wanted to develop their resource with outside partners) were encouraged to support a particular candidate to be their voice in the provincial assembly. These signs of increased political interest and activity were no doubt at least in part due to the increased political mobilisation and politicisation flowing from Samana’s leadership style.

In the event, MIG went into coalition with the PPP-elected members to form the new provincial government and, as usual, there was subsequently a slow drift of members from the opposition to the government side. The opposition, itself almost all Pangu members, were not able to agree on a leader, with various factions pushing forward their respective candidates. Members from rural constituencies formed a majority in the opposition and did not want an urban-based leader; this resulted in a rural-based voting block in the opposition. Pangu itself did not perform well or cohesively in opposition due mainly to personality clashes among opposition leaders. Towards the end of 1985 the opposition felt able to control sufficient numbers to challenge Samana and hoped to entice PPP members out of their coalition with MIG; indeed they had a promise from them to do so. But this was not to be: on voting day one faction refused to vote for the agreed-on changes and PPP stayed where it was.

The province underwent considerable change in 1987, with Samana and some of his provincial cabinet colleagues and other provincial members standing for election for National Parliament. Samana ran a ticket in virtually every electorate under the banner of MIG and in the event he and a small number of others were
Hartmut Holzknecht

elected to National Parliament. His decision to move into the national political arena came from a feeling of certainty that his province was now under control and was running the way he wanted it to run. Other trusted members of MIG could now run the province on his behalf while he kept a close eye on things from Port Moresby.

This development required changes at the provincial government level. Mrs Enny Moaitz, a well-known community and Girl Guide leader and an experienced politician, was chosen by MIG to be Samana’s successor, and became Papua New Guinea’s first female premier in July 1987. She had previously been minister for Education and Finance in the provincial government.

Provincial elections in 1988 returned a number of previously-elected provincial members and a sprinkling of new members. By now rifts had appeared between factions within MIG, caused by leadership style and the fact that some MIG members resented being taken for granted by Samana. Samana appeared determined to control provincial government activities from Port Moresby while certain provincial groupings, both on the government side and in the opposition, were determined to reduce his influence. Up until this time MIG had been allied with MA on both provincial and national levels. Samana’s MIG group at this time became allied with opposition leader Paias Wingti’s PDM in the National Parliament and in the province. Some provincial politicians, even within MIG, did not approve of this link. Moaitz’s faction of MIG (which was linked to MA) was persuaded to vote with other MIG members and they together elected Hagai Joshua as premier. Moaitz’s faction then immediately withdrew its support from the new premier and his grouping.

Each of these groups in the provincial assembly had a coterie of well-educated advisers and organisers who tended to work like a think-tank for each faction. Some of them had their own ‘ heavies’ and ‘ dirty tricks’ departments, some with links into urban youth gangs and with people living in urban-fringe squatter settlements who received money from various small projects funds and grants controlled by the provincial or Lae City authorities (for an instructive comparison see Harris 1988). These could be quickly mobilised for marches and demonstrations as required. Members of these supportive groups vary greatly: some get their power and prestige not just from their education but also from being influential with those in power; others work in private enterprise, in big overseas companies or running their own little businesses, or work as teaching or ancillary staff at the university or the technical college in Lae, or are public servants.

**Morobe provincial government performance**

The Samana government was the first Morobe government to set itself ideological goals and guidelines for provincial development and to use this framework as part of its cyclical planning and budgetary process. It established regular reviews of provincial government policies and programs through a series of ‘bush kivung’ meetings, following a practice begun by the interim government of having provincial members and senior public servants take part in consultations in rural
areas to give people in these areas a chance to see their government in action.

The ‘bush kivung’ held on Tuam Island in 1981 was the setting for the Tuam Declaration (Morobe Provincial Government n.d.a), later termed Tuam 1, which set out the development goals, directive principles, and first five-year policies and programs of the Morobe provincial government (see below). This has been followed at intervals by Tuam 2 (Morobe Provincial Government 1985) and Tuam 3 (Morobe Provincial Government n.d.b).

Each division within the provincial Department of Morobe was required to review its ongoing activities and to revise them to fit into the framework of Tuam 1. Proposals for new projects coming into the Morobe provincial government’s planning section from the district planning committees or from the provincial secretariat itself were required to be in line with Tuam 1 and, if approved, were then incorporated into budget proposals for consideration and endorsement for the next year’s budget. Programs were to be reviewed annually prior to the beginning of each budgetary cycle while the implementation and progress of projects within each program were to be reported on on a quarterly basis during each financial year.

**Development goals and directive principles**

The Tuam Declaration articulates the Morobe provincial government’s development philosophy. In so doing, it sets out in detail five development goals:

1. Integral human development;
2. Equality and participation;
3. Provincial sovereignty and self-reliance;
4. Natural resources and environment; and
5. Papua New Guinea and Morobe ways.

It also lays down a twelve-point development plan and policies to be pursued by the government:

1. Political power remains with the people;
2. Decentralisation;
3. Increase economic development based on self-reliance;
4. Equal distribution of benefits;
5. Better coordination among the towns and city with rural development;
6. Promote youth development;
7. Equal participation by women;
8. Promote cultural development;
9. Support moral principle and assist religious organisation;
10. A government for and by the people;
11. Lae City – provincial capital district;
12. Promote national and provinsel gavman relations

(Morobe Provincial Government n.d.a.)
Any discussion of Morobe provincial government’s performance must use these goals and principles as a measuring stick.

But, one might ask, how realistic are they? Some, such as ‘integral human development’ and ‘equal participation by women’, are local adaptations of Papua New Guinea’s national eight aims and as such serve an ideological purpose though they are difficult to implement in practical ways. Others, such as ‘decentralisation’, ‘political power remains with the people’ and ‘better coordination among the towns and city with rural development’, had, in the minds of Samana and his colleagues, quite specific connotations and could be operationalised fairly easily.

There were, however, very few specific and clear targets in these goals and principles. It was left to the various divisions to put flesh on the bones and set up coherent programs within divisional activities. Tuam 1 was in some ways fairly naive as well as overly optimistic; Tuam 2 and Tuam 3 took up the task of refining practical and achievable goals and targets. Tuam 3 was able to incorporate views expressed by local communities through a local planning initiative implemented by the provincial government’s planning section in 1990. This initiative involved public servants travelling to and staying in as many rural villages as possible in order to ascertain each community’s view of its problems (infrastructure, water supply, and so on) and how these problems could be solved. This exercise culminated in a series of ‘state of the district’ volumes which were meant to guide local and district planning.

**Goods and services**

The data presented in summarised form in Tables 10.3 and 10.4 illustrate the changes which have taken place between 1982 and 1988 both in the total funding of the Morobe provincial government and in its internal sources of revenue. Although the figures speak for themselves it is worth highlighting the importance of national transfers; the relatively large contribution of internal revenue to the annual budget (over 20 per cent in 1988 – the large economic base of the city of Lae gives Morobe a considerable advantage over many other provinces); and the high proportion of funds going into public service salaries.

Budget estimates for new capital works in 1982 were K2,647,000 while actual expenditure totalled K2,050,192, an underspending of 22.6 per cent (Axline 1986:267). For the purpose of maintenance of its assets, the Morobe provincial government in 1982 received K1,485,138 as part of its minimum unconditional grant and budgeted to spend K3,119,000. This compares to receiving K1,619,393 in 1984 and budgeting to spend K2,757,000 (ibid.: 268). In 1982 Morobe’s expenditure on its legislative, executive and planning functions cost K560,085; the estimate for 1984 was K753,889 (ibid.: 269). The cost of these functions increased dramatically up to the time Morobe provincial government was suspended in September 1989.

Table 10.5 shows the changes in the pattern of expenditure on the seven transferred activities from 1976-77 to 1984 (these figures do not include capital works,
Table 10.3: Total Funding by Source, Morobe Province, 1982-1988 (K'000)

<table>
<thead>
<tr>
<th>Source</th>
<th>1982</th>
<th>1984</th>
<th>1988</th>
</tr>
</thead>
<tbody>
<tr>
<td>MUG</td>
<td>2,707</td>
<td>5,974</td>
<td>4,921</td>
</tr>
<tr>
<td>Div.248</td>
<td>9,723</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Division 271-290</td>
<td></td>
<td>6,952</td>
<td>16</td>
</tr>
<tr>
<td>Services</td>
<td></td>
<td>3,743</td>
<td>1,046</td>
</tr>
<tr>
<td>Health</td>
<td></td>
<td>60</td>
<td>2,309</td>
</tr>
<tr>
<td>Other</td>
<td></td>
<td>54</td>
<td>62</td>
</tr>
<tr>
<td>Secret't Salaries</td>
<td></td>
<td>62</td>
<td>76</td>
</tr>
<tr>
<td>Deriv'n Grant</td>
<td></td>
<td>120</td>
<td>102</td>
</tr>
<tr>
<td>Tobacco Tax</td>
<td>120</td>
<td>97</td>
<td></td>
</tr>
<tr>
<td>Royalties (timber)</td>
<td>300</td>
<td>400</td>
<td>68</td>
</tr>
<tr>
<td>Royalties (mining)</td>
<td></td>
<td>73</td>
<td>111</td>
</tr>
<tr>
<td>Bookmaker Revenue</td>
<td></td>
<td>122</td>
<td></td>
</tr>
<tr>
<td>Motor Vehicles</td>
<td>600</td>
<td>600</td>
<td>560</td>
</tr>
<tr>
<td>Town Services</td>
<td></td>
<td>12</td>
<td>3</td>
</tr>
<tr>
<td>Maint'ance Grant</td>
<td>712</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Diff1 Grant</td>
<td></td>
<td>567</td>
<td></td>
</tr>
<tr>
<td>Air/Sea Charter</td>
<td>207</td>
<td>208</td>
<td>125</td>
</tr>
<tr>
<td>PS &amp; TSC Salaries</td>
<td></td>
<td>9,435</td>
<td></td>
</tr>
<tr>
<td>NFC Grant</td>
<td>460</td>
<td>213</td>
<td></td>
</tr>
<tr>
<td><strong>Total transfers</strong></td>
<td>14,957</td>
<td>18,999</td>
<td>18,882</td>
</tr>
<tr>
<td><strong>Internal Revenue</strong></td>
<td>5,293</td>
<td>3,920</td>
<td>4,879</td>
</tr>
<tr>
<td><strong>Total Funding</strong></td>
<td><strong>20,250</strong></td>
<td><strong>22,919</strong></td>
<td><strong>23,760</strong></td>
</tr>
</tbody>
</table>


It is unfortunate that comparable recent figures are not available since some of the trends shown in Table 10.5 were strengthened in the years to 1990. For example, the decrease in the proportion of expenditure on agriculture between 1976-77 and 1984 (9.1 per cent) would have increased markedly by 1988. Similarly the modest increase in health services between 1976-77 and 1984 would have been reversed by 1988. Commerce services were cut further by 1988 and Information Services, shown as having a very small increase from 1976-77 to 1984 (0.3 per cent), was by 1988 virtually nonexistent. Education, with a decrease of 3.6 per cent in its proportion of provincial expenditure, had declined further by 1988.

These changes in expenditure on divisional activities have had drastic multiplier effects, particularly in the rural areas of the province. In agriculture and
Table 10.4: Internal Revenue, Morobe Province, 1982, 1984, 1988 (K'000)

<table>
<thead>
<tr>
<th></th>
<th>1982</th>
<th>1984</th>
<th>1988</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alcohol Retail Tax</td>
<td>640</td>
<td>750</td>
<td>980</td>
</tr>
<tr>
<td>Petroleum Retail Tax</td>
<td>1,000</td>
<td>900</td>
<td>1,066</td>
</tr>
<tr>
<td>Specific Retail Tax</td>
<td>76</td>
<td>60</td>
<td>184</td>
</tr>
<tr>
<td>Trading Licences</td>
<td>10</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>Land Tax</td>
<td>2,610</td>
<td>1,600</td>
<td>2,200</td>
</tr>
<tr>
<td>Head Tax</td>
<td>—</td>
<td>—</td>
<td>20</td>
</tr>
<tr>
<td>Liquor Licence</td>
<td>100</td>
<td>140</td>
<td>190</td>
</tr>
<tr>
<td>Develt Corpn</td>
<td>—</td>
<td>12</td>
<td>—</td>
</tr>
<tr>
<td>Investments</td>
<td>850</td>
<td>50</td>
<td>80</td>
</tr>
<tr>
<td>Fees</td>
<td>—</td>
<td>75</td>
<td>9</td>
</tr>
<tr>
<td>Other</td>
<td>7</td>
<td>330</td>
<td>197</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>5,293</strong></td>
<td><strong>3,920</strong></td>
<td><strong>4,879</strong></td>
</tr>
</tbody>
</table>


Table 10.5: Changes in Expenditure on Transferred Activities, Morobe Province 1976/77 to 1984
(Expressed as percentage change in the proportion of expenditure on the seven divisional activities)

<table>
<thead>
<tr>
<th></th>
<th>1984</th>
<th>1985</th>
</tr>
</thead>
<tbody>
<tr>
<td>Provincial Affairs</td>
<td>-2.2</td>
<td>7.6</td>
</tr>
<tr>
<td>Health</td>
<td>+3.6</td>
<td>0.9</td>
</tr>
<tr>
<td>Agriculture</td>
<td>-9.1</td>
<td>16.5</td>
</tr>
<tr>
<td>Education</td>
<td>-3.6</td>
<td>17.3</td>
</tr>
<tr>
<td>Commerce</td>
<td>+0.2</td>
<td>17.2</td>
</tr>
<tr>
<td>Information Services</td>
<td>+0.3</td>
<td>17.9</td>
</tr>
<tr>
<td>BMS</td>
<td>+10.7</td>
<td>17.9</td>
</tr>
</tbody>
</table>


Agricultural extension they have drastically limited the capacity for any kind of agricultural assistance to rural people, a service which more than ten years ago had already been unable to cope with its wide range of tasks (H. Holzknecht 1975). Staff have resigned in large numbers to go into private enterprise or to go home to their villages to plant coffee or other cash crops or to start businesses; the morale of remaining staff, and their activity levels, are extremely low. Rural health services have also suffered from neglect, so that many rural aid posts do not stock medicines or have closed. For a provincial government which for years has hammered the importance of agricultural development and has rural development and access to services very high on its list of priorities (Morobe Provincial Government n.d.a, 1985; Samana 1988), these are surprising developments.
Development authorities

If provincial funds were not going into these service areas, where were they going? The simplest answer is to the ‘decentralisation of power’ in the province. Developments included the establishment of the development authorities, progressive elimination of local government councils and their gradual replacement with community governments (the latter fitting in well with an earlier national government initiative, that of the village court system, which Morobe provincial government readily accepted and incorporated into its provincial administration).

During the early 1970s an informal Finschhafen Development Board was set up and, through the Lutheran Church, engaged two German economists to put together a carefully prepared proposal for a regional planning and development agency in the Huon Peninsula (Zwanzger and Meister 1974). After some persuasion this was adopted by the then district authorities and, after much planning and pushing, national government approval and funding was secured to set up FKPDA – Finschhafen-Kabwum Planning and Development Authority. Its first official meeting was held in December 1975. FKPDA had a number of specific tasks, but generally was intended to coordinate planning and development activities within a specific region. At that time the only sub-provincial organisations which were remotely similar in aims were local government councils and so a special act had to be passed by the national House of Assembly to approve FKPDA under the Local Government Act. FKPDA employed overseas technical staff and volunteers (mostly German) and, besides national and provincial funds for new roads and road maintenance, was able to attract overseas aid funds for some of its programs.

With the election of the first substantive provincial government in Morobe, a review of approaches to development was carried out which resulted in the passing of a provincial Development Authorities Act of 1981 (Samana 1988: 82–83). Although it was originally set up under a separate act of parliament, the FKPDA was also brought in under this umbrella. Anga Development Authority (ADA) (covering the relatively remote Menyamya District) was established in 1981 under the terms of this act and in mid-1982 the Huon Development Authority (HDA). Since that time FKPDA has been renamed FISIKA – Finschhafen-Siassi-Kabwum Development Authority (to ensure the inclusion of Siassi). FISIKA has its base in Finschhafen, ADA in Menyamya and HDA in Lae. The Lae City Authority (LCA) now covers the urban area in and around Lae City, thus regularising the status of Morobe’s capital. Future developments were intended to include the extension of HDA to embrace the Kaiapit District or the setting up of a new DA for this area, and a new development authority to cover the Mumeng and Wau districts.

These development authorities are statutory bodies and development agents for and answerable to the Morobe provincial government. The Development Authorities Act gives them the following duties and responsibilities:

a) generally to plan development projects and activities within their areas, including
   – the preparation, acceptance and amendment of development plans and programs;
- the undertaking of research into developmental problems and the undertaking of experimental and pilot projects;
- the preparation, publication and support of submissions and developmental documents;
- the solicitation of financial and other resources with which to implement development plans;
- the coordination of the activities of developmental agencies within the area;
- the fostering of discussions, consideration and interest in the solution of mutual problems between Government groups, agencies, and persons;
- the fostering, maintaining and aiding of groups and organisations for the better implementation of developmental plans; and
- the construction or aiding the construction of developmental projects.

b) the improvement and development of agriculture, forestry and fisheries;

c) community and social development;

d) the improvement and development of the district’s transport infrastructure; and

e) the organisation, financing, engagement in or assistance to any business or enterprise.

As can be seen, the ambit of development authorities was very wide.

Each development authority has a board as its decision-making and supervisory body, with board members usually representing census divisions within the authority’s area and at least one provincial government representative. National members of parliament and provincial assembly members (MT – Members of Tutumang) of the area are ex-officio members of these boards, which meet at least three times a year to discuss and decide on their plans and activities.

An executive officer (sometimes the district secretary, sometimes a project manager) reports to the board and is responsible for convening board meetings. A project coordinator (in the case of the three early development authorities these were until recently all German technical people) reports to the board through the project manager and these two persons function as the board’s immediate executive to ensure that board decisions are being implemented; they also supervise staff on a day-to-day basis.

All road maintenance funds from the national government as well as from Morobe provincial government itself for these areas are channelled through the development authorities. Some members of the National Parliament also channel at least part of their National Development Fund monies through the development authorities. These funds are, of course, accountable both to the Morobe provincial government and the particular national department providing the funds, and to the board of each development authority. Those areas which are at present not covered by a development authority have district planning committees (DPCs)
which coordinate budgetary requests for that area. District secretaries are responsible for such funds being spent in approved ways and for the acquittal of these funds at regular intervals.

The increasing emphasis on development authorities and away from line divisions has increased tension between public servants in line departments and staff (often employed on a contract basis) of development authorities. There are also tensions inherent in different financial requirements between the different development authorities. The needs of LCA, for example, just to maintain its assets of roads, water supplies, health and education facilities and other public buildings in Lae necessarily creates tension between urban and rural needs and between it and rural-based development authorities. Generally, though, the redirection of activities through development authorities was intended to allow local communities, through their representatives, to have a greater say in developments taking place in their areas, and what has taken place can be described as devolution of development to area or community level while still controlling its direction and extent by holding onto financial strings.

Finally, the increasing tendency to direct projects through development authorities makes it more difficult to allocate particular projects to divisions for annual accounting reports. An example of this is the Anga Nutrition Unit, which was a joint project between ADA and the Wau Ecology Institute and partly funded by overseas aid; for provincial accounting and reporting it was not clear whether this should come under Health, Agriculture or District Administration.

Development authorities in Morobe Province came in for some trenchant criticism from both inquiries into the suspended provincial government (PNG 1990a; National Parliament 1990). It was recommended that development authorities engaged in business activities should incorporate themselves into companies and in this way be better able to control their subsidiary companies. It was suggested development authorities pay tax, since they generated revenue while competing on unequal terms with small local entrepreneurs (PNG 1990a:7). The chairmanship and sometimes the membership of development authority boards have been unstable; key development authority staff have resigned at short notice and it has been difficult to recruit suitable replacements, leading to lack of continuity in management and supervision. Financial management has left a great deal to be desired; assets have often been misused by staff. The development authorities are required under Section 19 of the Development Authority Act to report annually on their activities, together with balance sheets and statements of revenue, but few of the development authorities or their subsidiaries have complied with this (National Parliament 1990: 62-80).

Other new avenues for self-reliance and decentralisation

Morobe provincial government (and Samana in particular) felt very strongly that local government councils were relics of colonialism, and the kiap, or patrol officer, was an anachronism; both needed to be replaced urgently with something more appropriate. In areas where councils were in trouble or simply not functioning
(for whatever reason) they were abolished; the channelling of requests for the funding of small projects was vested instead in district planning committees (DPCs). Each DPC has representatives from the district as well as the elected provincial and national members of parliament. Its executive officer is always the district secretary (a public service position which replaced the old patrol officer). The district secretary is also responsible for the proper spending and acquittal of funds. The DPC meets from time to time, most productively just before the provincial budget cycle begins. The provincial members make use of this forum to pass on information, get feedback and pursue their own agendas (in a number of cases the committee membership has become stacked with the provincial member’s supporters).

Local government councils in Morobe Province are now gradually being replaced by community governments, which were authorised by the provincial *Community Government Act* of 1982. These community governments tend to cover smaller areas than local government councils, usually based on common culture or language or traditionally associated communities. Representatives are elected, and then elect a chairman, called the ‘governor’. Community governments can levy head tax, half of which is placed in a bank account for each community in the community government area, the other half going into community government coffers. On the basis of the contributions by the community government and the particular community, the Morobe provincial government then provides funds for particular community projects. The district secretary or one of his staff acts as advisor to the community governments.

The methods used by Morobe provincial government to establish closer control over provincial and local institutions are illustrated in the above example: structures seen as ‘colonial’ or ‘anachronistic’ have been removed and new structures, actually very similar in nature and function to the old ones but with new names, are erected in their place under a suitable act of the provincial assembly.

Village courts, an innovation of the national government, have been encouraged and supported by Morobe provincial government as another avenue for encouraging self-reliance and decentralisation. Village courts, which can adjudicate only in particular kinds of cases, come under the jurisdiction of the senior magistrate in the province; he appoints village court magistrates (usually three) in an area after the communities have made their own preferences known. New village court officials (magistrates, secretaries and ‘police’) take part in a training course during which they learn about the cases which they can hear and those which must be directed to higher courts. At present village courts operate only in some areas of the province, but are all suffering from inadequate funding and supervision.

Finally, a few words are required on another new provincial organisation, the Subsistence Agriculture Improvement Project (SAIP). Studies were begun by Dr Wayne Gagné (Gagné 1979, 1980) at the Wau Ecology Institute (WEI) in 1976 to examine biological and agronomic aspects of shifting agriculture and different combinations of crops and agricultural techniques. On the basis of these studies the Subsistence Agriculture Project (SAP) was started at Wau in 1982, under WEI auspices and funded almost entirely by overseas (principally German) aid money.
SAP’s purpose was to combine traditional and improved appropriate gardening techniques and then encourage rural people to switch over to this kind of productive and ‘site-stable’ gardening in order to reduce clear-felling of land for gardening, and subsequent erosion (Goeltenboth 1985). The basic principles of SAP had been proven by WEI, and extension teams (mostly women) were working with villagers in the Wau valley when Morobe provincial government decided that it wanted to take over the program. One expatriate and at least one senior Papua New Guinean were induced to move with the project from WEI to the Morobe provincial government.

A new, provincially-funded, unit – SAIP – was set up within the provincial government, directly under the premier and with Mrs. Samana, herself a university graduate in agriculture, in charge. The Morobe provincial government had purchased a run-down property in the Markham Valley (see below) and part of this was turned over to SAIP for housing, for experimental work in agriculture, and as a place to run appropriate courses. Interested males and females of all ages from rural communities in the province could apply to attend courses in agriculture, tree planting, nursery techniques, the making of compost to improve soils, making jams and juices from indigenous and exotic fruits, and so on. The overall aim of SAIP was to teach people how to use their land properly, using conservation farming techniques – organic farming techniques and agroforestry; how to conserve water and how to improve productivity (Morobe Provincial Government 1987:1-8).

Not long after setting up SAIP and ensuring at least basic funding for it, Samana, with some of his senior public service and SAIP staff, set up what was called the ‘International Institute for Subsistence Agriculture’. This body was in effect SAIP under a different name, a name which could be registered as a non-governmental organisation, as a NGO SAIP/IISA was eligible for overseas aid funding not available to government bodies. Samana went on a trip to Europe sometime after this organisation was registered and was said to have come back with a cheque for ‘250,000’ (US$, DM or kina was never made clear) from a church-related aid organisation in Germany. Neither of the two inquiries into the financial and other affairs of the suspended Morobe provincial government mentions amounts which would add up to this; indeed they may not have known about it, though both inquiries mention smaller amounts in bank accounts in the name of ‘International Institute for Subsistence Eco-Farming Imp. Tech.’ (PNG 1990a:59-80; National Parliament 1990:35).

**Morobe provincial government involvement in bisnis**

Like other provincial governments, Morobe had a strong early interest in business activities, primarily to help raise extra funds for the province but also to influence the direction of development within the province. One of the first acts of the elected government was to set up a provincial development corporation, the Yabim-Kotte Development Corporation (YKDC). The first managing director was an expatriate; almost all of the board members were politicians. The provincial
government inherited from the area authority a 25 per cent shareholding in an agricultural supplies firm, which was transferred to YKDC. It also set up a wholly-owned construction company, Yabim-Kotte Construction, which spluttered along for some nine months with minimum guidance and management and a singular lack of success, before being wound up. Since the early 1980s the Morobe Development Corporation has been the provincial government’s investment arm.

Following the election of the second provincial government in 1980, involvement in business activities increased, with the purchase first of a poultry and egg-producing property and then of a badly run-down coconut and cocoa plantation, both along the Highlands Highway and both purchased from expatriate owners. Both have been redeveloped successfully, especially the plantation. More recently, another run-down agricultural property in the lower Markham Valley was purchased, for a large amount, and this is being gradually redeveloped for cattle grazing and other purposes. The provincial government has frequently been approached by expatriate businessmen to buy into a business or to buy one out. It has also invested very heavily in its development authorities and their various subsidiaries, and has underwritten or guaranteed loan funds for commercially viable operations by them in such areas as coffee-buying, coffee processing and selling, wholesaling of goods, and road construction and maintenance.

The Morobe provincial government has also sought foreign investment for the development of specific natural resources such as timber, and has opposed local groups who wished to develop resources of their own in their own way. This kind of competition has been going on, for example, in relation to the development of the timber rights purchase (TRP) area on Umboi Island, for which Morobe provincial government called for tenders and hoped to have a firm from the People’s Republic of China develop, and a vast timber area in the Cromwell Ranges of the Huon Peninsula, which the resource-owning groups wished to develop under the Forestry (Private Dealings) Act. A large Japanese firm showed interest in the latter and a detailed study of various requirements for such a project (roads, harbour, mill, power, and so on) has been carried out. This project was not sponsored by the provincial government, however, and difficulties kept being put in its way. A Chinese reconnaissance team flew over both areas and indicated a preference for Cromwell but were directed to the Umboi Island resource by the provincial government; in the end the Chinese team chose not to proceed.

Few of the Morobe Development Corporation’s investments or commercial undertakings have been successful and the reports of the investigations into the suspended Morobe provincial government are extremely critical of the Morobe provincial government’s investments (see, for example, National Parliament 1990:55-61). A number of acquisitions were made at high prices and then starved of funding, so that it was almost impossible for them to operate on a proper basis. Many details of joint ventures did not become public knowledge until the businesses got into trouble; so, for example, it was only when the joint venture with the meat canning firm J.C. Huttons in Morobe Food Processing Pty Ltd, which began operations in 1986, went into receivership that it became generally known
that the processing equipment used in the factory was not owned by the company but leased, affecting asset and share values.

The re-establishment of the Garaina Tea Plantation was supposedly a Morobe provincial government venture incorporating Garaina shareholders. Provincial funds much in excess of the approved funding were shifted from other expenditure votes (PNG 1990a: 39-58) against the strong objections of some senior public servants. Investigations noted that even though the Morobe provincial government had been suspended, seven shareholders (the former premier, five individuals from the Garaina area, and a Lae-based foreign businessman whose company has supplied materials to the project) proceeded with the incorporation of a new company without the Morobe provincial government being a shareholder and with no evidence that shares were held in trust for Garaina landowners. The report goes on to suggest that if the Morobe provincial government was not a shareholder, then no provincial financial assistance could legally have been provided for the project (National Parliament 1990:60-61). The certificate of occupancy for the Garaina tea property, originally held by the national Department of Agriculture and Livestock, was issued to the Department of Morobe in 1985; however, the plantation and its assets are now being used by what is in effect a private company, Garaina Tea Investment Pty Ltd.

The status of a number of other provincial business activities from the 1980-1990 period remains to be clarified, including the denationalisation of Hamamas Prints, previously owned and run by the Morobe Women’s Association.

**Relations with national politicians**

The gulf between Morobe provincial government and national members of parliament from Morobe province, already exacerbated by the strongly anti-Pangu Pati stance of the Morobe provincial government from 1980 to 1991, was nowhere seen better than when the ministries of Transport and Primary Industries allowed national members of parliament themselves to determine the ways in which a significant amount of national funds were to be spent in the province or in their own electorates. The provincial government had hoped that the members of parliament involved would consult and try to fit in with the province’s already-established priorities (for example, through Tuam 1 and 2). When this did not happen – as in almost all cases – much provincial planning and coordination effort was wasted. In some cases provincial staff and/or politicians were able to persuade national members of parliament to spend at least part of ‘their’ funds on projects already approved, listed and designed by the provincial government.

The Morobe provincial government has been particularly touchy if a national politician visited the province without previously announcing his intentions, and especially if he did not make a courtesy call on the provincial leadership. The premier was, for example, very cross when in the early 1980s the then deputy prime minister, Lambakey Okuk, flew into Wau to buy a coffee plantation and gold lease, but did not come to Lae nor inform the Morobe provincial government that he would be in the province.
Morobe Province in national politics

Anyone who has read the *Post-Courier* or *The Times of Papua New Guinea* regularly over the last ten years will be aware of some aspects of the role which the Morobe provincial government, and in particular the former premier, Utula Samana, has played in national politics. One example of the activist stance which Samana took was the decision of the provincial government to issue a legal challenge against the minimum penalties regulation which was introduced by the national government in 1984. This came up for hearing during 1985 and was argued through by the provincial legal officer. A better example is the Readymix Cement case in which the provincial government sided with squatters living on land leased to Readymix Cement and onto which it wanted to expand its activities. The provincial government on behalf of the squatters took both the state and the company to court and won a six-month reprieve for them.

As premier, Samana regularly made public statements on a wide range of national and international subjects, in particular on the position of Irian Jaya and Irianese refugees and on Australian aid. For much of the time there was a Pangu-led national government in Port Moresby, and the premier and his government felt it to be fair game if they disagreed with its decisions. The premier’s MIG was then closely linked with Melanesian Alliance and tended to take similar positions on a wide range of topics. When Paias Wingti’s PDM-led coalition became the national government there were many fewer such public statements from the Morobe provincial government and its premier. Some believed that Samana was offside with the new government, having been brought to Port Moresby just before the ensuing vote of no-confidence to lobby for the Pangu-led existing government; others believed that he was quietly mending fences in preparation for entry into national politics in 1987. Whatever the case, such high profile statements tended to indicate the premier’s anti-national-government stance and bolster his own image. These manoeuvrings eventually led to an irreversible split in MIG and to widespread loss of face by Samana among the Morobe public.

Morobe has also been at the forefront of demands to devolve further powers to provincial governments, specifically powers related to land matters. This pressure was being strongly resisted, probably not least because of the difficulties in which the Department of Lands and Physical Planning (DLPP) has been. The Land Mobilisation Program, proposed in 1988 and currently being implemented, goes some way to answering these provincial demands.

In a number of such matters the Morobe provincial government and its premier found themselves, through their willingness to speak out and pressure the national government, leading the way for other provinces, particularly the other provinces in the Momase (northern mainland) region.

However, in spite of the public posturing and distancing of the Morobe premier and provincial government from many national leaders (with whom Samana appeared to be at loggerheads) there was a good deal of ongoing contact and consultation behind the scenes. When Samana moved into the National Parlia-

ment much of this public posturing disappeared.
With the entry of Samana into National Parliament, and especially after the provincial elections in mid-1988, events in Morobe province changed dramatically.

The number of government and opposition members in the Morobe provincial government came to be balanced on a knife edge. The provincial constitution requires any vote of no-confidence against the government of the day to be won by a two-thirds majority. It appears that during Samana’s first term as premier a *de facto* increase in the number of ministers was introduced which was not legally enacted until March 1989, well after Samana’s move into national politics. At this time the sixth constitutional amendment was passed, thus legalising the increase in the number of provincial ministers from ten to twelve (including the premier and deputy premier). This meant that if all the members of the provincial cabinet voted together, as they would normally do, no vote of no-confidence would ever receive a two-thirds majority even if a clear majority of members wanted a change of government. The conjunction of these factors along with increasing public disillusionment with Samana trying to manipulate the provincial government and the province by remote control from Port Moresby, led to a situation in which the province became increasingly ungovernable and the provincial government unable to carry out its development role effectively.

During the first part of 1989 the provincial opposition became a much stronger and more disciplined force under Jerry Nalau (a former district commissioner and provincial secretary) and increasingly opposed actions and decisions of the provincial government under premier Hagai Joshua. The culmination of this was a series of votes of no-confidence in the premier and his government. In each of these the opposition obtained twenty-three votes but could not get the twenty-four which would have given it the absolute two-thirds majority. The remainder of members were, of course, the premier and his ministers, who were unlikely to vote themselves out of power!

This situation continued for months with increasing tension in Lae. There were marches for and against change, with young people staging demonstrations in the city, many of which ended in violence, rioting and destruction of business property in the centre of Lae. Most shops and business houses in the centre of Lae had their windows boarded up for weeks on end and business fell off alarmingly. Different gangs of youths and unemployed people in the city supported the different voices in the stalemate. They roamed the city and residential settlements beating up known supporters of the other side; provincial politicians coming into Lae for meetings were kidnapped by men acting for the other side who demanded they change their vote in the next round of meetings, and so on.

This tension and fervour culminated in a series of well-coordinated pre-dawn actions one morning in early September 1989, during which large groups of people broke into and destroyed a great deal of property, including goods from a newly-opened supermarket. The riots and looting were filmed by TV cameras and shown on national and international television. Most of these businesses were controlled by a firm owned and run by a former Indonesian Chinese family now resident in Papua New Guinea. The rioters believed that the former premier either
owned shares in this company or was in some other way intimately connected with it, and it was widely held that the actions were specifically directed against the former premier.

In the week following the riot, a 6 p.m. to 6 a.m. curfew was imposed on Lae and its surroundings and tightly controlled by authorities. When the initial period of the curfew expired a further period was imposed, this time from 8 p.m. to 6 p.m. The curfew was eventually lifted during January 1990.

With all this unrest and continuing political stalemate there were increasing public demands for the national government to suspend the Morobe provincial government. This was duly done on 6 September 1989, immediately after the riots. Whereas the seven provincial governments suspended prior to Morobe were suspended solely on the grounds of financial mismanagement, Morobe became the first province to be suspended on account of a breakdown in the administration of the province.

Benson Gengeyo, a very senior administrator with previous experience of administering suspended provincial governments, was appointed as administrator, with senior provincial public servants as his deputies. Among other duties, the administrator is charged with making inquiries into the financial management (or otherwise) of the province and looking into allegations of gross misuse of provincial funds and Lae City Interim Authority funds (see below). The original nine month period was extended for a further period of six months. Gengeyo was succeeded as administrator by former East Sepik district commissioner and MP, Tony Bais. The Morobe provincial government was re-established through a general election in April 1991.

In the National Parliament Samana abandoned the MIG label under which he and a small group of parliamentarians were elected in 1987 and established a new party, the Melanesian United Front (MUF), thereby trying to move his grouping to a national basis, something the MIG could not provide. At present (1991) MUF has four or five adherents in the National Parliament but it continues to jockey for power and influence. The member for the Huon Open electorate joined MUF but was called home by leaders in his electorate and told to join one of the government parties; he promptly did so.

Since Samana’s involvement in national politics and his appointment to various ministries, his statements in relation to provincial government have been lukewarm and he has instead strongly advocated the establishment of district development authorities (see, for example, National Parliament, Daily Hansard 5 July 1990, 26-28, and 19 July 1990, 38-40).

The future

Samana’s standing in Morobe province and nationally was undermined by the suspension of the Morobe provincial government in 1989, the inquiries into financial and other mismanagement of the Morobe provincial government and by his own changing of sides in the National Parliament. The creation of the MUF also gave him an unfavourable image among the public of Morobe province, with
many people saying that he was like most other politicians after all, ‘only out for his own power and his own pocket’. As noted, he and his family were perceived by the public to be implicated with foreign businessmen operating in Lae. Because of such factors, Samana was the main target of the riots in Lae in September 1989 and the main loser when the Morobe provincial government was suspended.

With the split in the MIG, Samana no longer has a secure provincial base on which he can depend. Since the provisional elections in April 1991 which brought Jerry Nalau to the premiership (by a vote of twenty-four to eleven), Pangu is back in control of Morobe provincial government after being in opposition for some ten years. During this time Samana personally led the campaign to destroy Pangu. When it was being mooted that Samana and the remaining MUF members might join Pangu and the other government parties, there was much debate among Pangu members in Morobe and much speculation about Samana’s motives; some Pangu members even said that they thought his real intention was to destroy Pangu from within, ‘like white ants’.

With Pangu again in government in Morobe, the party can be expected to put together a much better campaign in national electorates in the province than it has been able to for the last ten years, and possibly to recapture many of the Morobe seats lost to other parties in national elections. With various cards now stacked against him, it cannot be assumed that Samana will win the election for the provincial seat. He has the option of nominating for one of the open electorates in which he has family ties: Finschhafen or Huon Gulf. In the former he would be running against a strong Pangu incumbent (to whom he is related), while in the latter he would have to unseat a former MIG incumbent who initially joined Samana when MUF was set up but was subsequently called home and told to join one of the government parties. In the latter electorate Samana would also face strong, vociferous opposition from a strong MIG faction centred on the former Mrs Moaitz, and lower Markham Valley voters.

A May 1991 news item (Times of PNG 2 May 1991) indicated that Samana may have been reassessing his position in government with a possible vote of no-confidence against the Namaliu government (the last one allowable before the national elections). The paper reported rumours that both the PPP and PDM were seriously contemplating a change of leadership in the opposition grouping in an effort to maintain harmony and consolidate its ranks; the column headline read: ‘Samana as alternate PM?’. This possibility must have appealed to Samana, who has always been in a hurry to get to the top. Moreover, had Samana gone into the next election as prime minister or even as opposition leader this would have brought into play some new factors, such as provincial solidarity and pride, which may have swung just enough votes his way to win the provincial seat again. In the event, however, there was no vote of no-confidence against the Namaliu government. Moreover, a last-minute vote approving salary increases for members of parliament, following a recommendation of the Parliamentary Salaries Tribunal, led to angry street demonstrations by students and unionists during which a number of government vehicles in Port Moresby and Lae were seized
and destroyed by fire; included in this was a vehicle in which Samana, as minister for Education, had entered the University of Technology in Lae in order to meet with students.

The new Morobe provincial government under Nalau has vowed to continue investigations into financial and administrative mismanagement under previous regimes, and funds are being set aside for this purpose. The Morobe provincial government has also begun a 'Stretim Morobe' ('repair Morobe') campaign (see for example, Post-Courier 20 June 1991). Measures proposed to 'clean up Morobe' and improve the law-and-order situation include the eviction of illegal settlers in the city. Such measures have been strongly supported in the provincial assembly and generally by the public as well.

Conclusion

Morobe has been one of the leaders in the development of the provincial government structure in Papua New Guinea and has been prepared to take the fight to the national government in a number of important cases, winning several. It has developed a system of regional planning and development through development authorities, which some other provincial governments are now examining. This approach has brought decision making closer to the people allowing them, through representatives on a board of directors, to have a greater say in the direction of development activities. More recently the provincial government has also begun to involve local communities in local planning and development. It remains to be seen how effective these measures are.

SAIP is an excellent example of the province's willingness to try unorthodox approaches to development. It has so far failed, largely because, from the start, it has been too politicised, poorly managed and badly controlled. Being directly under the division of the premier meant that there were virtually no financial controls or proper accounting practices in place. The concurrent establishment of a non-government organisation parallel to SAIP, in order to secure overseas funding, must make overseas aid agencies concerned, though there was considerable initial interest in proposals for an institute of this kind.

Morobe province has instituted a series of changes from local government councils to community governments, though to date not all communities are covered. The results of this have varied, but have led in some areas to quite dictatorial behaviour. The ongoing support for the village court system, also not yet in force throughout the province, is consistent with decentralisation of decision-making to local communities, and is working well despite funding problems.

Morobe province is also an instructive example of the effects of political control being in the hands of a strong and influential leader. In the past at least, Samana was all things to all men and had the final say on all matters of policy, planning and implementation; but the consequences of such a leader moving into a larger political arena, without adequate attention to the difficulties of succession and without having learnt to effectively share power, can be seen in the more recent
events in the province and in the investigation reports into the suspended provincial government.

The strong personal following which Samana was able to build up over many years, committed but often also naive and opportunistic, had some positive influence on developments in the province, but resentment naturally followed when often simplistic or emotive explanations were found to be not quite the truth; where people previously responded strongly and emotionally to rhetoric and promises there is now mistrust and cynicism.

Morobe province also provides an illustration of how simplistic the Constitutional Planning Committee’s assumptions sometimes were in relation to provincial government. In some respects provincial government has been closer to ‘the people’ and has represented them; in other respects it has been just yet another level of bureaucracy impeding and distorting development and taking money away from projects already starved of funds. With reference to Morobe provincial government’s performance in relation to its five development goals, and its twelve-point development plan and related policies set out, reviewed and revised from time to time in Tuam 1, 2 and 3 (Morobe Provincial Government n.d.a, n.d.b, 1985), the record is difficult to assess. There appears to have been much improvement, especially in infrastructure, since the early 1980s; assessment of whether or not there has been a steady improvement in overall development, however, must await more detailed analysis.

Postscript

In mid-1992 Nalau left provincial politics and successfully contested the Morobe Provincial seat in the national elections, defeating Samana. Samana subsequently enjoyed a brief and controversial career as a senior public servant in Port Moresby before accepting a diplomatic posting to New York. Nalau was succeeded as premier by Titi Christian. In August-September 1992 a disputed vote of no-confidence against Christian, in which opposition leader James Ibras was nominated as alternative premier, resulted in a brawl in the Tutumang. Shortly after, Morobe provincial government was again suspended, on grounds of ‘gross financial mismanagement, political instability and breakdown in administration’ [eds].
East Sepik has long been something of an economic backwater, but at the forefront of political developments in Papua New Guinea (May 1990). It was an early supporter of provincial government and, relatively well endowed with skilled manpower and experienced national politicians, in the first decade of provincial government it seemed to be one of the more successful (even if not spectacularly successful) provincial governments. By the end of its first decade, however, frustrated development plans, poor financial management, and political infighting had begun to undermine the perceived legitimacy of the provincial government and relations between the provincial government and the province’s national members of parliament had deteriorated. In 1991, fifteen years after receiving its charter, East Sepik joined the growing ranks of provincial governments under suspension, its premier in gaol and its provincial headquarters partly in ashes.

The province

East Sepik Province covers some 44,379 square kilometres in the north of Papua New Guinea; in area, it is the second largest province in the country. The present main boundaries of the province were fixed in 1967, when a single Sepik District was redivided into East and West, and 1969, when, to facilitate its administration, the then Ambunti subdistrict was transferred from West Sepik to East Sepik. In 1987, under a memorandum of understanding between the premiers of East Sepik and Manus, the outlying islands of Wuvulu and Aua, which had been administered from Wewak since 1965, were transferred (back) to Manus Province – a decision which caused some bitterness among Wuvulu and Aua islanders, whose

* My association with East Sepik Province goes back over more than twenty years, and the accumulation of debts is correspondingly large. The material presented in this paper owes much to conversations over the years with a number of people. I am especially grateful to Paul Bengo, Fr Cherubim Dambui, Jim Fingleton, Peter Johnson, Maze Magar, Laura Martin, Bernard Narokobi, Tony Power, Bruce Samban, Sir Michael Somare, Francis Sumanop, Henry Veratau, Peter Waliawi, and John Wasori.
Map 8: East Sepik Province
provincial loyalties were divided. The provincial boundaries extend along the
north coast from just below the mouth of the Sepik River to a point about 70 kilo-
metres west of the provincial capital, Wewak, including the islands of Mushu,
Kairiru, Walis, Tarawai and the Schouten group, and reach back south to the
foothills of the central highlands and west along the Sepik River to within about
35 kilometres of the border with Indonesia (see Map 8). Geographically the
province is dominated by the Sepik River and its major southern tributaries, the
Keram, Yuat and Karawari. Between the river and the coast lie (east to west) the
Prince Alexander and the Torricelli ranges, which to the north are thickly covered
in rainforest but whose southern foothills give way to secondary forest and
grasslands which merge with the Sepik flood-plain to the south-east.

Most of the province’s population – an estimated 254,371 at the 1990 census –
is concentrated in the southern foothills of the Prince Alexander Range and
along the north coast, although there is a sizeable population in the grasslands
south of Angoram and along the Keram and Yuat rivers and in a few big Sepik
River villages. The Maprik district accounts for about 44 per cent of the prov-
ces’s population, with population densities of about fifty persons per square
kilometre in the Wosera. In contrast, much of the Ambunti district and parts of
the Angoram district are sparsely populated. (Population and population densities
by district are shown in Table 11.1).

Table 11.1: Population and population densities, by district,
East Sepik Province (1990 figures)

<table>
<thead>
<tr>
<th>District</th>
<th>Population</th>
<th>Persons per km²</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ambunti</td>
<td>31,336</td>
<td>1.4</td>
</tr>
<tr>
<td>Angoram</td>
<td>48,454</td>
<td>2.1</td>
</tr>
<tr>
<td>Maprik</td>
<td>111,375</td>
<td>30.9</td>
</tr>
<tr>
<td>Wewak</td>
<td>63,206</td>
<td>9.1</td>
</tr>
</tbody>
</table>

The provincial capital, Wewak, had a population in 1990 of 22,837, about half
of whom lived in peri-urban villages and squatter settlements. The province’s
other urban areas, Angoram and Maprik, had populations of 1404 and 1129
respectively. There were only 557 non-citizens in the province, just over half
the number recorded at the time of the last (1980) census. Less than 2 per cent
of the citizen population was born outside the province, and most of these were
immigrants from West Sepik (Sandaun) Province.

By religion, more than two-thirds of East Sepik people are Roman Catholics;
smaller numbers adhere to the Evangelical Alliance, Seventh Day Adventists
and traditional religions.

In 1980 62.5 per cent of the population was less than 25 years old. Of those
aged five and over not at school in 1980 (a total of over 163,500), 81 per cent
had no formal education.

Linguistically, the Sepik is one of the most complex areas of Papua New Gui-
de. Along the coast east of Wewak and on the offshore islands there are groups
of Austronesian speakers; elsewhere there are some forty-five families of non-
Austronesian languages (see Laycock 1973). The Sepik is a culturally very rich and diverse area, long famous for its magnificent art and architecture.

Apart from some big villages along the Sepik River (mostly Iatmul speakers) and in the Maprik area (mostly Abelam), the bulk of the population lives in villages of around sixty to 300 people. As in other parts of Papua New Guinea, before the Australian administrative presence was established warfare was endemic.

According to the 1980 census, less than half the population aged ten and over was engaged in money-raising activities, though only 15 per cent were shown as farming or fishing for subsistence only. In the foothills, yams and taro are the main staples; along the river and in the grass country people are dependent on sago, supplemented by fishing.

Following sporadic early contact with Europeans along the north coast and islands, a German colonial presence was established in the late 19th century and expeditions were sent up the Sepik River. On one of these the ethnographer Richard Thurnwald made several crossings from the river to the coast. The German presence, however, was centred on Aitape, now in West Sepik, and although a post was established at Angoram in 1913 there was little penetration of East Sepik, except along the river. By 1942, when the Japanese invaded the Sepik, there had still been little contact with the people of the interior between the river and the coast, although by that time there was an administrative centre at Wewak, patrol posts on the river at Ambunti (established 1924) and at Maprik (1937), near where gold had been discovered in 1936, and the Sepik had become a major source of labour for the plantations of East New Britain and New Ireland and for the Morobe goldfields (see May 1989a).

During World War II there was heavy fighting in East Sepik, with substantial damage to village houses and gardens. The final Japanese surrender in Papua New Guinea took place in the Sepik, near Yangoru.

After the war the Australian administrative presence was gradually re-established and extended, and attention focused on economic and political development. In the early postwar period there emerged a province-wide movement led by former policemen and soldiers, notably Pita Simogun and Yauiga, who, inspired by what they had seen outside the province during war years, sought to promote village-based development through the planting of cocoa and rice, the harvesting of copra, and by pressing the administration to establish roads and schools. Following early, largely unsuccessful, attempts to establish rice and peanuts as cash crops, East Sepik has become a significant producer of cocoa, coffee, copra and rubber (all predominantly on a smallholder basis¹). Three locally-owned enterprises – the Sepik Producers’ Co-operative Association, Sepik Cocoa Growers’ Association and Lus Development Corporation – together representing some 30,000 Sepik shareholders, purchase and process the coffee and cocoa crops. Artifact sales, crocodile skins, tourism and timber provide other sources

¹ This is illustrated rather vividly in the National Statistician’s figures of agricultural large-holdings for 1980:
of cash income, and in the 1980s there was renewed, but apparently unsuccessful, prospecting for minerals and petroleum, and hopes that a gold mine might be established on Kairiru. With one or two minor exceptions in the construction and transport sectors, local businesses have done poorly.

In 1977, East Sepik Province became the recipient of a US$10.4 million Asian Development Bank (ADB) loan for an integrated rural development project, which included land resettlement, buffalo farming, inland fisheries, crop (particularly rubber) intensification, agricultural research, and agriculture and nutrition education (see Office of Project Coordination 1980; Curtain and May 1981; Crittenden and Lea 1989:Chapter 3). But despite the early optimism of German explorers, the hopes of Simogun and others, and the expectations of the ADB, there has been little economic progress in East Sepik. In their 1986 study of regional inequalities, of the country’s eighty-seven districts de Albuquerque and D’Sa ranked Wewak tenth, Maprik fifteenth, Angoram fifty-fourth and Ambunti sixty-eighth, and in 1987 the National Statistical Office estimated per capita domestic factor income in East Sepik in 1984 at K325, compared with the national average of K545.

A sense of relative deprivation has probably been a contributing factor to occasional outbreaks of ‘cargo cult’ type movements in the province. One such movement, centred on Mount Hurun (Turu), near Yangoru, and led by Matias Yaliwan, swept the province in the early 1970s (see May 1982c; Gesch 1985). Yaliwan subsequently was elected to the National Parliament, and later became a provincial MP. There have been intermittent revivals of the Hurun movement (now associated with the charismatic New Apostolic Church), most recently in 1986 when the bodies of two young girls were chopped up and buried in cult rituals; as a result of these incidents Yaliwan is now in gaol.

Wewak is linked to Maprik by a partially-sealed road which continues west through Dreikikir and Nuku to Lumi in West Sepik and south to the river at Pagwi; there are also roads to Angoram, and, weather permitting, along the north coast to Aitape. A fairly extensive (but, it seems, deteriorating) secondary road system links villages north of the river. Along the river and to the south transport is mostly by motorised canoe.

The establishment of provincial government

East Sepik was among the first provinces to press for political decentralisation. Moves to establish provincial government in East Sepik were initiated in August

<table>
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<th>Production (tonnes)</th>
<th>East Sepik</th>
<th>Momase Region</th>
<th>Total PNG</th>
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<tr>
<td>copra</td>
<td>135</td>
<td>12,910</td>
<td>75,399</td>
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<tr>
<td>cocoa</td>
<td>2</td>
<td>1,300</td>
<td>11,911</td>
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<td>coffee</td>
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<td>1,382</td>
<td>19,424</td>
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<td>rubber</td>
<td>2</td>
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<td>3,949</td>
</tr>
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1974, when a meeting of the East Sepik Combined Council’s Conference requested that the National Executive Council grant provincial government to East Sepik as soon as the national government had finalised its plans for decentralisation. Early in 1975 the combined council’s conference appointed an eight-person provincial government planning committee to draw up a constitution for the province. This committee, chaired by the then district commissioner, Tony Bais,\(^2\) tabled a report in late 1975 and in August 1976 a constituent assembly, representing councils, churches, women’s groups and the business community, adopted a draft constitution. On 29 October 1976 the assembly was granted a charter and the twenty-six members\(^3\) of the interim provincial government (IPG) were sworn in. Fr Cherubim Dambui had been elected, unopposed, as premier at a meeting the previous month, which was attended by Prime Minister Somare.

Little else happened, however, until January 1978 when, following the establishment, nationally, of the machinery for provincial government (see Chapter 2) and the appointment of Paul Bengo as provincial secretary, the provincial government commenced operations, with staff, premises, and funds.

### Political and administrative structure

Within the terms of the East Sepik constitution (section 8) the provincial government consists of two principal arms: the provincial assembly and the provincial executive.

Initially, the assembly was to consist of thirty-six members: thirty-three elected from single member constituencies, and three nominated members—one a woman, one to represent the community, and one, appointed or elected by a special meeting of all denominations in the province, to represent the churches. In the event, provision was made (section 10) for the assembly, on the nomination of the premier on advice of the executive council, to appoint only one additional nominated voting member\(^4\), though in 1983 the constitution was amended to incorporate the original proposal for three nominated voting members. Following amendment of the Organic Law on Provincial Government in 1981, national MPs may attend assembly meetings as non-voting members. In 1986, in response to a ruling of the (national) Parliamentary Salaries Tribunal, the provincial assembly was reduced

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2 The other members were Lawrence Yakanduo of Wewak-But Council, Wangiwan Kiami of Greater Maprik, Toni Sam of Dreikikir, Langu Baiyul of Wosera, Mathias Yambumpe of Gau, Garu Jam of Ambunti, and Danara Murup of Keram. Peter Waliawi was appointed executive secretary.

3 The 26 included the premier, four representatives from the Wewak-But Council, three from Greater Maprik, two each from Angoram, Yangoru, Wosera and Dreikikir, and one each from Saussia, Gau, Keram, Ambunti and Karawari councils and the Ama non-council area, a women’s group representative, a church representative, and two representatives of the business community.

4 This position was subsequently used to provide a seat for a representative from the Wuvulu and Aua islands.
from thirty-six to thirty-three by the abolition of the three appointed members. (As a by-product of this decision, there was until 1991 no woman in the assembly.)

Executive authority was vested in the Provincial Executive Council (PEC), comprising the premier, deputy premier (both elected by the provincial assembly) and at least five members of the assembly appointed by the premier but including at least one member from each of the province’s four districts: Angoram, Ambunti, Maprik and Wewak. Following the devolution of functions from the national government in 1978 the PEC consisted of the premier and deputy premier and ministers responsible for Primary Industry, Health, Works, Justice, Women’s Affairs and Social Development, and Labour, Commerce and Industry. The responsibilities of each ministry were set out in the provincial gazette (ES 1, 24 January 1978).

In response to regional pressures, especially allegations that the provincial government was being dominated by people from the river and the north coast, Premier Dambui subsequently created four ministers without portfolio, responsible for the four districts and charged with looking out for their interests. In 1983, however, the new government of Jonathan Sengi abolished the regional ministries, arguing that the cost of maintaining houses and vehicles for ministers in their districts was not commensurate with their contribution to government. Instead the four ministers were given full portfolios, increasing the size of cabinet to twelve, and the twelve cabinet positions were divided equally among the four districts. In 1986, at the insistence of the Parliamentary Salaries Tribunal – an insistence greatly resented within the province – the size of the PEC was cut back to eight (though it seems to have crept back to twelve by 1989).

Provision was also made in the constitution for a provincial secretariat. Parallel with the experience in most other provinces, the East Sepik secretariat was recruited largely from East Sepiks employed in the national public service, but East Sepik was perhaps unusually fortunate in the number of experienced officers on whom it could draw: Paul Bengo, formerly principal private secretary to Prime Minister Somare, was seconded from the University of Papua New Guinea as provincial secretary; other members of the secretariat included John Alman, legal officer, on secondment from the Department of Justice; Longas Solomon, finance officer, on secondment from the Bank of Papua New Guinea; Peter Waliawi, administrative officer, on secondment from Home Affairs; and Hoachim Prentuo, planner, on secondment from Business Development (Prentuo was later replaced, on an acting basis, by Bernard Narokobi).

In February 1978 the Department of East Sepik was created, with divisions responsible for Primary Industry, Health, Provincial Affairs, Education, and Business Development, each headed by an assistant secretary; divisions of BMS and Public Works were added subsequently. The provincial commissioner, Henry Veratau (who had succeeded Bais after Bais had successfully contested the national elections in 1977) became administrative secretary.\(^5\)

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\(^5\) In 1981 Veratau was transferred to Port Moresby as electoral commissioner. He was replaced by another experienced administrator from outside the province, Bill Warren.
Administratively, these early months of provincial government were difficult ones for all provinces. Not only was there widespread confusion about which level of government was responsible for what, and about who was responsible to whom, but the whole process was made more difficult by the resistance which some national departmental officers offered to the decentralisation process itself. These problems were experienced in East Sepik as elsewhere; in its first report to the minister for Decentralisation the provincial government described the method adopted in the devolution of administrative powers as ‘too sudden with no proper co-ordination at the Centre’ and suggested that ‘the machinery at the Provincial level, both political and administrative, was not sufficiently tuned and geared to take the load’ (ESPG 1979:13). Particular problems arose in East Sepik, first because at the time of the transfer of functions East Sepik had a relatively high number of vacant positions, which it claimed the Public Services Commission was making no attempt to fill, and second because of the activities of the East Sepik Rural Development Project, which was accountable to the Office of Program Coordination in Waigani. Moreover there was in East Sepik a very marked physical separation between the provincial secretariat, which occupied an old army drill hall down near Wewak harbour, and the former national departments, which were located in the recently-constructed provincial headquarters on Kreer Heights. Unlike the situation which developed in some other provinces, however, relations between Bengo and Veratau (and later Bengo and Warren) were cordial and most public servants within the province were generally cooperative towards the provincial government.

The machinery which was developed to cope with the problem of bifurcated administration revolved around the provincial management team (PMT). The PMT, which comprised the provincial secretary (chairman), administrative secretary, planner, legal officer and division heads, met (nominally) at least once every two weeks. Its functions (as set out in ESPG 1979:16, 21) were

- Responsible for planning, budgeting and advising the Executive Council on policies pertaining to provincial functions;
- Responsible for identifying provincial development priorities;
- Responsible for coordination and implementation of all agreed National and Provincial Policies;
- Responsible for the evaluation and monitoring of National and Provincial Policies.

Representatives from national departments and statutory organisations were invited to attend from time to time. The relations between these various components of the province’s political and administrative structures were illustrated in impressive, multicoloured flow-charts, but the coordination of policy formulation and implementation left much to be desired. This was reflected in comments in the province’s second annual report to the Minister for Decentralisation:

For the whole of the year the Department of the East Sepik operated separately from the Provincial Secretariat and these (sic), it is believed, caused hold-ups in the system
in that there has not been enough coordination of activities and therefore individual efforts, money and time wasted …

It is believed that basically Divisions still feel they are separate Departments and this is to be blamed on individuals and the fact that our Provincial Management Team meetings are not being held regularly. Disruptions have been caused to the ordinary running of the system by individual ‘BIG HEADEDNESS’ of some public servants in not attending to requests, not doing their work especially in the way of going to visit village people but expecting village people to come to them, disobedience, untidiness and a few just plain lazy (ESPG 1980:3).

In an attempt to deal with these problems, from 1978 moves were initiated to establish a single-line administrative structure and command. In August 1980 this proposal was approved by the PSC; provincial divisions of legal services and government, and planning and budgeting were created from the policy secretariat which was then absorbed into the public service, and the positions of administrative secretary and provincial secretary were redesignated.

Further moves to devolve powers were formulated by the Interim Provincial Government in 1978, which resulted in the appointment of a first assistant secretary for provincial coordination, the redesignation of officers as district coordinators, and the establishment of four district management teams (DMT), each headed by a district coordinator, to support and service local governments, identify district and local-level priorities, and coordinate, implement, evaluate and monitor policies and planning at the district and local level. However in 1982, when a provincial review of administrative structure was initiated, these measures had still not been fully implemented.

Tony Power, who became provincial planner in 1982, recalls that ‘In 1982 the policy making pathway stretched from departmental divisions to the Provincial Management Team (PMT) to the Provincial Executive Council (PEC), and then back to divisions’, but that there were still tensions between the provincial government and the bureaucrats in the Department of East Sepik; specifically, ‘The established bureaucrats, many predating the inception of Provincial Government, resented interference by the Planning Office’ (which was then still part of the provincial secretariat) (Power 1991:103). In late 1983, as Power describes it, a joint PEC/PMT meeting in the provincial assembly ‘developed into a slanging match’ and resulted in the suspension of the PMT. This precipitated a further review of decision-making procedures in the province which resulted in another administrative reorganisation announced the following year. Under the new arrangements the PMT and DMTs were reinstated and three executive committees (Administration, Economic, and Social Development) were created to bring together, under the chairmanship of provincial ministers (respectively, the premier, deputy premier, and Health minister), relevant representatives from the PEC, provincial secretariat and national divisions (Secretary’s Circular No. 17/84, ‘Decision-Making in East Sepik’). Also, the position of deputy secretary was abolished and three first assistant secretary (FAS) positions were created, corresponding to the three executive committees, for Economic Services (covering
Commerce, Primary Industry, Lands and Forestry), Social Services (covering Health, Education, Social and Community Development, and Information) and Finance and Administration (BMS, Legal Services, Liquor Licensing and Local Government). The intention of this reorganisation was to break down the separation between provincial secretariat and administration, and it seems to have had some success.

Subsequently, in response to ‘continuous reports of public servants not doing their job efficiently, getting drunk during working hours, and other such abuses’ it was announced that each of the three FASs would be given the additional responsibility of monitoring public service performance in one of the outlying districts (Times of PNG 23-29 July 1987). Also in 1984, in the wake of a World Bank appraisal mission to Papua New Guinea, which recommended measures to improve economic performance, the national government launched a Resource Management Program with the objective of improving administrative performance at national and provincial levels. Major elements of the program were the building up of planning and management capacity – for which purpose a Program Management Unit (PMU) was created within the national Department of Finance and Planning – and provision of assistance in project preparation – for which a Central Planning Assistance Team (CPAT) was established. Three national departments (Primary Industry, Lands, and Minerals and Energy) and two provinces (East Sepik and North Solomons) were chosen for pilot studies. In 1984 PMU/CPAT personnel met with provincial officials in Wewak, and over the next few years, with varying degrees of PMU/CPAT assistance, the provincial government produced an East Sepik Provincial Economic Development Policy, a Land Mobilisation Program (LMP), and several ‘pilot projects’ for development under the LMP (see below). The LMP became a major focus of the provincial government’s developmental and administrative efforts in the mid-1980s and resulted in East Sepik’s becoming the first province to exercise legislative powers over land. Subsequently a joint national-provincial lands office was being established in Wewak and the province’s experience was being studied by World Bank-sponsored and AIDAB-funded Land Evaluation and Demarcation (LEAD) and SNAPEM (Strengthening National and Provincial Economic Management) project consultants as a possible basis for a generalised decentralisation of land functions to provinces.

In 1988, following the defeat of the Sengi government in the provincial elections the previous year, yet another administrative reorganisation was undertaken. Having removed Bengo as provincial secretary⁶ and abolished the three FAS positions (largely, it seems, because the incoming government saw the incumbents as appointees of a Pangu government and therefore of suspect loyalty), the new government returned to a system of divisions (thirteen of them) headed by assistant secretaries.

Between 1979 and 1988 several amendments were made to the East Sepik

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⁶ The new provincial secretary was Camillus Narokobi, a lawyer and brother of the regional member and former provincial planner, Bernard Narokobi. In August 1990 he was replaced by another Sepik lawyer, Alois Jerewai.
constitution: modifying the size and composition of the assembly and the PEC (see above); providing for the declaration of assets by assembly members and requiring their resignation if they contest national elections; qualifying the provisions relating to motions of no-confidence (notably so that a motion against the premier cannot be moved within twelve months of the previous motion, successful or unsuccessful); and requiring a two-thirds majority support for the budget and making provision in the event that appropriation is not passed by the beginning of the fiscal year. In September 1988 a constitution review committee was set up; however the committee appears never to have completed its review.

Finance

East Sepik was one of the first provinces to receive full financial responsibility (see Chapter 3), but like all provincial governments East Sepik derives most of its revenue from transfers from the national government (see Table 3.4). In 1988, of total estimated revenue of K13,142,945, K2,813,800 (21 per cent) came from unconditional grants (including a minimum unconditional grant of K1,504,900, derivation grant of K202,000 and differential grant of K681,500); K325,200 (2 per cent) came from conditional grants (including K199,000 for town services), and K7,775,200 (59 per cent) as Division 284 allocations (virtually all for salaries in the transferred functions of Provincial Affairs, Health, Primary Industry, Education, Commerce, Information, and Bureau of Management Services). Internal revenue of K2,228,745 – representing only 17 per cent of total revenue – came mostly from a general sales tax, introduced in 1982 (K1,087,000), and a liquor tax (K400,000), and income from trust accounts (K367,745). Sales tax, which has been the main source of internal revenue in all provinces, has been particularly unpopular in East Sepik and a major source of resentment against the provincial government. (During the course of public meetings organised by the National Parliament’s Select Committee on Provincial Government Review (see below) people in East Sepik frequently complained of the provincial retail sales tax, some even suggesting instead a return to council head taxes – an unlikely suggestion given the past inability of councils to collect that unpopular tax.) The provincial appropriation of K5,367,745 went mostly to meet expenditures on transferred activities (K3,674,037, including capital works of K1,800,186); the allocation for provincial government administration was K770,506, including K316,352 for the legislative division and K293,166 for the executive. Public service and teachers’ salaries accounted for K7,769,800 of total expenditure.

Like most other provinces, the East Sepik provincial government had some early problems in managing its finances (on one occasion the government placed its quarterly payment from the national government in a twelve-month fixed deposit with a local bank and had to negotiate the premature release of the deposit when it ran out of funds). Audit reports on the provincial finances from as early as 1978 pointed to various errors and irregularities – such as arithmetic errors in the appropriation act, failure to maintain a register or conduct a physical stocktaking of assets, inadequate recording of receipts, missing payment
vouchers, unexplained failure to accept lowest tenders, payments under the works program without evidence of Supply and Tenders Board approval, lack of internal audit, failure to follow up outstanding claims (at the end of 1987 there were 369 outstanding claims amounting to K189,000), poor security, and so on7 – but not noticeably more than in most other provinces, or national departments – and substantially less than in some. (Among a series of programs drawn up by the Samban government in 1988-89 were a Planning Management Program and a Financial Improvement Program.)

More seriously, however, both the Sengi and the Samban governments ran a series of deficits as revenue estimates continually fell below actual receipts. Reports of the Auditor-General on the East Sepik provincial government released in 1990, but covering the fiscal years 1986 and 1987, apart from drawing attention to various deficiencies in financial management, noted that in 1986 the province’s revenue fund was overdrawn by some K469,000 and in 1987 that the revenue fund was overdrawn by over K1 million and bank accounts by more than K583,000 (in both years partly offset by trust fund balances). In September 1990 a subcommittee of the provincial assembly, chaired by the deputy premier, was set up to review the budget and recommend expenditure cuts. Three months later, however, newspaper reports of another large deficit (apparently on the basis of information passed on to the press by provincial planner Francis Sumanop) initiated an investigation into the East Sepik provincial government’s finances and culminated in the suspension of the government on the grounds of financial maladministration (see below).

Local government

At the time of establishment of provincial government, local government councils in East Sepik, like councils in most other provinces, were in a state of decline. With the demise of council workdays,8 the refusal of many villagers to pay council head tax, and a general decline in the standard of council management, the local government system had become largely ineffective, and with the creation of a new political arena, emerging provincial politicians saw councils more as a threat than a potential power base. Indeed in its 1975 report to the East Sepik Combined Councils’ Conference the East Sepik provincial government planning committee (ESPGPC) recommended:

That the present Local Government Councils be abolished and in its place (sic) establish village Governments which would be responsible to the Provincial Government. The subcommittee [on local government of the ESPGPC] felt that retaining Local

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7 One item which the auditor-general apparently did not pick up, however, was a motion passed by the provincial assembly in June 1986 calling for the allocation of K100,000 to be used to compensate assembly members not re-elected in 1987.

8 During the Australian colonial period, villagers had ‘voluntarily’ contributed a day’s labour each week on council projects, such as road building or village hygiene.
Government system would in some cases duplicate certain activities and this would confuse the people even more.

The provincial government, however, decided to retain local government councils, adopting the national act as provincial legislation in 1978, and councils continued to operate, in a fashion.

In 1976 there were twelve local government councils in the province (including the Wewak Town Development Commission (WTDC), together with the Amanon council area. In 1985 the provincial government set up a committee, headed by former Greater Maprik Council secretary Peter Rony, to review the provincial local government system. The Rony report, which was tabled in 1986, reflected local demands in recommending that existing council areas be subdivided and the number of councils increased to twenty-nine. In 1987 (the latest year for which figures were available at the time of writing) there were twenty-five councils, and provincial grants to councils amounted to K609,156 (of which the WTDC received K105,000). The same year the provincial assembly endorsed a private member’s proposal for the allocation of K220,000 to local government councils for local business ventures – though there was little evidence that councils had the capacity to manage businesses.

From time to time proposals for village or community governments have resurfaced, though the Rony Committee recommended against community government. Around 1980 Boiken-born lawyers Bernard Narokobi and Alois Jerewai were working on a draft constitution for a Boiken community government in the Dagua area, which included provision for a ‘bicameral’ system with an ‘upper house’ of traditional leaders; but this initiative appears to have lapsed. In 1988 there was renewed demand for community government, and the Wewak Local council adopted the name ‘Wewak Local Community Government’. About this time, also, the idea of community government in the Dagua area was revived, with the establishment of the Arapesh Kita Muna. This association, formed on the initiative of former provincial assembly member Herman Beri and with the heavy involvement of Francis Sumanop (who later became provincial planner), was said to represent twenty-five villages in the Dagua area and was intended to form ‘the basis for the attainment of village or community government when our Provincial Government is ready to execute such a concept’ (Post-Courier 27 July 1989 (letter from Bruno Gabien) and personal communications with Francis Sumanop, 1988-1992).

In 1988-89 a provincial Community and Village Improvement Program listed among its objectives: ‘To strengthen and establish a village authority and management system to manage and restore the village as an attractive and progressive place to live in’, and to this end included a ‘Public awareness and participation’ subprogram. This proposed the creation of a village authority system and a village management system in five villages in each of the province’s twenty-two local government council areas and added, somewhat cryptically, ‘By increasing their

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9 The discrepancy between the 25 listed in 1987 and the 22 referred to in this
level of participation and giving it a long overdue recognition, the Local Government System should establish a strong link between the other two tiers of government in the country and the community'. But it was not clear from this document either how the village authority/management system was intended to work, nor what role was envisaged for local government councils, and in any case as of late 1992 nothing appears to have been done.

**Provincial politics**

East Sepik's first provincial elections were held in September-October 1979, some three years after the province had received its charter. The thirty-three constituencies were contested by 155 candidates, including twenty-one of the twenty-six members of the IPG, nine of whom (43 per cent) were elected. (Some members of the IPG polled poorly; the Minister for Health scored a mere eight votes.)

As in several other provinces, there was some antipathy towards the intrusion of party politics into East Sepik politics in 1979. Provincial Secretary Bengo was reported (Post-Courier 7 February 1979) to have asked East Sepik's national politicians not to encourage party politics, suggesting that they should offer 'balanced advice to candidates'. 'I am not against party politics', Bengo said, 'but it is a divisive force if introduced into provincial assemblies at this stage of provincial governments' development'. Fr Dambui, who was re-elected premier in 1979, expressed a similar view when interviewed in 1981 about rumours that Pangu Pati had asked him to contest the national seat of Angoram: 'My people do not understand party politics', he said. 'They still believe in village leadership' (Post-Courier 14 September 1981). Nevertheless, many candidates in 1979 were known to be loosely identified with particular parties, especially Pangu Pati, which had been associated with East Sepik since its inception and had been a dominant force in national politics in the province, under the leadership of people like Prime Minister Michael Somare and the parliament's longest serving member, Sir Pita Lus. Several candidates had earlier associations with the Hurun movement (see above), and former Hurun leader and national parliamentary member Matias Yaliwan was elected as the member for East Yangoru. (Yaliwan, who had resigned from the National Parliament in 1979, subsequently resigned from the provincial assembly after failing to attend meetings.)

In the event, the government which took office after the 1979 elections was generally regarded as a 'Pangu government', though party politics were not much in evidence in the first assembly. Indeed the provincial government's annual report to the Minister for Decentralisation in 1980 contained the statement (p. 9): 'We do not have any party system in the Provincial Assembly because we feel that our aim is to develop the Province.' In the absence of political party divisions, however, there was something of a tendency (though not as pronounced as

document appears to be due to the omission of the WTDC, the Ajirap council (then being established), and the Wuvulu council which came under Manus provincial jurisdiction in 1987.
emerged in some of the provinces) towards regional alignment. Specifically, people from the Wewak Islands complained that the PEC was dominated by mainlanders (see letter to Post-Courier 13 October 1976 for an earlier expression of this sentiment) while others, especially those from around Maprik and further west, complained that the executive and secretariat were dominated by river Sepiks (Dambui, the member for Wewak Town, was from Timbunke and Bengo from Korogopa, off the Keram in Lower Sepik) and Boiken-speakers from the Wewak District. It was partly in response to such complaints that the PEC decided to appoint ministers to represent the four districts (see above); also, the member for Wewak Islands, Tom Maraf, was elected speaker. During the course of the first assembly Dambui survived two votes of no-confidence and Maraf lost one but not by the two-thirds majority necessary to remove him from the speakership. But these motions appear to have been motivated more by personal rivalries and ambitions than by fundamental policy differences or party competition within the assembly.

The province held its second election in September 1983. In April Pangu’s East Sepik branch president, John Wauwia, announced that Pangu would contest all thirty-three constituencies in the coming election, and hoped for a ‘clean sweep’ of seats, as the party had almost succeeded in doing in the national election in the province the previous year (see May 1989b). A branch of the Melanesian Alliance had also been established in the province in 1981. Two hundred and thirty-four candidates stood in 1983. By that time six of the original thirty-three elected members had been replaced through by-elections. Of the sitting members at the end of 1982 all but two stood for re-election; fifteen (48 per cent) were successful. In general the new members were younger and slightly better educated. Premier Dambui was one of the two who did not stand in 1983 and he was succeeded as premier by former teacher and businessman Jonathan Sengi who had been elected in a by-election for East Yangoru in 1981 following the resignation of Yaliwan. Two former national parliamentarians, Bill Eichorn and Mafias Yambumpe, who had been unsuccessful in the 1982 national elections, were elected to the provincial assembly.

Despite Wauwia’s announcement, party politics were not obvious during the campaign (a majority of candidates who did identify themselves with parties seem to have preferred attachment to Pangu, though not always with the party’s knowledge or approval), but the government which emerged after the elections was again considered to be a Pangu government. Pangu claiming twenty-four of the thirty-three members.

During the course of the second assembly, however, an opposition group emerged largely along party lines. It consisted of six to seven members, mostly Melanesian Alliance (MA) or People’s Progress Party (PPP) supporters, prominent amongst whom were Michael Malenki (Wewak Rural), a former electoral officer of Michael Somare who in 1982 was MA campaign manager and an unsuccessful candidate for Wewak in the national elections, and former administrative officer Peter Waliawi (Wewak Town). (Waliawi resigned from the assembly in 1985, ‘disillusioned with politics’, he said, and later became director of the provincial
tourism board; his place was taken by Radio Wewak announcer Bruce Samban, a Sepik River man.) Premier Sengi recognised the group as an official opposition and awarded them a car and an allowance (K30,000 in 1985) but in 1985 the Parliamentary Salaries Tribunal ruled against this and car and allowance were withdrawn. At this stage the group split; several members came across to the government and Malenki became Minister for Health (though he was subsequently dismissed from the portfolio on disciplinary grounds). In 1987 deputy premier Leo Unumba resigned to contest the national parliamentary elections and in a cabinet reshuffle the member for Schouten Islands, Tony Wobar, took his place.

During the course of the second assembly, five motions of no-confidence were moved against the Sengi government, again reflecting personal rivalries rather than matters of substance, but none was taken to a vote. A vote of no-confidence against the speaker, Jim Paichua, however, succeeded. Sengi was a hardworking and conscientious premier who attended his office regularly and worked closely with the provincial secretary. But eventually it cost him; he seldom spent time in his electorate and in the 1987 provincial elections, realising he was unlikely to be returned in East Yangoru, he stood against Samban in Wewak Town and lost.

The province’s third elections in 1987 attracted 292 candidates. Thirty-one of the thirty-three sitting members contested their seats (Sengi, as noted, stood for another electorate); eleven were re-elected, though one subsequently lost a court challenge and failed in a recount. With the number of votes per electorate ranging from about 4,500 to 4,600 in Maprik-Wora and Bumbita-Muihang, to just over 1,100 in Schouten Islands and Hunstein Range, and up to fifteen candidates contesting an electorate, it sometimes took less than 300 votes for a win.

When the assembly reconvened in December 1987 Samban was elected to head a predominantly MA-sympathetic government. One of his first actions was to remove the provincial secretary and three FASS (see above). Nevertheless the new premier described his government as ‘non-partisan’. (The need to maintain equal regional representation, in any case, places a potential limitation on the party composition of cabinet.) Political alignments, however, proved fluid. In March 1988 a motion of no-confidence in the Samban government was defeated by twenty votes to twelve. Subsequently there was a falling out between Samban and deputy premier Ben Gapi and in July Gapi lost a vote of no-confidence, which, however, was invalidated on grounds of insufficient notice. In a cabinet reshuffle soon after this, Gapi and another minister were dropped and three members of the Pangu-led opposition were brought into the cabinet, with Greg Maisen becoming deputy premier. Two months later it was announced that an MA faction would withdraw from government (Minutes and Proceedings of the East Sepik Provincial Assembly No. 50, 26 September 1988; Post-Courier 14 September 1988). Referring to this split in 1991 Bernard Narokobi recalled that Samban ‘was a MA candidate and was elected as premier as a MA man’; but ‘When his programs departed from MA philosophy, he was asked to comply with policies and platforms of the party, and when he persistently differed from party principles the party withdrew its support to his government. Loyal members resigned and he was left with those who were disloyal to the party’ (Post-Courier 6 March
in 1989 a censure motion against the speaker, former Health Minister, Petrus Wafi, was carried and the former Pangu national member for Angoram, Bill Eichorn was elected to replace him. Subsequently Eichorn himself lost a vote of no-confidence but it was invalidated on a technicality following a legal challenge in the National Court.

In September 1989 the premier described his cabinet as comprising five ‘MA-affiliated’ members, four independents and three members with Pangu affiliation (interview with Premier Samban, Wewak, September 1989). Twelve months later, a further vote of no-confidence in the premier, which followed Samban’s sacking of Camillus Narokobi and appointment of Alois Jerewai, was withdrawn when three former cabinet members who had defected to the opposition decided to recross the floor. (The motion had been moved by Petrus Wafi and named Leo Unumba as alternate premier.)

People interviewed in September 1989 – including provincial members – were unanimous that the ‘political infighting’ which had dominated provincial politics since 1987 has been disruptive of the work of the assembly, which had been suspended on several occasions and had been legislatively inactive. The tentative steps towards party politics – with party loyalties at the provincial level even more tenuous than at the national level – have, it would seem, confirmed the apprehensions of earlier opponents of partisanship.

Initially, as might be expected with a predominantly Pangu-sympathetic provincial assembly and all but one of the national members from East Sepik electorates Pangu supporters, relations between the provincial assembly and national members were generally fairly good, though provincial members were apt to point out that though the national members were invited to attend assembly meetings – and indeed had special seats set aside for them – they seldom attended, even when in Wewak. (Michael Somare, even though busy as prime minister/opposition leader, came closest to being an exception.) Around 1985-1986, however, relations deteriorated. The deterioration appears to have had its origins, first, in a local political dispute between the national member for Ambunti-Dreiki-kir, Asimboro Ston, and the provincial local government minister over comments made in the provincial assembly, and, second, as a result of opposition from the provincial government to an urban land application from the national member of parliament for Wewak, Tony Bais. The national members accused the provincial government of financial mismanagement (a charge that seemed less applicable to the East Sepik provincial government at the time than to several other provincial governments) and in 1986 Ston moved, with the support of all the province’s national members, for the suspension of the East Sepik government. The move was eventually dropped and a degree of reconciliation achieved, though in 1987 the provincial government considered, and decided against, giving its endorsement to any candidates in the national general election.

After the 1987 national and provincial elections there appears to have been even less contact between the national members and the provincial assembly, though Somare and the newly elected member for Wewak, Bernard Narokobi, were occasional visitors to the assembly. (Narokobi’s brother, as noted above,
was the replacement for provincial secretary Bengo). In an interview with Bruce Samban in September 1989 the premier described relations with the national members as ‘very bad’.

As in other provinces, there has been some interchange in membership between the provincial and national parliaments. The instance of Matias Yaliwan has already been noted. In the 1982 national elections the sitting (Pangu) member for Angoram Open, Bill Eichorn, was defeated by pro-Pangu candidate and former provincial assembly member Philip Laki Yua. Yua was re-elected in 1987 and 1992; Eichorn meanwhile became a member of the provincial assembly. Another sitting member, Matias Yambumpe (Pangu, Wosera-Gaiu), was also defeated in 1982 and was subsequently elected to the provincial assembly. Among others who have moved between the provincial and national political arenas: Michael Malenki was elected to the provincial assembly after failing to gain the seat of Wewak Open in the national elections of 1982; Teddy Sane was elected to the provincial assembly in 1987 after several unsuccessful attempts at the Angoram Open national seat; and former deputy premier Leo Unumba, elected to the provincial assembly in 1983, resigned in 1987 to stand, unsuccessfully, against Yua, later returning to the provincial assembly.

Although conspicuously absent from the successful candidates in provincial elections, over recent years East Sepik women have been outspoken about the failings of provincial government and of provincial politicians. An East Sepik Council of Women (ESCOW) was created in 1977, with a network of local organisations and affiliated church groups. A provincial women’s office operates through ESCOW and a provincial women’s program was drafted in 1985 (but in 1992 still existed only as a draft). The major focus of ESCOW activities has been on issues of community health, women’s participation in development, literacy, law and order, and more recently the environment (Soondrawu 1993). ESCOW was among those who opposed the appointment of Alois Jerewai in 1990.

**Development and bisnis**

As noted above, East Sepik is a relatively poorly developed province; on the other hand, less than 1 per cent of land in the province was alienated and the income that is produced from cash crops accrues largely to village smallholders growing crops on their own land.

The Asian Development Bank-assisted East Sepik Rural Development Project (ESRDP) aimed at lifting the province’s economic performance (see above), but its achievements were limited: the fisheries subproject was plagued initially by marketing problems and then by an infestation of *Salvinia molesta* weed on the Sepik River;¹⁰ the buffalo subproject was suspended as a result of tuberculosis

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¹⁰ The *Salvinia* infestation was eventually eradicated by a weevil introduced by the (Australian) Commonwealth Scientific and Industrial Research Organisation (CSIRO), an exercise in biological control which was awarded a UNESCO prize in 1985.
in stock imported from Australia; resettlement at Gavien, and the crops intensification subproject suffered various problems and achieved mixed, but generally modest, results. Moreover the project, which was conceived before provincial government and became operational while the provincial government was being established, caused some resentment among provincial politicians and public servants, who complained of an initial lack of consultation, looked jealously at the comparatively generous levels of expenditure on ESRDP projects, and were concerned about what would happen when the ADB funding came to an end. In 1979 there was a proposal from the national government to extend the resettlement scheme at Gavien, with further ADB funding; but while Premier Dambui was keen to expand the scheme (at this time, following several incidents of fighting between Sepik migrants and local Tolai in Rabaul, the provincial government was encouraging Sepiks in East New Britain to return to the province), the proposal from the national Department of Primary Industry was rejected, ostensibly because it did not sufficiently involve the local landowners (who were already demanding additional compensation of K1 million for the land used in phase I of the Gavien scheme).

As the ESRDP came to an end, activities were progressively shifted to the provincial government. But Power comments on the lack of systematic development planning in the province at the time: ‘… provincial plans … were little more than a collection of dandified targets (so many hectares of cocoa, or so many cattle) strung together with no relation to inputs: more a pious hope than a plan’ (Power 1991:103).

In 1982 Bengo initiated moves to formulate a provincial economic policy and strategy. That year also Power (a former lecturer at the University of Papua New Guinea who had married a woman from the Angoram district and came to live in the province in 1978) joined the provincial government as planner. Under Power’s direction a series of Planning and Budgeting Discussion Papers began to appear, which addressed various aspects of provincial development. Significantly, the first of these was entitled ‘Development planning and customary ownership’. The following year a provincial Land Development Task Force (LDTF) was set up, largely to assist landowners in applying to the recently-established Agriculture Bank for loans to develop 20-hectare cocoa blocks. In the event the Agriculture Bank did not provide any loans to East Sepik, considering the 20-hectare blocks uneconomic on the land available in the province; however, the

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11 The project management in Wewak reported to a project management committee, on which, in due course, the provincial secretary and administrative secretary sat; Secretary Bengo, in fact, played an important role on the committee. There was also a provincial coordinating committee. However the project management was responsible to the Office of Planning and Coordination in the Department of Finance in Waigani and project liaison left much to be desired (see Curtain and May 1981:24-27).

12 A collection of these documents was put together by the Office of Economic Services, Department of East Sepik around 1988 (Power n.d.).
LDTF gave impetus to provincial initiatives for the registration of customary land (initiatives which, incidentally, were endorsed by a national Task Force on Customary Land Matters in 1983).

In 1984 the PEC endorsed an East Sepik Provincial Economic Development Policy, the broad objectives of which were to maximise the direct participation of customary landowners in the economic exploitation of their resources, through the registration of customary land and the formation of clan-based corporations. Power (ibid.) refers to a PMU/CPAT provincial workshop around 1984 which drew up a list of ninety-eight provincial and divisional objectives. In summary, the policy provided:

1. There must be an emphasis on primary production; that is, resource-based industries, forest, farm and fishery.
2. The people, the owners of the resources, must be full partners in any developments.
3. Export of raw materials will be discouraged.
4. Industries must be developed to process primary products based in Sepik.
5. Producer owned corporations similar to the coffee and cocoa industries must be encouraged in other industries.
6. These resource based industries will employ profit sharing, incentive payment and rebate concepts to fully involve both workers and producers in the fruits of their own labour.
7. Foreign investors will be encouraged on a joint-venture basis preferably with clear plans for ultimate buy out.
8. *The East Sepik Development Corporation* [ESDECO, see below] will assist development in the Province by:
   8.1 Owning and operating businesses for profit.
   8.2 Establishing new businesses for ultimate sale to the people.
   8.3 Acquisition of shares in existing businesses for ultimate sale to the people.
   8.4 Providing management and marketing services on a commercial basis to national businessmen.
   8.5 Management of Government resources where appropriate on a commercial basis (ESPG 1985a).

The same PEC meeting accepted recommendations which strengthened the LTDF, redesignated the district Lands officer as OIC, LTDF, and placed the LTDF under the provincial Lands Minister. Among other things, the LTDF was charged with establishing a provincial land registry, and the FAS Legal Services and Government was directed to investigate the drafting of provincial land legislation.

Over the next few years, with the assistance of the PMU/CPAT and the involvement of several national departments, the provincial government set about articulating its economic development policy and putting together projects for possible national government or outside funding. A 1985 provincial document (ESPG 1985b) listed five projects, at various stages of development, as having been
accepted within the national government’s medium-term development strategy (MTDS); they included a sago-research institute, a wood-fired power station, small-scale coconut-oil production, land-use studies, and an agroforestry pilot project. The proposal for a wood-fired power station, using wood waste from logging and plantation fuel-wood, was endorsed by the Department of Minerals and Energy as a renewable energy initiative and was to be the subject of a feasibility study in 1986, with a view to seeking aid funding; but nothing appears to have come of it. A project to extract fuel oil from copra became operational, and for a while the oil was being used to fuel the Wewak power station. The enterprise was carried on by the ESDECO, but was later deemed uneconomic and production discontinued. The other three projects are discussed in more detail below.

From an early stage, the basic principle underlying the provincial government’s approach to economic development was that East Sepik people should be directly involved in the planning and management of development projects. Such a strategy presupposed the establishment of an appropriate legal and administrative framework, and this was seen to require a delegation of land powers from the national government to the province, the provision of appropriate legislation and machinery for customary land registration in the province, and the creation of an adequate basis for communal involvement in development projects. Private foreign investment in primary production was invited (see ‘Invitation to Participate in Primary Production in the Province of East Sepik, Wewak, 20 August 1985) and in 1986 there emerged a Foundation for the East Sepik, funded by the Catholic Agency for Development Overseas and operating quite independently from the government ‘… (to) seek and negotiate for funds inshore and offshore’; in 1989 this foundation was supporting a village sawmill operating in the Angoram district (Niugini Nius 27 October 1989).

Already in 1983-84 the East Sepik provincial government was negotiating with the national Department of Lands over an agreement for the concurrent exercise of the Lands function. Subsequently, East Sepik, together with East New Britain Province, became a pilot project for PMU initiatives on land reform. An East Sepik Land Mobilisation Program (LMP) was drafted in 1985 and eventually approved by the PEC in mid-1986; shortly after, an Australian land tenure specialist, Jim Fingleton, arrived in Wewak, on an AIDAB-funded consultancy, to assist in the preparation of legislation. Two bills were subsequently submitted to the provincial assembly – a Provincial Land Bill, which covered land matters generally within provincial jurisdiction and provided for the creation of a provincial land management committee and district land management committees, and a Customary Land Registration Bill, which as the title suggests dealt with customary land registration. The two bills were passed in May 1987, and working manuals were finalised by end year. It was proposed that village development committees, set up by primary health care workers around 1984 and based on

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13 Fingleton had worked in the Papua New Guinea Lands Department for a number of years in the 1970s and had recently completed a PhD thesis on Papua New Guinea land tenure at the Australian National University.
customary leadership, would act as dispute settlement authorities and that unemployed village youth would be used in the process of land registration (Power 1991). Following the change of provincial government in 1987, however, it was not until 1989 that regulations under the acts were approved by the PEC. During the course of this exercise, provincial officials worked in close consultation with the national Department of Lands.

Simultaneously, the provincial planning office, in conjunction with PMU/CPAT, began putting together a series of resource-based projects for possible national or external funding. A draft LMP project identification document (ESPG n.d. (1987?)) listed seven projects as ‘economic mobilisation of land for development schemes’. One, entitled ‘Sepik Basin Development’, envisaged ‘large Japanese investment in infrastructure and agricultural development in the Sepik basin’; this ambitious project, which brings to mind early German hopes for the Sepik and existed ‘only as an idea’, was part of a ‘shopping list’ for bilateral aid which Prime Minister Somare took on an official visit to Japan in 1984. A second project proposal was for two wood-fired power stations. A third project involved possible resettlement of people from land-scarce areas on land purchased earlier for this purpose at Gwang, Yauasaro, Kanauki, Chimbim and Sowam. None of these projects, however, materialised. A fourth project sought to utilise the province’s 500,000 hectares of sago swamp in an agricultural-industrial development. Power had put forward proposals for the production of fuel alcohol from sago as early as 1978 and appeared to have attracted interest both from the Department of Minerals and Energy and from overseas companies. The sago fuel project ultimately failed to attract funding, but a new proposal for sago extraction for food and stockfeed, and for the establishment of a Sepik-based international Sago Research and Development Institute (along the lines of the International Rice Research Institute in the Philippines) was discussed with Japanese government and business interests. A project identification document was prepared as early as 1983, but this, too, has so far failed to materialise.


The Kreer land development scheme proposed an arrangement with customary landowners in the peri-urban village of Kreer to lease some 132 hectares of land for residential development, and light industry/commerce. A large number of rural immigrants was already squatting on Kreer land under various arrangements with landowners, and the project was endorsed by the national Department of Housing as part of a general program to meet the needs of low-income urban housing. In 1987-88 UNDP-funded consultants were preparing a feasibility study with a view to seeking support as part of a World Bank-funded project. In 1991 this scheme was going ahead, with national government support; customary landowning clans were being incorporated as a proprietary company and a draft management agreement and individual leases were being drawn up (Jim Fingleton, personal communication, June 1991).
The Wewak-Angoram Land Development Program (WALDP) affected some 90,000 hectares of customary land on both sides of the Wewak-Angoram highway. Four units, each comprising one 200-hectare plantation and fifty 10-hectare smallholdings, were identified for logging, cane harvesting, reforestation (including fuel-wood plantation), and agriculture (coffee, cocoa, copra, food gardens and sago). The WALDP was projected as a LMP pilot project at least as early as 1984 and a consultant (Ralph Arnison) was brought in to prepare a pre-feasibility study in 1986. Some 200 clans, organised into four companies, were to participate in the project, which received PEC endorsement in 1987. Following the passage of the provincial land legislation, Kreer and the Wewak-Angoram area were declared Customary Land Registration Areas (that is, areas of priority for land registration). In 1988 the Australian International Development Assistance Bureau (AIDAB) agreed to fund a full feasibility study of the WALDP project, at a cost of K500,000. During the course of the feasibility study, villagers in the Wewak district decided to withdraw from the proposed project, reducing the area to 65,000 hectares (Shedden Agribusiness 1989). (The project was consequently renamed Angoram Land Development Program.)

The April-Salumei project sought to mobilise a large, sparsely-populated area of land in the Ambunti ranges, in the south-west of the province, principally for the extraction of high-value kauri-pine logs, with reforestation. A resource survey was carried out in the area in 1986, and a joint venture agreement between a Papua New Guinea-based private timber company, the customary landowners and the ESDECO, which was expected to return K1.5 million per annum to landowners, was signed in late 1986. The project was to begin operation in 1987, but did not due to opposition from the national Department of Forests (see below).

From around 1984 the East Sepik provincial government was engaged in discussions with national departments concerning its LMP and project implementation. But a December 1985 provincial memorandum (‘Resource Development in the East Sepik Province and National/Provincial Relations’) commented: ‘Negotiations between East Sepik Government and National Departments on a one-to-one basis soon showed that there was no way national departments could respond adequately to needs of East Sepik Province’; the provincial government consequently initiated a series of provincial/national resource development committee meetings with a group of departments in Waigani. Reflecting on these meetings, in relation to East Sepik’s project proposals, Power (1991:110) wrote:

The harsh reality is that there are differences in interests, priorities and styles between provinces and national departments. What is hard for the provinces to accept is that without the strong support of the relevant national department a project, no matter how worthy, will not proceed ... In reality, if these projects were not enthusiastically supported by national departments, then they lingered awaiting approval or budget support at the national level.

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14 A 1985 survey, however, suggested that only 25,000 hectares were suitable for year-round tree crops (see Post-Courier 11 March 1987).
The 1985 provincial document described the province's relations with the Department of Lands, Department of Minerals and Energy and PMU as 'excellent'; its relations with the departments of Primary Industry and Finance and Planning 'fair'; but its relations with Forests 'poor'. At meetings in 1984-85 the Department of Forests had initially supported the province's Wewak-Angoram project (WALDP), but it subsequently insisted that the forestry development be carried out on the basis of timber rights purchases (TRPs) with offshore finance and management. The April-Salumei project, the 1985 provincial document notes, was rejected by Forests without any reasons being given. Forests' insistence on the use of TRPs was, of course, in direct opposition to the province's development strategy, and the province's position was reaffirmed by the PEC in the last days of the Sengi government:

1. The Provincial Executive Council rejects purchase of land or timber rights as a means to mobilise resources in the Province …

3. … Secretary to convey these views to Department of Forests with the clear indication that if that Department is unwilling to support the Province the Province will employ its land legislation as a forest mobilisation vehicle (PEC decision 4/87 of meeting 1/87, 28 August 1987).

With support from the PMU, the WALDP proposal went forward for further consideration, but without Department of Forests support. As noted, the WALDP, April-Salumei and Kreer Land Development projects were listed in a provincial policy paper in 1987. However, with a change in provincial government in that year, and the subsequent removal of Secretary Bengo and abolition of the three FAS positions (see above), the impetus of the LMP and its associated projects was diminished. Indeed, forestry development became a contentious issue during the Samban government, with some members of the new government pressing for logging to proceed on the basis of TRPs and others urging that the government at least wait until the completion of the WALDP feasibility study. Power, writing in 1988, claimed that 'the new Secretary [Camillus Narokobi] had no understanding of or appreciation for the Land Mobilisation Program. The new mood was “get projects going”, “planning is wasting too much time”', and added: 'national politicians and self-interested businessmen continue to push for control of the resource by some form of licence from the National Department of Forests' (Power 1991:117.). As against this, a consultant’s report to the national government on customary land registration in East Sepik referred to ‘what may now be considered to have been an over ambitious approach to the investigation of ownership and boundary demarcation’, and, noting that as of May 1989 there had been no customary land registrations, suggested that ‘the original proposals [referring to Kreer Land Development and WALDP] were unrealistically optimistic in most respects’ and that:

The vision of the social and economic rewards of development …does not appear to have been matched by any recent significant political support at provincial or national level, or by the entrepreneurial flair, drive and management skills which
have characterised successful mobilisation and development of customary land in other provinces (Levy 1989:3, 23-24).  

During 1988-89 a series of new provincial programs was circulated, including a new Land and Resource Mobilisation Program which retained an emphasis on ‘business activities based on traditional clan groupings and customary land tenure’ but also referred to the need for settlement of land disputes and the development of support services to assist both large and small scale agricultural development, transport services and cottage industries. The program listed six sub-programs covering land administration; agriculture and livestock; forestry; fisheries; commerce; and transport and works. In addition, an expansion of rubber planting was to proceed at Gavien (the first batches of processed rubber from the Sepik were exported to Europe in 1989); tourism was to be developed with private operators (the provincial tourism board was on a study tour in Japan in the latter part of 1989), new provincial forestry policy guidelines were endorsed, and a provincial investment development board was established during 1989.

In practice, however, with the possible exception of Gavien (see Post-Courier 31 March 1989 and Times of PNG 30 March-5 April 1989), little seemed to be happening. The Land and Resource Mobilisation Program was couched in very general terms; the tourism board’s tour and a private consultant’s report attracted controversy; and in 1992 the problems of land registration and mobilisation remained unresolved.

In 1989 a resource inventory was undertaken in the April-Salumei area and logging, on the basis of TRPs, was again proposed. The area was subsequently recommended for conservation by the World Bank’s Papua New Guinea Tropical Forest Action Plan, however, and logging has been strenuously opposed by several NGOs (including the East Sepik Council of Women, Friends of the Sepik, and the Australian Foundation of the Peoples of the South Pacific).

The provincial economic development policy statement of 1984 made reference to the East Sepik Development Corporation (ESDECO). ESDECO was set up under a general arrangement whereby in 1977 the national government provided each provincial government with an establishment grant to set up a business arm. In East Sepik, before the creation of provincial government and while many expatriate-owned businesses were being sold around the time of independence, the Sepik Producers’ Cooperative Association acquired a substantial portfolio of businesses, with a view to providing the nucleus of a provincial business arm. The incoming provincial government, however, subsequently declined to take over the SPCA portfolio and instead set about acquiring its own businesses. Two early acquisitions were the Windjammer Beach Hotel in Wewak (a popular venue for tourists, provincial politicians, and visiting national officials) and the Maprik Waken Hotel, the latter acquired jointly with the Greater Maprik Local Govern-

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Both Power and Fingleton (personal communications 1989-91) have been strongly critical of the consultant’s report, suggesting that it showed little appreciation of land issues in Papua New Guinea.
ment Council. The Windjammer (glamorously renamed Sepik International Beach Resort) is now leased to a private tourist operator and yields a steady income. The Maprik Waken became badly run down as a result of poor management (and the demands made on it by local councillors and politicians) and ESDECO relinquished its interest. Other investments have included a local timber mill, a national rent-a-car agency, a real estate development in Wewak town, and a local marine products company. Businesses run by ESDECO itself have included electrical contracting, artifact marketing, cane furniture production, building, boat operation, a sago factory, coconut oil production, copal gum operations, and a farm. Almost since its inception, these businesses have all incurred an operating loss – even the artifacts business, run by a Sri Lankan recruited by the Commonwealth Secretariat and enjoying an effective monopoly in the country’s richest artifact-producing province. (See Table 11.2).

Table 11.2: East Sepik Development Corporation

<table>
<thead>
<tr>
<th></th>
<th>Operating Loss</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1985</td>
<td>1987</td>
</tr>
<tr>
<td>Windjammer Beach Hotel</td>
<td>(43,485)</td>
<td>(118,959)</td>
</tr>
<tr>
<td>ESDECO –</td>
<td></td>
<td></td>
</tr>
<tr>
<td>electrical</td>
<td>41,835</td>
<td>85,519</td>
</tr>
<tr>
<td>artifacts</td>
<td>1,527</td>
<td>1,976</td>
</tr>
<tr>
<td>cane furniture</td>
<td>15,502</td>
<td>4,266</td>
</tr>
<tr>
<td>builders</td>
<td>10,672</td>
<td></td>
</tr>
<tr>
<td>boat</td>
<td>5,491</td>
<td></td>
</tr>
<tr>
<td>sago factory</td>
<td>28,084</td>
<td>1,194</td>
</tr>
<tr>
<td>Yauasaro farm</td>
<td>4,607</td>
<td></td>
</tr>
<tr>
<td>copal gum</td>
<td>3,340</td>
<td>4,204</td>
</tr>
<tr>
<td>coconut oil</td>
<td>1,000</td>
<td>3,797</td>
</tr>
<tr>
<td>shells</td>
<td>3,391*</td>
<td></td>
</tr>
<tr>
<td>motors division</td>
<td>8,651</td>
<td>88,085</td>
</tr>
<tr>
<td>admin. division</td>
<td>78,223</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>146,796</strong></td>
<td><strong>75,342</strong></td>
</tr>
</tbody>
</table>

(a) operating surplus

In March 1987 the provincial assembly resolved to set up a committee to investigate the operation of ESDECO, but although the manager was subsequently changed the investigation does not appear to have been completed. Like business arms in other provinces, ESDECO’s problems appear to have reflected a combination of poor management, support of perhaps-worthy but economically marginal activities, and some unfortunate investments.

East Sepik has also subscribed, with the other Momase region provinces (Morobe, Madang and Sandaun), to a Momase Development Corporation (MDC). The MDC was initially established in the mid-1970s, with each province contributing K40,000. It suspended operations in 1977. In 1982-83 attempts were
made to revive the idea of a regional development corporation, with proposed investments in Douglas Airways and the Lutheran Shipping Company but following a feasibility study the proposals were dropped.

An East Sepik Women in Business Association, established in 1987 with support from the Asian Pacific Development Centre and the South Pacific Commission, provides a small loans scheme and logistic support to small enterprises (including sewing groups, bakeries and artifact sellers) run by women.

Social problems, law and order

The failure of economic development initiatives appears to have both reflected and contributed to a broader social malaise in the province.

In the 1970s, when ‘tribal fighting’ had led to the declaration of states of emergency in highlands provinces, and Port Moresby and Lae were faced with serious ‘raskol’ problems, East Sepik was still relatively free from crime. For what the figures may be worth, in 1984 East Sepik still had the second lowest per capita provincial crime rate, behind West Sepik and equal with Milne Bay (1987 Budget Papers: Table 7.1). This began to change in the early 1980s, however, as urban gangs began to harass residents in Wewak and armed robbers held up coffee and cocoa buyers on the Sepik highway and artifact dealers and tourists along the Sepik River.

As early as 1981 the provincial secretariat announced plans to introduce ID cards to ‘assist police to identify genuine workers and deter people from loitering’ (Post-Courier 24 September 1981); but the proposal was not endorsed by Premier Dambui, was criticised by Bernard Narokobi, and in the event was not pursued.

There appear to have been three main strands of the ‘law and order problem’ in East Sepik, which are intertwined with one another and repeated patterns evident elsewhere in the country.

First, a large number of unemployed youth have turned to petty crime. Little study has been made of the structure of raskolism in East Sepik, but there appear to be both locally-based gangs of rural village youth and urban gangs of mixed ethnic/regional composition. In an interview in September 1989, Premier Samban suggested that the active groups around Wewak town consisted predominantly of people from Yangoru, the Sepik River, and Papuan (Kerema) settlements around Kaindi; that perhaps 30 per cent of their membership came from outside the province (the highlands, Lae, Madang and Sandaun Province – including some escapees from the Boram Corrective Institution); and that there were linkages between raskol gangs and local politicians and businessmen. Both urban and rural gangs are said to have been engaged in theft, crimes of violence (especially against women), marijuana dealing, and vandalism (especially against community and secondary schools in the province). Within the province, the Boys’ Town run by Fr William Liebert made some attempt to deal with problems of unemployed youth, and in the mid-1980s the provincial government supported national initiatives on youth, establishing a provincial youth council to which some 600 youth groups were affiliated in 1985. Also in 1985 a provincial rehabi-
litation committee was created, with links to church and community groups. Despite these initiatives, however, raskolism burgeoned. In 1987 both the Angoram High School and the Angoram Community School closed after repeated vandalism, arson, and attacks on teachers. The Yangoru High School also suffered attacks, including arson, and the Sepik Agricultural College at Bainiyik (set up under the ESRDP) and the St. Benedict’s Teachers College at Kaindi were subjected to vandalism and harassment of staff and students, and both temporarily forced to close. In 1989 students and staff from the national high school at Passam fled following local fighting. Several armed hold-ups took place along the Sepik highway and the north coast road and in 1988 the first armed bank hold-up occurred in Wewak. In May 1988 Premier Samban was allegedly shot at by raskols; subsequently his dog was killed, his car rammed and his house stoned, and the premier was said to be in fear of his life (*Post-Courier* 9 May, 15 July 1988).16

In June 1988 the Wewak Chamber of Commerce threatened to close business houses in the town following a spate of break and entering, and a recently-created provincial Peace and Good Order Committee17 discussed measures to deal with the problem, including police foot patrols, the use of a mobile squad from Port Moresby, assisted by the army, and if necessary a curfew. Subsequently, in late 1988, there was a mobile squad operation (Lo Met Force 10) to ‘clean up’ the town, and amid reports of heavy-handed police action against young people, a number of people were charged with various offences, but any success this had was short-lived (most residents, in fact, suggested that the raskols simply moved across to Madang for a week or two). A ban on occasional liquor licences proposed in 198918 and a series of social policy initiatives elaborated by the Samban government in 1988–89, including a Human Development Program aimed particularly at unemployed youth, produced little apparent result.

In March 1989 Premier Samban threatened to withdraw all public servants from Angoram following the shooting of the manager of the Gavien rubber factory during a payroll theft, and after the shooting of a district officer in Angoram the previous year. Several months later *Post-Courier* headlines (1 August 1989) reported the province’s crime problem, describing East Sepik as ‘recently under siege by violent criminal activities’; ‘rascalism and terrorism’ were said to be

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16 Within the province there were persistent rumours of Samban’s association with raskol gangs. The truth seems to be that Samban, a river man who, because of his long residence in town, stood in a Wewak urban electorate, made promises to youth groups in squatter settlements in Wewak (which undoubtedly contained some raskol elements), and that it was his failure to deliver on these electoral promises which led to the alleged assassination attempt.

17 The PGOC comprises the premier, police superintendent, corrective services head, the local Papua New Guinea Defence Force commander, magistrates, representatives of the Provincial Affairs division and church, business and community leaders.

18 Between 1980 and 1989 the province had granted 1156 liquor licences, though by 1989 more than half of these had lapsed or been withdrawn.
turning Wewak into a ‘cowboy town’; Secretary Camillus Narokobi referred to the province as ‘literally under siege’ and ‘doomed to disappear into the hands of rapists, bandits and hooligans’; the PEC placed an indefinite ban on liquor sales and bingo; the premier called for capital punishment. Following two police operations against raskols in 1989 (codenamed Gawi Bagarap 1 and 2), however, several groups surrendered: in August, following Gawi Bagarap 2, about 100 young men from the Yangoru-Saussia area surrendered to the government, with demands for a K8,000 grant for a cocoa fermentary and poultry project, and assistance to set up (ironically) a highway security firm and a service station, and six gangs from the Maprik and Gauї areas, claiming to represent 500 to 600 members, surrendered at a public unmasking ceremony, with a similar set of demands (Post-Courier 1, 17 August 1989).

Second, demands for compensation for alienated land have been, in East Sepik as elsewhere in the country, a frequent and often longstanding source of contention, and in recent years of occasional violent confrontation. The disturbances at Yangoru High School, the Sepik Agricultural College, and the teachers’ college at Kairidi, amongst others, have all been at least in part about land compensation; land compensation grievances have also at various times disrupted or threatened the Wewak General Hospital, the Wewak power house, the Wewak airstrip at Boram and the Hayfield airstrip. Just outside Wewak, local landowners claiming K15 million compensation for the location of a Department of Posts and Telegraph repeater station on Mount Albowagi have on several occasions threatened sabotage and clashed with police. In other incidents, disgruntled landowners have set up road blocks to ambush provincial politicians and officials and press claims for compensation.

Third, there appears to have been in the province, especially since 1987, a growing disenchantment and cynicism about provincial government and those – both politicians and bureaucrats – who run it. This was well expressed in an article in the Times of Papua New Guinea (31 August-6 September 1989) entitled ‘Crisis in the East Sepik: the women’s perspective’; commenting on the recent Operation Gawi Bagarap 2, the authors said:

… the “big men” are a big part of the current crisis … Bringing in the riot squad, playing “surrender and we’ll pay you off” games with gangs, and imposing from the top-down, large new development projects designed with Asian businessmen and foreign consultants, cannot help us out of this mess.

The article went on to say:

Education in the East Sepik province is in crisis … Agricultural Development projects have come to a virtual standstill … Health services … are in an appalling state … Provincial youth and women’s programs … have been by-passed by provincial budgetary funding … The provincial institutions and programs to serve social development currently suffer very seriously from political and personal interference…. The big men of the East Sepik province … are obsessed with big expensive cars and social indulgences, keeping each other quiet and happy by sharing out their unjustified spoils.
And it concluded:

The people of the East Sepik are not stupid. They see, hear and discuss corruption, and they feel that there is no real decency or integrity at the top.

In addition to this ‘grassroots’ reaction, there was a re-emergence of a strong sense of regional grievance. Early in 1987 a then recently-formed Maprik Pressure Group accused the Sengi government of nepotism and claimed that, through lack of influence on the PEC (notwithstanding the fact that Sengi was from East Yangoru), the Maprik, Yangoru, Wosera and Dreikikir areas had been overlooked in development. In a letter to the *Post-Courier* (25 February 1987) UPNG graduate Max Rai supported the group’s demands, and argued that not only Maprik but also Ambunti district had been neglected. In July 1989 Maprik people planned a protest march and a petition to the national government calling for the suspension or abolition of the provincial government, but were refused permission to march by provincial officials. In a letter to the *Post-Courier* (Gideon Ginkawa, 12 July 1989) it was claimed:

Yangoru, Wosera, Dreikikir, Pagwi, Ambunti and Maprik are all but rundown colonial outposts, almost overgrown by weeds. The provincial road network – excepting the National Highway – has deteriorated so much that 90 per cent of the province is inaccessible.

In January 1991, coinciding with calls for the suspension of the provincial government, first the speaker, Isaac Warongalom, and another member of the assembly were assaulted, and then the deputy premier, Maisen, and his wife were abducted at a roadblock near Yausaro village; Maisen was stabbed and was in hospital for a week. The *Post-Courier* reported local sources as saying that ‘certain high ranking politicians and senior officers are on a hit list and being sought after by hired people’ (the ‘hit list’ was said to include Samban, Maisen, Warongalom, Jerewai, and ESDECO chairman Jim Simutab), and speculated that this was the action of ‘frustrated youths’ (*Post-Courier* 11 January 1991). But Samban claimed that the attacks were ‘political’ and that he had the names of four people hired to attack certain provincial politicians and officials and the names of people who hired them, including politicians and ‘other prominent people’ (*Post-Courier* 17 January 1991).

**The demise of the East Sepik provincial government**

In March 1990 the National Parliament, taking up a proposal from Sir Pita Lus, appointed a select committee, chaired by Morobe MP Henu Hesingut, to review the effectiveness of provincial governments. Four provinces – ‘which, in the opinion of the Committee, were better managed than the rest’ (National Parliament 1990b, vol. 1:5) – were selected for closer study and the committee visited these provinces to gauge opinions. East Sepik was one of the provinces selected (along with Eastern Highlands, East New Britain and Milne Bay). To its apparent surprise, the committee found an overwhelming number of people who made
submissions calling for the abolition of provincial government (ibid.: 6). In East Sepik, the committee reported that in Angoram demands for the abolition of provincial government were greeted with ‘very loud applause’ and shouts of ‘rausim, rausim’ (‘abolish’); in Dreikikir, ‘Every time a Speaker said that the East Sepik Provincial Government be abolished, there is a very loud shout of applause and clapping’; in Amuk (Sir Pita Lus’s village) the committee was informed that two petitions had been sent to the national government calling for the abolition of provincial government but no response had been received; in Yangoru a villager told the select committee, ‘Provincial Governments are a waste of money. No projects, no roads, no work. The members of the Provincial Government Assemblies look after themselves, fill their own pockets, live in good expensive houses …’; in Kubalia a village court chairman claimed that the ‘place is going bush’; and in Wewak town the committee was told that ‘political nepotism is rife’ and that ‘Money melts in the hands of provincial governments’; a call to ‘Abolish the provincial government and go back to the colonial system’ produced ‘A very loud clapping’ and an attempt to defend the provincial government system almost led to a physical confrontation. (See ibid.: vol. 1:6 and Vol. 2: minutes of meetings and written submissions from East Sepik Province.)

Such criticism, even if representative of public opinion in the province (and my discussions with village people in East Sepik suggest that it probably is), perhaps reflect a lack of understanding of the problems faced by provincial governments, but the sentiments are nonetheless real.

In December 1990 Post-Courier headlines (20 December 1990, ‘East Sepik K1 million in red’) reported that the East Sepik provincial government was facing another large deficit and that it was unlikely to be able to pay provincial public service salaries next payday. The information appears to have been passed on to the Post-Courier by the provincial planner, Francis Sumanop.

In August 1990 Camillus Narokobi was dismissed as provincial secretary by the Samban government; he was subsequently replaced by a Sepik lawyer and businessman, Alois Jerewai. At the time there was a well-attended public demonstration against Narokobi’s dismissal, and complaints that the provincial secretary’s position had been filled by someone who was not a public servant. Sumanop, a known MA supporter, was among those who resented Jerewai’s appointment and relations between these two were tense from the outset. The leaking of information about East Sepik’s finances occurred while Samban and Jerewai were returning from the US, where they had been discussing a joint-venture fisheries development with a US company. On his return, Jerewai refuted the Post-Courier report (see Post-Courier 21 December 1991, Times of PNG 3 January 1991) and Sumanop was suspended. In January 1991 there was another news item in the Post-Courier (11 January 1991), quoting a ‘confidential report prepared for the national Government’ by Sumanop, alleging that K264,000 of East Sepik’s Provincial Development Fund (the so-called ‘slush fund’) for 1989–

Tony Regan has argued that the conception and operation of the select committee predisposed it towards such a finding (see Times of PNG 4 October 1990).
90 had not been accounted for. At this point Somare joined a number of individuals and groups in the province calling for the suspension of the Samban government (Post-Courier 15 January 1991; also see Post-Courier 17, 18 February 1991 and Times of PNG 17, 24 January 1991). Samban responded by pointing out that successive East Sepik provincial governments had been carrying over deficits since 1984, and that the province had not received its full MUG, and he accused his detractors of attempting to discredit his government with provincial elections in sight; he even accused Bernard Narokobi, as attorney-general, of playing a ‘key role’ in the process, alleging that Narokobi was ‘paying back’ Samban for the latter’s refusal to ‘subjugate’ his government to the Melanesian Alliance (see above) and for his dismissal of Camillus Narokobi as provincial secretary (Post-Courier 5 March 1991).

In March 1991, following the receipt of a report to the minister for Decentralisation – which concluded that ‘the Province is in a financial mess’, the morale of public servants has been deteriorating, and ‘Political interference is ... rife’ (Tau, Livuana and Tom 1991) – the East Sepik provincial government was suspended on grounds of financial mismanagement (becoming the ninth province to be suspended). A public service commissioner from East Sepik, Florian Mambu, was appointed administrator. Samban, describing the suspension as a ‘serious breach of the constitution’ (Prime Minister Namaliu and Decentralisation Minister Momis reportedly admitted that the correct procedures for suspension had not been followed – Post-Courier 5 March 1991), initiated a legal challenge (Post-Courier 5, 6 March 1991) but in June the National Court confirmed the suspension. While the court hearings were in progress it was reported police were maintaining tight security around the Wewak Court House ‘amid rumours that sympathisers of the suspended East Sepik Provincial Government were going to create trouble in the town’ (Post-Courier 30 May 1991). Despite the tight security, however, in early June 1991 part of the East Sepik provincial headquarters was burned down and many of the provincial government’s records destroyed. Subsequently four people, including Samban, former Agriculture Minister Joe Yanz, and a former police detective were charged with arson. (Earlier, Samban had been charged over alleged offences involving the importation of firearms, but was acquitted on technical grounds. Post-Courier 19, 21 March 1991.) In April 1992 Samban was sentenced to five years gaol. His sentence was subsequently increased by a year when he was convicted on charges of misappropriation. Several other members of the suspended provincial assembly were also charged with misappropriation of funds, mostly from the Provincial Development Fund.

In May 1991 Alois Jerewai’s appointment as provincial secretary was terminated; he was replaced by former Foreign Affairs officer Vincent Maragau.

Conclusion

In the mid-1970s East Sepik was one of the first provinces to push for political decentralisation. It achieved provincial government and full financial responsibility early and in the late 1980s was still generally regarded as one of the more
successful provincial governments. Relatively able and dedicated provincial leadership, coupled with a comparatively low level of regional and personal friction made for a fair degree of harmony and purpose in provincial affairs.

For a long time, however, East Sepik has been one of the less developed provinces, notwithstanding the efforts of successive colonial and national administrations and the Asian Development Bank. Despite early and persistent attempts by the provincial government to generate cash-producing economic activities this did not change after 1976; indeed a widespread feeling emerged that in some significant respects the province was regressing. Defenders of provincial government, including Power, Fingleton and Regan, have argued, persuasively, that given the limited powers of provincial governments and their fiscal dependence on the central government, it is virtually impossible for provincial governments to realise their development plans without support of the relevant national departments and agencies, and that what looks like failure by provincial governments is often omission on the part of the national government. This view is certainly supported by the experience of the East Sepik provincial government with its Land Mobilisation Program and associated pilot projects, in which provincial initiatives have been continuously frustrated by national departments. But irrespective of where the real blame lies, at a time when the resources available from the national government have been shrinking, the failure of the provincial government to deliver on ‘development’ fuelled a widespread popular cynicism about politicians and senior provincial officials within East Sepik and contributed to a spate of compensation claims and a general increase in lawlessness, some of which was directed specifically against provincial politicians and officials. The change of government which took place in 1987, far from resolving these tensions, seems to have exacerbated them: a wholesale change in the provincial administration took much of the impetus out of social and economic programs already substantially frustrated by lack of national commitment, and the factionalisation of political allegiances within the provincial assembly diverted energies from policy making to political infighting.

The suspension of the provincial government which came in early 1991 may not have been inevitable, and the financial mismanagement which was the reason for suspension was certainly in evidence before 1990. But the reception which the National Parliament’s select committee on the review of the effectiveness of provincial governments received in East Sepik in 1990 (even allowing for some bias) was but one indicator of the extensive disenchantment with the provincial government which had built up by that time and together with other developments in 1990-91 clearly demonstrated how fragile provincial government is in Papua New Guinea’s fractious political milieu, even in a province with a decade of moderate success.

Postscript
In early 1993 Jerewai was charged with misappropriation of K90,000 allocated for part payment of the provincial government’s share in a joint fisheries venture
with the US company with whom Jerewai and Samban had been negotiating in 1991. (After his dismissal as provincial secretary, Jerewai had allegedly collected the K90,000 cheque and paid it to a local company which he had incorporated.) The provincial administrator at the time, Tony Bais, was also charged. The charge against Bais was later dismissed, and Jerewai was acquitted – though the judge was critical of the state’s poor conduct of the prosecution (Times of PNG 4 November 1993).

In May 1993, with the provincial government system under attack nationally, elections were held in East Sepik to select a new provincial government. At its first sitting, the following month, former assembly member and ex-schoolteacher Alex Anisi (Wam-Urat) was elected unopposed as premier, and newcomer Martin Apiningi (Ambunti) deputy premier. Anisi, a Melanesian Alliance member, announced the formation of a ‘Sepik Independent Bloc’ (comprising mostly MA and Pangu members), which would put aside party affiliations and avoid party influence in the affairs of the provincial government. The following day, however, apparently upset by national member Bernard Narokobi’s comments that other members of the government should ‘guide’ the new premier, Anisi announced that he had switched his allegiance to the League for National Advancement. The Post-Courier (9 June 1993) reported that ‘Chairs were hurled on the floor [of the assembly] and members of Mr Anisi’s newly formed government shouted obscenities’, and that moves were under way to remove the premier.

A feature of the 1993 East Sepik elections was the success, in the Wewak Town constituency, of longtime Wewak resident Laura Martin. Australian-born Mrs Martin, a businesswoman and former schoolteacher, has been an active supporter of women’s affairs and a frequent critic of provincial government. She becomes not only the province’s first elected woman candidate but also has taken on the provincial Finance and Planning portfolio.
WEST SEPIK (SANDAUN) PROVINCE, 1978-1992*

T.M. Boyce

The province

West Sepik Province,¹ located in the extreme north-west of the mainland, is one of only two provinces with an international land border. It borders the Indonesian province of Irian Jaya for 265 kilometres and also three Papua New Guinea provinces: Western, Southern Highlands and East Sepik. With an area of approximately 36,000 square kilometres, 7.8 per cent of the country’s total area, it is the third-largest province in the country behind Western and East Sepik provinces.

The exposed coastline runs north-west to south-east with the Oenake Range and Serra Hills forming the western half of the coastline. A group of small islands lies immediately off the coast near Aitape. The Bewani and Torricelli ranges, rising to heights of 1500 metres, cross the international border 60 kilometres south of the coast and run west to east across the width of the province. To the south, the mountains drop off to the flood plain of the meandering Sepik River, the longest river in the country. In the southern portion of the province, the Victor Emmanuel, Thurnwald and Mittag ranges, with elevations in excess of 3,000 metres, are a continuation of the country’s central mountain range. Most of the province is covered with dense rain forest although the vegetation varies from mangroves to alpine shrubs and grasses.

The province’s climate is influenced largely by its physiology and less by the north-west and south-east monsoons which do not produce extreme wet and dry seasons. All areas of the province receive rainfall throughout the year but on the coast the wettest months are December through to March, while the same period is the driest in the central ranges. There is little seasonal variation in temperatures and differences across the province are dictated more by elevation than by weather patterns.

* Much of this chapter is based on interviews; it also draws on Boyce (1992).

¹ The province is often referred to as ‘Sandaun Province’; that is, the province in the west. Although legislation was passed in 1989, the title has not been gazetted, but ‘Sandaun’ has been recognised in the titles of the government and the administering department.
Map 9: West Sepik Province
Although European exploratory expeditions passed along the coast in the 16th century, outside contact was predominantly from bird-of-paradise hunters and Malay and Chinese traders who had established themselves on the islands off Aitape by the time the first Germans arrived in 1884. The Neu Guinea Kom- pagnie, which had established a major station in the Aitape (Berlinhafen) area in 1896, administered German New Guinea until November 1898 when control reverted to the German government. Administrative emphasis then changed from the mainland to the islands of New Britain and New Ireland to the north and hence Aitape lost much of its influence and importance, especially since a government station was not established there until 1906.

Economic considerations dominated the early administration and patrols rarely ventured beyond the coastal fringe around Aitape and Vanimo (Angriffshafen). A succession of scientific expeditions concentrated on the Sepik River (Kaiserin Augusta Fluss) and, by 1910, expeditions had penetrated well into the headwaters of the Sepik.

German rule in New Guinea ceased on 17 September 1914 and Australian military rule continued until 1921 when New Guinea became an Australian-administered League of Nations mandated territory. In the period between the wars, Australian administration was slow to be established in the western Sepik and, once in place, slow to develop influence. Economic considerations, particularly the recruitment of labour from the Aitape area, continued to dominate western Sepik administration.

In 1915 Aitape was established as the headquarters for the Sepik District (which included both the eastern and western Sepik areas) and in 1920 Vanimo became an outstation. However, Aitape was once again stripped of its importance in 1935 when the Sepik headquarters was moved from Aitape to Wewak.

Little was known of the western Sepik. The Telefomin area was first visited in 1927 but other expeditions did not follow until the late 1930s. It was not until 1937 that a temporary patrol post in the Green River area was established. The remainder of the inland effectively remained untouched.

During 1942, Vanimo and Aitape were occupied by Japanese detachments and a camp established at Wutung. Later, work to establish Aitape as a major air base prompted the allies to assault and seize the area in April 1944. Two unsuccessful Japanese counter attacks were the last concerted Japanese actions on the mainland.

The transfer of the Sepik District to civilian control occurred in February 1946 and civilian administration returned to the western Sepik with the re-establishment of the substation at Aitape and the patrol post at Vanimo. Patrols covered much new ground between Vanimo and Green River and around Telefomin which resulted in government contact with people over a wide area.

In late 1966 the Sepik District was split into East and West Sepik districts with headquarters at Wewak and Vanimo respectively.

Health, education and agricultural services grew slowly and steadily after the war but were concentrated in the eastern end of the province. In the early 1960s the pace of development in the western Sepik quickened, driven mainly by the Indonesian occupation of Dutch New Guinea which prompted a level of activity
not before seen in the district. Patrol posts and airstrips were hastily established along the border at Imonda, Bewani, Wutung and Atbalmin.

Although work continued throughout the period to bring the entire district under government influence, it was not until March 1971, four years before independence, that access restrictions were removed from the final area of the West Sepik District.²

The province's population has consistently been 3.8 per cent of the national total and preliminary figures from the 1990 census show that the population has risen to 135,000 from the 1980 census count of 113,849. The population density is about 3.7 persons per square kilometre. However, the density varies greatly throughout, from 28.5 persons per square kilometre in the Seim census district (Nuku District) to 0.1 in two census districts in Telefomin District. There are six provinces with smaller populations but only two with smaller population densities.

In 1980, 93 per cent of the population lived in traditional rural villages, 5 per cent in the main urban centres of Vanimo and Aitape (3,051 and 3,366 respectively) and 2 per cent in rural non-village areas.

The province is linguistically diverse with some ninety-five languages spoken. Austronesian languages are found in the coastal and island areas around Aitape whilst the remaining languages are non-Austronesian. The largest language has around 11,000 speakers, the smallest about fifty and only fifteen languages have more than 1,500 speakers (WSIDS 1982:14).

Economic activity has been limited, conducted on a low scale, and based on primary production. The area's isolation, generally poor soils, difficult access, scattered population, lack of a suitable transport system, and lack of markets have all militated against greater economic development. Those industries which have developed have relied on cheap labour in order to remain viable. Except for timber production, the range of commodities produced has been, and continues to be, limited and on a low scale, with agricultural production dominated by coffee, cocoa, copra, chilli and some rubber. Forestry resources in the West Sepik are likely to be the greatest source of economic development in the immediate future.

There has been little development in secondary industries in the province. National Statistical Office figures for 1985 show that eight factories had ninety-five employees and an annual output of K2.1 million (Department of Trade and Industry 1990:32).

In 1980, 23 per cent of the population (less than 3 per cent of these women) over ten years of age were earning an income from wages, business, farming or fishing. (In neighbouring East Sepik Province the figure was a much higher 47.7 per cent.) Of the remainder, 42 per cent relied on subsistence farming or

² However, Karl Stack, a patrol officer in the West Sepik for many years and until 1992 a member of parliament for the West Sepik, maintains that the Waina Sowanda census district (on the border south of Kamberatoro) was never proclaimed an unrestricted area.
fishing for their livelihood. Based on 1983 figures, West Sepik’s per capita income (K255) is the second lowest in the country (AIDAB 1990:52).

An inadequate infrastructure has been unable to overcome the geography of the West Sepik. The Sepik Highway connects Lumi and Nuku Districts to Wewak in the East Sepik whilst Aitape is connected to Wewak by the coastal highway. Neither road provides all-weather access. No districts have a road connection with Vanimo, the provincial capital, while Nuku and Lumi Districts have the only interdistrict connection. Except for Vanimo district, road systems within districts are rudimentary and fragmented. Green River and Amanab are serviced by a very irregular Sepik River barge service and fair weather roads. In essence, the West Sepik consists of islands of administration based on six separate districts, each with its own services, linked only by a network of airfields.

Politics and administration

Development of the structure

Over the period from independence to 1978 the province was administered by the West Sepik Provincial Co-ordinating Committee. The West Sepik Integrated Development Study (see below) points out that, despite the intentions of the national government to devolve political and administrative responsibility to provinces over that period, ‘there was no significant political or administrative decentralisation of power from the National Government to the Province’ (WSIDS 1982:238). This left the West Sepik ill-prepared for government and administration at the provincial level when the Sandaun provincial government charter was granted on 9 November 1978. An appointed provincial assembly of nineteen members was formed in early December to prepare a provincial constitution and act as the provincial government until the first provincial elections.

Elections were held in 1980 and the first elected provincial government appointed in December of that year. There have been three provincial elections with a fourth due in January 1993.

While the interim assembly had nineteen members, the first elected assembly contained twenty-three and subsequent assemblies twenty-five members. The term of each assembly, unless suspended, is four years. A premier, deputy premier, speaker and deputy speaker are elected by the assembly. The provincial constitution places executive powers in the provincial cabinet (also known as the provincial executive council or PEC) which consists of the premier, deputy premier and four ministers selected by the premier. The existing nine ministerial portfolios include national functions, home affairs, finance, district services, forests, health, trade and industry, education and primary industry.

In addition to the elected members, the provincial constitution also allows for

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3 The remaining 10 per cent were listed as being engaged in other activities but not looking for work (Department of Trade and Industry 1990:33).

4 Under present arrangements the premier is also minister for national functions and the deputy premier, minister for home affairs.
the appointment of two members to the provincial assembly, one representing women and the other the church groups in the province. Both members can participate in assembly debates but cannot vote. None of the elected governments has made appointments to the assembly positions. The present premier, Egbert Yalu, points out that, in the case of the women’s representative, this is because they have been unable to identify a suitable candidate with the time and inclination to accept the appointment. In respect of the church representative, the churches in the province are unable to work together to select an appointee. To overcome that problem, the churches have been attempting to form a provincial council to make the necessary selection.

Most members of the present assembly are only partially educated and speak very little English. A few members have been local government councillors where they gained a little political experience but members have mainly been elected because of their traditional status in their electorates. Many have held lay-preaching or ‘catechist’ positions in missions. In the present assembly, seven of the first elected assembly remain, including two of the original appointed assembly.

One of the main difficulties faced by both politicians and public servants alike has been the provincial political and administrative structure. In the early days, unlike the old district system, there was no longer a single, or at least a coordinated, budgetary system or clear delineation between the responsibilities of national departments and those of the provinces. Like many other provinces, the administrative structure in West Sepik originally consisted of two components: the provincial secretariat and the Department of West Sepik.

The national government originally made grants to the provinces to establish a secretariat to undertake the planning and policy formulation in each of the individual provinces and to provide administrative support to the cabinet and assembly. The provincial constitution allowed for the establishment of such a policy secretariat whose members were appointed by the provincial government and consisted of a provincial secretary, provincial planner, legal, finance, research and administrative officers and a support staff of about ten personnel.

The first provincial secretary, Paul Langro, had been a national member of parliament (United Party) for the West Sepik from 1968 to 1972 and a member of the National Constitutional Planning Committee. He understood better than most the political power of the secretary, a point recognised by Saffu who noted:

... the provincial government is what the provincial secretariat makes of it, the provincial secretariat is what Paul Langro the provincial secretary makes of it, the provincial government is therefore what Paul Langro makes it (Saffu 1983:31).

The public service component in the province was organised into the Department of West Sepik and comprised divisions representing the national departments, although those national departments carrying out purely national functions, such as Foreign Affairs, Public Works, Police, Defence, Labour and Corrective Institutions, were excluded. The department was headed by the administrative
secretary, the senior public servant in the province, who was appointed by the national Public Service Commission after consultation with the provincial government. The administrative secretary supervised the department in accordance with public service regulations but was responsible to the provincial government in matters of policy.

The provincial secretariat and the Department of West Sepik suffered problems familiar to other provinces where a similar administrative structure had been established. Lines of authority between the provincial government, secretariat and administrative secretary became confused as did those between the headquarters of the national departments in Port Moresby and the respective divisions of the Department of West Sepik in Vanimo.

Despite the reportedly good working relationship between Langro and Leo Saullep, the administrative secretary, the West Sepik Integrated Development Study (WSIDS) identified a number of difficulties faced by the secretariat which constrained it ‘from effectively fulfilling its leadership, planning and management role’ (WSIDS 1982:240). There was confusion between the two administrative arms of the provincial government. Public servants in the then department of West Sepik considered themselves responsible only to the administrative secretary while the secretariat tended to operate in isolation from the department. Members of the secretariat were political appointees, not public servants, and held office at the discretion of the cabinet. There was no career structure nor job security thus making it difficult to attract the better staff to the secretariat. Furthermore, the WSIDS found that:

- Political interference in the day to day workings of the public service is also adversely affecting morale and causing confusion in many areas throughout the province (ibid.: 243).

The WSIDS recommended that the two administrative arms of the provincial government be amalgamated under one secretary appointed by the Public Service Commission (after consultation with the provincial government) and answerable to the Public Service Commission and the provincial government. Most other provinces had already made the change and West Sepik Province later adopted a single administrative structure in early 1986.

The provincial government originally formed two committees to plan and manage the province’s development. The Provincial Planning Committee (PPC), chaired by the provincial secretary, was intended to plan and coordinate all development in the province. By 1982 the PPC had ceased to function. The second committee, the Provincial Management Team (PMT), was chaired by the administrative secretary and comprised all divisional heads, representatives of the provincial secretariat, and representatives of the national departments located in the province. The role of the PMT was ‘to co-ordinate the activities of the Department of West Sepik and to discuss provincial policies and strategies’ (ibid.). However, since the PPC did not function, the PMT became the key planning agency in the province although the committee tended to meet only when problems arose rather than on a regular basis. The result was that:
The failure of these committees has led to irregular procedures and to an unco-ordinated and inefficient approach to planning and implementation (ibid.: 244).

In recent years, meetings of the PMT have become more regular although the team does not appear to have reached its full potential in the management of provincial affairs.

**Provincial government revenue and expenditure**

The Sandaun provincial government is empowered to set a range of taxes, fees and levies in order to generate income. Timber royalties and levies accounted for 19 per cent of the 1991 revenue, and retail sales tax a further 8 per cent. Motor vehicle registration, drivers’ licences, bank and postal agency fees, and village court fines together represent about 4 per cent of income. The provincial government continues to rely heavily on external grants as the main source of income to fund its programs and in 1991 such grants constituted 53 per cent of the expected revenue.

A large proportion of provincial expenditure is directed towards capital works in accordance with the present government’s priority of developing the province’s physical infrastructure. Planned capital works expenditure in 1991 was K1.9 million, 46 per cent of the budget.

**Local government**

Local government was slow in coming to the western Sepik; although the first councils were established elsewhere in the Territory in 1950, it was not until May 1961 that the first council in the West Sepik was formed in the Aitape area (Siau Council). Another eight councils were established to cover the bulk of the population over the next six years. A tenth council, Yangkok, covering the East Au and West Au census districts was established in 1977 after those areas broke from the Wapei Local Government Council. In January 1980 the Upper Eliptamin area withdrew from the Telefomin Council and formed the Batku Association.

As late as 1982 there were still isolated small populations not included in council areas, some still with village officials (luluais and tultuls) who had been appointed by the Australian administration. In the Oksapmin area, some 7,500 people lived outside council areas but they have subsequently been incorporated into the new Apei council area. In 1976 the border villages of Mink, Kwek, Popan, Pendesi, Swach Baru and Um were supposedly prevented from joining the Walsa (Imonda) Council by the Department of Foreign Affairs because of their proximity to the border (WSIDS 1982:252). They have since been included in the Walsa council area.

Although first established to provide services and cater for the peace, order and welfare of the community, councils failed to fulfil that role, particularly after

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5 The villages lay between a few hundred metres and 6 kilometres from the border.
independence and the establishment of the provincial government. Tax collection was poor and the people came to expect too much for the taxes they did pay. Councils became heavily dependent on government funds for both their projects and administrative operation as they had few sources of revenue other than taxation. By 1980, government grants and subsidies constituted 80 per cent of council revenue while head tax represented only 9 per cent of the total since receipts had been declining as councils lost the support of the population. Indeed, at that time tax receipts were only one-third of the estimated provincial tax potential (ibid.: 254). In 1981, the provincial government ceased the payment of grants to councils because of their failure to become self-sufficient. Funding to local areas was then directed solely through the Rural Improvement Program (RIP) but councils began drawing on those project funds to cover administrative costs. Funds are now allocated on a provincial government constituency basis and managed through the District Services Division of the Department of Sandaun.

The WSIDS noted in 1982 that:

Local government councils in the West Sepik Province have failed to fulfil their role and have failed to meet the expectations of the people. They have not been a success as political organisations as they have not involved the people in the political decision-making process at the local level and they have not played an effective communicating role between the people and the higher levels of government. They have not been a success as agents for development as they lack an adequate revenue base, are poorly managed and lack the expertise to successfully plan and supervise economic and social development projects. Supervision of councils has been lax and advice infrequent and inexpert (ibid.: 252).

In 1988, the Yalu provincial government suspended all councils. Although they were later reinstated in 1990, the provincial government has sought to minimise their authority, perhaps because the councils are seen to be closer to their constituents and undermining the standing of the provincial government. The 1991 provincial budget allocated only K2,000 to each council to support its operations.

The institution of provincial government was a key factor in the reduction of local government council authority, responsibility and representation. The eleven councils remain but have little impact on the development of the province.

The first ten years

Many of the appointed assembly were local councillors or former national government members with vastly differing levels of political expertise. The important appointments in the assembly were spread around the province. Jacob Talis (Yangkok) was elected premier and Wegra Kenu (Vanimo) as deputy premier. (Kenu had been appointed to the assembly at the last minute to replace Patrick Nehu who had died on 4 December 1978.) The elected speaker was Steven Holland (Aitape) and his deputy Peter Talmansep (Telefomin). Two women were appointed to the interim government: Veronmina Fuapla (from Vanimo) and Francisca Kitchens Stack (from Aitape) whose husband, Karl Stack, was the national member for West Sepik.
The initial days were busy as the assembly passed bills establishing the flag, gazette, provincial constituencies and election regulations in preparation for the 1980 provincial elections. A provincial business arm was established in 1979. In the first year of office the executive council set the government’s priorities, which included both specific and general aims and, although centred on infrastructure development, also covered rural health and nutrition programs. Interestingly, of the four specific projects included, three were located in areas represented by the deputy premier, speaker and deputy speaker. The following year the priorities were refined to cover, in priority order, improvements to communications, rural health, the rural economy, education, and the management of provincial resources. A final priority dealt with the development of moral, political and social values (Saffu 1983:30).

The first provincial government elections, held in December 1980 for the increased twenty-three constituencies resulted in a much-changed assembly. It included only four of the original appointed members: Ulivian Ameneng (Oksapmin), Zachary Enda (Imonda), Andrew Komboni (Makru-Kafle) and Steven Holland (Aitape East Coast). Enda was elected deputy premier to Adam Amod (Aitape Central) and Komboni elected speaker with Albert Kati (Sumoro) his deputy.

The newly elected executive council was quick to exercise its power. It immediately agreed to large pay increases for all assembly members, a decision quickly condemned by Karl Stack and contributors to newspaper correspondence pages. The action was defended by Amod on the rather dubious grounds that some form of recompense should be given to those assembly members who could not take advantage of the privilege of air travel for their entire journey to attend assembly meetings but instead had to walk part of the distance (Post-Courier 9, 12 and 17 February 1981).

It was not long before the Sandaun provincial government became enmeshed in the difficulties of governing the province. The government’s business ventures were in trouble, there were arguments with the national government about the distribution of sectoral program funds and there was confusion over the control and development of the border. Furthermore, constituents wanted immediate results from their elected representatives. Since the total population in each electorate averaged 5,000, and the average number of voters around 2,300, the elected member was well known to his electorate and much was expected of him. Meetings of the assembly were dominated by members’ attempts to air constituents’ grievances and gain support to satisfy constituents’ demands.

Less than eighteen months after the elections, Amod’s position as premier was being threatened. In April 1982 John Leki, removed earlier as the provincial Forests minister, announced that he would be moving a motion of no-confidence in the government when the assembly met next in May. Komboni, the assembly speaker, had resigned⁶ to support the motion (Post-Courier 23 April 1982). Amod managed to survive but further pressure was applied when his deputy, Enda, resigned in late August claiming that Amod had concentrated on managing his

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⁶ Komboni was replaced by Melchior Simbel (Aitape West Coast).
business interests at the expense of the province’s administration (*Post-Courier* 31 August 1982). To add to his troubles, Amod was arrested on 30 August for failing to appear in court the preceding April to answer charges of deserting his wife and children. An out of court settlement was made the following day (*Times of PNG* 7 September 1982).

Within the week, Piimnok Lakurengin (Telefomin) announced that he would move to have Amod replaced. Although Amod expressed confidence in being able to beat the challenge (*Post-Courier* 7 September 1982), the West Sepik’s first elected premier resigned before the challenge could be made in the assembly. The pro-Pangu Komboni, speaker until his resignation from the position, was elected premier, Enda reinstalled as deputy premier and Melchior Simbel re-elected as speaker.

Political life remained relatively quiet for the next three years except for the regular skirmishes with the national government over border development and security issues, Indonesian incursions, national government project planning and funding, and delays in the finalisation of contracts for the Vanimo timber project.

The province’s second election in December 1984 saw two-thirds of the previous assembly members returned. Paul Langro (Vanimo Town) was openly back in politics after having resigned as provincial secretary in February 1982 to contest, unsuccessfully, the national elections (against Karl Stack) and the old team (premier and secretary) returned, but this time with Langro as premier and Amod as his deputy. Komboni, who had replaced Amod as premier in the previous term, was elected speaker. Although Langro’s government had affiliations mainly with the United, Pangu and Melanesian Alliance parties, party affiliations continued to count for little in the formation of the government. An opposition group of nine members was led by a former teacher, Egbert Yalu (Sumoro).

Once again a premier enjoyed only a short period in power before being challenged. In July 1985 the opposition increased by one when Komboni resigned as speaker, having been named as the alternative premier in a proposed no-confidence motion (*Times of PNG* 28 July 1985). He was replaced in August by another former teacher, Alphonse Minda (Aitape East Coast). The anticipated move against Langro came in November when Anthony Mawe (Amanab) moved his vote of no-confidence naming Komboni as the replacement premier. The motion was easily defeated along government and opposition lines by fifteen votes to ten.

Mel Kapaith, provincial planner in the secretariat under Amod’s government, had been appointed acting provincial secretary by Komboni following Langro’s resignation. However, he was dismissed by Langro in December 1985. The letter of termination accused Kapaith of acting ‘deliberately to destroy the integrity of the government’ and alleged that he had provided information to Yalu, the opposition leader, who was opposing government attempts to amend the provincial constitution. Kapaith began legal proceedings and in March 1986 a writ was served on both the Sandaun provincial government and Langro claiming K265,445 in damages. The matter was finally settled in 1991 with an out of court settlement of K2,500.
The provincial secretariat was abolished soon after and most functions transferred to the secretary of the department, at that time Leo Saulep. Saulep remained in the new appointment.

In the latter half of 1986, Langro faced increased pressure and especially calls from the opposition to the national government for the suspension of the provincial assembly. Matters were not helped when the provincial minister for Home Affairs, John Leki (Wutung-Onei), joined the opposition after being relieved of his portfolio. This brought the government and opposition numbers to fourteen and eleven respectively, not a particularly healthy margin in provincial politics.

Throughout this period, Saulep, the provincial secretary, was having problems of his own. The performance of his administration was coming under closer scrutiny from Port Moresby. Local councillors and landowners were complaining publicly about Saulep’s acquisition of land in a timber rights area to the east of Vanimo (Times of PNG 5, 26 February 1987). Furthermore, he had a Health Division constantly threatening strike action over his dismissal of Norman Powai, the provincial health inspector. Earlier in the year, Powai had closed down Green River station because of the insanitary living and working conditions and lack of maintenance. Saulep suspended Powai but had the embarrassing problem of needing Powai to continue to work because a replacement could not be found.

For the next six months both the provincial government and the administration continued to stagger along attempting to come to grips with the decentralised political and administrative power and responsibility given to them.

The sun goes down

The report of the auditor-general into the operation of the Sandaun provincial government for the 1982 financial year was submitted on 4 February 1987 after the auditors had experienced considerable difficulties in obtaining the necessary records, information and explanations when conducting the audit. Indeed, the report advised that the auditors were unable to make any comparison between revenue and expenditure since expenditure ledgers had not been maintained (Auditor-General 1987:10).

It appears that the auditors would have had difficulty finding a financial regulation or practice that had not been breached. Government funds had been used to pay the private court fines of assembly members, private hotel bills and the fuel bills for the private car owned by one of the secretariat staff. In 1981 some K1,700 was misappropriated during the visit of a provincial government delegation to Jayapura. Provincial funds had been used to pay for domestic servants for the premier and the speaker and the air fare to Port Moresby of a baby sitter to accompany the premier’s family, although there was no provision for such expenditures to be made. A house, free of rent and services charges, was made available to the deputy premier even though no such entitlement existed under Parliamentary Salaries Tribunal determinations (an allowance should have been provided instead). Using provincial funds, a snooker table, darts equipment and video equipment were purchased for the premier’s house to entertain assembly
members. Bills were often double paid. Purchases, some up to K350,000, were routinely made without reference to the provincial supply and tenders board.

The audit reports for 1983 and 1984 were no better but they were not presented to parliament until September and October of 1989, such was the poor state of provincial records.

Demands for the suspension of the government came from youth groups, community leaders, local councillors, national politicians and many others including the chairman of the Melanesian Alliance in the West Sepik, Wegra Kenu. Prime Minister Wingti suspended the provincial government in April 1987 for financial and administrative mismanagement noting that the auditor-general’s report:

... observed the most unsatisfactory practices, believed to be the worst of all, worse even than any previously suspended provincial government (Dorney 1990:170).

An administrator was appointed to run the province while Saulep continued as secretary. The first administrator, Baltazar Maketu, lasted only a few months before Jacob Lemeki, the national minister of Provincial Affairs, recalled him to Port Moresby (Times of PNG 29 October 1987). He was replaced by Chris Vihruri, one of Saulep’s own divisional heads (commerce division). Vihruri established a committee to investigate the misuse of funds but in fifteen months was unable to conduct any investigations since the provincial department did not have a legal officer or an internal auditor. Moreover, to complicate matters, Vihruri maintains that few financial and asset registers had been maintained and that national departments gave him little assistance in his endeavours.

A national government parliamentary committee made a six-day visit to Vanimo, Aitape, Lumi, and Nuku in August 1987 to conduct a series of hearings into the activities of the suspended provincial government. The overwhelming attitude of those who attended the hearings was one of support for the suspension. It was suggested to the committee that the provincial government remain in suspension until all matters had been investigated, the suspended members called before the committee to explain their actions, and those in positions of responsibility charged. Amod and Andrew Malan (Aitape Inland), respectively deputy premier and minister for Local Government in the suspended Langro government, placed the blame for the mismanagement on the provincial public servants and advisers, perhaps forgetting that Langro, the suspended premier, had been the principal adviser in the early days of the previous Amod government (Times of PNG 3 September 1987).

Not only was the Sandaun provincial government suspended but the national government also removed the secretary, Saulep, early in 1988. He was replaced by Richard Koronai from Magisterial Services in Port Moresby (although he had worked throughout the country).

The Electoral Commission issued writs for provincial elections in late April 1988, nominations closed in mid-May and polling began in mid-June. The suspension, which had been in force for sixteen months, was lifted on 8 August 1988.
**A fresh start**

The 1988 elections brought thirteen new faces to the twenty-five-member assembly. Yalu, opposition leader during Langro’s term of government, was elected premier by the assembly and named his cabinet on 11 August. Enda, one of the surviving interim government members, was elected deputy premier. He had been deputy premier in Amod’s government until his resignation and then deputy to Komboni (Amod’s replacement after his resignation). John Wo’ Otong (Mai Mai - Wan Wan), minister for primary industries in Langro’s government, became the new speaker and Steven Aike (Amanab Local), one of the new assembly members, was elected deputy speaker.

Yalu’s pro-Melanesian Alliance government was faced with a defined opposition group which, although calling itself the Sandaun Independent Group, was not based on strong political party affiliations. In fact, the eight opposition members included all four representatives from the Telefomin District, an area in which there had been much talk of leaving the West Sepik to join Western Province. Although six of the eight had previous assembly experience (including Amenang from the appointed assembly and Sol and Lakurengin from the first elected assembly), the opposition was led by newcomer Joe Amien (Aitape Central).

In announcing his cabinet, Yalu warned that he would ‘not hesitate to take disciplinary action against them, if they did not perform or behave’ in his government (*Times of PNG* 18 August 1988).

Over the next few weeks Yalu showed that he meant business in his attempts to tidy up both the provincial government and the public service administration. Smoking and the chewing of betel nut in offices was banned. Flags were to be flown at all government offices. Dress regulations were set which required male public servants to wear ties and visitors to government offices to be dressed tidily. Those whose dress was not up to standard were sent home. Dress parades and inspections were, however, dispensed with after complaints from the opposition and senior public servants. Later in the year, in November, Yalu also warned public servants that they faced dismissal if they helped or leaked information to the opposition, pointing out that:

> If you want to serve the people as a public servant, then work as a public servant and you are also required to serve any government of the day. But if you want to be a politician, then you must go home and run for the elections (*Times of PNG* 16 November 1988).

Yalu’s firm hand was also shown in the assembly. Within three months of his appointment, Wo’ Otong, the speaker, was voted out of office because it was considered that he was working against the government. He was replaced by Leki, who had been dismissed when minister for Forests by Amod and later as minister for Home Affairs by Langro and who had been involved in attempts to unseat both. Wo’ Otong was later to continue with his practice of attempting to unseat premiers when he led an unsuccessful vote of no-confidence against Yalu in late 1990.
Changes were also made on the administrative side. In October 1989 Koronai, the provincial secretary, returned from a government meeting in Jayapura to find that he had been dismissed by the provincial government. He had been replaced temporarily by Vihruri, first assistant secretary Economic Services. A paper, prepared by Vihruri at the request of the provincial executive council, detailed the government’s reasons for the dismissal: lack of cooperation, a bad working relationship with the provincial government, ineffectiveness, and failure to implement policy.

Later in the month William Mason, the district manager at Lumi, was appointed secretary. He lasted only until August the following year (1990) when he resigned after charges had been laid against him for misappropriation. He was later acquitted of the charges but in the meantime Vihruri had been appointed secretary. Mason subsequently took up the post of district manager for Vanimo. Vihruri had seen what had happened to secretaries in the West Sepik in the past and, when approached by Yalu with the offer of the position, accepted only on the condition that he be employed on a four-year contract.

The four years of Yalu government have been comparatively stable and free of local political problems. There have been two attempts at votes of no-confidence in the premier. As mentioned above, Wo’Otong’s 1990 bid failed. An attempt to introduce a no-confidence motion in April 1991 also failed but this time because the speaker, Leki, declared the motion invalid because it did not comply with a 1989 amendment (made in Yalu’s time) which dictated that a no-confidence motion could only be moved against the entire cabinet and not just against the premier (Times of PNG 25 April 1991).

To some extent the stability has been helped by the sound working relationship which appears to have developed between the Sandaun provincial government and the Department of Sandaun under the tutelage of Yalu and Vihruri. A strong, united government has also helped and the lessons learnt from the suspension have no doubt contributed to the stability. None the less, frustrations have continued with the national government over development and border security matters. Conversely, cross border relations with Jayapura have improved to the extent that a memorandum of understanding has been signed between the West Sepik Commerce Promotion Council and the Chamber of Commerce and Industry of Irian Jaya, the governor of Irian Jaya attended West Sepik provincial celebrations in December 1991, an Indonesian consulate was opened in Vanimo in October 1992 and there are relaxed visa provisions for Vanimo residents visiting Jayapura.

**Provincial government business ventures**

In early 1979, the national government provided a conditional grant of K50,880 and a loan of K100,000 to enable the interim provincial government to establish a business arm. In the next two years the provincial government began six business ventures with the intention of generating income to fund provincial development projects. By the end of 1982 all businesses were in difficulty and, rather than supplementing government revenue, were instead drawing on the limited
funds available to the government. Between 1979 and 1981 alone the provincial government made investments in the ventures to the value of some K680,000 or about 14 per cent of total provincial government expenditure (WSIDS 1982:213).

A holding company, the West Sepik Development Corporation (Wesdeco), was established in early 1979 with a K80,000 provincial government grant but quickly became involved in the exportation of timber from Vanimo. Later that year the provincial government provided a loan of K240,000 together with a guarantee on a K850,000 hire purchase agreement for plant equipment (the latter without the necessary national government approval). The WSIDS was to describe Wesdeco’s operations as ‘chaotic’, the company run by unqualified and inexperienced management and with a board of directors which took little interest in the company’s operations (ibid.: 205). The auditor-general’s 1982 report provided an insight into the company’s operations and two examples reveal the political involvement in the venture.

In 1980, during an investigation into Wesdeco operations, it was alleged that Langro, whilst provincial secretary and a director of Wesdeco, had been involved in an attempt to double sell logs on behalf of Wesdeco. This was done without the knowledge of the company manager (Auditor-General 1987:67).

The auditor-general’s report for 1978 noted that loan repayments had been made by the Sandaun provincial government to the Papua New Guinea Development Bank for two trucks which in fact belonged to Lido Enterprises. In 1978, a Wesdeco agreement to purchase, for K22,000, two three-year old trucks from Lido was signed by Talis (premier and Wesdeco chairman of directors) and Paul Langro (secretary, Wesdeco director and director of Lido Enterprises). The general manager of Wesdeco opposed the purchase and for good reason: the vehicles were in fact registered in Langro’s name (Auditor-General 1987:63).

In just over two years Wesdeco was in voluntary liquidation with accumulated debts in the order of K1.7 million (Times of PNG 15 August 1991). As late as 1986 the provincial government was still trying to pay off K410,000 from the hire-purchase agreement. The liquidation of Wesdeco, the first provincial business arm in Papua New Guinea to go bankrupt, was completed in February 1989.

Sandaun Building Contractors was incorporated in February 1979, originally as a Wesdeco subsidiary. Over the next three years the provincial government injected some K113,000 into the venture as well as providing government construction contracts to the company. However, once again ineffective company management led to the collapse of the venture.

Early 1979 was a busy time for the provincial government. A fourth company, Sandaun Hotels, was incorporated in March to acquire motels, hotels and other licensed premises. In the same year an attempt was made to purchase the Vanimo Hotel but when the necessary finance could not be raised the K14,500 deposit was forfeited. Two years later, at the end of 1980, the company was insolvent with deficiencies of K11,498 (Auditor-General 1987:70).

Aitape Hotel Pty Ltd was formed as a subsidiary of Sandaun Hotels to manage the Aitape Hotel, which was purchased for an unknown price in late 1979 or early 1980 (no one could provide the auditor-general with the details of the
purchase). In December 1981, after two years of operation, a meeting of the company’s creditors resolved that the company, with debts of just over K28,000, be wound up.

In January 1980 the provincial assembly discussed the problems faced by farmers from Ossima and Aitape in selling their produce. To provide marketing outlets, Sandaun Primary Produce Purchase was formed with a provincial government loan of K109,600. Lack of marketing expertise on the part of the management and an inadequate transport network meant that the venture quickly ran into problems. Both the management and marketing activities were suspended in early 1981 and a new manager appointed midyear. The company moved into fresh-meat marketing, beer-bottle collection, and screen printing (all based in Vanimo) but continued to face problems. Trading ceased shortly afterwards although the company was not finally wound up until 1991.

Sandaun Transport was incorporated in early 1980 and funded through the sale of two equity shares, valued at one kina each, and a loan (which quickly became a grant) of K23,600 from the provincial government. The company’s business involved the hire of vehicles to the public and government agencies. Vehicles were poorly maintained with no more than half operating at any time and fee collections erratic. Consequently, in early 1982, the board of directors ordered that operations cease and all vehicles be sold in an attempt to cover outstanding liabilities.

The Sandaun provincial government business ventures were established to provide a much-needed increase in the revenue base. Instead of contributing to provincial development, they became a drain on scarce resources. In all aspects the provincial government’s experiment with running its own businesses was a failure.

Development

Development planning in Papua New Guinea has swung from narrowly-based schemes which concentrated on the maximum economic gain but which neglected underdeveloped areas such as the West Sepik, to processes where attempts at extensive rural development were funded from overseas borrowings. Throughout this, the range of processes has thrown up various programs which have impacted on West Sepik Province. Two programs in particular have shaped administration and development in the province: the Border Development Program (BDP) and the West Sepik Provincial Development Program (WSPDP); the latter has been the major attempt at development in the province. A third program, the Telefomin Development Agreement (TDA), has been established specifically to assist the development of the Telefomin District.

The Border Development Program

A proposal to establish a program directed towards development of the border area originated in 1975 but it was not until August 1979 that a specific provision of funds for border development was made (Times of PNG 12 June 1981). Details

The program was administered jointly by a number of national departments until 1980 when a government decision transferred the responsibility for border administration from the Department of Provincial Affairs to the Department of Foreign Affairs and Trade (DFAT), at the same time adding the responsibility for border communications and development. The program was then administered by a division of DFAT as one the department’s sectoral programs.

Under the DFAT, the BDP was intended to:

... stimulate development along the border region of the Western and West Sepik Provinces, to improve the standard of administration in that region and to coordinate a number of separate developmental projects submitted by the two provincial governments (National Planning Office 1980:111).

It was to be directed towards security, health and quarantine matters and would first establish the minimum infrastructure necessary for the development of the local economy and government presence and then be followed by ‘extensive assistance’ to promote health programs and an agriculturally-based economy at village level. A further program aim was to:

... ensure that development on both sides of the border proceeds in a balanced way in order to minimise the risk of major influxes of refugees and dissident activity (ibid.).

The Border Development Division of DFAT had the prime responsibility for establishing the program outline, aims and budgeting, and coordinating participating national departments. A border development officer located at Vanimo (there was also one at Daru in Western Province) was responsible for preparing submissions based on the input from the provincial government and the divisions of the Department of Sandaun through a provincial-level working group which consisted of the administrative and provincial secretaries, the provincial planner and the border-development officer.

The implementation responsibilities for individual projects were divided between local government councils and development teams established at each of the border stations and which consisted of the district manager, the district rural development officer and the district health extension officer.

Even from the commencement of the program, DFAT revealed a propensity to plan and manage individual projects by itself. The provincial working group did not function and the province was bypassed when annual programs were formulated. Project funds were often directed straight to local councils and district development teams, thus bypassing the provincial administration. In the early stages, the administration of the program was further complicated by DFAT’s insistence that national security was at stake and hence program details should not be made freely available.

In 1985, internal border administration matters were transferred from DFAT and the Department of the Prime Minister to the Border Administration Branch
of the Department of Provincial Affairs. However the actual development program remained with the Department of Finance and was not transferred until 1987. Throughout this, successive provincial governments were effectively ignored despite the protestations of some premiers.

The present administrative arrangements for the program provide for a ministerial committee, consisting of the national Provincial Affairs minister and national politicians of the border electorates, to consider allocation of funds to projects. According to Stack, one of the committee members, the committee does not sit. Rather, the annual program is formulated on the basis of submissions from the provinces through the Department of Provincial Affairs. It would appear provinces identify those development projects which fall within the aims of the BDP and submit them for approval rather than fund them through their own programs.

Despite its many problems, not the least of which has been the lack of coordination with programs of the province and other national departments, the BDP continues but is now directed towards smaller projects. Funding under the program in 1989, for both border provinces, was K550,000 and in 1990 K375,000. In 1991, K750,000 was allocated to the program with an emphasis on the provision of housing at border stations for police and public servants (Post-Courier 6 February 1991).

**The West Sepik Provincial Development Program**

The WSPDP has been the largest single attempt at development in the province. The program was not intended to resolve the underdevelopment of the province. Rather, it aimed to complement existing programs and begin the development process with some base-level projects and the establishment of the administrative structure to plan and manage future development. The WSPDP was developed from the West Sepik Integrated Development Study (WSIDS), a study of the province’s state of development, resources, economy and administration. The study team, which began in October 1980 under the auspices of the National Planning Office (NPO), was commissioned to examine the existing state of development of the province and submit a five-year development plan for provincial government implementation.

The completed study was presented to the NPO and the provincial government in late 1982 and the development program submitted the following year to the NPO with the intention of gaining World Bank loan funding. The World Bank loan agreement was signed in January 1985 with the provision that the recommended restructuring of the Department of West Sepik was to be effected before loan funds were provided.

The components of the WSPDP which were finally accepted consisted of: agricultural development; improvements to health, nutrition and education; infrastructure development; and institution building. The last element involved the creation of new staff positions within the Department of Sandaun to improve the planning, coordination, accounting and management abilities as well as providing a staff training capability.
After a somewhat lengthy and shaky start, and continuing problems with coordination, management, staff recruitment and implementation of the capital works program, the project coordinator reported in November 1991 that ‘overall project implementation has been satisfactory with all major projects complete’ (Department of Sandaun 1991:35). The new departmental structure became fully effective in January 1991, by which time all project activities had been incorporated into the new structure. All agricultural projects had been established and integrated into the Primary Industry Division and the health, nutrition and education components were continuing. Most of the road and airfield upgrading works had been completed.

Despite the apparent optimism of the coordinator, some projects failed or were of little benefit. For example, the Imonda to Wasengla, and Amanab to Kamberatoro roads will need additional extensive work if a reasonable level of all-weather access is to be provided. Some projects failed because the level of infrastructure provided was inadequate to meet the needs of the projects. A cash-cropping project failed because the crops produced could not be marketed. The marketing of agricultural products from Amanab requires heavy freight subsidies since the road access to the area to be provided under the BDP was not completed. Although the WSPDP did improve planning and coordination within the Department of Sandaun, the provincial secretary continually experienced problems with the lack of cooperation of project coordination staff.

The Telefomin Development Agreement

The TDA was drawn up in the early 1980s to provide benefit from the Ok Tedi mine (in Western Province) to the Ok people living in the West Sepik. The agreement provided for the provision of K500,000 each year from royalties paid to the national government by Ok Tedi Mining Limited. The agreement is administered through the Department of Provincial Affairs and in 1991 K1 million was allocated.

The funding of projects under the TDA is determined by a committee composed of the national member and provincial members from the district and the presidents of the district’s local government councils. An ‘area coordinator’ administers the program. Despite its autonomy, the committee appears to be conscious of provincial government requirements and plans. Similarly, the provincial government has not sought to interfere with TDA projects. The projects undertaken have ranged from the supply of village water tanks to community school classrooms, footbridges, airstrip maintenance and minor road construction.

The TDA is popular and has been successful in funding those small-scale projects considered important to the residents of the district.

A breakaway Telefomin District

The dominant perception of the Telefomin District, both by those looking in and those residing in the district, is one of isolation. The district lies on the country’s
western extremity astride the central mountain range. There are no road, river or sea links with any neighbouring district or province. The only means of movement about the district is by air or foot.

The physical isolation of the southern section of the province and a perceived neglect by the provincial government have contributed to longstanding feelings in the Telefomin area that the district would be better off being incorporated in Western Province. These sentiments resurfaced in late 1991 when the provincial politicians of the area claimed that the Sandaun provincial government had neglected the Telefomin District (Times of PNG 12 September 1991) and again the following month at a meeting of the Telefomin Development Committee. The discussion at the meeting on the breakaway from the West Sepik (introduced by Lakurengin, the Telefomin provincial member) centred on the timing of the move. Tempering the desire to join Western Province is the realisation that Telefomin is closer in distance to Vanimo than it is to Daru (the capital of Western Province). Should Western Province be split into two, and a bill to put that into effect has passed its first reading in the national parliament, then it is most likely that there would be a concerted move for the Telefomin area to join the new northern ‘province’ centred on Kiunga (and the Ok Tedi mine) in Western Province.

The Sandaun provincial government does not seem overly concerned that the West Sepik may lose the Telefomin District. The area is difficult and expensive to administer and service and, at present, provides little in return. Moreover, the traditional links between the highlands peoples and those in the remainder of the province are not particularly strong.

The major security concerns

In the eastern districts an increasing crime rate, although minor in comparison to the rest of the country, is the main security concern. The situation is likely to deteriorate as road access throughout the districts improves. To the south, Telefomin District has so far been spared from OPM (Organisasi Papua Merdeka, Free Papua Movement)\textsuperscript{7} disruption and the levels of crime found elsewhere in the province. Tribal fighting remains the main security issue in the district.

The activities of the OPM are the major destabilising influence and security concern in the province. The rebel group’s activities are essentially limited to the border area, although other parts of the province have suffered indirectly, primarily through the redirection of resources to the border area. OPM activity is centred on the Imonda subdistrict but also extends to Amanab, Green River, Bewani and Wutung and has posed a constant, if at times low, threat to govern-

\textsuperscript{7} The OPM is a Melanesian nationalist movement in the adjoining Indonesian province of Irian Jaya, which has been fighting for a separate West Papuan state. From time to time OPM guerillas have crossed the border into Papua New Guinea to avoid Indonesian army patrols.
ment administration and village life. To add to the uncertainty in the border area, OPM overt activity is sporadic, somewhat uncoordinated, and appears to be based on short-term aims. Furthermore, Indonesian incursions over the border and their military operations to combat the OPM are perceived by villagers as being a threat to their security.

OPM groups are able to exert an influence on the West Sepik side of the border out of all proportion to their strength, mainly because of the lack of government and security force presence and influence. Missions along the border, especially those located at centres without a police presence, are obliged to give at least tacit support to the OPM cause and activities if they wish to continue their ministries. There are also indications that politicians, particularly provincial politicians whose electorates include border areas, are subjected, usually unwillingly, to OPM influence. The OPM are able to reinforce their influence because they are able to move around the border areas relatively freely.

The lack of security for government staff working in border localities, notably in the Imonda subdistrict and its villages close to the border, creates particular problems. There are difficulties in encouraging government employees to move to and remain at the Amanab district headquarters and some subdistrict headquarters primarily because of the threat posed by the OPM. Although the danger may be less than is imagined, national government assurances that public servants in the border area will be protected have carried little weight with those working along the border. (As an example of the type of assurances given, see Post-Courier 4 July 1984.)

The situation at Amanab in mid-1991 typifies the problem of maintaining government services on outstations. Government employees, such as teachers, were reluctant to move the station because of the lack of government support and services and concerns about security (especially following an OPM kidnapping the previous November). The police had reservations about the locality because government services were of a lower standard than elsewhere. There was no district manager (the senior public servant of a district headquarters): he had been kidnapped and then later released in the November incident. There was no magistrate because there was no house available and no alternative accommodation. But there was little point in having a magistrate at Amanab because there were no police to bring offenders to court.

The Papua New Guinea security agencies, the police and the defence force, have been unable to deal effectively with the OPM because of a lack of physical, financial and manpower resources. The provincial government and administration have embraced an increasingly harder line towards the OPM over recent years but the province does not have the charter or wherewithal to back their views with actions. Border security is a national problem which must be tackled at that level. However, among national politicians, regardless of any understanding of the border security issues or any desire to resolve matters, little can be achieved without the political will to take unambiguous action. National politicians have so far appeared more ambivalent towards border security than their provincial counterparts in the West Sepik.
Conclusion

By any measure, the West Sepik Province is one of the least developed of the nineteen provinces in the country. As well, it is one of the country’s two provinces with a land border with the Indonesian province of Irian Jaya. It therefore faces the security problem of the presence and operation within provincial borders of a rebel group opposed to Indonesian sovereignty in Irian Jaya. The province must also deal with low-scale but persistent traditional tribal fighting and a comparatively minor but rising law and order problem.

Layered on all activity in the West Sepik is the east-west alignment of the province, which has determined much of the province’s trade, development and administration. Colonial contact with, and administration of, the interior of the western Sepik worked its way along the Sepik River, and the river continued to dominate thinking and development as lately as the establishment of the WSPDP. Along the border, OPM activity has flowed east and west. Development and trade in the eastern districts has looked east to Wewak. The geography, traditional trading, cultural affiliations and consanguinity of the Telefomin District have a dominant east-west alignment. Throughout most of the province this strong east-west bias has fragmented the province in its government, administration and development.

The West Sepik attained provincial government late in comparison with the rest of the country but even so was unprepared for the changes in the political and administrative structures. As in many other provinces, the provincial government experienced problems coming to grips with its new-found administrative and financial responsibilities. This ultimately led to the government’s suspension in 1987. Although the West Sepik has not been alone in having its provincial government suspended, the extent and level of financial mismanagement and political and administrative ineptitude must certainly rank among the worst in the country.

The period following the reinstatement of provincial government has seen a far more stable government and administration. As the province approaches its fourth provincial election in January 1993, it does so, not as a cohesive provincial entity, but as six districts with a provincial government struggling to draw together diverse interests and formulate equitable solutions to problems in order to lift the province to levels of development found elsewhere in the country.
NEW IRELAND PROVINCE, 1977-1986*

Robert Orr

In a perceptive article written in 1979, Tony Barnett suggested that the impetus for provincial government in Papua New Guinea came from two main groups: provincial politicians and bigmen who were in the process of becoming a class of rural businessmen, and young educated Papua New Guineans who had chosen to remain attached to their home areas (Barnett 1979). The history of provincial government in New Ireland has seen a continuing tension between two such groups, with the former so far dominating developments. This has meant that, except for a promising early phase, provincial government in New Ireland has been inherently conservative, closely related to business and national parliamentarians, and intent primarily on dealing out projects without any clear goals or policies. Certainly, the potential within the provincial government system for a more decentralised and democratic approach to administration and development has not been realised. Rather, the capture of the provincial government by one group, loosely organised around Julius Chan, Robert Seeto and the Peoples Progress Party (PPP), has meant that many in New Ireland have yet to find a real voice in the political process.

The province

New Ireland Province lies north-east of the New Guinea mainland between the equator and 5°S. The land area of the province is about 6,250 square kilometres and is made up of a number of islands. New Ireland itself is a long thin island stretching north-west to south-east with several necks at the top becoming wider towards the south, where mountains rise to 2,300 metres. The capital, Kavieng, is at the northern tip, with the other main town, Namatanai, on the south-

* I am very grateful to the members of the New Ireland Provincial Assembly and officers of the Department of New Ireland Province, for their hospitality and assistance. In particular I would like to thank Robert Seeto, Jim Ridges, Demas Kavavu and Salateil Tangap of the Assembly and Chris Rangatin, Andrew Tarube, Ezekia Tomon, Emanuel Silachot, Robin Teke, Jorey Sumati, Ellisson Kallas and Esikiel Waisale of the Department.
Map 10: New Ireland Province
east coast. The island has a number of roads, the most significant of which is
the Bulominski Highway which joins Kavieng, Namatanai and beyond. To the
north lie the islands of Lavongai, Mussau and Emira, and to the east the smaller
islands of Tabar, Lihir, Tanga and Anir (NIPG 1985; Reynolds 1972).

The 1980 census estimated the provincial population at 66,028 – 36,504 males
and 29,524 females with 371 non-citizens.

There are three linguistic groups with twenty languages in the province, all
but one of them Austronesian. There is a diversity of traditional culture, some
of which has been the subject of much archeological and anthropological re-
search. The most famous manifestations of this culture are the Malagasy cer-
emonies and carvings, the shark calling rituals of the west coast and the Tubuan
societies of Namatanai. Traditional cultures remain strong in some areas, and
the United, Catholic and Seventh Day Adventist churches are all well established
(NIPG 1985; Ryan 1972).

New Ireland was visited by Schouten and le Maire (1616), Dampier (1700)
and Carteret (1767). In the early 19th century trading and whaling vessels began
to call and English and German trading posts were established in the 1870s. At
about the same time, Wesleyan missions and labour recruiters became active,
and the Marquis de Ray established his fraudulent and ill-fated colonising
scheme. Germany annexed the area in 1884 and a number of plantations were
established. The Australians occupied Kavieng in 1914, and in 1921 commenced
civil administration. For much of World War II the Japanese had possession
of most of the province; indeed it was one of the worst-affected areas of Papua New
Guinea, suffering considerable loss of life and destruction.

The province ranks highly in social indicators, but not so well economically.
At the time of the 1980 census nearly 70 per cent of ten-year-olds were at school
and 42 per cent of fifteen-year-olds. Fifteen per cent of persons over ten claimed
that they worked for wages, 2.7 per cent that they had their own business and
12.5 per cent that they farmed or fished for money. These latter figures, particu-
larly that of wage employment, are somewhat questionable. Exports from the
province in quantity and value for the year 1984 are shown in Table 13.1.

**Background to provincial government**

In 1973 a combined local government council conference at Lamusmus made
the initial call for provincial government in New Ireland. In 1974 and 1975 the
existing area authority endorsed the move and requested the national government
to establish a provincial government. By July 1976 a representative steering
committee had been formed, with membership from the existing councils and
other authorities. Because of New Ireland's geographical unity, the people of
the province had long taken a united approach to major developments and the
area authority had been operating with confidence. The province was therefore
well placed for the early development of provincial government (Meli 1978).

The chairman of the steering committee was Gerard Sigulogo from Lavongai.
He had been at the University of Papua New Guinea from 1970 to 1974 and from
Table 13.1: Exports from New Ireland Province, 1984

<table>
<thead>
<tr>
<th>Commodity</th>
<th>Quantity</th>
<th>f.o.b. Value K millions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Copra</td>
<td>18,953 tonnes</td>
<td>10.2</td>
</tr>
<tr>
<td>Cocoa beans</td>
<td>573 tonnes</td>
<td>1.2</td>
</tr>
<tr>
<td>Rubber</td>
<td>272 tonnes</td>
<td>0.2</td>
</tr>
<tr>
<td>Timber logs</td>
<td>241,951 m³</td>
<td>12.3</td>
</tr>
<tr>
<td>Tuna</td>
<td>2,744,698 tonnes</td>
<td>1.6</td>
</tr>
</tbody>
</table>


that time had strong links with the New Ireland Action Group, a group of public servants and students in Port Moresby which was pushing for the introduction of provincial government. The New Ireland Action Group was a significant force and provided support, lobbying and personnel at various early stages of development. When Sigulogo returned to Lavongai he worked with the Tutukuvul Isukal Association (TIA), a rural development group with links to the Catholic Church and some cult tendencies.

The deputy chairman of the steering committee was Robert Seeto from Namatanai. Seeto, a mixed-race plantation owner who had been educated in Queensland, had been a longstanding member of the Namatanai Local Government Council, of which he was president for five years and from which he became president of the Papua New Guinea Local Government Association (NIPG 1978; Meli 1978).

The steering committee divided into two groups. One, under the leadership of Sigulogo, toured the northern half of the province; the other, led by Seeto, went to the Namatanai area and offshore islands. The two groups sought to educate people on the issue of provincial government and obtain views and information. Following this consultation, the steering committee formed itself into a constituent assembly on 20 September 1976. The committee felt that they had sufficiently gauged the feelings of the province, and that as a constituent assembly they could quickly finalise the steps needed before interim provincial government was granted (Meli 1978).

The constituent assembly’s tasks were to draft a constitution, propose electoral boundaries, suggest the structure of local-level government, and recommend appointments to the interim provincial government and the secretariat. It was assisted in these tasks by a number of educated New Irelanders who returned to the province, some temporarily, others on a more permanent basis. In this latter category was Lapaseng Meli, who was seconded to the province and later was appointed secretary. As well, the public service assisted the constituent assembly. Provincial Commissioner Ronald Tovue, later to be premier of East New Britain, made available three patrol officers to assist the chairman. Many thought that the good relationship between those pushing for provincial government and the existing administration was a key reason for the speedy and comparatively
smooth transition in New Ireland (ibid.). The constituent assembly did meet some resistance from councils and the area authority. But by December 1976 differences had been resolved and the area authority endorsed the proposed constitution. On 28 December a large meeting was held, attended by members of the constituent assembly, the area authority, senior public servants, other New Ireland leaders and Minister for Decentralisation, Oscar Tammur. Tammur had come to assess the moves towards provincial government and the reported antagonism; he found the latter to have been inflated. By the time of the meeting the final draft of the constitution had been written and electoral boundaries fixed, but Sigulogo advised that an interim provincial government should precede elections, and that a new system of community government should not yet be introduced. Noting the conflicts which had arisen, the chairman said these were now history:

We have successfully begun the practice of Provincial Government, and that is to look for our own solutions, to sit together and discuss openly and critically our differences and the good of our people (Sigulogo 1976:2).

Its work now finalised, the constituent assembly was dissolved and the job of planning and introducing provincial government passed temporarily back to the area authority. The declaration of interim provincial government was made on 20 February 1977. The members of the area authority became the appointed members of an interim assembly, as provided for by the provincial constitution. At the interim assembly's first meeting Seeto was elected as premier and Tevita Leri as deputy premier. Sigulogo did not stand, though he later became deputy speaker and continued to play an important role in this period.

The first elections were delayed for twenty months. In the meantime substantial progress was made in establishing the foundations of provincial government and creating the basic legal structures. On 23 November 1977 the assembly unanimously adopted the provincial constitution and standing orders.

The constitution was and remains very much in the standard form adopted by most provinces. It provides for a mostly elected assembly, with an appointed woman member unless one-third of the members are women. The premier, deputy premier, speaker and deputy speaker are elected, and may be dismissed, by the assembly. The premier appoints the provincial executive council, which must include the deputy premier and a woman member. The assembly's main function is to make laws within the powers allocated to it by the OLPG and to pass the budget. The major sources of finance to the government have been the minimum unconditional grant, derivation grant and other grants from the national government, timber royalties and sales tax. Although not referred to in the constitution, the majority of public servants in the province became the Department of New Ireland Province, responsible through the secretary of the department to the provincial government.

The interim period was also a time of education, in which substantial efforts were made, mainly by the secretariat, to explain the system to politicians, public servants and the public. As Meli describes it, the politicians were 'shocked' when they learnt of their new responsibilities as an interim provincial government.
We knew then that the future will depend on a slow and conscious re-education for the leaders both within and without the Provincial Government and most importantly for the public servants (Meli 1978:3).

Indeed perhaps the most important task of this period was the reorganisation and education of the public service, a task achieved mainly through the work of Meli, the secretariat planner, Pedi Anis, and the administrative secretary, Frank Howard.

In March 1977 a ‘think tank’ conference looked at the need for developing an administrative machinery suitable for provincial government. After the conference a structure was developed which led to a substantial public service reorganisation (ibid.). The decentralisation of administration to the provincial level and beyond should not be seen as secondary to political decentralisation. It was an important part of the process and went a long way, in many areas, to break down dependence on Port Moresby. In New Ireland the decentralisation process did not stop at Kavieng.

The first elected provincial government, 1978-1982

A total of 20,192 formal votes was cast for ninety-one candidates in the first provincial government elections held at the end of 1978. Twelve of the sixteen members of the interim assembly stood for election, but only four were successful. In a fashion repeated after the 1982 elections, those sitting members who were elected became very powerful in the government. All of them, Seeto (West Coast Namatanai), John Sianot (Anir), Kiso Saesaria (Mussau) and Samson Gila (Tabar) became members of the Provincial Executive Council (PEC). Three of the successful sitting members won by substantial margins, though Sianot slipped in by only fifteen votes.

To most observers, political parties played little role in the election. At the first meeting of the assembly, however, on 28 December 1978, the nature of the political process changed dramatically. Seeto was elected premier, defeating Bart Silas from the West Coast Kara Nalik electorate by fourteen votes to five. The vote was by secret ballot but it reflected the split in the assembly between the PPP supporters and an independent group. The election of Seeto was the result of substantial lobbying by the Namatanai-based PPP group. Sir Julius Chan attended the meeting, his first, and was pivotal in the pre-assembly gatherings which planned the election. Sebulon Watt, a young lawyer from the Tigak islands, was elected unopposed as deputy premier. Under the provincial constitution the premier has the power to choose the PEC, though he must attempt to ensure that it includes a member from each of the five districts. Seeto did so, though he also made sure that the cabinet included enough PPP supporters (NIPG, Minutes of Assembly 28, 29 December 1978).

The PPP had come to prominence in Papua New Guinea politics after the 1972 national elections, when eleven of its members were elected to the House of Assembly. It attracted supporters mostly from the islands and coastal regions
and was led by Chan, the member for Namatanai. Of mixed race, Chan had been educated in Australia and had developed business interests in New Ireland and East New Britain. The party was always pragmatic, but increasingly became linked to business interests and their values. Because the party developed from and had its stronghold in Namatanai, some of its supporters in the province saw it as the New Ireland party, just as some saw the Melanesian Alliance as a North Solomons party and Pangu as a Sepik group (Griffin, Nelson and Firth 1979).

Resentment at the role of the Namatanai group erupted at the first assembly meeting. Henry Tohian, the new member for Kavieng Town and a former senior police officer, expressed his concern at the role of party politics in the government, and he was supported by Silas and Steven Taong, the member for West Lavongai and a former council president. In particular, these men saw their omission from the PEC as a reflection of the power of the Namatanai group. The premier defended the role of party politics at the provincial level and suggested that it was not just a ‘Western practice’ but had its roots in traditional societies. ‘A well organised feast’, he said, ‘was the result of planning by a small group of elders’ (NIPG, Minutes of Assembly 29 December 1978).

The rift had ramifications beyond the assembly. The first question in the new assembly came from Silas, who asked the premier if the secretariat staff would be retained. The question evidenced the tension which had developed between the secretariat, in particular Meli, Anis and lawyer Mane Isana, and the Namatanai group. The antagonism led to Meli, Anis and Isana all leaving the secretariat shortly after the election of Seeto. Their reasons for doing this were multiple. The interim period had seen some disenchantment with the Seeto style: despite the rhetoric, the premier was more concerned with rewarding his constituency and supporters than planning for the development of the whole province; he enjoyed the status and power but was not interested in addressing the need for significant social change.

Further, members of the secretariat thought that the premier should be a ‘true New Irelander’ and not a person of mixed race. This was an issue which had been raised in the elections and was to be raised again. In fact Chan, in his address to the new assembly, specifically cautioned against divisions on the basis of race. The mixed race community had substantial economic power in the province. Educated New Irelanders, like Meli and Anis, were anxious to see that this was not combined with more political power. They took an active role in lobbying members against Seeto, and upon his election their positions consequently became sensitive.

Criticism of the directions in which the government was heading did not end with the secretariat. Public servants and people from the Kavieng area, particularly the West Coast, demonstrated against the PPP and Namatanai dominance of the provincial government, and petitioned the national minister for Seeto’s removal. This of course did not occur, but it has been suggested that the vocal reaction to his election resulted, during the first term of provincial government, in Seeto’s backing down considerably, talking little of parties and generally cooperating with the public service.
The conflict between the Seeto and independent groups continued throughout the life of the first assembly. Especially vocal in criticism were Taong, Tohian and Edward Togimar, the outspoken though sometimes erratic member for Susurunga, south of Namatanai. This talk reached something of a climax in the assembly when a motion of no-confidence in the premier was moved, to be considered at the June 1981 meeting. The mover was Togimar and the seconder Tohian. However, when it came to the assembly meeting, Togimar moved that the motion be withdrawn (NIPG, Minutes of Assembly 16, 18 June 1981).

If Togimar is to be believed, the motion had had a substantial measure of support. In the debate, Saesaria, who had been elected deputy premier upon the resignation of Watt in September 1980, admitted that he was one of those who had instigated the vote. He had obviously been convinced to change his mind, as had Silas Bart, who had been appointed to the PEC as minister for Education. The disarming of political opposition by the appointment of leading opponents to positions within the government was a tactic often used by Seeto. As well, Chan, then prime minister, attended the meeting to again lend his support to the Seeto government, both before and during the assembly meeting. Nonetheless, the motion registered some degree of disillusion with the government’s performance. This disillusion can be traced to at least two sources.

First, the role of provincial government politician in New Ireland is most importantly that of patron to his client electorate, or perhaps more correctly, to those in his electorate who support him (Fitzpatrick 1985; Standish 1979). Discussions with provincial assembly members reveal that the majority see their work as a member in terms of bringing back ‘development’ to the people who sent them to Kavieng. One politician typically described his work as ‘kam long Assembly na bringim daun sampela halivim long hap bilong mi’ (‘to come to the assembly to achieve something for my area’). Such leaders criticised the government for not being generous or even fair in its distribution of benefits; that is, they thought that their electorate had not received enough roads and bridges, schools and aid posts.

These perspectives are supported by an analysis of questions asked in the assembly for the period September 1980 to September 1982 (Table 13.2). These figures reveal a considerable emphasis on works matters in the assembly, especially when it is remembered that they are in addition to the general consideration of the works program in the budget. The trend is continued in the budget debates, where members were primarily concerned with the allocation of projects to their electorates (NIPG, Minutes of Assembly 16 December 1980, 15 December 1981).

The fact that questions about the works program were so over-represented reveals the importance of the program to the members. Such projects were crucial to their perceived role. In particular, many members were concerned that the government was delivering works and services to those who were powerful and supported Seeto, and denying them to those who were not. This specific factor was mentioned in the assembly by Togimar when he withdrew his motion, and is a recurring theme throughout the history of provincial government. Both supporters and opponents of the government were often critical of perceived injust-
New Ireland Province, 1977-1986

Table 13.2: Analysis of Questions Asked in Provincial Assembly, 1980-1982

<table>
<thead>
<tr>
<th>Subject</th>
<th>Number</th>
<th>Per cent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Administration</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Finance</td>
<td>9</td>
<td>11</td>
</tr>
<tr>
<td>Works</td>
<td>31</td>
<td>37</td>
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<tr>
<td>Public service</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Social Services</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Health</td>
<td>3.5</td>
<td>4</td>
</tr>
<tr>
<td>Education</td>
<td>8.5</td>
<td>10</td>
</tr>
<tr>
<td>Community services</td>
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<td>2</td>
</tr>
<tr>
<td>Economic services</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Agriculture</td>
<td>5</td>
<td>6</td>
</tr>
<tr>
<td>Fishing</td>
<td>6</td>
<td>7</td>
</tr>
<tr>
<td>Forests</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>Commerce</td>
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<td>2</td>
</tr>
<tr>
<td>NIDC</td>
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<td>1</td>
</tr>
<tr>
<td>Other</td>
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<td></td>
</tr>
<tr>
<td>Law and order</td>
<td>4</td>
<td>5</td>
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<tr>
<td>Custom and religion</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Land</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Provincial government</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>Councils</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td>Other</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>84</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

ices in the distribution of projects. As one member of the second government, a Seeto supporter, said to me:

*Nogut sampela kaikai i go long wan sait na narapela sait i no gat kaikai. Sait bilong mi i kisim liklik kaikai* (It is not good to have something [literally, food] go to one side and the other side get nothing. My side gets little).

Second, there was a growing sense of impotence amongst those members who wanted the government to break out of the patron-client mould and address broader issues.

Some members often called for planning and policy initiatives, but they were for the most part unheeded. There was clearly no political will to move in that direction.

An example of an issue which was not properly addressed was the run-down plantations in the province. New Ireland has over 220 plantations, of which, following independence, more than 100 were in poor or run-down condition. The abandonment of the plantations had meant a dramatic decline in the production of copra, from a peak of 27,635 tonnes in 1970-71 to 17,870 tonnes in 1983. An increase in smallholder production was beginning, but it was nowhere near
enough to offset the decline in the plantation sector. This had seriously affected
the economy of the province. Further, there was a sense of injustice among many
New Irelanders that the plantations, even when run-down, should remain in the
hands of expatriates and not be returned to their traditional owners (Hanns Seidel
Foundation 1986). This problem was long acknowledged, yet the provincial
government remained inactive. At the assembly meeting in June 1979 Robert
Cheong, a mixed-race PPP supporter, moved a motion that ‘necessary steps [be
taken] to control dealings by foreign owners of plantations to enable the tradi-
tional landowners to eventually acquire such plantations’. The motion was passed
unanimously, but without effect (NIPG, Minutes of Assembly 21 June 1979). Again
in June 1982 Togimar moved that the provincial government purchase run-down
plantations and that they be given back to landowners. At this, the end of his
first elected term in office, Seeto could only reply:

The Provincial Government is taking necessary steps on these rundown plantations.
The PEC has looked into these rundown plantations and now the matter is being re-
ferred back to the Division of Business Development to make a feasibility study on
the matter. A group from Singapore which is an experienced consultant will be coming
to New Ireland Province to help us out to redevelop these rundown plantations.

After being deferred for one sitting, the motion was passed, but again with no
result (NIPG, Minutes of Assembly 17 June 1982).

This example illustrates that, to some extent, the assembly did provide a forum
at which problems facing the province could be aired. However it also illustrates
the failure of the government to do anything about these problems. Three tentative
reasons might be given for this failure. First, many in the public service were
unable to move from administration to policy development and implementation.
There were areas in which the government needed assistance which the public
servants could not provide. But this is by no means the complete picture: in some
areas, and plantation redevelopment was one, public servants had done a great
deal of work in collecting data and putting proposals forward. The possible Stark-
kist tuna cannery was another issue which the public service tackled with some
skill. These were the exceptions, however, and the efforts of public servants were
often ignored. The lack of experienced planners and policy makers in the public
service was more a result of poor government performance and leadership than
its cause. A second reason was the desire of the government to maintain the
patron-client relationships that had brought it to power and helped to maintain
it there. To break out of this model and take steps which might bring about sub-
stantial change, or even to raise expectations, was dangerous. Third, those in
power had links to the small business class in New Ireland into whose hands, in
the absence of government intervention, some of the plantations were falling.
By virtue of their position and income some of the members of the assembly
had joined this group. In the second elected government, five members of the
assembly, all of whom were in the PEC, owned or had interests in plantations.
Members of the assembly were not only linked to the business elite, they were
becoming members of it.
The second elected government performed little better generally, or specifically in the area of plantation redevelopment, despite the premier’s disclosure that plantation redevelopment was his ‘hobby’. The Department of New Ireland and the Hanns Seidel Foundation organised a seminar on plantations in Kavieng in 1985. The premier opened the seminar but did not otherwise attend, nor did any other member of the PEC. The modest recommendations of the seminar were, after being deferred on a number of occasions, finally accepted by the PEC. A small amount of money was made available to assist local groups with feasibility studies for plantation purchase and redevelopment (Hanns Seidel Foundation 1986).

The second elected provincial government 1982-1986

The 1982 elections were contested by 126 candidates, an increase of about 40 per cent. All but one of the nineteen sitting members stood, but only six were successful. Again, these six became powerful figures in the new assembly, obtaining the positions of premier (Seeto), minister (Sianot, Gila, Togimar and Taong) or speaker (Gaffunmat). For three of these members it was their third assembly, and it should be noted that all had very substantial wins, an indication that they had used their position to good advantage. Each faced only two opponents; Seeto polled 798 votes out of 1,189; Sianot 382 out of 386, and Gila 728 out of 1,049.

A total of 22,481 formal votes was cast, an 11 per cent increase on the 1978 figure. Interestingly, the number of votes cast in the 1978 national election for the New Ireland Provincial seat was 24,493, which suggests a greater interest in national elections.

Two women stood for election and performed moderately well. Both were of Chinese or mixed-race origin with strong links to the business community. Cathie Graham, a storekeeper whose family had plantation and forestry interests, came third out of eight in Kavieng Town and was later appointed the nominated women’s representative in the assembly and minister for Community Services. Betty Chan came second out of five in Susurunga with 31 per cent of the votes.

It is difficult to draw any strong conclusions about the measure of support for the system of provincial government in New Ireland from voting patterns. Certainly there is other evidence of general antipathy towards provincial government, especially in more remote areas. A recent study of Lihir, in preparation for a possible goldmine on the island, has noted substantial antigovernment feeling amongst the population (Filer and Jackson 1986). It is well recognised that Lihir, along with Lavongai, is a centre for cult activities, revolving around the Nimamar Association. The report suggests that the Association:

... has tapped a level of anti-government feeling which is very widespread in Lihir, and not confined to its own membership. It has also provided a forum within which this feeling can be given a positive expression in the practice of creating an alternative organisation which responds to the ‘real’ needs of the community, in a way which the Government has apparently failed to do.

The report also states:
The institutions of representative democracy are widely regarded as a snare and a delusion not only by the “rival communists” of the Nimamar Association, but also by those community members who have a more pragmatic interest in negotiating relationships with the rest of society (ibid.: 119).

These sentiments are supported to some extent by the voting figures. The adult population of Lihir in 1980 was 2,874. In the 1978 provincial election 795 formal votes were cast, even by New Ireland standards a low percentage. In the 1982 national elections a large number of people followed the TIA ticket and voted for Jesus Christ (Jackson 1984). However by 1982 1,526 formal votes were cast, a significant increase.

The 1982 elections saw an increased involvement of political parties. Pangu was active and PPP endorsed and financed candidates in every electorate, though without great success. As noted above, PPP supporters Seeto, Gila and Sianot were returned. But so were Taong, one of the major critics of the previous government; Togimar, mover of the aborted no-confidence motion, and Gatfunomat, who had been removed from his position as deputy speaker for his part in the motion. Gatfunomat had failed to attend two assembly sittings in 1982, thereby losing his seat, but won it back in the election.

Of the newly elected candidates, only a few were PPP supporters and some were strong opponents. On paper it seemed that Seeto had lost government. But once again the well-organised PPP machine ensured that Seeto was re-elected. Taong and Togimar were given ministries and Gatfunomat became speaker. Jim Ridges, a naturalised citizen and former public servant, was identified as a centre of opposition and originally offered the position of speaker, but declined. Deman Kavavu, an independent from East Coast Kara Nalik, agreed to be deputy premier. All these positions were offered by Julius Chan, who spent the week before the first assembly meeting lobbying the newly elected members. Seeto and his supporters organised a meeting at Namatanai before the election of premier, and came to Kavieng only the night before to ensure discipline within the group.

Before the vote for premier the opposition group recognised that Seeto had the numbers, and he was therefore elected unopposed in the hope that this might encourage a united approach within the government. Such unanimity continued to be present on some occasions, but it was clear that there existed a nucleus of five or six members who constituted the de facto opposition within the assembly.

For the most part, criticism within the assembly centred on the budgets presented by the government, and its failure to address issues and develop policies. A vote of no-confidence was eventually moved and lost by a vote of five to thirteen at the assembly meeting in June 1985. The motion was used principally as an opportunity to voice concern at the performance of the government, rather than in any hopes of success.

Earlier in 1985 the premier had indicated that he was intending to resign, but when this failed to occur the motion of no-confidence was moved by Salatiel Tangap, member for Tigak, and seconded by Esau Passingan from North
Lavongai. The grounds for the motion included poor leadership, demoralisation of the public service, and more particularly:

- lack of initiative and failure to provide adequate policies for development and constructive planning to achieve policy objectives;
- failure to involve the Assembly in policy formulation and major decision making;
- failure to promote and achieve economic expansion as a necessity for development;
- deterioration of local government system since establishment of provincial government (Tangap and Passingan 1985).

In debate the government was criticised for taking the easy road in concentrating on works projects but ignoring the hard issues of development, including education, plantation redevelopment, forestry problems and transport. The race issue was clearly to the fore, the supporters of the motion stating that it was time a ‘true New Irelander’ was premier, an argument branded as discriminatory by government supporters (NIPG, Minutes of Assembly 28 June 1985).

Seeto and the government were defended by their supporters, though at times only in a lukewarm fashion. Some opposed the motion because it was too late in the government’s life to bring about change and because no substitute premier had been nominated. Others countered that Seeto had brought stability and projects to the province. Chan did not attend the meeting, but Noel Levi, then member for the New Ireland Provincial seat in the National Parliament and former minister for Foreign Affairs and Trade, came and lent his substantial weight to the government. In the end only Tangap, Passingan, Ridges, Martin Watlen and Tokau Kamalu voted for the motion. Togimar was absent from the assembly debate and was soon after dropped from the PEC; he was replaced by Miskolgi Tamandriu.

While this was the only vote of no-confidence in the government, a constitutional crisis of sorts had occurred in 1984. The New Ireland constitution provides that a member of the assembly must make a disclosure of his assets upon his election and on every anniversary of that date; the penalty for failure to do so was dismissal from the assembly and, most importantly, ineligibility to stand for election again. In 1984 a number of members failed to make the necessary disclosure and were therefore liable to be disqualified. The matter was referred by the provincial government to the Supreme Court, which held the relevant provision of the New Ireland constitution to be invalid, since it infringed the right of all Papua New Guineans to stand for elected office as provided in the national constitution (Supreme Court Reference No. 2 of 1984 re New Ireland Constitution (1984) PNGLR 81). The problem was overcome by an amendment to the New Ireland constitution which barred disqualified members from standing for election for only four years. The change was included in the Constitution (Amendment) Act, 1985 and later confirmed in the revised constitution passed in 1986.

The latter was based on the Report of a Constitutional Review Committee tabled in the assembly in 1984. This committee made some interesting recom-
recommendations, including a call (not accepted) for a province-wide election for the premier, the speaker and even the women's representative. The committee also ventured into the areas of custom and religion, recommending much greater protection of the traditions of New Ireland and an end to the influx of new churches into the province. These more wide-ranging suggestions also were not implemented, except in part by the Customary Compensation Act, 1986 which provided that customary compensation for death or injury in the province could only be claimed and paid in accordance with the customs of New Ireland (NIPG Constitutional Review Committee 1984).

The report also recommended that the assembly pass a provincial leadership act. As well as more general provisions calling for 'good leaders', Section 21 of the New Ireland constitution states that an act of the assembly may provide for dismissal of members of the assembly for misconduct in office, sets out specific acts which constitute misconduct in office, establishes an independent tribunal to investigate misconduct, and allows the assembly by a three-quarters absolute majority vote to dismiss a member found guilty of misconduct. Despite the requirements of the constitution no such act had been passed. The constitutional review committee therefore recommended that an act be passed, and a bill was drafted. This was approved by the PEC on two separate occasions and then introduced into the assembly by the premier in September 1985. The premier summarised the terms of the bill and concluded:

The Bill demonstrates a commitment by the Government to ensuring that members of the Assembly fulfil their obligations as Provincial leaders and to providing a means of dismissing leaders found to have committed acts of misconduct.

However the bill was defeated by a vote of two to fourteen. The premier and all the members of the PEC were among those who voted against the bill. Some suggested that the bill was in conflict with the traditional ways of New Ireland, that it would mean that only the poor and unimportant ('ol rabisman') would be able to become members, that it was contrary to the national Organic Law on the Duties and Responsibilities of Leaders (or at least that lawyers could be found who would say it was), and that it would lead to infighting amongst the members (NIPG, Minutes of Assembly 5 September 1985). The bill was revised in the light of these comments, but was again rejected, this time by the PEC, which stated in its decision:

1. The paper be rejected and that the Provincial Government come under one umbrella-National Leadership Bill;
2. Sections in the Provincial Constitution be deleted and changed according to our own traditional lifestyle – New Ireland Province.

The defeat of the bill evidenced a retreat from the principles set out in the constitution. The reasons for this retreat are complex but several facts can be noted, namely the loss of idealism which followed independence and the establishment of provincial government, the emergence of provincial politicians as an economic elite with strong links to business interests, and the development of more rigid
political groups. Its defeat also illustrates nicely the manner in which traditional ways can be used to protect new economic interests (Fitzpatrick 1982).

The rise of a more party-based assembly did not help the second provincial government to deal any more successfully with problems facing the province. In fact it further entrenched the patron-client relationships. The PPP group was not based on any clear ideological or class interests; rather, it was a loose collection of people seeking to obtain benefits, whose ultimate patron was Julius Chan. In government the group sought principally to give benefits to its supporters and deny them to its opponents.

This approach was at times denied by Seeto, who once said in the assembly:

> When the Provincial Government was formed many people protested against it because they claimed it was a party oriented government. Now that projects are given according to priority it is the people that are affected and not the Government or the party ... Our aim is to distribute equally ... We have not played party politics (NIPG, *Minutes of Assembly* 5 September 1985, p. 24).

Interviews with members during the second elected government’s term, however, revealed that almost all, supporters and opponents of the government, agreed that projects and services were not distributed equally or according to need. The grip which Seeto and the PPP had on the provincial government meant, as we have seen, that some of those who were indifferent or even hostile were won over. As one member explained ‘*Husai i win bai mi suportim bikos mi laik servis i go long pipel bilong mi*’ (‘Whoever wins I’ll support because I want to get services for my people’). A more dramatic change came over Gatfunmat who wrote to Chan in January 1986:

> You are informed that I have finally declared my full support as member of the Parliamentary wings of the Peoples Progress Party on Thursday evening at Sunniul Village on 16/1/86 ... I have greatly watched your style of handling the people and admired your talents. You have proved to the Nation and the World over that you are a man of the people. The only thing I have failed to do is trying to imitate your way of initiating a Business of my own. Please Brother help me to be one of those men during these days ... Today I have commit myself fully and wholly to the hands of the Parliamentary Wings of the Peoples Progress Party until such time I leave this world of misery and poverty hunger and thirst of political ambitions.

The assembly continued to be primarily concerned with works projects, as the analysis of questions asked between June 1984 and December 1985 shows (Table 13.3).

Two particular areas may be noted. The deterioration of the system of local government is striking in New Ireland. Rather than provincial government acting as a stimulus to further decentralisation to the local level, in New Ireland it has all but killed local government. As noted above, the problems of the councils were often raised in the assembly, but the actions of the government showed at best indifference to their difficulties. Funding for council projects came from the provincial government through Rural Improvement Program grants.
Table 13.3: Analysis of Questions Asked in Provincial Assembly, 1984-1985

<table>
<thead>
<tr>
<th>Subject</th>
<th>Number</th>
<th>Per cent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Administration</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Finance</td>
<td>16.5</td>
<td>7</td>
</tr>
<tr>
<td>Works</td>
<td>52</td>
<td>21</td>
</tr>
<tr>
<td>Public service</td>
<td>8</td>
<td>3</td>
</tr>
<tr>
<td>Social Services</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Health</td>
<td>22</td>
<td>9</td>
</tr>
<tr>
<td>Education</td>
<td>16</td>
<td>6</td>
</tr>
<tr>
<td>Community services</td>
<td>14</td>
<td>6</td>
</tr>
<tr>
<td>Economic Services</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Agriculture</td>
<td>14</td>
<td>6</td>
</tr>
<tr>
<td>Fishing</td>
<td>9</td>
<td>4</td>
</tr>
<tr>
<td>Forests</td>
<td>17.5</td>
<td>7</td>
</tr>
<tr>
<td>Commerce</td>
<td>7.5</td>
<td>3</td>
</tr>
<tr>
<td>NIDC</td>
<td>1</td>
<td>—</td>
</tr>
<tr>
<td>Other</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Law and order</td>
<td>13</td>
<td>5</td>
</tr>
<tr>
<td>Village courts</td>
<td>2</td>
<td>—</td>
</tr>
<tr>
<td>Custom and religion</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Land</td>
<td>14</td>
<td>6</td>
</tr>
<tr>
<td>Provincial government</td>
<td>7</td>
<td>3</td>
</tr>
<tr>
<td>Councils</td>
<td>24</td>
<td>10</td>
</tr>
<tr>
<td>Other</td>
<td>8</td>
<td>3</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>245.5</td>
<td>100</td>
</tr>
</tbody>
</table>

(a) excludes data for January 1985, which were not available.

The provincial government over the years cut this money considerably. The RIP grant for the five councils in 1978 was K200,000. It fell in 1979, rose to K250,000 in 1981 but then fell away to K100,000 in 1985 and finally to K50,000 in 1986. The government took the opportunity given by substantial criticism of the councils to rob them of the vast majority of their project funding. Reform of the system of local government had been one of the major points for discussion during the establishment phase of provincial government. The first elected provincial government set up a Community Government Committee but no recommendations were forthcoming. The second government set up a similar committee, whose report was discussed at the final sitting of the assembly. It recommended a system of community government, but as a smaller model of the existing councils. It did little to address the crucial problems which the councils faced, and community governments would face.

New Ireland was also experiencing problems with forestry developments. The timber resource in the province is substantial, though early and increasing logging has been denuding the forests at a considerable rate. The amount and value of
logs exported, the value of the exports as a percentage of total exports, and the royalties flowing to the provincial government for the years 1980 to 1984 are shown in Table 13.4.

Table 13.4: Export of Logs, New Ireland Province

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount ('000 m')</th>
<th>Value (K'000)</th>
<th>Value as % of exports</th>
<th>Royalties to NIPG (K'000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1980</td>
<td>169</td>
<td>8,967</td>
<td>27</td>
<td>146</td>
</tr>
<tr>
<td>1981</td>
<td>189</td>
<td>8,141</td>
<td>32</td>
<td>268</td>
</tr>
<tr>
<td>1982</td>
<td>132</td>
<td>6,589</td>
<td>59</td>
<td>257</td>
</tr>
<tr>
<td>1983</td>
<td>145</td>
<td>6,932</td>
<td>47</td>
<td>123</td>
</tr>
<tr>
<td>1984</td>
<td>242</td>
<td>12,277</td>
<td>48</td>
<td>148</td>
</tr>
</tbody>
</table>

| Total | 42,636          |               |                      | 942                      |

It should be noted that these figures are not completely reliable and that there was often a substantial delay between the felling of timber and the payment of royalties. Still, it is clear that from a timber export of over K42 million the provincial government received less that 2.2 per cent. The royalties received by local people would have been much less than those received by the government, except in areas where development was carried out under the Chan-inspired Forestry (Private Dealings) Act. But these developments carried their own problems.

In addition to the lack of return to the province, timber developments were creating many problems. The permits granted and dealings approved contained provisions for reafforestation and agricultural development which were flouted, as were many road requirements. Further, forestry companies were causing substantial damage to provincial roads. Landowners, enticed by the prospect of easy money, were experiencing some of the grim realities of timber exploitation.

At a provincial government ‘think tank’ meeting held at Noipuas in 1981 these issues were discussed at length, on the basis of a paper by the provincial Division of Forests. It was agreed that there needed to be much closer negotiation and consultation and that an expert should be engaged to investigate and plan future development. It was resolved that no new forestry operations be approved at that stage. However the ink was barely dry on these resolutions before the PEC was again recommending further developments. The temptation was too great. Forestry development became the patron’s ultimate success. With little effort he could find a foreign contractor who would provide landowners with ‘win moni’ for their trees.

From 1982 to 1985 a great deal of criticism was levelled by the provincial government at the Somare government’s actions concerning timber developments in the province, and there were numerous calls for powers over forestry matters to be delegated to the provincial level. The criticism from the government was essentially of the contractors who were approved and the unnecessary administrative delays. The Somare government announced that no more developments would be approved under the Forestry (Private Dealings) Act (Seeto n.d.).
With the election of Paias Wingti as prime minister, however, and, more importantly, the appointment of Ted Diro as Minister for Forests, the outlook changed considerably. The Seeto government had a friendly ally to deal with, one who was agreeable to speedy development without administrative delays (that is, without proper planning and assessment). There was consequently something of a rush of timber development proposals in the province. Seeto and ministers Gila and Sianot were quickly off the mark with proposals for their electorates. Despite undertakings that contracting for developments would be put to tender this never occurred; and the preferred contractors were Santa Investments, a Singapore-based company on friendly terms with the premier, and Sakai Management, controlled by local Chinese businessman Bruce Tsang and lawyer Miskus Maraleu.

Diro revoked the earlier decision concerning the private dealings developments. The provincial government then expressed a preference for such developments. The Forestry (Private Dealings) Act was originally proposed as an alternative to the Forestry Act, under which the government grants permits to companies to cut timber, collects royalties from those companies, and pays some of the royalties to the landowners. Under the Forestry (Private Dealings) Act the landowners themselves enter into an agreement to sell their timber, which is approved by the minister. In a sense, this agreement gives landowners a greater power, but it also assumes that landowners can negotiate a satisfactory bargain, almost always with an overseas company, and more importantly ensure that the bargain is fulfilled. Some of the early agreements were very weak. With the assistance of the Department of Forests these improved in later years, but as the local people had neither the will nor the skill to enforce them, these agreements saw only moderate improvements.

Despite the rhetoric, the provincial government was at times reluctant to step in and protect the local landowners. It was often compromised to a large extent. The government and its powerful members led the way in forestry development, and often played a major role in arranging a contractor, with whom they were linked. Their loyalties were, therefore, at best divided. Despite repeated requests for more money and manpower to police the growing number of developments, this was not forthcoming. The funding for the division in 1984 was the same as in 1979.

Perhaps more significantly, there was no planning or management of the resource development. This created substantial tension between the public service and the government. The Department of New Ireland, under secretary Chris Rangatin, a former NBC journalist, found that it was powerless in the face of political pressure. By 1986 there were several timber developments approved by the PEC which had not even been sighted by officers of the department.

A particular example of the way in which timber development was handled was a decision of the PEC in June 1986 to approve the issue of a timber authority to Lihir Development Corporation Pty Ltd so that the company could exploit the timber on the island of Lihir. This decision was taken without any input from the Department of New Ireland. In addition, a grant of some K10,000 was made to the company to assist the project (NIPG, Estimates of Revenue and Expenditure, 1986 Revised).
The loose plan of the department had been to delay forestry development on the group of islands off the east coast of New Ireland to a later date, when the areas could be combined under one permit. This proposal was ignored with the rush for private dealings in 1986, when the nearby Tabar and Anir islands were pushed forward for separate and speedy approvals. With the original plan abandoned, another approach was taken: the department had done significant evaluation work in relation to the proposed gold mine on Lihir, and had reached the strong view that timber development should be linked to the mine’s construction phase. This would see a very high level of demand for sawn timber and would provide landowners with an opportunity to cut their own timber for a local market. Early and substantial harvesting of timber for export would mean that this and later opportunities would be lost (Filer and Jackson 1986). If another consideration was needed, Leo Glaglas, a former member of the assembly, was a major force in the early timber development proposal and, despite his commendable qualities, a grant of K$30,000 to Glaglas and his associates for a boat for the island of Lihir had been misplaced.

Despite all these factors and without departmental advice the PEC proceeded to grant approval. The Lihir Development Corporation was incorporated in 1985 with two named directors, a stenographer and a receptionist each holding one K1 share. It was promoted and controlled by Julius Chan for business development linked to the mine. The Department of Minerals and Energy report on Lihir made these comments:

It is widely believed in Lihir that the national MP, now Deputy Prime Minister, will use his political position to take advantage of the business opportunities created by mining, and that this will be done at the expense of the community as a whole. This belief was repeatedly conveyed to us in village meetings, when we asked people to comment on a number of organisations which might be involved in local business development – including the Lihir Development Corporation. Although the national MP had taken some pains to persuade local people that he has established the company in order to protect and advance their interests, it seems that they have only served to stimulate a more intense parochialism (Filer and Jackson 1986:121).

Once again the provincial government sided with and assisted its powerful patron, Julius Chan, rather than the people of the province.

**Conclusion**

Eight years of elected provincial government saw the province of New Ireland managed moderately well. Certainly the financial and public service administration were sound and the indicia of government, elections, assembly meetings and PEC meetings were present. But it was a government without plans or vision, and without the democratic thrust which the system of provincial government was proposed to enable. Too often the government acted in the interests of a ruling group, rather than in the interests of the people of the province.
The significant role of East New Britain province in the ongoing debate on decentralisation in Papua New Guinea originated well before independence. It was the agitation of the Mataungan Association of the Tolai north-east Gazelle who, with the people of Bougainville, put the issue very much on the agenda for debate of the independence constitution. But the same agitation — and its aftermath in the creation of an East New Britain provincial government — highlighted deep divisions in the province. Factionalism among the Tolai leadership, deep social inequality among the Tolai, and major spatial inequality between the north-east Gazelle and the rest of the province put obstacles in the way of establishing and operating a provincial government. But more than twenty years after the emergence of the Mataungans, the existence of a strong, well-managed and generally popular government in the province helps to make the case for continued decentralisation in the face of growing opposition at the national level and in other parts of the country.

The emergence and consolidation of one of the unarguable success stories of decentralisation in the face not only of major cleavages in the province but also of the limited resources available to any provincial government (see Chapter 3) offers insights into several aspects of the developing debate on decentralisation as well as the dynamics of political and social life in East New Britain. In particular, the East New Britain experience tests the validity of key objectives advanced by the original proponents of decentralisation. These include the potential roles of provincial governments as forums for the resolution of local disputes and tensions, the extent to which provincial-level governments can be responsive to local

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*Although the people in East New Britain who have provided insights into and information about the province and its government are too numerous to acknowledge, mention must be made of a few whose contribution has been of special significance. Nason Paulias was an invaluable guide over more than ten years. In addition, premiers Sir Ronald To Vue and Sinai Brown and officials Ellison Kaivovo, Hosea Tubarat, Akuila Tubal, John Brown and David Mathie were of particular help. Thanks are also due to those who commented on earlier drafts of the chapter: Peter Larmour, Bill Standish, Klaus Neumann, Tony Simonelli, Jim Fingleton and Yash Ghai.
Map 11: East New Britain Province
Map 12: The Gazelle Peninsula, East New Britain Province
needs, and the extent to which the bureaucracy can be brought under local political control.

The province’s experience is also important to the present debate. First, the question arises as to whether the experience is unique to East New Britain, or whether what has been done there might offer lessons for improving the performance of less successful provincial governments. Second, proposals by the national government for abolition or emasculation of the provincial government system may not be readily acceptable to a people with both a historical commitment to local autonomy and a hard won ‘successful’ provincial government.

The province – geography, peoples, recent history and economic development

Geography

East New Britain comprises about half of the island of New Britain. The other half is administered as West New Britain. The entire island comprised the New Britain District until split into two administrative districts in 1966. The land boundary shared with West New Britain meanders in a rough diagonal from the northern part of the west coast of the island to the far southern part of the east coast (see Map 11). Inclusive of offshore islands (principally Watom and the Duke of York group) the province’s land area is about 14,913 square kilometres. The Gazelle Peninsula, at the eastern end of New Britain, is connected to the rest of the island by a relatively narrow isthmus. The Gazelle divides into two along the valleys of the Kerevat and Warangoi rivers (see Map 12). The hilly lowlands of the north-eastern portion have a long history of volcanic activity from the Rabaul caldera and are consequently very fertile and densely populated. The sparsely populated Bainings mountains occupy the larger part of the peninsula. The western half of the province is known as the Pomio area and also largely comprises sparsely-populated and rugged mountain ranges. The province’s climate is generally hot and humid, and rainfall high – more than 6,000 millimetres per annum on parts of the south coast.

Unofficial national census figures estimate the 1990 provincial population at 184,000, about 4.5 per cent of the population of Papua New Guinea as a whole. The 1990 figures suggest an increase of 41,000 (38.4 per cent) over the 1980 census figure of 133,000.

The north-east Gazelle (together with the Duke of York and Watom islands) is one of the most densely populated areas in Papua New Guinea: 1985 estimates indicate 69 per cent of the province’s population occupy 6 per cent of the land (about 900 square kilometres), whereas in the Pomio and Bainings areas 31 per cent of the population occupy the remaining land area (94 per cent). Hence population densities for the two areas were estimated at 111 per square kilometre and 3.2 per square kilometre respectively (Atkins International 1985). In fact, population density in the north-east Gazelle presents more severe problems than these figures suggest because about 46 per cent of the land is alienated (Fingleton 1985), much of it held by large plantation companies. About 90 per cent
(800 square kilometres) of the north-east Gazelle is land with fairly high agricultural development capacity, compared to 20 per cent (about 2,680 square kilometres) of the Pomio and Bainings areas. About 70 per cent of land in the north-east Gazelle is utilised, but a high proportion of the most productive land is held by plantations, and much of the rest is planted to perennial tree crops (see below). By contrast, in the Pomio and Bainings areas only about 8 per cent of the land is utilised; in other words, some 1,400 square kilometres of land with agricultural potential remains unused in those areas, due to both low population and access problems. Not surprisingly, encroachment from the north-east Gazelle into the Bainings areas, mainly through customary ‘purchases’ of land, has been steadily increasing since the 1950s.

Peoples

The length of human occupation of East New Britain is uncertain, though the Bainings are believed to be descendants of groups of very early human arrivals to the New Guinea area. The ‘Tolai’ occupy most of the north-east Gazelle. Their ancestors migrated from neighbouring New Ireland relatively recently, probably in the last 600 years. They far outnumber the small numbers of descendants of previous occupants (Baining, Taulil and Butam as well as the Sulka, settled there by the Germans at the turn of the century). Most members of these groups are scattered through the Bainings Mountains; while they have no common language, for the sake of convenience they are henceforth collectively referred to as the Bainings people. In the Pomio area there is greater diversity, the main groups being the Mengen, Sulka, Kol, Makikil, Nakanai and Mamusi.

Recent history

The name ‘New Britain’ (originally Nova Britannia) was given by the English navigator, Dampier, in 1700. From the mid-19th century European commercial interests in the area grew slowly, first restricted to whalers, with traders entering the scene about 1870. ‘Blackbirders’ (traders who kidnapped or enticed local inhabitants to provide labour for the sugar cane plantations of North Queensland and Fiji) had some impact, especially in 1883-84, more than 800 from New Britain and the Duke of Yorks going to Queensland in 1883 alone. The first permanent European settlement was not until 1875 when the missionary, George Brown, became established in the Duke of York Islands. Increasing private colonisation culminated in the 1884 German annexation of the northern half of

1 Material on the history of groups and of European contact is drawn from numerous sources but in particular McCarthy (1971), Fingleton (1985) and Klaus Neumann (personal communications).

2 The name ‘Tolai’ has been applied since the 1930s to previously distinct groups of closely related language and culture among whom a common ethnic identity did not emerge until about the turn of the century.
east New Guinea and associated islands, including New Britain (or Neu Pommern as it was called by the Germans). The German flag was first raised in East New Britain at Matupit on 3 November 1884, and Kokopo (then called Herbertshohe) became the headquarters of German New Guinea until 1910, when it shifted to the new town built on the deep harbour of Rabaul. It subsequently became the Australian administrative centre for the New Guinea territories until the 1937 eruption of the Rabaul volcanic caldera resulted in a move to Morobe.

The decision to establish the main centre for the east of New Britain inside an active volcanic caldera has created a continuing dilemma for successive administrations. Its possible relocation has been debated at least since the 1937 eruption and has become a major issue for the provincial government since a major volcanic emergency in 1984 (see below). Threlfall (1988) stresses that the volcanic risk was known at the time Rabaul was established, eruptions of 1878 having been witnessed and well-documented by a number of Europeans. The risk was probably discounted because that eruption occurred in the 'north-west season', so causing damage in areas south and east of the eruptive areas (Tavurvur and Vulcan Island) and none in the proposed town area. The main reason for the move was that Kokopo had no protected harbour (a continuing objection to plans to make it the main provincial centre). The deep and sheltered waters of Simpson's Harbour were ideal for the colony's chief port (ibid.), as well as being accessible to the fertile Gazelle peninsula lowlands with their already extensive German-owned plantations.

German penetration in what is now East New Britain was greatest in the north-east Gazelle. In some instances, Tolai groups offered violent resistance to the German colonisers. But dealing with bloody disputes between Tolai groups presented more serious problems for the Germans, and it was some time before the area was relatively peaceful.

In the north-east Gazelle, large-scale alienation of land (over 40 per cent by 1914) and an extensive road network have been the most permanent legacies of German rule. In the Pomio and Bainings areas, contact was restricted largely to a few flat coastal strips suitable for plantations. European activity in the difficult terrain of the inland Pomio and Bainings areas was also very limited in the early years of the Australian administration. Indeed, first contact with one small group, the Mokolkol, located in the isthmus between Wide and Open bays, was not until 1951 (Fenbury 1968).

Overview of development from establishment of colonial rule

From the German period onwards, 'modern' economic activity has been concentrated in the north-east Gazelle, the Bainings and Pomio areas lagging far behind. While rugged terrain and scattered population may have made this inevitable, very little development effort was made either by the Australian administration or in the first few years following independence. The stark contrast between their benign neglect, and the personal wealth and high education of the Tolai and the impressive infrastructure of roads, schools and health facilities in the north-east
Gazelle laid the basis for continuing deep tensions between the populations.

The Tolai showed considerable entrepreneurial skill in dealing with the German colonisers, quickly developing trade in coconuts and garden produce. It has been suggested that there was much in traditional Tolai society that helps explain both these early links and subsequent high levels of Tolai economic activity (A.L. Epstein 1969; T.S. Epstein 1964, 1968; Salisbury 1970). The view is succinctly put by Epstein:

Traditional Tolai society is highly flexible. It attaches high value to personal performance which is measured predominantly in economic criteria. The recognition of an individual as a ‘big man’ depends largely on his success as an entrepreneur. This strong emphasis on economic achievement in their traditional society pre-conditions the Tolai well to participate in economic growth activities (T.S. Epstein 1970:8).

Both German and pre-World War II Australian administrations were ambivalent about Tolai economic activity, at different times promoting some aspects and restrictively regulating others. For example, the Australians encouraged commercial agriculture through village plantations and extension services, while at the same time Europeans held most of the best land and planting material, controlled the most profitable marketing and processing licenses, and took no steps to assist the Tolai move into even the most basic – but nevertheless lucrative – processing activities such as copra drying. Despite such obstacles, some Tolai quickly became wealthy, as is demonstrated by Salisbury’s description of ‘rich men’ with horses and buggies and metal-roofed houses in Vunamami even as early as 1910 (Salisbury 1970:242). While many more enterprising Tolai were quite wealthy by the time of World War II, it was after that when economic activity became truly widespread; T.S. Epstein (1963) cites estimates of the Tolai planting over 4 million coconut and almost 3 million cocoa trees in the postwar period to 1960.

Even in the post-independence era, aspects of Tolai culture have proven to be resilient but also adaptable (Fingleton 1985; A.L. Epstein 1988). This phenomenon is relevant to an understanding of both growing cleavages in Tolai society and provincial government politics, which has tended to be dominated by Tolai politicians who have in part built their public position through playing prominent roles in clan activity and in the distribution of traditional wealth.

All Tolai belong to matrilineal clans – called vunatarai in the Kuanua language of the Tolai – through which land is held and traditionally distributed. Fingleton (1985) argues that the landholding system has shown itself adaptable and capable of dealing with distribution of plantations acquired under the plantation redistribution scheme. On the other hand, there is evidence of marked change which may be bringing social disruption in its wake. The matrilineal system for distributing land may be under threat due to pressure caused by both land shortage and the extensive areas under cash crops which are resulting in men seeking to purchase land from their vunatarai to enable them to be able to pass it on to their children, a trend which is giving rise to increasing disputes (Cundall et al. 1989). It is also a trend which is likely to result in concentration of landholdings in the hands of the wealthy.
Accumulation and distribution of traditional wealth in the form of shell money – _tambu_ – remains of great significance, with a man acquiring prestige through both its acquisition and its distribution at a range of ceremonies and gatherings. It is also a medium of exchange quite as acceptable as cash, for example at the Rabaul market. Adaptation is occurring here too as Tolai entrepreneurial skills may be changing the way in which _tambu_ is acquired. A.L. Epstein (1988:36) has compared the position in 1986 with the decline in holdings of _tambu_ in Matupit village (near Rabaul) he had noted in the 1960s:

That situation has now been dramatically reversed, not by any increase in the kind of village-based activities that generate _tambu_, but rather by the fact that enterprising Tolai are now able to import the shells in large quantities from relatively distant areas such as the Solomons and sell them locally. It thus becomes possible for a man whose wealth derives almost entirely from his business activities in town … to buy _tambu_ with cash in order to sponsor mortuary rites or other ceremonies within the village.

**Economic and political background to provincial government**

**Economic background – social inequality**

Social inequality in the north-east Gazelle has its roots in the long-established patterns of economic activity in the area and the closely related patterns of land distribution there. The provincial economy is dependent on agriculture. A majority of people in the north-east Gazelle depend on subsistence agriculture supplemented by cash crops, mostly smallholder cocoa and copra. In the Pomio and Bainings areas, subsistence gardening is far more important, with a much smaller proportion of people involved in cash cropping (Blong and Aislabie 1988) and then on a much smaller scale than the Tolai areas.

Cocoa and copra production have long been the backbone of economic activity; the province has produced almost 40 per cent of national production of copra and 30 per cent of cocoa in most years since independence. Although smallholders contribute a greater proportion than in most provinces (in the case of cocoa, smallholder production exceeded that from plantations in six of the ten years 1976-77 to 1985-86) (ibid.), the plantation sector (170 plantations) has long generated a significant proportion of the province’s economic wealth. Plantation production fell in the period of uncertainty just before and after independence, but investment rose dramatically in the early 1980s with the official abandonment of the plantation redistribution scheme, the wide availability of highly productive hybrid trees, an export subsidy scheme, and wide involvement of management companies in developing previously run-down plantations. With massive falls in commodity prices from about 1987, investment has ceased, plantations are again being abandoned and production has plummeted. Consequences for the provincial economy have been disastrous as firms supplying inputs, capital items and services to the plantation sector close or scale down activity.

The large number of plantations is, of course, a root cause of the intense land
pressure in the north-east Gazelle, the other being rapid population growth. As long as thirty years ago, a study of land and population predicted growth of ‘acute social unrest’ in the Gazelle flowing from ‘growing wants and dwindling resources’ (Epstein and Epstein 1962). Only seven years later the intense unrest associated with the Mataunang Association erupted, at least in part as a response to land pressures (see below). At that time there were about 1900 Tolai families (their total population being about 68,000) and alienation of land meant there were around 2 acres of land per head when a minimum 2.5 acres per family was needed for subsistence alone (T.S. Epstein 1970; TPNG 1969:34). Subsequent utilisation of much of the best remaining land for cash cropping adds to land pressures resulting in shortages of subsistence gardening land and severe erosion (due to excessive use of marginal land) in some areas (Cundall et al. 1989).

Tolai responses to growing land shortage include: ‘customary’ purchase of land in the Bainings area; acquisition of blocks on plantations made available by the plantation redistribution scheme or in resettlement schemes mainly in the Bainings area (though Tolai have also taken up blocks in resettlement and oil palm estate schemes in other provinces, especially West New Britain); and employment in Rabaul and elsewhere in Papua New Guinea. As already noted, there is also some evidence of a breakdown in the matrilineal system of landholding, as relatively wealthy Tolai fathers who have invested in commodity tree crops seek to ‘buy’ land from the clan so as to pass on the fruits of their work to their sons. Most recently, private purchase of (mainly run-down) plantations may be emerging as a new strategy.

Virtually all strategies favour the relatively wealthy, and those who succeed are becoming part of a new land-rich Tolai elite. But opportunities to take advantage of all strategies are limited and shrinking. Purchase of Bainings land is less open as Bainings fears of Tolai encroachment grow (see below). Plantation redistribution and the various resettlement schemes have made a limited contribution. As to the plantation redistribution scheme inaugurated in the mid-1970s, largely as a response to Tolai land problems, in the case of the nine plantations examined by Fingleton (1985) which had been taken over and broken up by Tolai villages, the average-size block was less than 1 hectare. As to the more distant resettlement schemes, most Tolai tend not to reside on their blocks but merely to visit and check on hired labour (A.L. Epstein 1988; Threlfall 1988).

Employment opportunities were long greater for the Tolai than most other peoples in Papua New Guinea because of the Tolais’ educational advantage, a result mainly of the early activity of mission schools. In 1980 nearly 9 per cent of males and over 2 per cent of females in East New Britain had completed grade 10 or over as compared to national averages of 3.9 and 1.3 per cent respectively (Blong and Aislacie 1988:26). With 4.4 per cent of the population, East New Britain had 6.7 per cent of all public servants in Papua New Guinea in 1980, and 11.2 per cent of formal employment in 1975 and 11.8 in 1977 (ibid.: 24). As very few people from the Pomio and Bainings areas would be included in these figures, the proportions of Tolai achieving senior school and public service positions would actually be much higher.
But in the long term, the relative advantage of the Tolai is being eroded by improved access to education in many other provinces, and this avenue of escape may narrow. Hence the likelihood is of ever-increasing land pressures which will tend to severely exacerbate the position of the already land-short majority. The combination of land shortage and the closing down of opportunities available to previous generations to escape the problems is a potentially explosive mix. Rising crime since low commodity prices began in the late 1980s may indicate the re-emergence of the kind of social tensions which gave rise to the Mataungan Association in 1969.

Foreign economic interests dominate most sectors of the economy, though change is evident, with some plantations even being bought by wealthy Tolai individuals and groups. Small numbers of wealthy Tolai have invested in activities other than agriculture, but foreign-owned firms continue to dominate, even in respect of ownership of relatively small businesses such as trade stores; a 1986 survey by anthropologist Margaret Wilson of the 95 trade stores in Rabaul and surrounding areas showed that 35 per cent were owned or managed by non-citizens, mainly of Chinese origin (82 per cent of whom were Australian citizens). There is some resentment by Tolai about the continuing dominance by outsiders.

But it is the presence of ‘outsiders’ from other parts of Papua New Guinea that causes more open resentment. The plantation sector has long been heavily dependent on labour from other provinces. The Tolai having alternate sources of earning and employment have never been interested in such work. The response has been importation of unskilled labourers from other provinces, especially from East Sepik, Morobe and the highlands provinces. Many stay after their contracts expire. Other people are attracted to the province by the relatively high level of economic activity. As a result, there are large resident communities from other parts of the country. The 1980 Census figures indicated more than 21,000 of the then total provincial population of nearly 131,000 had been born outside the province, the highest number – over 3,000 – coming from East Sepik. The majority had come for employment, as was underlined by a marked sex imbalance, with almost 75 per cent being males.

There have long been tensions between the Tolai and the ‘outsiders’ who tend to be blamed for crime and other social problems. Periodic moves are made for the repatriation of all non-employed persons from other provinces. The low commodity prices since the latter part of the 1980s have resulted in plantations laying off large proportions of their labour force, and this fact, together with an influx of people forced out of Bougainville since the secessionist crisis closed the Panguna mine in 1989, has resulted in the presence of unprecedented numbers of unemployed persons from other provinces. Despite evidence of involvement of many young Tolai in a major upsurge in violent crime associated with the economic downturn in the province, the major provincial government response has been a program for repatriation of ‘squatters’ planned for the second half of 1991 and the whole of 1992 (Times of PNG 25 July, 29 August 1991; Post-Courier, 4 September 1991).
Economic background – spatial inequality

Some indicators of the extent of the inequality of development between the north-east Gazelle and the rest of the province have already been touched upon; for example, the great disparity in percentages of households growing cash crops in the Gazelle as compared to the Pomio area. Some comparisons relating to access to social services serve to highlight the point. Malnutrition rates among under five year olds are higher, immunisation coverage of children is lower, and only 23 per cent of Pomio villages have access to safe drinking water compared to almost the whole of the north-east Gazelle (Angus 1990). While access to community schools is similar, the north-east Gazelle is favoured at higher levels, so that in 1980-82, 70 per cent of Rabaul town grade six children were selected for high school, 43 per cent of rural north-east Gazelle, 26 per cent of Bainings and only 23 per cent of Pomio (Bray 1985). Of the eight high schools in East New Britain, only one is situated in Pomio.

A socioeconomic ranking of provinces using a wide range of indicators shows that while East New Britain is amongst the four best-developed provinces; two of its three districts, namely Kokopo and Rabaul, ranked second and third out of eighty-seven districts, while Pomio ranked forty-seventh. In the Islands Region, Pomio ranked twelfth out of thirteen (de Albuquerque and D’Sa 1986: Tables 2, 11). The Kokopo and Rabaul districts include the Bainings area; the study did not produce comparative material on that area. However, a 1985 study of the Pomio and Bainings areas as a whole showed that while the Bainings area was less disadvantaged than Pomio, it was extremely disadvantaged when compared to the north-east Gazelle in terms of economic activity and access to services of all kinds (Atkins International 1985 Vol I: 2-21).

Political background

As Ballard (1981:98) notes, political activity associated with the Mataungan Association in north-east Gazelle from 1969 to 1972, together with anti-administration action in Bougainville, ‘were central to the development of nationalism in Papua New Guinea and linked nationalism with decentralisation’. The immediate pre-independence period has been extensively documented elsewhere (T.S. Epstein 1970; Grosart 1982; Salisbury 1971; Gerritsen 1979; Downs 1980): land shortages in the north-east Gazelle and the resulting pressures generated in Tolai society were major factors in the development of a strong anti-colonial movement centred on the Mataungan Association. The slowness of the response of the administration to justified grievances concerning land was also a factor, allowing tensions to grow to a point where violence was inevitable.

An important strand in the Mataungan demands was that of greater local political autonomy, a call that drew on longstanding concerns. Thrufall records growing Tolai unrest in the 1930s linked to resentment over exclusion from economic activity such as copra buying and drying, both largely controlled by Chinese and Europeans. Village meetings encouraged people to discuss grievances and dev-
elop copra dryers. Support for self-reliance and local autonomy developed in the 1930s. This background was a factor in strong opposition from some Tolai to the introduction by the Australian administration of local government councils in the early 1950s. Opposition grew over the succeeding two decades, resulting in several physical clashes between Tolai and police in the 1950s. As a result, the administration conceded to the Tolai a right of choice as to whether they were to participate in councils, a right exercised by several thousand. But the council issue also contributed to and highlighted deep divisions among the Tolai. While the immediate cause was the fact that council supporters resented that their taxes contributed to developments enjoyed by opponents of the councils, there were deeper divisions emerging among the Tolai. These were in large part produced by the pressures of what Gerritsen (1979) refers to as ‘terminal cocoa development’ (dependence on cocoa, land pressure, and lack of alternative avenues of advancement).

The complex social and political pressures in the Gazelle erupted in 1969 over the introduction by the administration of a ‘multiracial’ council. From 1969 until 1972, the Mataungan Association’s confrontation with the Australian administration put the Tolai at the forefront of the nationalist movement in Papua New Guinea. The Mataungs’ demands quickly extended beyond the composition of the council to land issues, local autonomy, and national political and economic independence. They formed their own local government bodies under their political arm, the Warkurai Nigunan. While it was Mataungan voices that were most heard outside the Gazelle, they also fought bitterly with other Tolai, in particular those supporting the Gazelle Local Government Council. After 1972, many of the council supporters grouped under the Greater Toma Council. A third faction comprised the Warbete Kivung, the major anti-council group dating back to the 1950s, which often resented the new dissident group that was receiving so much popular support.

The immediate causes of Tolai grievance were dealt with, to some extent at least, from as early as 1971 as the Australian administration started to deal with local land issues, and certainly from 1972 when the first government of Papua New Guineans took power in Port Moresby. This government included Mataungan members – Oscar Tammur, John Kaputin and Damien Kereku – and its early focus on decentralisation and on land policy (including plantation acquisition and redistribution) was largely in response to Tolai concerns. John Kaputin became minister for Justice in 1973. Gradually the Tolai elite came to feel they were part of the mainstream of national politics, and although there remained considerable tensions among the Tolai factions, the violent confrontations of the early Mataungan period were largely forgotten by the mid-1970s.

But the Mataungan Association had little impact outside the Tolai areas. The Baining and Pomio areas remained very much outside the mainstream of both economic and political life. As in many other such areas, a major ‘cargo cult’ developed in the Pomio area in the early 1960s. Initially it promised imminent riches for those who followed certain religious practices, and rapidly gained extensive following. It developed political aspirations, with its founder (Koriam
Urekit) entering the House of Assembly in 1964 and remaining a member until his death in 1978, when he was replaced by the present member for Pomio, Alois Kok. The cult gradually embraced some economic and social developmental objectives and began to gain a degree of acceptability in the eyes of the authorities and non-members (Walter 1981). However it has tended to oppose the development of cash crops, so that its teachings are regarded as a factor in the limited development in areas where it dominates (though isolation is no doubt a more important factor). Now known as the Pomio Kivung, the cult has always had its strongest base in the Mengen area and its members dominated the Mengen Local Government Council. According to educated adherents of the Kivung, from its earliest days its leaders promised independence and self-reliance for the Pomio area (Bailoengaia and Koimanrea 1983). Its leaders were always suspicious of the Tolai because of the marked disparities in development between the Pomio and north-east Gazelle areas and Tolai encroachments into the Baining. In any event, the Pomio peoples had closer affinity to the peoples of the eastern part of West New Britain than with the Tolai, and had tended to identify more with those people than the Tolai prior to the splitting of the island into two districts in 1966.

Establishing the provincial government – Tolai or East New Britain government?

The Mataungans had consistently called for Tolai self-determination, but the main obstacle to local autonomy after 1972 was dissension amongst the Tolai factions. Serious negotiations between the three main bodies, the Warkurai Nigunan, the Warbete Kivung and the Greater Toma Council did not begin until August 1973, when a joint committee was established to work towards a ‘Tolai government’. Three members of the strong Tolai women’s umbrella organisation (Nilai Ra Warden) were on the committee, starting a continuing tradition of representation of women’s groups on provincial organisations. The appointment of Chief Minister Somare’s former private secretary, Rabbie Namaliu, as the first Tolai district commissioner to Rabaul in December 1975 accelerated progress towards agreement between the factions. Not only did he support the idea of a provincial government, but as a key national government negotiator in the then ongoing talks with the Bougainville secessionists, Namaliu was able to ensure the processes in East New Britain were not unduly slowed by the then continuing uncertainty about the future of the provincial government system.

In February 1976 agreement on forming a full provincial government rather than a Tolai government was announced, and shortly before the formal inauguration of the provincial government in July 1976, it was announced that all the Tolai groups had agreed that with the formation of the provincial government, the Warkurai Nigunan, Warbete Kivung and the Greater Toma Council were all to dissolve (Post-Courier 7 July 1976). This latter move was essential for two main reasons. First, the provincial government could not hope to operate effectively if it was to be a vehicle for ongoing Tolai factionalism. Second, cessation of the faction fighting was a precondition for Pomio and Baining peoples to
participate in an East New Britain government. While formal factionalism ceased, the adherents of the various groups have tended to continue to oppose one another in public life ever since.

With the decision to establish a government for the whole province rather than the Tolai alone, the first step was to involve leaders from the Pomio and Bainings areas in planning the new body. Leaders of local government councils in those areas were included with the Tolai committee in a constituent assembly which began work on a draft provincial constitution in March 1976. Throughout the establishment period the representatives from the Pomio and Bainings areas were wary, uncertain whether Tolai factionalism had ended. At the same time the Pomio Kivung leaders opposed inclusion of Pomio under an East New Britain government. They feared political, social and economic domination by the Tolai. There was particular concern, expressed in several public meetings, that land shortage in the Gazelle could result in a Tolai-dominated provincial government using its powers to take Pomio land (PNG Department of Provincial Affairs File 23-1-1). Many meetings were held by government officers seeking to calm these concerns, but they seem to have had little impact on Kivung fears. Nevertheless, preparations for provincial government went ahead, with officials resigned to a low voter turnout in the Kivung areas during the first provincial-government election.

In April 1976 the constituent assembly appointed a sixteen-member interim provincial government, this time with just one women’s representative. A committee of the constituent assembly continued to work on a draft constitution, aided by officers of the six-member policy secretariat which Namaliu persuaded the Public Service Commission to fund following the model of the Bougainville interim provincial government (Ballard 1981). The provincial constitution was adopted in June 1976, and on 13 July 1976 the unelected interim government recognised by the constitution was formally inaugurated as a provincial government body. But sensitive to the charge that it did not have a popular mandate, the interim government pushed for the first general provincial elections to be held as soon as practicable.

Despite some overeager announcements of policies by policy secretariat members, in general the interim provincial government regarded itself as carrying out a ‘holding operation’ until the first election. Funding and other arrangements for the new government were very unclear until well after the Organic Law on Provincial Government was passed in March 1977. Ad hoc arrangements were developed to cover most things the new government wanted to do. For example, the first provincial government accounts were established in an exercise book after the area finance office advised it could not handle the first funds received by the provincial government from the national government funds (Sinai Brown, personal communication).

Provincial politics: elections, formation of governments and stability

There have been four general elections for the East New Britain provincial government: in March 1977, March 1981, March 1985 and March 1989. As is the
case with national elections, the period between the completion of voting and the first meeting of the provincial assembly involves intense lobbying as various groups form, each seeking the premier’s position. Save in the case of the first elected provincial government, the groups thus formed have tended to remain relatively stable thereafter. Hence the manoeuvrings behind the election of the premier provide insights into trends in provincial government politics.

The first four-year period of elected provincial government was marked by constant threats of votes of no-confidence and changes of premier (no less than four premiers). The provincial government served largely as a showcase for Tolai factionalism. But the 1981 election ushered in a period of remarkable stability which is continuing more than ten years later (at the time of writing, 1993). A single premier served for the first eight of those years, and only a single – and unsuccessful – motion of no-confidence has been moved in a premier throughout that time. The stability has been built upon an alliance between wealthy and well-educated Tolai politicians and moderate Pomio and Baining members.

1977-1981, the demise of the Mataungan Association

Although a Mataungan was eventually elected premier in May 1977, the initial success might, ironically, be seen as marking the beginning of the public demise of the Mataungan Association. That process continued, with some dramatic moments, throughout the life of the first elected assembly but could be regarded as completed with the election of the new premier after the second general provincial election in 1981. The period of the first Assembly also saw the emergence of the Pomio Kivung Group as a ‘secessionist’ movement.

The Mataungans, who had played a low-key role in the Tolai Government Committee and the interim provincial government, expected to win the first elections (Grosart 1982). Although they had agreed to dissolve their ‘government’ arm (the Warakurai Nigungan) they had not undertaken to dissolve the Mataungan Association itself. Perceiving themselves as having led the fight for independence and for Tolai self-determination, they assumed that electoral support would follow and that the government they had fought for was now to be theirs. Always an alliance of disparate groups, the Mataungan’s ability to organise and to muster mass support (over 10,000 people attended some rallies and demonstrations in 1970 and 1971) quickly reduced from 1972, with the Somare government tackling their main grievances. The coming together of the Tolai factions in the interim provincial government further reduced the public appeal of the Mataungans. Although it was not recognised for some time, the Association slowly became little more than a shell, manipulated by a small group of largely second-string leadership.

It is not surprising, then, that only three of the eighteen elected members were strong Mataungans, though they were able to attract the support of two additional members in the vote for premier. Several other elected members had party links, but they did not form party ‘blocks’. The main division was between the Mataungans, other Tolais who were perceived as having been ‘pro-council’, and the
members from the Pomio and Bainings areas, whose support was constantly being sought by the other groups.

The initial ballot for premier resulted in the election of a former council figure, Ereman ToBaining. Mataungan-led demonstrations and complaints persuaded ToBaining to step down in the interests of the ‘unity of the people’ (Post-Courier 16 May 1977) and the Mataungan’s Koniel Alar was elected premier instead. ToBaining was made Finance Minister, but did not accept his loss of office gracefully. The rest of the four-year term was an endless and largely personal contest for power. The bickering and struggles were constant, public, and in many cases petty.

The Mataungans clearly felt pressured to bring about dramatic changes, and announced many ambitious plans, most of which came to naught. Their desire to be seen to transform things was a factor in 1978 efforts to establish a Mataungan police force, something attempted unsuccessfully by the Warkurai Nigunan in the pre-independence period, and which the Mataungans presumably felt should be open to them now they ‘controlled’ the provincial government. The national government treated the matter very seriously, charging the premier and the deputy speaker (Biu) with criminal offences relating to establishing unauthorised armed forces, and both were convicted and gaolled. Alar’s demise allowed ToBaining to regain the premier’s post in September 1979. But only fourteen months later, ToBaining was forced to resign when, in an incident indicative of the strength of Tolai traditional society, Tolai elders found him ‘guilty of a breach of customary traditions regarding family relationships’ (Post-Courier 7 November 1980). He had become involved with the nominated women’s representative in the assembly, who was from the same moiety. A combined Mataungan-United Party vote saw the Mataungan, Timele, defeat ToBaining’s Finance minister, Ronald ToVue (recently elected in a by-election), in the vote for premier. Timele remained premier only six months, the 1981 elections cutting short his stormy period in office, during which he and his close adviser Vincent Toliman alienated the entire public service.

The threat of a no-confidence motion in the premier of the day was a weapon constantly used in the power struggles over the four-year term. Of the five motions actually introduced into the assembly, only two went to a vote. In April 1979 a motion moved by ToBaining against Alar was defeated eleven votes to seven and in December 1980 a motion against Timele moved by ToVue gained a substantial majority of ten to five, but as the two-thirds absolute majority specified by the provincial constitution required at least thirteen votes to succeed, Timele remained in office with minority support.

A factor in the political struggles in this period was a sense of frustration on the part of the premiers and ministers, particularly the relatively uneducated Mataungans, that they were not able to control the government and deliver on the often extravagant electoral promises they had made. The educated policy secretariat members, installed during Namaliu’s time, were in turn frustrated in their attempts to develop and implement policy by what they saw as uneducated ministers. Relations between the public service on the one hand and both the
secretariat and the government on the other, were strained, despite positive efforts by both successive administrative secretaries (ToBolton and Paulias) and the provincial secretary, Sinai Brown.

A major confrontation with the public service, instigated by Timele on the advice of his newly-appointed provincial secretary, former university student Vincent Toliman, was the final controversy of the Timele government. The subsequent purported dismissal of administrative secretary Paulias and another senior public servant was sparked by Paulias’s refusal to pay Toliman at the normal level for a provincial secretary, and his insistence on ministers handling funds correctly. The entire public service supported Paulias through a ‘sit-in’ strike over several days. Mediation of the dispute continued during the 1981 provincial election period and no doubt that issue did not assist the Mataungan cause in the elections.

The power struggles not only lowered the public standing of the Mataungans, but also tended to alienate the Pomio and Bainings members of the provincial assembly from what they saw as Tolai faction-fighting for control of a government that catered mainly for Tolai interests. After his entry into the National Parliament in a by-election in 1979, Alois Koki of the Pomio Kivung became an important figure in provincial politics. Over several years he was able to use his influence at the national level to focus considerably more attention on the needs of the Pomio and Bainings areas than had hitherto been the case. He formed links with disgruntled Pomio members who had previously been anti-Kivung (Post-Courier 1 April 1980). They were soon supporting Koki’s ever more strident calls for a separate province for the Pomio and Bainings areas. In June 1980, he moved a motion to that effect in the National Parliament, citing fears of Tolai land shortage creating a threat on Pomio and Bainings land. A member of then Deputy Prime Minister Iambakey Okuk’s National Party, Koki expected government support. It was not forthcoming, and he denounced bitterly the coalition leaders when in July 1981 party pressure forced him to withdraw a motion of no-confidence he moved in minister for Decentralisation, John Momis, as a protest over lack of action on his motion (Draft Hansard 27 July 1981 1/5/1-2/5/1). Koki’s efforts did not go unnoticed in East New Britain; Deputy Premier Bos, a Pomio member, resigned after publicly criticising provincial government performance in Pomio (Post-Courier 30 September 1980). The Tolai-dominated government was being forced to regard the Pomio and Bainings areas as a political force to be reckoned with.

1981-1985, stability under the Tolai elite

The approach of the 1982 general elections for the National Parliament sparked the first serious interest by national political parties in provincial-government politics, control of provincial governments being seen as likely to provide useful advantages in the national campaign. The second East New Britain provincial election in March 1981 prompted the National Party (NP) to establish a branch, Pomio MP Alois Koki playing a prominent role, and the People’s Progress Party
(PPP) assisted some provincial election candidates. The patterns of party activity established in this election have changed little since then. There was limited party-based campaigning or grassroots organisation. Their roles were largely limited to some endorsements of, and provision of limited assistance to, likely candidates. They sought to play major roles only in the lobbying to form a government following the conclusion of voting.

The Mataungans, already feeling threatened, railed prophetically against the entry of ‘foreign’ political parties (Post-Courier 20 January 1981); following the elections, party and regional groupings in the expanded twenty-member Assembly had largely replaced the Mataungan and ‘council’ factions. Only four of the eighteen members of the previous assembly had been returned. When post-election lobbying of new members had finished, the numbers were as follows: NP, three; Pomio Kivung, three; Mataungans, three; PPP, three; and United Party, six. The latter two groups formed a bloc supporting PPP’s Ronald ToVue for premier.

Koki had campaigned strongly for Pomio Kivung candidates in this, the first provincial election contested by the Kivung. The three Kivung members formed a bloc of six with the NP behind the NP’s candidate for premier, a Tolai small businessman, Onias ToMano. The position of the three Mataungans momentarily became crucial. Mataungan coordinator and former national MP Oscar Tammur unsuccessfully attempted to persuade ToMano to follow ToBaining’s 1977 example and step aside in favour of a Mataungan candidate (Onias ToMano, personal communication).

The frustrated Mataungans sought to block election of the premier through noisy demonstrations and occupation of the Assembly offices and grounds for several days. Meeting several miles away from Rabaul at Vunadidir, the Assembly elected ToVue as premier, after a display of the clever tactics Tovue was to use to dominate provincial politics for the next eight years. Under the provincial constitution, the position of speaker must be filled before a vote for the premier is held. When ToMano’s candidate was elected speaker with eleven votes as against nine for ToVue’s candidate (the three Mataungans voting with ToMano) it appeared ToMano’s group had the numbers to elect him premier. But when nominations were called for premier, one of ToVue’s group, Sael Enos, nominated the Mataungan’s Metaliu. After winning his seat, Enos had swung between the NP and ToVue and had been present when Tammur and the three Mataungans tried to persuade ToMano to stand aside. Apparently believing that the noisy public activities of their supporters had at last made other members see the virtues of a Mataungan premier, the three Mataungans deserted ToMano and voted for Metaliu. Metaliu’s nominator then voted for ToVue who won with his original nine votes to ToMano’s eight and Metaliu’s three.

ToVue’s immediate concern was to ensure his tenure was not threatened by the instability of the previous provincial government, and he sought to neutralise potential opposition by incorporation. The most likely source of difficulties (ToMano’s faction) was dealt with by the offer of the deputy premier’s position to ToMano and expansion of the ministry from seven to twelve members, thereby
enabling all parties and factions to hold ministries. The strategy worked, and in its four-year term ToVue's government did not face one motion of no-confidence. From this point onwards, the Mataungan Association ceased to be a major force in East New Britain politics, despite the occasional attempt to revive it.

The style of the new government was in marked contrast to those of the previous four-year term. Good relationships were quickly established with the public service as well as the business community, a result of the efforts of the four key ministers, ToVue, Sinai Brown, James Waninara and deputy premier ToMano. ToVue and Brown had both served as senior public sector officers in East New Britain and elsewhere, and related well to administrative secretary, Nason Pauliias. What might be called a corporate style of management developed, and it continued under succeeding provincial governments. This approach has been marked by an emphasis on consensus, involving both key ministers and senior public servants. The result has been gradual efforts to improve performance of existing functions and to develop a rational system of planning the use of the very limited resources available to the government, and, eventually, the slow development of new programs and policies (see below). As to relations with business, all four key ministers had various business interests of their own and so were open to the business community in a way the less-educated Mataungs had not been. They perhaps also may not have the same interest in radical changes to benefit the less-wealthy Tolai.

The main note of dissent in this the first of ToVue's two terms as premier came from the Pomio Kivung, with Koki continuing to push for a separate province through much of the period. He had limited support from within the provincial assembly, for ToVue's incorporation of the National Party group into his government tended to neuter the Pomio members as an opposition group. Thereafter, both Pomio and Bainings members held ministries, and the consensus style of ToVue's premiership made it difficult for them to be critical of government efforts in respect of development of their area, especially as, on paper at least, greatly increased funding was flowing to projects in their electorates.

Koki was undeterred, and in November 1981 introduced into the National Parliament a bill for an amendment to the Organic Law on Provincial Boundaries to establish a separate Pomio province. In October 1982 Pomio residents in Port Moresby presented a petition to Prime Minister Somare supporting Koki's move. Procedural requirements delayed debate of the bill until 1983, when it was considered in May and August, and lapsed due to lack of the two-thirds majority needed to pass it. But during debate, the minister for Provincial Affairs expressed some sympathy for the problems of the Pomio and Bainings areas, and suggested establishment of a special authority to plan and coordinate development of the area (Draft Hansard 4 August 1983:12/3/2), an approach implemented in 1986 (see below). Koki and his educated Pomio supporters (known as the Tru Pomio Group) created sufficient consciousness of the neglected needs of the Pomio-Bainings area for the national and provincial governments to agree on a major development study for the area, which proceeded during 1984 and was completed in mid-1985. This activity greatly heightened awareness of the needs of the Pomio-Bainings area.
1985-1989, continuity

By the time of the 1985 provincial elections, although Tolai politicians remained dominant, spokespersons for the Pomio and Bainings areas were becoming more assertive, at least in part as a result of Koki’s successful efforts to focus national attention on the problems of the areas. It is no surprise then that the 1985 provincial elections saw them gain more direct influence in the provincial government. Indeed, ToVue was returned as premier only through a more formal alliance with Pomio and Bainings members.

The Pomio Kivung group campaigned hard, and after the elections Koki’s brother and Kivung organiser (F. Koimanrea) sought to shape a bloc from the seven members from the Pomio and Bainings areas, hoping to form government under Pomio’s Luke Longposael as premier. An educated Pomio man, Longposael was not a Kivung supporter, but was recognised as the candidate best able to attract support from other groups. Analysis of support for other groups in the assembly gave the Pomio and Bainings bloc some confidence. Only seven of the twenty members of the previous assembly had been re-elected, and post-election lobbying produced the following loose groupings: pro-Melanesian Alliance four; United Party five; PPP one; Mataungans two; Pangu one; Pomio and Bainings seven (including three Kivung, one NP and three independent). Together, the United Party and PPP formed a bloc of six behind ToVue.

Longposael, however, was uneasy about Kivung plans to form government, both because the bloc lacked sufficient experienced and educated members and because of fears of instability due to the likelihood that Tolais would not be ready to accept a non-Tolai as premier. More might be achieved for the Pomio and Bainings areas by forming a government with a capable Tolai premier who would rely on Pomio and Bainings support.

All groups sought support of the Pomio and Bainings members: Pangu’s Michael Konjib, a Sepik married to a Tolai, who had come close to beating John Kaputin in the 1982 national election, hoped to become premier, as did newly elected former Mataungan member of the National Parliament, Oscar Tammur, and Thomas ToBunbun of the Melanesian Alliance. Longposael was able to take over the negotiations from Koimanrea, and chose to deal with ToVue’s group, on the basis that they were the best educated and most experienced. Not certain of holding all of his group, he encouraged three-way discussions with the Melanesian Alliance group as well. In the secret vote for premier, there were two candidates, ToVue and Tammur. ToVue won, with twelve votes to eight. It seems likely that three of the Pomio and Bainings group voted for Tammur.

Once again a twelve-member cabinet was formed, with five positions (including premier) held by the PPP/United Party bloc, four by the Melanesian Alliance and associated independents and three by the Pomio-Bainings bloc, including the deputy premier’s position, held by Longposael. Educated and articulate, Longposael and ToBunbun initially joined ToVue and Brown as the key ministers. More than two years after he was elected premier for the second time, there was a major split in ToVue’s government. Some impatience and frustration on
the part of the ambitious Sinai Brown, after his failure to win the Gazelle seat in the National Parliament in the mid-1987 general elections, coincided with development of open tensions among the key members of the cabinet. Resentment with what was seen as an increasingly remote and presidential style exhibited by the premier (who had become Sir Ronald earlier in 1987) came to a head after the national elections when To Vue took no action on alleged financial excesses on the part of To Bun Bun. In September 1987, amid a range of allegations about financial wrongdoings on the part of the premier, Longposael moved a motion of no-confidence in To Vue, naming Brown as alternate premier.

The reasons for Brown’s split with To Vue have never been clear. There was an element of party politics involved, with Longposael and Brown being Melanesian Alliance (MA) members (Brown having recently moved from the defunct United Party). The MA tended to be at odds with To Vue, a PPP supporter, over financial matters. Brown cites several matters which influenced him: concern about To Vue’s failure to consult him (as Finance Minister) and Longposael over a range of matters, including To Bun Bun’s financial affairs; concern over 1986 allocations of provincial-government contracts to a company in which To Vue had an interest; To Vue’s 1987 claim for back-payment of six years’ rental allowance contrary, according to Brown, to a provincial-government decision of 1981; and his failure to honour an undertaking Brown understood to have been given after the 1985 provincial elections that he would stand down in favour of Brown through the 1985-1989 term (S. Brown, interview, 1 December 1989).

To Vue had certainly lost standing in the provincial assembly, and some observers thought the motion may have succeeded had Longposael rather than Brown been named as alternate, Brown being seen by some as too ambitious. As it was, To Vue was able to use offers of ministries to shore up his position, and although supported by the pro-MA members (To Bun Bun no longer being counted among them) and others, the motion did not achieve the two-thirds majority vote required. Longposael remained as deputy premier until the 1989 provincial elections, but had no dealings with To Vue, who removed his ministerial portfolio. Brown and Longposael henceforth effectively constituted the opposition to To Vue in the assembly. Unable to mobilise sufficient support for a motion of no-confidence, they looked towards the next provincial elections, due in 1989.

1989, change in leadership, continuity in style

To Vue had dominated East New Britain politics for eight years, so there was intense interest when, not long before the 1989 elections, he announced he was not to be a candidate. In addition to the departure of To Vue, another new factor was an increase in the number of seats from twenty to twenty-two, with a new seat in each of the Pomio and Bainings areas, meaning there were now twelve seats in the north-east Gazelle, one in the Duke of Yorks Islands, and nine in the Pomio and Bainings areas. The possibility of a provincial government based on a united Pomio and Bainings bloc seemed closer, and spurred a very strong cam-
campaign effort by the Pomio Kivung, led by Alois Koki and Francis Koimanrea (now a candidate for election).

Nine of the nineteen previous members who stood lost their seats, among them Longposael, whose failure was attributed by many to his focus on Rabaul politics at the expense of his Pomio electorate. Koimanrea and three other strong Kivung supporters were elected, one to a seat in the Bainings area. The Kivung were reportedly disappointed at the degree of support, some observers believing that increased development efforts in the Pomio area through both the Pomio-Bainings development project and provincial government programs (see below) were sapping Kivung support in all but its heartlands in least-developed inland areas. There were about seven pro-MA members elected, and with the four Pangu members, they established a bloc behind Brown. They opposed a grouping of independents allegedly financed by the PPP, who allied with Koimanrea and his Kivung supporters behind Tammur.

Brown’s group remained solid, and he was elected premier. He continued the Tolai alliance with the more moderate Pomio and Bainings members when he successfully proposed election of a new member, Pomio doctor-turned-small-businessman, Pais Kosa, as his deputy. Kosa was also a Pangu member, though that undoubtedly contributed less to his swift elevation than his place of origin. It seems likely that Kosa was able to use offers of ministries to secure votes for the Brown camp of at least one or two Pomio and Bainings members to whom the Kivung group had looked for support.

That Brown’s falling out with ToVue had little or nothing to do with disagreement over basic direction was immediately clear. All senior public servants remained in place and government activity and priorities continued in very much the same way as previously. Despite some early attacks on provincial government policy by Koimanrea, the opposition was generally mute. The Pomio and Bainings group was weakened when in mid-1990 Brown dismissed two ministers (among them Pangu’s Konjib, who had fallen out with Kosa) and one of the replacements was a Kivung supporter from the Bainings.

Electoral participation and politics, 1977-1989

If voter turnout figures can be regarded as a measure of popular participation in government, then participation in East New Britain is quite high. Accurate figures are available for only the 1985 and 1989 provincial elections, when out of about 80,000 registered voters, as many as 49,500 voted in 1985 and 52,500 in 1989. These figures compare favourably with figures of about 48,000 and 55,000 voting in the 1982 and 1987 national elections.

Patterns of political party activity begun in the 1981 election are little changed; with no party attempting extensive grassroots organisational work, they have had limited impact on electoral behaviour. Their activity tends to be limited to election time, when most effort is focused on the lobbying of elected members for the election of premier and formation of government. Few candidates openly proclaim party allegiance, even when they have part endorsement, a marked dif-
ference with national elections in East New Britain where the party seems to have some impact as a mobilising force, at least for more prominent candidates. In general, campaign activity is low key, focusing more on the personalities and achievements of candidates than on policy issues. Campaign spending is seldom high, though on occasion candidates have been known to incur heavy expenditure, as with ToBunbun in 1989, who at times campaigned from a helicopter, dropping leaflets on villages in and around the electorate.

To date, no women have been elected to the provincial assembly, though several have stood and have received substantial support; for example, the nominated women’s representative in the 1985-89 period was second-placed vote winner in the Livuan constituency in the north-east Gazelle in 1989, scoring more than 450 votes to the winner’s 646, and out-polling the sitting member.

**Continuing importance of traditional society**

Although the governments elected in 1981, 1985 and 1989 have been dominated by a small group of educated and/or wealthy men, the majority of members, both from the north-east Gazelle and the Pomio-Bainings area are older men, generally with limited education, but who are ‘bigmen’ in traditional society: most of the Tolais are leaders (lualuas) in their respective clans (vunatarai), and several Kivung members have been ‘bigmen’ in Pomio clans. They have a remarkable degree of respect for the younger and educated Tolai politicians who dominate the government. Interestingly, these younger men, who have mostly spent long periods of their working lives away from East New Britain, generally accept the importance for their political careers of heavy involvement in their vunatarai and other traditional organisations. It is a two-way process, for their public prominence once elected to the provincial government in turn assists the growth of their importance in their vunatarai, something which has inherent importance for most Tolai. The active participation in the traditional power structures may help to explain the acceptability of younger and educated Tolai leaders in the eyes of the older Tolai Assembly members.

Even the senior Tolai bureaucrats tend to be heavily involved in traditional society. Provincial secretary Nason Paulias actively encouraged them to be so, advising them that this would mean they were more acceptable to and able to communicate better with people at the village level (personal communication). There seems little doubt that this involvement of both senior politicians and bureaucrats has been an important factor in the success of the provincial government, an issue explored further later in the chapter.

**Operation of the provincial government**

**Political structures**

As with all provinces, the provincial constitution aims to balance power between the legislative and executive branches on the model of the national constitution (Ghai and Regan 1992: Chapter 4). In addition to exercising legislative power,
the legislature (the provincial assembly) is intended to keep the executive accountable. It elects and can remove the premier and deputy premier and can remove ministers, and may have some control over revenue raising and expenditure. In practice, however, the executive is dominant.

Increases in elected assembly membership (from eighteen to twenty in 1981 and from twenty to twenty-two in 1989) have been determined by an independent boundaries commission on the basis of population increases. There has also always been one unelected (nominated) women’s representative. A major factor in the dominance of the executive is its size, with more than half the assembly members in the executive since 1981. The government can normally avoid any threat in the assembly by replacing recalcitrant ministers, as occurred in the aftermath of the unsuccessful vote of no-confidence in ToVue in 1987. As a result there is little critical scrutiny of government by the assembly. Not surprisingly, there has seldom been an organised and focused opposition grouping, even though the national government commission responsible for setting salaries and conditions of provincial governments has recognised opposition leaders in provincial assemblies since 1989, and Koimanrea was officially recognised as such until elected to the National Parliament in 1992.

The executive comprises the premier and deputy, who are elected by secret ballot of assembly members, and ten ministers appointed by the premier (the provincial constitution requiring that there be at least one member each from Gazelle, Pomio, Bainings and Duke of York Islands). Although not required by the provincial constitution, each executive member is allocated a portfolio rather than executive power being exercised through a committee system.

Since 1981 each government has been dominated by three or four key executive members. Together with key public servants, they are responsible for most policy and planning initiatives. Other ministers have not had the education, experience or personal contacts to have real influence. Hence the substantial expense of allowances, vehicles and other expenses for the twelve ministers is the price paid for political stability.

The assembly meets four to six times a year, generally for a week at a time. Legislative activity is limited; other than in its first two years when it passed numerous standard machinery laws (used by all provinces), only four or five laws per year have been passed (the subject matter of which is discussed below). Assembly members tend to see themselves as delegates advancing the development needs of their individual constituencies. So while there is some questioning of the activities of the government and of individual ministers, the focus tends to be on such matters as provision of facilities and services and the performance of public servants staffing facilities in the electorates. At times, dissident members go beyond such matters to more sustained criticism of government activities (Tammur and Konjib in the first part of ToVue’s second term, and Brown and Longposael in the second part, and since 1989 Koimanrea and Konjib have mounted some attacks on the Brown government).

In keeping with the incorporating tactics developed by ToVue from 1981, the government uses seminars and reports to provide the assembly with a wide range
of information about its activities. Reports are presented on the annual activities of each public service division and all governmental bodies, on quarterly budget reviews, on policy reviews and so on. Induction seminars for the assembly members have been held after each provincial election since 1981. They last several days, and are attended by senior public servants and often community leaders as well. Many aspects of government activities and programs are explained and discussed. Seminars on major pieces of proposed legislation began with a new provincial education bill in 1983, and have been held numerous times since then. They usually involve community government presidents and leaders of religious organisations, and give opportunities for critical comment which are often taken into account by the provincial government, resulting in changes to draft laws prior to their presentation to the assembly.

As assembly members see themselves as delegates, it is not surprising that the dominance of the budgetary and planning processes by the key ministers and senior public servants sparks some resentment from backbench members about their limited ability to 'deliver' projects to their electorates. In 1990, the government responded to this concern by establishing member project funds, each member receiving K5,000 to fund village-level projects in the 1990 and 1991 budgets. Efforts have been made to avoid criticism that the funds are open to waste; guidelines require extensive evaluation and accountability of project proposals and expenditure.

Throughout the period since 1981, the government has had close relations with the business community. Key politicians and senior public servants have business interests, both in shops and in agriculture. By comparison with many other provincial governments, there has been little open evidence of corrupt dealings or attempts to favour the interests of particular groups. There have, however, been one or two well publicised incidents where conflicts of interests have been alleged. Two of these were issues in the 1987 moves to remove ToVue, already discussed. In the first, ToVue, together with two senior public servants, was alleged to be a major shareholder in a company selling a range of items to the East New Britain provincial government without tenders first being called. In the second, a provincial minister, Thomas ToBunbun, was alleged to have had irregular financial dealings with funds of a statutory body in an incident which became an issue in the vote of no-confidence against Premier ToVue in 1987 (see above). Premier Brown and his wife have a range of business interests in the province, including a consultancy company that has at times done business with the provincial government, thereby attracting criticisms about potential conflicts of interest. In each case the possible impropriety involved is minor either in nature or scale compared to the wrongdoings at the national level constantly reported in the press. With a well-managed accounting system and a reasonably open political system, it would be very difficult for major wrongdoing to go undetected for long. The relative transparency of the provincial government is arguably one of its strengths.

Administrative structures

The district commissioner continued as senior administrator in the province until
the position was abolished and replaced by that of administrative secretary in September 1977. Until 1981, when it was decided to absorb the policy secretariat into the public service, there was an uneasy and sometimes hostile relationship between administrative secretaries and provincial secretaries (heads of the secretariat). Established under the interim provincial government at a time when the politicians felt they needed to be able to appoint senior advisers from outside the public service (where many officers were seen as ambivalent to provincial government), the policy secretariat had played an important role in establishing financial systems and in the development of the first provincial policies. The tensions between secretariat and public service were in part because their respective roles were never clearly defined and in part due to personality conflicts. The move to absorb the secretariat into the public service was supported by Premier ToVue, himself a former senior public servant, and took place in 1982.

From that time the administrative secretary’s position, occupied by former Education administrator Nason Paulias since 1978, became known as ‘provincial secretary’. He continued in the position until his death in 1991, an unbroken period of service unparalleled in other provinces. A capable administrator, Paulias contributed much to stability in the province and to a sense of purpose in the public service which had developed by the late 1980s.

The provincial secretary heads the ‘Department of East New Britain’, established under a 1985 provincial law. In early 1992, it comprises about 800 public servants assigned to the province by the Public Services Commission, and about 400 labourers. The almost 1,000 members of the Teaching Service working in provincial government schools are not officially part of the department of the province but are nevertheless answerable to the provincial government in various ways. There are two first assistant secretaries, one responsible for the five ‘Economic Services’ divisions (Planning and Technical Services, Finance and Administration, Primary Industry, Forests, and Trade and Industry – until 1990, Commerce) and the other for the five ‘Social Service’ divisions (Community Government, Community Development, Education and Communications). The divisions broadly correspond with the activities transferred from the national government to the provinces in 1978 and 1979.

Initially little effort was made to evaluate the priorities of the government and the effectiveness of the various divisions in meeting these priorities. But from the late 1980s, the parallel introduction of a provincial planning system and zero-based budgeting involves doing just that, and as a result the activities of all divisions are being evaluated (see below). There is little doubt that there are excessive numbers of both public servants and teachers. For example, a study of its education sector commissioned by the provincial government in 1987 showed that by rationalising community schools the number of teachers could be reduced by sixty. The number of education administrators had increased from three in 1978 to twenty-six in 1987. The provincial education system was criticised as being run as a ‘welfare system’ for Tolai teachers wishing to return from other provinces (Weeks 1988:21). Subsequently, efforts have been made to streamline the education sector in line with major recommendations of the 1987 report. By 1991
there were reductions in allocations to teachers' salaries of about K400,000 compared to the previous year (ENBPG 1990).

Senior public servants meet regularly as the Provincial Development Team (PDT). With few exceptions, policy submissions to the provincial executive are screened by the PDT. It is not, however, an effective coordinating or planning body, those roles vesting in smaller groups of officers: a Budget Priorities Committee, a Planning Working Group (discussed below) and ad hoc committees that coordinate particular projects. There is limited formal coordination of the activities of the various divisions at a district or outstation level.

Most public servants are Tolai, with very few from the Pomio and Bainings areas or from other provinces and even fewer expatriate contract officers. During the late 1970s and 1980s, staff from elsewhere were replaced by Tolai as many relatively well-educated Tolais returned to Rabaul to work in senior and middle-level provincial government positions. At least two problems have arisen as a result of the Tolai influx. First, Weeks's (1988) comments referred to already, about the tendency for teaching positions to be regarded as a form of welfare system for returning Tolai, has applied with as much force to the public service, there often having been little emphasis on ability or commitment of appointees. There have been improvements in senior positions since the mid-1980s, as development of the new planning approach (see below) helped key staff to prevail upon the provincial secretary to replace ineffective officers who had survived largely on the strength of friendship with or loyalty to the secretary himself. There are, however, many in the middle and lower-level positions who contribute little. Second, the lack of Pomio and Bainings people in responsible positions is certainly a factor in the limited understanding of the problems of those areas still exhibited by the provincial government (see below).

Considerable emphasis is placed on staff development and training. A joint staff-development and assessment project involving the West German Hanns Seidel Foundation operated through most of the 1980s. Critics suggested it had little effect, as senior and middle-level staff generally acknowledged as ineffective often remained in their positions for many years.

By the late 1980s, most senior staff were reasonably competent and had some years of experience in senior posts, and generally worked well in cooperation with the key politicians. An important factor in these good working relationships has been the fact that both premiers and many key ministers have become politicians after working as senior public servants, often with the provincial government. The movement of key personalities from public service and politics and the continuity among senior public servants have been crucial in development of the corporate approach to provincial administration. The key people on both sides share much in common in terms of work experience, small business interests, and involvement in traditional Tolai society. While it tends to be the public service that generates the main policy ideas, it is always in close consultation with the key politicians who can normally carry their colleagues in both the executive and – when necessary – the assembly.
Functions and legislation

The provincial government has responsibility for the standard set of activities transferred to all provincial governments by the national government (see Chapter 3). Although its primary focus has been on management of those functions, East New Britain has gradually sought to take on additional functions and to take some new policy initiatives, more perhaps then any provincial government other than North Solomons and Morobe.

The focus on improving the management of its existing functions has involved gradual movement towards the exercising of more and more provincial functions under provincial laws. Such laws seldom involve significant changes in the direction taken by the national laws they have ousted. The limited development of new policy directions in provincial laws is understandable, for few public servants have the experience or training to handle much other than administrative duties. National laws remain in place in most areas of responsibility, and even where new provincial laws can be passed, as in the case of village courts and education, constitutional, funding and administrative arrangements limit the scope of possible changes. Finally, limited funding makes it difficult for the provincial government to consider major new initiatives.

As for examples of areas where it has taken on new functions, East New Britain was one of the first to take responsibility for administration of village courts and to pass its own law on the subject. It has established authorities to encourage tourism, administer sports and administer the needs of the disabled. It has long shown an interest in administering land in the province. From as early as the 1979 national Premiers’ Council conference, it was seeking transfer of land functions, and it kept up such constant pressure in that regard that in 1986 a number of functions under national lands laws were delegated. While there were some serious administrative problems with the delegations (Regan 1991), the provincial government has sought to resolve them, and in 1991 established its own lands division, largely taking over the national government lands staff and functions which had continued to operate in Rabaul after the establishment of provincial government. The main reason for the desire to be managing this activity has been frustration at the delays involved in national government administration of the functions. However, the move has long been opposed by Pomio Kivung leaders who allege that control of land functions will result in Tolai domination of land outside the north-east Gazelle, and so may result in added tensions if not carefully managed.

Any new policy directions that have been put in place have tended to follow initiatives tried elsewhere. Thus in relation to local government it modified the North Solomons model of community governments. In education, it again followed a North Solomons initiative in promoting vernacular language preschools (tok ples skuls) and placed considerable emphasis on technical training. But from the late 1980s there has been a gradual move to examine various new potential policy directions. A committee has worked on agroforestry. Possible approaches to registration of customary land have been studied, and although the province
has shown considerable interest in the East Sepik land registration system being implemented since 1987, there seems to be commitment to developing proposals suited to the special circumstances of the province. There is concern to go beyond registration (which will mainly tackle problems such as disputes about boundaries and ownership, and perhaps enable customary land to be put up as security for bank finance) to look at approaches to dealing with land shortage, but so far there has only been tentative exploration of the issues. As discussed below, there are obstacles in the way of significant new policy initiatives, especially any tackling the province’s major problems. There is, nevertheless, evidence of a new maturity in approach to policy development.

Setting priorities (planning)

In part as a response to ministerial demands, between mid-1985 and August 1986, a planning strategy was developed by key staff together with an officer of the Islands Regional Secretariat. Approved by the provincial executive in August 1986, it involved identification of the sixteen key areas of provincial government activity, development of strategies for each of them, and development of a set of strategic objectives against which future directions in government activity could be judged. Since that time, efforts have been made to subject the annual budget to the planning system. All new spending is prioritised, according to the strategic objectives. All recurrent activities are being rigorously evaluated. Zero-based budgeting has been gradually introduced since the late 1980s, requiring every proposed budget item for each division to be justified in terms of the objectives of the division.

It had originally been hoped the new planning and budgeting processes would lead to major savings, freeing more funds for maintenance and capital works, in particular major new development projects in the government’s priority sector of economic development through agriculture. While savings have been achieved, they have been modest. The new approach has had other benefits, in terms of forcing divisions to appraise their activities and priorities and continually justify what they are doing. It has been a factor in development of pressures to remove less effective staff. There are suggestions that the system does not have a sufficient bias towards proper assessment of the social development needs of the Pomio-Bainings areas, as discussed later in the chapter.

Finance

With a rapidly increasing population, and an extensive infrastructure concentrated in the north-east Gazelle, the provincial government faces heavy demands on its finances simply to maintain standards, let alone cope with demands for new services and for equalisation of development. These pressures must be met in the face of reducing levels (in real terms) of the main source of funds (grants from the national government). The main response during the past ten years has been to increase internal revenue but by the 1990s the provincial government is coming under pressure to re-evaluate existing expenditure patterns.
The total funding available to the provincial government (inclusive of salaries) has risen from K4.7 million in 1978 to K20.7 million in 1991. The major contribution is from national grants; an indication of the relative contributions of the various revenue sources can be gained from the 1988 estimated revenue figures presented in Table 3.4. In addition, the provincial government benefits indirectly from expenditure by the national government on the Pomio-Bainings development project (see below), which received in excess of K4 million from 1987 to 1990. That funding relieved pressure on the provincial government to spend scarce funds on new capital projects in the Pomio and Bainings areas.

The impact of the steady long-term reduction in real terms of the value of national-government grants to provincial governments, discussed in Chapter 3, has been compounded in the East New Britain case by staffing decisions (see below) which have resulted in a gradual rise in the proportion of the gross MUG being retained to pay salaries. Before commenting on provincial government responses to reducing grant revenue, patterns in allocation of revenue must be considered.

The major priorities for provincial government expenditure are largely predetermined. Having taken over the services provided by the national government prior to 1977 there is pressure to continue them, especially education and health and maintenance of infrastructure. Heavy reliance on the main grant, the MUG, reinforces the position as it is calculated by reference to the costs of maintaining existing services and infrastructure. The base figure for the MUG (estimated national spending on the transferred activities in the 1976-77 fiscal year) was just over K6 million, almost 44 per cent for education, 31 per cent for capital works and maintenance, about 9 per cent on primary industry (inclusive of forests), about 6 per cent on health, almost 8 per cent on 'provincial affairs' and less than 3 per cent on business development and information. There has also been, however, pressure to expand services, both to cope with increasing population and to equalise development, and to take on new activities. As a result, allocation patterns have changed since 1976-77, but not markedly so, reflecting the basic pressures to continue the major activities taken over from the centre.

Education expenditure has always been the most significant, consuming between 30 and 35 per cent of total revenues in all years from 1980 to 1991, mostly in the form of salary payments. Health and primary industry extension are allocated about 10 per cent between them in most years, and other divisions (forests, trade and industry, communications, community government and community development) normally receive 10 to 14 per cent between them. Lands – a new division in 1991 – was allocated about 1 per cent of the budget. Divisions servicing the others – office of the secretary and finance and administration—account for 7 to 10 per cent most years. Other than education, capital works and maintenance account for the largest proportion of the budget in most years, averaging more than 20 per cent (varying from almost 40 per cent in 1980 to about 18 per cent in 1986 and 1990). The remaining 10 to 20 per cent of the budget is accounted for by: the premier’s office (which includes salaries and allowances of assembly members) at around 2 to 3 per cent most years; overheads (insurance, electricity and so on) varying between 2 and 8 per cent; and financial
transactions (payments to various governmental and other bodies such as the Provincial Council of Women and the Islands Regional Secretariat) ranging between 2 and 5 per cent of the budget each year.

Works and maintenance allocations include three main categories – capital works undertaken by the provincial government itself, allocations to community governments for small-scale projects, and allocations to the provincial government’s maintenance program. These parallel the three categories funded under the abovementioned 1976–77 base year figures for the MUG – capital works, rural improvement program and maintenance. It has been the first of these categories (capital works) which has suffered most as funding for increased salaries and new activities was required. From a base year percentage of over 17, its allocation rose to a high of 22.5 per cent of the budget (almost K2.5 million) in 1980. But in most years since then the allocation has been 7 or 8 per cent or less. Likewise, community government works grants, receiving almost 5 per cent in the base year, have reduced in real terms, remaining between K500,000 and K600,000 since 1985 (about 4 per cent of the 1985 budget but not much more than 2 per cent by 1991). Maintenance, however, has always been accorded a high priority by the provincial government. The base year allocation was 9 per cent, whereas provincial budgets have made allocations of between 11 and 16 per cent in most years (for example, K3.4 million, or 16.4 per cent, in 1991). But some idea of the pressures on the limited provincial government resources can be gained from the fact that 1985 estimates based on national Department of Works and Supplies road-maintenance guidelines indicated the province should then have been spending K5.7 million per year to maintain its existing 1,000-kilometre provincial road network (ENBPG 1986), and the requisite figure has no doubt risen dramatically since then.

The significance of these changes in capital works and maintenance allocation patterns must be emphasised. New capital works spending has suffered at the expense of maintaining levels of allocations to recurrent and maintenance expenditure. The latter tend inevitably to favour the north-east Gazelle where most existing infrastructure and service delivery capacity has been historically concentrated. With limited resources, the provincial government faces a dilemma, for it is damned if it fails to maintain what is already there and also damned if it does not ensure new capital expenditure designed to equalise development. This is not to say that lack of interest on the part of Tolai public servants is not part of the reason for the continuing limited focus on the development needs in the Pomio and Bainings areas, as argued by Angus (1990). Rather, the point is that the problem is more complex than that. Nevertheless, the increasingly vocal Pomio and Bainings leaders are applying ever more pressure on behalf of their areas. They have been mollified from the late 1980s only because the Pomio-Bainings development project has supplemented the allocation by the provincial government of a majority of its limited new works expenditure to the Pomio and Bainings areas. In the longer term the pressure on the provincial budget to balance maintenance of the north-east Gazelle and further development of the Pomio and Bainings areas is likely to become more intense.
In common with all provincial governments, a high proportion of all East New Britain’s funding is allocated to salaries of teachers and public servants. While the provinces are often criticised in this regard, it must be remembered that such expenditure is not inherently wasteful, as the majority of staff are directly involved in providing services to the public, particularly health and education. The provincial government accepts, however, that there is room for rationalisation. Salaries accounted for over 40 per cent of all revenue in the late 1970s (42.8 per cent in 1980) and, despite increased contributions from internal revenue, by 1988 the proportion had reached 56 per cent. The proportion fell after that due to increased internal revenue and reductions in numbers of teachers, so that in 1991 the estimated cost of salaries of less than K9.8 million not only involved a reduction of more than K200,000 from the previous year’s figure of almost K10 million but was 47 per cent of the estimated total budget compared to 51 per cent in 1990 (ENBPG 1990).

The increasing proportion of funds allocated to salaries until 1988 appears to be mainly due to reclassification of staff positions. Alone among the eight provincial governments with full financial responsibility East New Britain reduced total staff numbers (public servants and teachers), by 4.3 per cent over the period from 1978 to 1988, whereas there was an average increase of 25 per cent among all eight provinces (Axline 1988: Table 5). There was a significant reduction in numbers of public servants, for numbers of teachers (community and high school) rose markedly in the same period, from 738 in 1978 to 864 in 1987 (Weeks 1988: 15). In the same period, the unit cost of payments to staff rose by 173 per cent, compared to a 103.8 per cent average increase among the eight provinces with full financial responsibility (Axline 1988: Table 5.). These increases are not solely a provincial government responsibility; reclassification of public service positions takes place during restructuring exercises subject to final approval by the national public service authorities.

The provincial government has limited budgetary options for dealing with the heavy demands upon it. They include: reducing capital and/or maintenance expenditure; increasing internal revenue; cutting wasteful salary expenditure (for example, in overstaffed schools); and discontinuing low priority activities. Each strategy save the last has so far been used. As to the first, after 1980, when capital works expenditure (exclusive of small works grants to community governments) accounted for 22.5 per cent of the budget, there has been remarkable restraint; the allocation was 11 per cent in 1981, but less than 5 per cent in most years after that. At the same time, the provincial government showed a responsible attitude to existing infrastructure, and maintenance expenditure remained significant, as already noted.

Internal revenue has been the main focus since 1981. At K162,000, it accounted for only 3.4 per cent of total funding of K4.7 million in 1978, and only 5.1 per cent of a total of K9.7 million in 1981. By 1991 it was estimated at K5.1 million, or almost 25 per cent of the total funding figure of K20.7 million. The increased effort began with introduction of a general retail sales tax in 1982 and the introduction of land tax in 1983 (a measure involving taking over a previous local
Throughout the 1980s efforts were made to improve tax administration. From 1990 new sources were tapped, with introduction of a tax on sales of petroleum and selected services, and increased land-tax rates. There is limited scope for further exploitation of tax powers, both because no significant new taxes are available under the Organic Law on Provincial Government and because of the poor state of the provincial economy. It was the limited scope of tax powers that in the mid-1980s saw the provincial government seek long-term revenue increases from investment in the plantation sector, a move which not only now seems unlikely to bear fruit, due to low commodity prices, but involves potentially serious political risks for the provincial government (see the discussion of ‘bisnis’, below). As to cutting expenditure on salaries, as noted already there have been savings made following a review of the education sector. Senior staff involved in planning evaluation of other sectors of provincial government activity believe there is scope for similar staff reductions elsewhere. The final strategy—discontinuing low priority activities—has been discussed, but so far not applied, but is likely to be forced on the provincial government in the near future. Education, health and other services will be under ever-increasing pressure to at least keep pace with a fast increasing population. More than ten years of restraint in relation to capital works will eventually see pressure for more activity, especially in relation to roads and health and education infrastructure. The pressure for capital works expenditure, eased since 1987 by the Pomio-Bainings development funds, will re-emerge in the early 1990s. With increasing pressure to find more funds for priority activities and little room to expand internal revenue collections (and indeed a strong possibility they will fall due to economic stagnation), there will tend to be pressure on low priority activities.

As to management of its finances, while in its early years there were problems, under premiers ToVue and Brown the administration has received the support necessary to achieve high standards of efficiency and accountability. As a result, by the late 1980s the East New Britain provincial government had come to enjoy the reputation of being one of the few examples of fiscal probity among the nineteen provincial governments.

The provincial government and bisnis

Economic nationalism in the form of ‘development corporations’ had been an issue in East New Britain since the Mataungan’s New Guinea Development Corporation (NGDC) had been mooted in 1970 (Kaputin 1977). A provincial government-owned development corporation was an early priority, discussed at the first official meeting of the interim provincial government in July 1976 (Post-Courier 31 August 1976). Attempting to turn the idea into a reality has subsequently given the provincial government a range of problems, such that by the mid-1980s economic nationalism had been jettisoned as a goal and income generation was the major concern of remaining government investment.

Late in 1977, soon after receiving the national government’s standard K100,000 loan and 50t per head grant for establishing a development corporation, provincial
Finance Minister ToBaining announced diverse, ambitious but confused aims for the proposed corporation. It would: earn income for the government; promote small scale business; buy established businesses too expensive or complex for Papua New Guineans to buy; assist local people to take over existing businesses; and favour the less developed areas of the province (Post-Courier 22 August 1977). But until former Public Service Association advocate Paul Arnold became manager late in 1979, the corporation did little but buy a few shares. Arnold shared the Mataungan vision of economic nationalism; the corporation was to develop and control the local economy, create employment, and generate revenue for the provincial government (personal communication, December 1982). Expansion was dramatic; building, shipping, and plant and haulage divisions commenced. A service station was purchased, and subsidiaries were involved in building and leasing a large office complex, and in egg and clothing production. In 1982 a subsidiary was formed to buy the Andersons group of companies which operates supermarkets in Lae and Rabaul and more recently in Madang and Port Moresby. The K3 million purchase price was guaranteed by the provincial government, and a bank loan repayable over six years was met by annual provincial grants of K320,000.

Expansion into areas involving competition with existing businesses attracted much criticism from both Tolai and expatriate business people, especially in respect of the building, and plant and haulage divisions. But it was not the local critique of the impact of economic nationalism which resulted in the corporation’s major problems so much as management problems. Much of the expansion occurred just as economic activity in Rabaul was beginning to slump due to the 1980 cessation of tuna fishing (largely based in Rabaul) and low commodity prices. Some of the investments were not adequately evaluated and there was unwise expenditure on such things as expensive new houses for senior management. The company lacked the management expertise needed to cope with such a diverse organisation. Unfortunately, the provincial government did not keep itself adequately informed; no financial or operational reports had been provided to the provincial government for more than four years before the extent to which the corporation had overreached itself became evident in mid-1984 (Post-Courier 2 July 1984). As a personal friend of key provincial ministers (such as then minister for Finance, Sinai Brown) and public servants, Arnold had not been the subject of close scrutiny. But when the company’s massive financial problems became known, the provincial government moved quickly, and dreams of economic nationalism were abandoned.

In announcing an ‘internal liquidation’, the Finance minister, Sinai Brown, acknowledged that the provincial government was at fault for not checking on the operations of the company (ibid.). The ‘internal liquidation’ was complete by late 1985, with all debts paid other than bank loans owing in respect of the office complex and the purchase of the Andersons group of companies, all of which were repaid within five years due to the profitability of the Anderson’s operations. From 1990, the provincial government began receiving modest dividends from the corporation. There are no plans to expand the corporation.
The provincial government has, however, continued to have investment interests. In the 1980s it became an active investor in the plantation sector, potentially giving rise to a range of quite different problems. Through a wholly-owned company, Barakopo Pty Ltd, the provincial government has purchased interests in two large cocoa and copra plantations in the Bainings. Originally established in 1980 with a view to redeveloping run-down plantations prior to transfer to local groups (Post-Courier 19 February 1980) by the mid-1980s the combination of the tight financial position of the provincial government and high cocoa prices saw income generation become the main interest. From 1983, the first plantation purchased by Barakopo, the 2,000 hectare New Massawa property in the North Bainings, was managed for the provincial government by New Guinea Islands Produce Company (NGIP), the wholly Papua New Guinean owned company formed in the late 1960s to take over the Tolai Cocoa Projects’ assets. Pre-tax profits for the provincial government of K1 million to K1.5 million per year were confidently expected after several years of redevelopment.

In the mid-1980s, provincial funds enabled Barakopo to purchase a 484 hectare plantation known as Stockholm, in the Open Bay area. It was used as a 20 per cent equity contribution into the large Walmetke project then being coordinated by NGIP and Kina Securities Ltd (a company involved in the development of a capital market in Papua New Guinea). The project originally involved a vast 1,800 hectares of interplanted hybrid cocoa and copra on 900 hectares of alienated land and 900 hectares of adjacent customary land. The customary land was to have been the customary owners’ equity contribution. After a year or more of negotiations, however, in the later part of 1986 the customary owners became suspicious of the project. In July 1986 a NGIP employee involved in liaising with the customary owners was ‘manhandled’ by some of the irate landowners. The project proceeded without the customary land. Provincial government anticipated K1 million per year pre-tax profits.

By the early 1990s, several years of extremely low cocoa prices had rendered both projects unviable, together with most other plantations in the province. No income had been received, and none is likely for the foreseeable future. Not only had the invested provincial government funds brought no return, but the provincial government had been drawn into a close working relationship with the large-scale plantation sector. For example, in September 1986 it cooperated closely with the Planters’ Association, management companies and other industry bodies in helping to coordinate successful approaches to the national government for significant financial support for the copra industry through funding of the Copra Stabilisation Fund. It has been involved in similar approaches in respect of the Cocoa Stabilisation Fund since the late 1980s. True, this initiative will greatly benefit smallholders as well as the plantations. The difficulties will arise if future developments in the cocoa and copra industry lead to possible conflicts of interest between the provincial government’s responsibility to assist smallholders and its investment in the plantation industry. Concern about returns from its plantation investments and concomitant close links with industry bodies may make conflicts hard to avoid.
While the financial position of the provincial government is such that it must seek alternative revenue sources, there are additional obvious risks involved in major investments in the plantation sector. Tolai encroachments in the Bainings are already resented. Provincial ownership of large plantations and equity participation in a plantation scheme involving proposed customary land purchase in the Bainings area could easily be regarded as an extension of Tolai domination. The attack on the NGIP worker in 1986 is indicative of the considerable potential for conflict arising from such projects, and its equity involvement may compromise the ability of the provincial government to deal with issues involving the plantation industry.

Local-level government

With local government councils the source of so much conflict in the north-east Gazelle in the late colonial period, it was natural that one of the first actions of the new provincial government was to do away with councils and establish smaller local governing bodies closer to the people. Following the example of the Bougainville government, a system of community governments was established in 1977, on the principle of one per provincial assembly constituency (much larger units than applied on Bougainville). Establishing the new governments became yet another contentious issue in relations between the Tolai and the Pomio people, for councils had maintained strong support in the Pomio area, and their abolition was interpreted as a move to destroy Pomio institutions. There was particularly strong opposition from the Mengen Local Government Council and although abolition proceeded, it brought Kivung and anti-Kivung elements in the council area into close alliance. Until an elected community government was accepted in the late 1980s an appointed community government operated in this Kivung-dominated area.

In terms of structures and functions, community governments are little different from the previous local government councils. The provincial government regards community governments as important. They constitute a communication link from the local to the provincial level, with efforts being made to consult them on important provincial legislation (see above) and to involve them in the running of health and education facilities. But in practice, in a majority of cases they operate only marginally more effectively than the old councils. They do, however, provide forums for ventilating village opinion (Fingleton 1985). In a few cases the energies of a few active personalities have shaped remarkably effective bodies; they take on more active roles in organising and mobilising local communities than their formal functions would suggest, organising construction and maintenance of schools, health facilities and roads, managing health centres and schools, and dealing with land demarcation exercises on behalf of the provincial government. While they depend a great deal on a few individuals, they also tap deep resources of community enthusiasm and support. Community governments have also been a stepping stone into the provincial assembly.
Community governments remain heavily dependent on the provincial government; their main revenue source is provincial grants. Each has access to minor works grants, which in 1991 totalled almost K600,000 divided among all community governments (more for those in the Pumio and Bainings areas than those in the north-east Gazelle). A staff subsidy grant is also paid. Other than that, community governments are supposed to meet administration expenses from internal revenue, largely head tax. Tax collections are low and as a result many governments have often used provincial works grants to pay members’ allowances. From 1984, as a result of both misuse and serious under-expenditure of the works grants, these grants were retained by the Provincial Works Division, to be spent at the request of the community governments. From mid-1986, a concerted drive by staff of the provincial government’s Community Government Division to improve financial management has resulted in the grants again being paid direct to many community governments.

The provincial government has a policy of involving the local communities in running their own affairs through mechanisms other than community governments. Community-dominated boards of management have been established for most schools and health centres, and are operating remarkably effectively in many areas. They are encouraged to reduce financial dependency through raising funds locally. Matching grants are used here. Provincial government grants for health centre transport (vehicles and boats) cover only a proportion of costs (50 per cent in the north-east Gazelle and 75 per cent in the less developed areas of the province where the cash economy remains less pervasive), the community being required to raise the rest.

Policy dilemmas – economic downturn, the volcano, land shortage and spatial inequality

Both the land shortage in the north-east Gazelle and the spatial inequality in the province present major policy dilemmas to a provincial government with limited resources, dilemmas which are exacerbated not only by the severe economic downturn experienced since the late 1980s but also the ongoing impact of the volcanic emergency of 1984. It is convenient to begin with an examination of the latter two problems.

Economic downturn

The long-term impact on the provincial economy of the low commodity prices experienced since the second half of the 1980s, and expected to continue for the foreseeable future, may be severe. Reduced purchases of plantation inputs and services tend to have a multiplier effect beyond the businesses directly servicing the plantation sector. With less money circulating in the economy retail purchases fall and there is reduced employment and business closures in the retail and related sectors. The concern is that what is happening is not merely a deep trough
in a series of fluctuations but rather that the provincial economy may be heading towards long-term low-level stagnation (F. Little, personal communication).

In practice, opportunities for alternative development paths are limited. The heavy dependence of the East New Britain economy on agriculture has been a matter of concern to local authorities for many years, but is unlikely to change. A 1988 study of the volcanic hazards of Rabaul suggested that the relatively small scale of the population served by Rabaul (inclusive of the parts of the Islands region with close economic ties) was the main reason why the impetus from the agricultural sector resulted in only limited secondary and tertiary industry in the urban sector. Most local firms do little more than fill ‘some particular niche that is not adequately catered for by imports or established firms’ (Blong and Aislabie 1988:40).

It is not surprising, then, that provincial government responses to the economic downturn have been limited and of little effect. It has continued with strategies for economic diversification developed in the mid-1980s, and has also sought to initiate a major project for the upgrading of the Tokua airstrip (north of Kokopo). Diversification has involved encouraging tourism, alternative cash crops, and a range of alternative small-scale processing industries. The tourism industry in East New Britain depends almost entirely on developments elsewhere in Papua New Guinea, and is unlikely to be a major contributor to the provincial economy for the foreseeable future. Alternative cash crops such as cardamom, chillies and other spices, vanilla, and so on have limited potential without massive investment, which the provincial government cannot attract. As to small-scale processing industries, the relatively small scale of the market served by Rabaul renders the prospects limited.

The proposed Tokua airport project involves the sealing and upgrading to international status of an old wartime strip which was improved during the volcanic emergency of 1983-84. The provincial government envisages the K50 million to 100 million project giving a major boost to the economy through contracts for local firms, increased employment, and various spin-offs (including the improving of attractiveness of nearby Kokopo as an alternative provincial centre, a development which might itself promote new projects). Unfortunately, the project cannot proceed without national government support, and the provincial government was disappointed by the lack of support received from Prime Minister Namaliu in the 1988 to 1992 period (see below).

**The volcano**

An extended volcanic emergency due to the threat of an eruption of the Rabaul caldera during the 1983-85 period had major impacts on the province, not least being the dampening effect on development of Rabaul. Increasing seismic activity resulted in scientific assessments of a strong likelihood of an eruption

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* As this volume was being prepared, Tavurvur and Vulcan erupted, forcing the evacuation of Rabaul.
sometime during 1984, most likely on the scale of the 1937 eruption (which caused extensive damage to Rabaul and surrounding areas and resulted in about 500 deaths), but with a small risk of it being a devastating eruption similar to the 1883 explosion of the Indonesian island of Krakatau. Thousands of people voluntarily evacuated Rabaul and surrounding villages for some months, but returned late in 1984 as the seismic activity slowly subsided.

Despite some public acrimony between Premier ToVve and Prime Minister Somare concerning funding and planning of the emergency preparations, cooperation between the national and provincial governments in handling the emergency was generally good. Over K2.5 million special national funds were made available for roads, airstrips and other works and equipment needed. By the time Rabaul returned to a stage one alert in November 1984, there had been a marked reduction in population in the area and a serious downturn in economic activity.

As to longer-term impacts on the provincial economy, insurance premiums rose astronomically, policies were cancelled, and new insurance became impossible to obtain. Renewed discussion of moving the provincial centre to Kokopo or elsewhere meant that investment in Rabaul (which had largely ceased before independence) ceased almost completely once more. The high commodity prices of the mid-1980s were not translated into new investment in the town and surrounding areas. In the early 1990s, there is a continuing disincentive to invest in Rabaul which exacerbates the effects of the economic downturn due to low commodity prices.

The emergency also revealed the extent to which the provincial government is dependent upon the national government for funding of any major expenditure beyond that necessary to carry out its normal activities. Unless it gets national government funding, it is unlikely to be able to make the infrastructure investment necessary to encourage a movement to Kokopo.

**Land shortage in the north-east Gazelle**

The provincial government has been able to do very little to tackle the land shortage which grows ever worse. A resettlement scheme in the Trans-Warangoi area has been actively supported, but as has long been recognised, the most obvious solution would be redistribution of much of the 47 per cent (42,000 hectares) of alienated land in the north-east Gazelle. The national government’s plantation redistribution scheme ceased in 1980, however, when Sir Julius Chan became prime minister. Only twenty-four plantations in East New Britain, with a total area of 5,000 hectares, were purchased under that scheme, and only nine of those had been redistributed to Tolais by 1983 (Fingleton 1985). There are over 150 plantations on the Gazelle, the vast majority in the north-east Gazelle (Cocoa Industry Board statistics), and many of them have been abandoned or severely run down since the massive falls in cocoa prices of the late 1980s. The provincial government does not have the funds or the personnel to handle a major redistribution exercise.

Unofficially, many influential Tolais believe that better access to unutilised land in the Bainings and Pomio areas is the only long-term solution to land pres-
sures on the Gazelle. Such a policy was seriously advanced by the Australian administration’s district commissioner in 1967 (Chowning et al. 1971), and is obviously tempting given the surplus land in those areas. However, openly advocated, such a solution would exacerbate deep tensions between the Tolai and their neighbours.

The deepening cleavages in Tolai society between a few wealthy people and a growing number of poor, landless or almost landless people, and the lack of any serious policy response can only result in growing social problems, perhaps similar in nature and even extent to those that developed in major coffee growing areas of the highlands from the early 1970s.

Spatial inequality – development of the Pomio and Bainings areas

While many of the principal spokesmen for the Pomio and Bainings people genuinely believe that the solution to many of their problems lies in establishing a new province separate from the north-east Gazelle, others believe such a move would achieve little. The root of the tensions between the Pomio and Bainings peoples and the Tolai is at least twofold: the comparative lack of development between the two areas, and encroachments on Pomio and Bainings land by land-hungry Tolai. Enough has been said elsewhere in this chapter about the comparative lack of development. In relation to land encroachments, two issues raised in the 1985 Pomio-Bainings Area Study suffice to illustrate the point. First, on the basis of Bainings resentment of existing Tolai encroachment, the study argues against the building of a road linking the South Coast Pomio areas with the transisland highway which would then provide links with Rabaul. Second, the study noted deep apprehension on the part of village leaders in both the Pomio and Bainings areas if land powers were to be transferred – as has in fact since happened – from the national government to the provincial government (Atkins International 1985 Vol. 1:3-33). The argument that a separate provincial government for the Pomio and Bainings could do little about these underlying problems has considerable force. Such a government would be very small, with revenues even more limited than those of East New Britain. It would not remove the land-hungry Tolai from their proximity to the tempting surplus land. The successful agitation by Alois Koki and other Pomio leaders since the late 1970s shows there is an alternative strategy. By remaining a vocal and visible part of East New Britain, the Pomio and Bainings leaders can probably attract far more attention and resources to themselves than would otherwise be the case.

Thus from 1977-78 until 1985, over 68 per cent of the total allocated to capital works has been directed to less developed areas of the province, and only 29 per cent to the north-east Gazelle. However, a high proportion of that expenditure had gone to establish a single major service centre for the Pomio District at Palmalma (ibid.). A similar pattern has continued since that time, with most expenditure being in respect of major capital projects. Whilst noting with approval the bias in favour of the Pomio and Bainings areas in many aspects of provincial government endeavour, the 1985 development study was critical of its net effect.
The recommended development strategy was based on greater and more carefully directed inputs, and of developing economic self-sufficiency for the area. Increased linkages with the Gazelle were opposed as likely to make the Pomio and Bainings areas ‘little more than a production hinterland’ for the Gazelle (ibid.: 22). The nationally-funded development project operating since 1987 has in general accepted the approach prescribed, but its limited funding (about K4.5 million over four years) suggests a limited impact is likely.

Angus (1990) argues that there has been limited sympathy for project proposals for expansion of social services in the Pomio area, the poor quality of project submissions being cited as the problem. It seems likely that lack of sensitivity of an almost completely Tolai bureaucracy is in fact a major factor. With the cessation of the development project, the Pomio and Bainings areas will again be heavily dependent on the provincial government for new development expenditure. There thus seems to be a need for more selective pressure from Pomio and Bainings leaders ensuring a more sympathetic hearing of the case for projects in these areas and allocation of resources needed for effective project proposals and design.

Despite the recommendations of the 1985 study, the provincial government remains intent on building road links between Pomio and the Gazelle, across the isthmus from Wide Bay and eventually round the south coast. Some Pomio leaders support this approach. Faced with the present problems of lack of economic development in their area, as opposed to the possible problem of Tolai encroachment, they choose to tackle the former problem first. They hope vigorous economic development in their area encouraged by road links to the economic centre of Rabaul will encourage such vigorous local growth that the Tolai will not be able to compete. The most effective long-term policy likely to reduce Tolai land hunger, however, would be a major land redistribution on the Gazelle. As the provincial government is most unlikely to develop such a program, the prospects are for growing tensions between the Tolais and their land-rich neighbours.

But even in respect of land encroachments, as a strong element in the East New Britain government, Pomio and Bainings leaders are more likely to be able to affect long-term plans with potential impact on their areas. Thus in 1990, when discovery of iron pyrites sparked a ‘gold rush’ involving several thousand people from the north-east Gazelle into the Bainings, the provincial government took a strong stand in discouraging the movement of people and even actively removed trespassers from private land.

Obstacles for policy development

There is some evidence that the provincial government is moving beyond mere service provision towards developing a capacity to develop policies which tend to reshape economic and social relations by dealing with the major problems of the province. But its heavy dependence on the national government in terms of fiscal resources, so clearly highlighted by the volcanic emergency, tends to severely limit the options that will be open. Much the same will be true of legislative
and other powers necessary to implement major policy initiatives – for example, in relation to land registration or redistribution of plantation land. In addition, if major new policy initiatives are likely to involve the provincial government intervening more in the economic and social life of the province, it is likely to disturb existing interests, and so is likely to spark organised opposition of one kind or another.

**Women’s organisations**

Women’s representatives were involved in the establishment of the provincial government and, as noted already, the provincial constitution provides for a nominated women’s representative in the assembly. That member has normally been chosen by the main organisation representing women’s interests in the province, the East New Britain Council of Women. This province-wide body was established in 1980 under the auspices of the National Council of Women and replaced the former Tolai women’s body, *Nilai Ra Warden*. There is a community women’s association for each community government area, made up of representatives of village women’s groups. In every case, a representative of the community women’s association is a nominated member of the community government in the area. Each community women’s association elects two representatives to a Provincial Council of Women Assembly, which usually meets four times a year. A member of the council is a nominated member of the provincial assembly. The council usually employs several full-time staff. It is reliant on grants, including an annual provincial government contribution. It has operated a small loans scheme for members, conducts courses and workshops for women, and sends organisers to village consciousness-raising meetings for women. It has had several forays into business activities, the most controversial being a soap-producing factory established in 1987, with an investment of K675,000, most of it from national government and bank loan funds but part (nearly K70,000) from a provincial government grant. Aiming to teach women that they could manage big projects (personal communication, Mrs. B. Brown), the factory employed over forty people. Previous problems in running the Rabaul airport canteen did not dim enthusiasm for the soap project, but it operated for only a few months before management and marketing problems led to its closure and the loss of the invested funds.

The failure of the soap factory has been a factor in ongoing controversy surrounding the women’s association since 1987. Jessie ToBaining, wife of former provincial premier and then member of the National Parliament, Eremen ToBaining, was president, and she had a falling out with Bungtabu Brown, former executive officer of the council, and wife of provincial member and later premier, Sinai Brown. Supporters of Mrs Brown had previously dominated the council, but with Mrs ToBaining’s accession an acrimonious dispute developed over, *inter alia*, the soap-factory project. Much of the tension involved personal differences which were exacerbated by the ability of the husbands of the main actors to wield influence. The dispute has done little to help the effectiveness of the council.
Bradley (1982) notes a marked sexual asymmetry in Tolai society: even though Tolai women are seen as among the most advanced in the country, their roles in all aspects of public and traditional life are limited. She argues that the role of appointed women’s members in both the provincial and community governments has tended to be ‘an ancillary, supportive role, confined almost entirely to giving advice on issues relating to family welfare, and providing certain “female” services, such as preparing food for public occasions …’ (ibid.: 230). Writing of the situation in the late 1970s, she suggested that separate organisations and special representation for women may not be merely an interim protective measure to help women compete, but rather may lead women to ‘accept their indirect and limited participation in decision making as a substitute for direct and full involvement’ (ibid.: 231). Nevertheless, as women’s coordinator for the provincial government, she together with prominent East New Britain women such as Bungtabu Brown and Rosa Tokiel encouraged women’s organisations to see themselves as assisting and preparing women to become more involved in wider political activity, including community government and provincial government elections. To date, however, there has been little success in that regard, though one or two unsuccessful female candidates in the 1989 provincial elections did secure quite high levels of voter support.

**Links with National Parliament members**

In general, links between the provincial government and the East New Britain members of the National Parliament (MPs) have been positive. The Tolai MPs have been supportive of the provincial government, and when they have held ministries have usually cooperated with the provincial government when particular requests have been made. For example, in 1982 John Kaputin, as national minister for Finance, approved the substantial guarantee the provincial government gave to its Development Corporation as part of the arrangements for the purchase of the Andersons group. Without Kaputin’s approval the guarantee could not have been given (Section 71 of the Organic Law on Provincial Government precludes provincial governments from giving guarantees for periods longer than six months without the approval of the national Minister for Finance) and the purchase could not have been made. Although supportive, the national MPs seldom attend provincial assembly meetings. Alois Koki, the MP for Pomio, is of course the exception, representing quite a different set of relationships. He actively uses his position at the national level to attract resources to the Pomio area, from both the national and provincial levels. His pressure for a separate Pomio and Baining province has often resulted in strained relations with the provincial government.

Relations between the provincial government and Rabbie Namaliu, Tolai prime minister from 1988 to 1992, were often strained. The provincial government believed that Namaliu did little for the province. In particular, he gave little support for provincial government proposals for the sealing and upgrading of the Tokua airport. The feeling among key provincial government figures was that
Namaliu had limited interest in projects in the province other than those that were likely to bring him electoral benefit, and the provincial-sponsored Tokua project did not fit the profile. On the other hand, some felt Namaliu was not happy with the level of support he received from the provincial government. Whatever the cause of the tension, there seems little doubt it was a factor in a range of problems between the prime minister and the province, contributing, for example, to the delay of almost a year in national approval of the provincial nominee to replace the deceased Nason Paulias as provincial secretary.

In the three national general elections since 1982, successive provincial governments have sought to influence outcomes, in the hope of ensuring national members that will cooperate with the provincial government thereby attracting national resources to the province. In 1982, Premier ToVue wanted official provincial government endorsement of particular candidates in each seat. This was not possible due to opposition from his National Party deputy premier, but ToVue and some of his ministers gave unofficial endorsements by actively campaigning for particular candidates, each of whom was from a different party (they included Kaputin, Namaliu and ToVadek of the Melanesian Alliance, Pangu and United parties respectively). Similar efforts were made in 1987, with less success. In 1992, Premier Brown took a more low profile approach. The lack of enthusiasm of the provincial government for Prime Minister Namaliu was well known, however, and was probably a factor in the contest for the Kokopo seat which Namaliu won by a narrow margin.

There is growing use of provincial government as a stepping stone into the National Parliament. ToBaining successfully made the transition in 1982, as did Koimanrea in 1992. Sinai Brown, and two other sitting Assembly members (Konjib and Tammur) attempted to do so in 1987 as did ToVue in 1992.

**East New Britain in national politics**

East New Britain has had an important place in national politics since the colonial period, none more so than during the Matauangan period from 1969 to 1972, when developments in the north-east Gazelle had a profound influence on the direction of national politics. A number of East New Britain figures who first attained national prominence in the pre-independence period continued to have important roles at both national and provincial levels, including: John Kaputin (Matauangan leader, member of National Parliament from 1972, and minister in several governments); Oscar Tammur (Matauangan leader, member of National Parliament from 1968 to 1982 and provincial assembly member from 1985); Rabbie Namaliu (District Commissioner 1975-6, and member of National Parliament from 1982 and Prime Minister from 1988 to 1992); Ereman ToBaining (provincial premier 1979-80 and member of National Parliament from 1982 to 1992); and Sir Ronald ToVue (District Commissioner, premier for eight years and unsuccessful candidate for the National Parliament in the 1992 elections).

Tolais are conscious of the important part played by Gazelle politics in the development of both nationalism and the decentralised system of government.
Relatively economically advanced, with a relatively well-educated population over-represented in the nation’s elite, they feel proud of their contribution to Papua New Guinea. At the same time, they are conscious of how small their voice is in the nation as a whole. Kaputin was early aware of the need to build links with the Islands Region (Grosart 1982). The Alar government publicly supported Kaputin’s efforts to establish an Islands Region grouping of MPs after the 1977 national elections (Post-Courier 21 July 1977). The 1979 formation of the Melanesian Alliance party was another of Kaputin’s Islands alliances which ended with his expulsion from that party in November 1985. He made another effort in 1986 and 1987, organising meetings of premiers from the Islands Region provinces, in part to create countervailing pressure to a national government under a highlands prime minister who was seen as mainland oriented. The islands premiers’ aim of seeing Namaliu endorsed as Pangu leader and alternate prime minister was achieved after the 1987 national elections.

Regional cooperation has been very strong at the provincial government level. Islands Region premiers have met regularly since 1980. In late 1982, at the suggestion of ToVue and his West New Britain counterpart, Bernard Vogae, they established a Rabaul-based regional secretariat which continues to provide technical expertise (legal, planning and financial) to the provinces. The joint use by the five provinces of the very limited resources of the secretariat (two technical officers) has been very smooth. There have been other instances of a remarkable degree of cooperation, none more so than in 1983, when East New Britain and New Ireland agreed that a new foreign-owned tuna fishing project should be based in Kavieng rather than Rabaul (the national government’s choice) because New Ireland was more in need of development.

Largely under ToVue’s leadership, the Islands Region premiers organised meetings of regional leaders in 1983 and 1984 to oppose national proposals to reduce the degree of legislative protection of the provincial government system (June 1983) and for a referendum on the future of the provincial government system (October 1984). Neither proposal proceeded, at least in part due to the vociferous Islands Region opposition. From the late 1980s, as proposals for the emasculation or abolition of the provincial government system have developed at the national level, the cooperation in the Islands Region has continued, largely under the leadership of Manus premier, Stephen Pokasin, but deriving considerable impetus from the strength of East New Britain support. That support has greater weight because of the reputation the provincial government has for good management of the province. The question of the possible extent of popular support that the provincial government may be able to generate in the event of a serious threat of abolition of the provincial government system is considered in the next section.

The view from the village

In a chapter such as this it is not possible to assess with any accuracy the impact of the provincial government on the lives of the ordinary people it serves, or the
view that those people have of government. It is possible only to make some general observations.

Provincial officials and others working in the Pomio and Bainings areas note that other than community schools (which are generally accessible to most people in those areas), few people have regular contact with any level of government or the services they provide. To most people, a provincial government in Rabaul (which people in the vast Pomio area can reach only by expensive plane or a long boat trip) is just as remote as the government in Port Moresby. Most people live a life dominated far more by traditional authority systems than by any governmental system. On the other hand, their leaders do tend to have strong views on the provincial government, and the whole question of spatial inequality in the province makes for some ambivalence in their attitudes. That ambivalence is fostered by the perhaps proprietary attitude of the Tolai to the provincial government, as discussed below.

For the Tolai, the situation is different. They too live in close proximity to traditional authority, but Tolai villagers are no doubt more aware of and in closer contact with government than their neighbours. The strength and adaptability of traditional Tolai culture has, as discussed elsewhere in the chapter, enabled it to adapt over many years to deal with many of the problems of the modern world, including such things as redistribution of plantation land. Thus people have a choice of systems when dealing with problems – either the formal governmental structures or traditional authority – and there seems little doubt that they often prefer to deal with the latter. Nevertheless, there is clear awareness of the existence and operations of provincial government and community government.

One study in the early 1980s suggested that although the Tolai are happy that foreign dominance has ended, there is a sense that this has done little to deal with major problems; population pressures, access to land, and access to employment opportunities remain problems, and access to material and public services seem little better. There is some frustration with the limited powers of the provincial government. In general, services provided by government ‘have declined dramatically and many Tolai are questioning the value to them of Independence’. Old people are ‘nostalgic for a past uncritically remembered’ (Fingleton 1985: 46). But other observers suggest that a majority of Tolai are reasonably proud of the provincial government, and realise that the lack of limited powers is beyond the competence of the government. The nostalgia of old people for the colonial regime is seen as minimal. There is more consciousness of the fact that it was they who ‘won’ a government from the national authorities, and some sense of the value of local autonomy (Klaus Neumann, personal communication).

The factionalism of the Tolai in the period since World War II should not hide the fact that they share a high degree of social cohesion. The relationship between traditional society and what might be called the parallel introduced government system involves complex interchanges. Adaptable traditional culture recognises and gives credit to achievement in the parallel system, and in the modern economy. At the same time it would not be easy for a Tolai to advance far in the parallel governmental system without a strong basis of support in traditional
society. Hence all senior Tolai politicians and public servants seek prominent roles in their *vunatarai* and participate actively in traditional ceremonies. These relationships help to explain the general acceptance of the dominance since 1981 of both the political and bureaucratic arms of government by an alliance of well-educated, relatively wealthy members of the Tolai elite.

There is also what might be called a chauvinistic element in Tolai attitudes to the provincial government. The Tolai are proud of their identity and culture, and of their contribution to the rest of the country, a contribution felt not to be sufficiently recognised outside. There is a feeling that the Tolai should not be dominated by the outside world, especially by people from mainland New Guinea.

There seems little doubt that the desire for local autonomy, evident since the 1930s, runs deep, and whatever their dissatisfaction with particular aspects of the provincial government, there is some pride in it and general support for it, if only because it is seen as ‘theirs’ and as something of a bastion against outsiders.

There are two contradictory consequences of the slightly proprietary attitude of the Tolai to the provincial government. First, any serious threat to do away with their hard-won autonomy is likely to be quite strongly opposed, and to enable provincial leaders to mobilise considerable popular support. Second, the Pomio and Bainings peoples tend to be regarded as junior partners in the provincial government, something which arouses some resentment among their leaders, and contributes to their ambivalence about the provincial government.

**Conclusions**

The East New Britain provincial government has been largely a success in terms of dealing with a number of major potential impediments to both its establishment and its operation. At the same time it has provided some vindication for key aims advanced by the proponents of the provincial government system. There have been a number of areas where its performance has been poor and where the signs are that there may be major difficulties ahead in dealing with social and economic change in the province. Overall, however, it has been a positive record which stands in contrast to that of a majority of other provinces. As noted in the introduction to this chapter, the question arises as to whether the outcomes are due to a combination of factors unique to the province, and so the factors involved need to be identified.

Among the major successes of the provincial government have been its resolution of the open conflict between the major Tolai factions; the Tolai quickly accepted a provincial government as the main governmental body in the province, one in which all groups could participate. At the same time it has been a considerable achievement first to involve the Pomio and Bainings areas in the provincial government (albeit with resistance from some quarters) and then to get even the Pomio Kivung leaders to largely abandon the idea of a separate province in favour of working for advancement of their areas within the confines of a single East New Britain government. In terms of management of the functions transferred
to it by the national government, performance has been generally good. It is making strenuous efforts to prioritise use of its limited resources, through its planning system. Indeed, from the late 1980s the provincial government is moving beyond being a mere agent for provision of governmental services to the beginnings of development of policies intended to deal with the problems of the province. Management of finances has been generally good, and though the same could not be said of the management of personnel resources, moves were made from the late 1980s to replace senior staff and to evaluate performance of all administrative divisions are evidence of progress. It is also worth considering both fiscal and personnel management in comparative terms, for the provincial government performance is arguably considerably better than that of most national government agencies (on problems in personnel management at the national level see, for example, Turner 1990).

Of course, the provincial government has not been an unqualified success. In addition to difficulties in management of personnel, it has had difficulty in developing policies responding to local problems. It has been able to do little in response to its four major policy dilemmas (economic downturn, volcanic threat, land pressures and, despite some efforts, spatial inequality). Its difficulties in this regard point to its underlying weaknesses, namely its limited powers and resources, and its continuing heavy dependence on the national government, matters over which the provincial government has little or no control.

In general, the East New Britain experience does indicate that there was a real basis for the hopes of those supporting establishment of the provincial government system, in terms of diverse aims. That experience suggests that it is possible for a provincial government to operate as a forum for resolution of local disputes and tensions. Government can be run more efficiently under local control, and can learn to develop local solutions to local problems. The bureaucracy can be brought under political control, and thereby made more responsive to local needs.

The degree of mobilised popular support for the provincial government is a key to understanding its success. Unlike perhaps any province other than Bougainville, there has been continuity in the support of a proportion of the population (the Tolai) for both the principle of local autonomy and its manifestation in their provincial government. The Mataungan struggle for local autonomy and the debate over establishment of a provincial government meant that the populace was relatively sophisticated in its understanding of provincial government and had clearer expectations of it than in most other provinces. As already argued, there has been continuity of support, in large part related to the high degree of social cohesion among the Tolai.

The popular support has a range of consequences. It makes service in the provincial government an attractive option for aspiring Tolai politicians and bureaucrats. There are rewards other than personal enrichment which may flow from a political career in the provincial government, more so than may be the case in many other provincial governments. For bureaucrats, the relatively impressive performance of East New Britain in administrative terms is linked to the fact that the status of working for a respected provincial government in the relatively
attractive circumstances of Rabaul has meant that it has been able to attract and retain the services of many capable officers who might well have stayed in the national bureaucracy. The degree of support for the provincial government also means that it is very much open to public scrutiny, something which acts as an important check not evident in most other provinces. Ordinary people observe the operations of the provincial government, and have opinions on and expectations of it. Thus many ordinary Tolai were unimpressed by the performance of the first elected government, and the assembly has since improved in quality, suggesting an interest in performance on the part of both candidates and electoriate. It would be difficult for narrow fractions of the local elite to capture the government and run it in their own interests with little or no accountability, as has occurred in some provinces. In general, accountability has been impressive, helped at least in part by ongoing public scrutiny. This is not to say that there is no corruption connected with the provincial government, but rather that what there is is on a relatively minor scale compared to both many other provincial governments and the national government.

The provincial government could not have succeeded as it has without some support from the Pomio and Bainings people, and it has been able to achieve some support through alliances between the Tolai leadership in the provincial government and the moderate Pomio and Bainings leadership. There has been a series of alliances since the 1981 general provincial elections, when Pomio backing saw the National Party’s ToMano become deputy premier, while the subsequent elections have seen moderate Pomio members become deputy premiers, thwarting the hopes of the more radical Pomio leaders for either a Pomio member in the premier’s position or unanimous Pomio support for a separate Pomio-Bainings province. Their inability to influence provincial politics in the way they might have hoped, and the flow of project funds to the Pomio and Bainings areas from both national and provincial government sources, has perhaps resulted in a moderating of the stridency of the demands of the Pomio leaders and a growing preparedness to work within existing provincial structures.

Several points can be made about the implications of these factors underlying the success of the provincial government. First, they do not have much direct relevance to other provinces, for the unique set of circumstances which has enabled the government to operate reasonably well does not exist in other provinces, save for Bougainville, where a different set of circumstances promoted strong popular support for the principle of local autonomy. On the other hand, the experience does suggest that more attention should be given in other provinces to finding ways of mobilising popular support around provincial government structures.

Second, continuing popular support for the concept of a provincial government may also make East New Britain a very difficult factor to deal with for any national government bent on dismantling the provincial government system. While it would not be possible to predict that there would be opposition on the scale of that organised by the Matauangan Association to colonial rule in the late 1960s, it is certainly possible that the threat of abolition or emasculation of the provincial government could unite many Tolai in a campaign against the centre.
Finally, the factors and strategies that have helped to ensure its success so far may not be enough in the longer term. The severe stresses in East New Britain likely to flow from economic downturn, shortage of land in the north-east Gazelle, and spatial inequality between main areas of the province cannot be addressed effectively by the provincial government without major increases in powers and resources which are not likely to be available from a national government somewhat antagonistic to the provincial government system generally. As social pressures build up, the social cohesion of the Tolai is likely to be sorely tested, as will the alliance between the Tolai leadership and the moderate Pomio and Bainings leaders. While new skills and strategies may be developed, it is difficult to see them being enough to enable the provincial government to deal with the ever increasing demands and pressures it faces without a change in the high degree of dependence on the national government.
NORTH SOLOMONS PROVINCE, 1974-1990

James Griffin and Melchior Togolo

Introduction

North Solomons Province has been unique in its political dissidence, extraordinary in its contribution to Papua New Guinea’s GDP and, until violent rebellion broke out in late 1988, unusually prosperous and well governed. That prosperity has been shattered by a civil war, now in its sixth year, waged not just between Port Moresby’s security forces and overt secessionists but among North Solomones themselves. It is ironic that secessionism in the province which precipitated the provincial government system should be cited as a major reason for its abolition when the existence of the North Solomons provincial government did not as much as catalyse the initial revolt let alone cause it. On the contrary, as will be shown, the provincial government – though not its premier – tried to contain the crisis in 1988-89 and, with hindsight, it can be asserted that its existence, if anything, made possible much of the integration with Papua New Guinea that was achieved.

Attempts at secession

On two occasions, there have been unilateral declarations of independence in North Solomons Province. The first was brandished before the United Nations in New York and was ignored. On 1 September 1975, a fortnight before national independence, the flag of a ‘Republic of the North Solomons’ was raised in what was still officially known as the district of Bougainville. It was renamed by the nonviolent rebel leaders to emphasise separateness from the rest of Papua New Guinea and its preferred affinity with the rest of the Solomons archipelago (Hannett 1975) which became independent in 1977. The immediate reasons for this action were the failure of the Papua New Guinea government to provide, first, what local leaders believed to be adequate resources for their interim provincial government and, second, the assurance that a sufficiently decentralised system would be constitutionally guaranteed (Griffin et al. 1979:209-17; Ballard 1981:95-132). Because of the threat to international confidence in the new state, the dubious strength and imperatives of its security forces, and the Fabian tactics of Prime Minister Somare, the conflict was resolved bloodlessly within the
Map 13: North Solomons Province
colonially prescribed boundaries (Griffin et al. 1979:236-39). As it appeared inconceivable to Port Moresby and its advisers that North Solomons could be granted a special autonomous status, provincial government was instituted nationally with North Solomons as pacemaker. Conversely, any subsequent attempt to rein in provincial government nationwide had to consider that it would meet in North Solomons its ultimate obstruction – especially because decentralisation there was a success.

Nevertheless a small-scale revolt by a group of residents from the Nasioi-speaking villages in the environs of the great Panguna copper mine began in late 1988 and developed into a more generalised conflict. It gathered sufficient momentum to have the mine closed down in May 1989 and to have national government security forces and other personnel, together with thousands of non-North Solomonese (national and expatriate), leave the province by March 1990. Soon after that the provincial government effectively ceased to operate. The Bougainville Revolutionary Army (BRA) sought to fill the vacuum, and on 17 May a ‘Republic of Bougainville’ was declared with the BRA as its spearhead. (It was also known as the ‘Republic of Meekamui’ from a mine-site Nasioi word meaning ‘sacred land’.) The ostensible source of secession was discontent with the returns to mine-site landholders and their dependants from the mining company, Bougainville Copper Ltd (BCL), which had begun prospecting against the wishes of the Nasioi people in 1964 and had begun commercial mining at Panguna in 1972. The origins of secession, however, run deeper than that. BCL has been the catalyst rather than the cause.

The removal of its authority from the province did not constitute a rout for Port Moresby. The BRA leaders had not counted on the sovereign state’s ability to enforce an economic blockade or the refusal of any other state to recognise their republic or their own inability to mobilise and govern. What they had also unleashed was raskolism and mayhem which aggravated divisions in their own province. An attempt to have services restored without compromising the secessionist goal was made under New Zealand auspices in late July 1990 but the national government declined to send in even urgent medical supplies without a security unit. This was unacceptable to the Bougainville Interim Government (BIG) if only because of the atrocities the undisciplined national security forces had committed prior to their withdrawal. Reaction against BRA terrorism and anarchy as well as a refusal to be led by Nasioi in central Bougainville led the ‘chiefs’ of Buka Island in the north to invite the Papua New Guinea Defence Force (PNGDF) to reoccupy at least that island in September. This was accomplished although pockets of armed resistance remained there into 1991.

**General background**

North Solomons Province consists of the major island of Bougainville, 208 kilometres long by 32 to 64 kilometres wide, the island of Buka, 56 by 14.5 kilometres, with several offshore inhabited islets, and five atolls. Two atolls, Nissan and Kilinailu (also known as Carterets), are Melanesian-inhabited, and three,
Nuguria (Feads), Tau (Mortlocks) and Nukumanu (Tasmans), are deemed Polynesian. Nukumanu, the furthest eastern outlier of Papua New Guinea is 400 kilometres east of Bougainville. The total provincial land area is 8,788 square kilometres and at the 1980 census the population was estimated at 128,290. The atolls comprise 192 square kilometres and their combined population was 4,893. A growth rate of 3.2 per cent together with immigration may have brought the provincial population to well over 160,000 by 1988 but the exodus during the recent crisis may have reduced this to 140,000. In 1980 more than 53 per cent of the people were under eighteen.

While Bougainville island is mountainous and volcanic, with a peak of 2,600 metres, the coastal plains are extremely fertile. Rainfall averages more than 1,800 millimetres for the province, with 2,100 millimetres on the northern Selau peninsula, 3260 in Kieta (central east coast) and 5,600 millimetres in southwestern Siwai. Until 1979, nearly 50 per cent of Papua New Guinea’s cocoa came from the province which was also the second largest producer of copra. The logging project at Tonolei (south) had a potential of 500 million super feet while lesser timber resources were being developed in other areas. Deep-sea fishing had been exploited; coastal fishing by traditional groups, however, makes a minor contribution to food consumption. Livestock for consumption consists mainly of pigs and chickens with some minor investment in cattle.

The most dynamic socioeconomic event since the war was the establishment of the huge open-cut copper-gold-silver mine at Panguna. Prospecting began in 1964 and production in 1972 at an establishment cost of some A$400 million (in current prices well in excess of K1 billion). Before Bougainville Copper Limited (BCL) ceased operation in 1989, it was contributing 17 per cent of national budget revenue, over 36 per cent of gross export earnings, 11 per cent of GDP, 10 per cent of all goods and services produced, and direct and indirect taxes of K184 million in a K1.25 billion national budget. It employed, directly or indirectly, 12,000 people and had, without tying them to the mine, trained a similar number, including 1,000 tradesmen, and sponsored 300 graduates. Since production began in 1972, BCL had generated K1.75 billion in income of which K1.17 billion (or 67.2 per cent) had gone to Papua New Guinea: 61.5 per cent to the national government, 4.3 per cent to North Solomons provincial government, and 1.4 per cent to landholders whose land has been leased for the project. Non-government shareholders, a small minority of whom would be Papua New Guinea residents, had received K577 million (32.8 per cent). BCL’s parent company, Conzinc Rio Tinto of Australia Ltd (CRA) had received 22 per cent of total income from its equity interest of 53.6 per cent. The national government’s equity was 19.1 per cent (Post-Courier 27 October 1989; Carruthers and Vernon 1990).

Located at Panguna in the central Crown Prince Range, the impact of the mine can be seen in urban growth. In 1966 less than 900 people lived at the administrative centre, Sohano Island in Buka Passage, while only 750 lived in Kieta and 300 in Buin township. By 1980 the new town of Arawa, erected on a resumed expatriate plantation and by then the provincial centre, housed 12,623 people, with 3,487 about 30 km inland at Panguna and 1,283 at Loloho port. Kieta, some
10 kilometres from Arawa had by then grown to 3,445. Of the linked urban complex of 20,838 people, 35 per cent were born in North Solomons, 51 per cent were from other parts of Papua New Guinea while 14 per cent were non-citizens. Small industries (garage, workshops, laundry, bakeries, soft-drink manufacturers) serviced this complex and beyond. At the township of Buka Passage over 80 per cent of the 1,517 people were North Solomonese and forty-nine persons only (less than 3 per cent) were non-citizens, while Buin town had 877 of whom 86 per cent were North Solomonese and only nine persons non-citizens. From 1980 until 1990, town population would have increased as would the number of non-indigenous squatters.

The highest concentrations of rural population are on Buka Island, on the eastern coast of Bougainville to Toimanapu some 60 kilometres south of Kieta, and on the Siwai-Buin plains. The large enclave plantations which covered 10 per cent of the fertile land (3 per cent of the total) are on the east Bougainville and west Buka coasts; there were none in the Siwai-Buin area. Sealed roads run 30 kilometres from Panguna to Arawa and then 20 kilometres south to Aropa airport. Unsealed roads traverse the province from Panguna south to Buin via the east, from Toimanapu to Buin, and north to Buka Passage. On Buka Island a road runs to the north coast. In spite of its productivity some rivers in the province have not yet been bridged.

North Solomonese people are distinctively jet black, a skin colour which is shared by people in the neighbouring western province of the Republic of the Solomon Islands. This is generally believed by the people to denote a different ‘race’ from other Melanesians and lends endorsement to their view of themselves as having distinctive (and superior) cultural traits. North Solomonese refer to other Papua New Guineans as ‘redskins’ and they in turn have pejoratives for the ‘Bukas’. However, diversity of skin colour is a feature of Melanesia and the traditional cultures of the north-west Solomons archipelago constitute a micro-cosm of the region rather than a distinct group. If the people of the Polynesian ‘outliers’ are said to speak one language, then probably some twenty are extant in North Solomons Province, with a mixture of Austronesian and non-Austronesian languages and both hereditary and egalitarian social systems. In the Buin-Siwai area, particularly, and among ‘recently arrived’ (19th century) Torau speakers, there is a sense of fraternity with Solomonese across the Bougainville Straits to the western Solomons. Trade, cultural activities and marriages persist across the short border. During the late-19th century Gorai, ‘chief’ of the Shortland Islands, exercised some influence as far north in Bougainville as Tinputz, even, it was said, as far as Buka (Oliver 1991:36-7). Except during periods of natural disaster due to seismic activity or cyclones, and in the final stages of World War II, one can assume that the population has rarely been short of food.

The three Christian missions in the province were intensely competitive prewar and their contribution to welfare obviated the need for the administration to pay particular attention to it. The province was therefore politically as well as geographically peripheral. The missions were virtually the de facto government. The Catholic Church (established 1901) today has the support of some 75 per cent
of the indigenous people, the United Church (1914) 15 per cent, and the more recently arrived Seventh Day Adventists 5 per cent. Moreover, all three derived from the Solomon Islands and maintained links there rather than with Papua New Guinea. The Marist Order of the Catholic Church controlled that mission and its fraternal links were with Oceania. Its multi-ethnic personnel, especially from Germany, France and the United States, did little to inculcate a sense of common destiny with the rest of Papua New Guinea and emphasis was laid on their own rather than the colonial state’s concern for the people.

Under the provincial government the province was divided into three districts: Buka, which comprises not only the island itself but also the southern side of the passage from the Selau peninsula south to include Tinputz and Teop speakers and west to Konua as well as the atolls; Kietâ, which includes Rotokas, Eivo, Torau, the atolls and Nasiöi (with the latter by far the largest group); and Buin, which includes Banoni, Nagovisi, Siwai and Buin speakers. The three open electorates in the National Parliament align with the three districts.

**Historical background**

Inhabitants of Buka Island were first contacted by Louis de Bougainville in 1768 and a reputation for hostility clung to them throughout the next hundred years as explorers, whalers and traders made brief, infrequent and sporadic contact. When lucrative recruiting for the plantations began, ‘Bukas’ (as all jet-black workers came to be known) were sought after for their vigour: ‘the finest specimens of manhood in the South Seas’, said H.H. Romilly (1886:71), deputy high commissioner for the Western Pacific. And he added: ‘Wherever he goes and whatever natives he mixes with, a Buka man will always become a leader’. Queen Emma had a private ‘army’ of 150 Bukas, used for protection as well as labour (Robson 1965:126,145,198). Bukas came generally into demand as policemen, ‘bosboi’, ‘trusties’ of various kinds (Tappenbeck 1901:108). Their self-image as distinctive and separate was therefore enhanced in early contact days. Memories of what Richard Parkinson (1926) called ‘cruel and bloody encounters’ have also been etched into local traditions, the most callous blackbirding atrocity recorded having been enacted on the notorious *Carl* from Buka in 1871 (Oliver 1991:21-3). Nevertheless, once recruiting was brought under control, it can be assumed that Bukas went as willingly to Samoa, Fiji and, to a small extent, to Queensland as other Melanesians (Corris 1973).

Germany in 1885-86 annexed North Solomons in addition to the Shortlands, Choiseul, Santa Isabel and the Floridas; in 1899 the last named groups were passed over to Great Britain. The belief that somehow Britain had once colonised North Solomons persists to this day as a (mythical) ‘grievance’ (for example, see Havini 1990:18). On the whole the Germans seemed cautious in their treatment of the North Solomonese, seeing them a valuable labour resource to be ‘pacified’ gradually and methodically. Subsequently their contact experience was much less devastating than that of the people of New Ireland. Moreover, their land was never alienated to the same extent as that of the Tolais. Germany did
not establish an administrative post until 1905; the first foreign plantations date to 1908. The first (Catholic) mission was established prior to that in late 1901 and at its maximum influence post-1945 had proselytised probably 80 per cent of the people. The last German annual report on their ‘Kieta imperial station’ in 1913–14 records a white population of only seventy-four persons of whom twenty-four were Catholic missionaries. Of 1,070 labourers on plantations, over 90 per cent were recruited in the province.

Under Australian control from 1914 to 1942, labourers were still recruited in the province for work in other parts of the New Guinea mandate but the bulk were employed at home with only a few outsiders: 2,215 labourers worked in the province in 1925-26 and 2,168 were locally recruited. Of 23,569 recruited in New Guinea, 2,934 came from North Solomons and of these 766 worked outside the province. By 1937-38 this had risen to only 867 out of 3,637. This makes an interesting comparison with the Sepik, for example, which in 1937-38 had 9,988 workers employed outside their district compared to 2,038 within (Parliament of Australia, Report on Territory of New Guinea).

When the notable kiap G.W.C. Townsend lived in North Solomons in 1930, he found the contrast with Morobe ‘extreme’:

Only a handful of Europeans live in the whole district – all in the Administration, in missions or in plantations. It was peaceful, calm, a backwater perhaps, but pleasant (1968:193).

German material progress had not been followed up; roads were in bad repair; bridges had fallen down; aside from a small staff at Kieta there were two government officers at Buka Passage and one at Buin. Government patrols occurred annually; a couple of villages in the mountains were not contacted until 1942 and then by fleeing coastwatchers (Griffin 1978:126-68).

Cargo cult was noted on Buka Island as early as 1913. It persisted until in 1932 a certain Pako was virtually able to unite the island and to threaten to drive out all Europeans. Tultuls and catechists were prominent in the movement, but it was suppressed by the administration. It was not eradicated, however, and when the Japanese invaded in 1942 they were greeted on Buka as liberators. In 1943, however, the Japanese executed three cultist leaders (Worsley 1970:124-32). Pro-Japanese sentiment was sporadic on Bougainville but not among Methodists or Adventists, who remained ‘loyal’. As the later stages of the war, however, brought great suffering and even starvation to some areas, the Japanese were rejected (Griffin 1978 loc. cit.).

In the wake of wartime devastation North Solomonese generally withdrew from plantation recruitment and gave priority to village replenishment. Expectations of a dramatically better ‘new deal’ were not to be realised and although many villagers shared to some extent in the prosperity of the copra industry during the 1950s, lack of adequate roads and shipping frustrated development. Planters saw the North Solomons as ‘the Cinderella district’ (Pacific Islands Monthly:19(10), May 1950:59-62); the administration had priorities higher than concentrating development in naturally affluent areas. The continuing lack of inputs
from Port Moresby fostered an abiding sense of 'neglect' among North Solomonese. The failure of the administration to build schools until 1961 because the province had such a high enrolment in mission schools also became a grievance. The mission contribution was not seen as materially adequate or as a compensation.

As early as 1952-53 the administration felt that Buka and Buin at least were ready to participate in local government councils but it was not until 1958 that the first local government council was set up, and then in Teop-Tinputz (Griffin 1977). Resistance was particularly strong on Buka where bitterness over lack of economic development and both government and mission paternalism led to the formation of the Hahalis Welfare Society (HWS), which had a direct link with previous Buka cults. Combining self-reliance with sexually permissive communalism, the HWS deliberately affronted church and state. Not only did HWS refuse to join the Buka Local Government Council set up in 1959 but it declined the alternative of paying head tax. The riot squad fought a 'battle' with HWS supporters in 1962 which resulted in something of a moral, though not a physical, victory for HWS: the administration finally put a road through the island which brought development in both copra and cocoa (Rimoldi 1971; Rimoldi and Rimoldi 1992). HWS was then virtually left alone and survives today. Its sentiments were secessionist and rejecting of Papua New Guinea. There was also dissidence in Kieta against the local government council which was founded in 1964 (Ogan 1972:77-78). By 1970 one-third of the eligible population was still outside the council system (Griffin 1977).

Eight councils were found in all and from 1963 the existing councils and observers from elsewhere began to meet in the Bougainville Combined Councils Conference (BCCC) which met more or less annually from then and by 1972 represented some three-quarters of the people. At BCCC meetings a wide range of topics was discussed, even the status of Irian Jaya. Eventually in January 1974, together with representatives of non-Council groups, it became the Interim Provincial Government. The role of the BCCC in mobilising a common awareness and entrenching a corporate self-image was probably very significant (ibid.).

Prelude to provincial government

CRA sent its surveyor into the Guava census division of central Bougainville in early 1964 just when the first nationwide elections on the common roll for the national legislature (then the House of Assembly) were making North Solomonese aware that a common destiny with other Papua New Guineans had been preordained for them. It was a quiet but cultic area where small-scale goldmining had occurred since 1930 with negligible benefits to landholders. If CRA had needed permission to enter the land, it would not have been discouraged from doing so by the administration which simply overrode any Melanesian claim to mineral rights and granted only compensation for damage and inconvenience and until 1966 not even occupation fees. That was set at 5 per cent of unimproved capital value. A fleeting visit by the Minister for Territories in 1966 stunned villagers when, after expatiating on the astronomical riches which were to make Papua
New Guinea as a whole more viable as an independent nation, he told them peremptorily that they were lucky to be able to enjoy the multiplier effects but that direct commissions would not be paid. The Guava census division villagers can claim that they did not originally argue about who gets what proportion of the spoils, but rather, and unlike other Papua New Guineans, that the mining company should not have been there at all.

The American Catholic bishop and some of his more vocal priests, unused to the common law rule of eminent domain, supported the villagers and, in doing so, were influenced by their rejection at Hahalis. Paul Lapun, then member of the House of Assembly for Bougainville, canvassed vigorously for a share of the 1.25 per cent royalties – then payable to the administration – for landowners and the province. He succeeded in getting 5 per cent of them against bitter administration opposition (Downs 1980:340-6). The administration, however, would not budge when Rorovana and Arawa villagers on the coast refused to accept the small compensation offered for the resumption of some of their land for town and port facilities. Again villagers won after a physical confrontation, thanks to Australian public opinion, the media and CRA’s fear of continued obstruction and loss of face (Griffin 1970; Dove et al. 1974). Elaborate mechanisms for compensation, ranging from relocation of villagers and new housing to payments for the demise of fingerlings in the streams (Bedford and Mamak 1977), were worked out but villagers were not reconciled, particularly as the extent of environmental degradation from the massive pit was gradually realised.

Meanwhile, in September 1968 in Port Moresby a group of the (then three) North Solomonese members of the House of Assembly (MHAs), public servants and students advocated secession and formed a nationwide corresponding society called *Mungkas* (black, in Buin language). In April 1969 a secessionist political movement, Napidakoe Navitu, developed in central Bougainville out of the land resumption disputes (Griffin 1982). The Buka district was then wary of secessionist entanglement and the ambivalence of educated North Solomonese is exemplified in Paul Lapun’s being both patron of Napidakoe Navitu and deputy leader of Somare’s Pangu Pati. A period of calm which followed led many commentators to assume that secessionism had withered, especially when Somare incorporated all four Bougainville MHAs into his National Coalition in April 1972. No official thought was given to the idea that North Solomons could be a threat to the emergent nation until at Christmas 1972 two prominent public servants from there were killed in a chance payback at Goroka after they had negligently and fatally run down a child in a motor accident. The whole province then called for secession from ‘murderous’ highlanders and ‘redskins’ generally. The perceived threat to village integrity from the uncontrolled immigration into the province of ‘foreign’ workers and squatters was confirmed.

Leadership was provided by the most persuasive of the original *Mungkas*, Leo Hannett, who hurried home from a postgraduate research project with the University of Hawaii to articulate ethnonational fears and demands. Hannett formed a Bougainville Special Political Committee (Mamak and Bedford 1974) which by October 1973 had persuaded the BCCC to present an ultimatum to Somare
for an immediate Interim District [Provincial] Government (Griffin 1977). Lapun, who had been made minister for Mines the previous year to appease the province, forfeited his charismatic leadership when he tried to persuade the BCCC to trust Somare’s longer range plans for decentralisation. Lapun became Papua New Guinea’s first knight and lost for the future the vote of constituents who had so overwhelmingly supported him in central and south Bougainville (Ogan 1974).

Hannett’s committee had stopped just short of asking for independence (Griffin 1973:325). It did, however, demand that all royalties now be paid to the provincial government without any reduction to normal funding from Port Moresby. The favourable renegotiation in 1974 of the BCL mining agreement of 1967 following an unanticipated windfall profit in the first full year (1973) of production – K157 million on a K400 million investment – made this quite feasible. Nevertheless Port Moresby’s failure and/or inability to deliver on a decentralising constitution, a provincial election for North Solomons, the royalties, or any conspicuous gesture of confidence in a semi-autonomous status continually aggravated suspicions of insincerity (Ballard 1981).

Under pressure from Bougainville and the national Constitutional Planning Committee (CPC) in November, the national government agreed to the administrative establishment of non-elected constituent assemblies to prepare for elected district governments expected to be provided for under later national laws. The Bougainville Constituent Assembly was established in January 1974 and while its main intended role was to consult the district’s population about the shape of a future permanent government it quickly took on executive functions. Towards the middle of 1974, the national government agreed to interim financial arrangements for a special payment of A$2.3 million in lieu of royalties to fund a special works program for the province. To enable the payments to be made, more formal structures were needed, so in July the Provincial Government (Preparatory Arrangements) Act was passed, together with a regulation formally establishing an unelected Bougainville Interim Provincial Government (BIPG). Negotiations continued with the national government on more permanent financial arrangements. 

Hahalis and Rorovana experience with the colonial authorities suggested that only confrontation got results for North Solomons. As Daniel Tsibim from Buin had said in 1966: ‘... is it not a pity [for Port Moresby] to be forced to build roads as a result of [the Hahalis] rebellion’ (Tsibim 1966-67:33).

Towards the end of 1974 an impasse was reached. The BIPG threatened to divert the Jaba River which fed the pump supplying water to the mine and carried the mining sludge to the sea and threatened to secede if its demands were not met. Subsequently an agreement was signed on 18 December in Arawa:

... transferring royalties unconditionally to Bougainville from July 1975, adding A$401,000 to the Bougainville works plan, and providing for additional funds for BIPG staff and further discussions on tertiary educational facilities for Bougainville (Ballard 1981:114).

The BIPG went on to plan its provincial works program for 1975-76 and for this and other purposes it sought K5.3 million. The Department of Finance
calculated that it could spend only K1,370,000 (ibid.: 117) – or, at least, that was what a Port Moresby team offered to a shocked BIPG on 29 April 1975. Furthermore, its dismissive attitude to BIPG’s methodical planning, its lack of commitment to decentralisation, and its failure to compromise led to an anguished impasse. On 30 May an almost unanimous vote of the BIPG assembly, with the support of allegedly ‘some 200 elected and traditional leaders’, resolved to secede and declared its decision ‘non-negotiable’. In return for K150 million to set up its own government the BIPG offered a slow phasing out of Port Moresby’s 19.1 percent equity in BCL. Ironically, an interview with Hannett had been published in the Financial Review on 30 April 1975 denouncing secession as ‘dishonest’ and averring that North Solomonese were seeking only a satisfactory level of decentralisation. Not unreasonably, Dr (now Sir) Alexis Sarei, chairman of the BIPG, estimated that 86 per cent of the people supported secession under those circumstances. When Fr John Momis, regional (provincial) MHA, flew to the United Nations accompanied by the Hahalis leader, John Teosin, he found little support for his secession bid. As noted, the crisis was resolved through negotiations which continued during the first half of 1976 and produced a detailed agreement for the operation of provincial government in North Solomons and for national constitutional laws to protect the arrangements from future change.

**Political and administrative structure**

The North Solomons provincial assembly was elected every four years from 1976, the fourth provincial election occurring in 1988. The fifth election, which should have been held in 1992, was not held because of the ongoing crisis and the suspension of the provincial government. Under the provincial constitution the assembly consisted of a single chamber of twenty-two members including a premier, separately elected by the full provincial constituency, eighteen elected members from discrete electorates, and three nominated members. At the time of constitution-making it was felt that a presidentially elected premier would enhance unity, enjoy widespread support and maintain stability of government largely because removal would be difficult. These aims took precedence over any concern that the premier might lose control of the assembly but not be capable of being replaced by vote of the assembly. The Provincial Executive Council (PEC) consisted of the premier (chairman) and eight ministers with Westminster-style responsibility. As provided in the Organic Law on Provincial Government, national MPs were ex-officio members of the assembly, without voting rights. The assembly has not met since late 1989, well before the formal suspension of the North Solomons provincial government in August 1990.

Suspension left the existing provincial administrative arrangements formally intact, with the national minister for Provincial Affairs and administrations appointed by him exercising the provincial government’s powers. From 1974 there had been a dual-stream administrative system under an administrative and a provincial secretary respectively. The administrative secretary had the powers of a departmental head as stipulated by Section 50 of the OLPG, was responsible for
the public servants assigned to the province, and was principally responsible for the day-to-day running of the administration. However the North Solomons provincial government deliberately chose to retain a provincial secretariat whose personnel were funded by national grant but who were responsible only to North Solomons provincial government. Initially this course was chosen partly because provincial politicians did not trust nationally-employed public servants and was maintained partly to meet the challenges of increasing decentralised responsibilities and the organisation and implementation of transferred functions. There were six or more personnel in the secretariat, headed by the provincial secretary and responsible for policy development, finances, capital works, and planning and evaluation. The dual system was not without tensions, and in practice relied on the two secretaries having a good personal understanding. Despite some uncertainty at times, the provincial secretary was usually the dominant figure prior to suspension. This position was formalised in 1988 provincial legislation which created a "provincial administration" to replace the public service department of North Solomons, and gave the provincial secretariat power of control over the administrative secretary and all public servants carrying out provincial activities. As is the case with provincial departments in other provinces, the provincial administration carries out seven main groups of functions: Provincial Affairs, Information, Primary Industry, Commerce, Health and Education.

National sources of revenue consist of the minimum unconditional grant (MUG), derivation, conditional and secretariat grants, and mineral and timber royalties. Provincial sources are mainly retail sales and land taxes, trade and liquor licence fees, vehicle registration, and revenue from investment. The last provincial budget prior to the May 1990 unilateral declaration of independence was handed down in December 1989 and intended to provide for the 1990 fiscal year, and anticipated K23.9 million being available. In addition, funding for some functions (the running of the provincial hospital, minor powerhouses and a few other activities) was allocated through Division 290 of the national government budget, the money so allocated being K3.2 million. Hence the total funding available for activities carried out by the North Solomons provincial government in 1990 was K27.1 million.

Under the provincial budget, provincial sources were expected to account for K6.5 million and national grants and subsidies for K12 million, with a balance brought forward of K5.1 million. Of provincial sources, K3,350,000 was expected to come from retail sales tax on petroleum products, beer, spirits and other luxury items, K1 million from land tax, K700,000 from motor vehicle registration and K315,000 from liquor licensing fees. Of national grants, K4.9 million would come from mineral royalties (1989 - K5.5 million), while K4.6 million was to come from the MUG. Capital works received the highest allocation, K14.5 million, Administration K4.6 million, Health K1.5 million, Education K927,305 and Primary Industry K737,056. The large allocation to capital works was not unusual; as a consequence both of receiving substantial mineral royalties and the high level of internal revenue (itself resulting from the economic activity associated with the Panguna mine) the North Solomons provincial government
had far more flexibility in the allocation of revenue than any other provincial government. From the early 1980s onwards, the large allocations to capital works were designed to provide a range of infrastructure, and particularly the roads and bridges needed to open up communication into population centres. People could then more easily market cash crops and other produce, as well as have better access to government services. The hope that improved market access would result in more economic activity was realised, with greatly increased smallholder plantings and production – particularly of cocoa – following hard on the heels of new and improved road networks.

The large balance brought forward in the 1990 budget was a consequence of the ongoing crisis, for following the escalation of armed hostilities between national government security forces and the BRA in early 1989, the provincial government was unable to complete a number of capital works and maintenance projects. The effective cessation of operations of the provincial government in 1990 meant that the major proportion of the 1990 budget was unspent. In fact, after the provincial government was suspended (August 1990) the major proportion of grants and of Division 290 monies was simply reallocated by the national government. (Details of funding available to the North Solomons provincial government in a more typical year – 1988 – can be obtained from Tables 3.3 and 3.4 in Chapter 3.)

The North Solomons provincial government was among the few provinces to submit its annual financial reports on time, and always cooperated closely with the national government’s auditor-general in its preparation of annual reports. From the mid-1980s, it had its own internal audit section, whose reports – together with those of the auditor-general – were effective management tools. Both politicians and administrators have emphasised the need for cost-effective procedures and programs. The provincial government Works section was staffed by experienced professional engineers for whom recruitment and evaluation were rigorously conducted. The North Solomons provincial government scrupulously pursued localisation but did not hesitate to employ expatriates as required. The Planning and Finance sections practised objective setting and project planning and in the latter half of the 1980s were involved in an ambitious management improvement program.

North Solomons was the first province to replace the former local government councils with community governments (Connell 1977). The councils were rejected as administrative instruments of colonialism, dominated by *kiaps*, and not based on Melanesian concepts of leadership (Griffin 1982). Informally constituted village governments made up of traditional ‘bigmen’ began to emerge in 1974. Initially it was thought that the new bodies would operate within the council system but the existing councils collapsed as taxes were paid to the village governments rather than councils, particularly during the 1975 secession crisis when any perceived agency of the national government was unacceptable.

In 1978 the North Solomons Community Government Act recognised ‘preparatory community governments’ to replace the village governments as well as the councils which had long since ceased to operate but were still in the process of
formal abolition by the national government. The new bodies devised constitu-
tions and procedures for elections to take place within a year. The hundred com-
community governments thus formed were whittled down eventually to forty, roughly
two per electorate, with populations ranging from some 300 to 6000 people. They
differed obviously enough from councils in having smaller geographical areas
which, being based on linguistic or cultural groupings, were meant to make the
institutions closer to the people. This also meant smaller-scale projects. They
could count on more purposive participation and the provincial government tried
to involve them in district planning and decision-making. For example, applica-
tions for licences and permits were sent to them for comment. Concomitant with
them was a village court system which functioned with mixed success and by
the late 1980s was under challenge from a ‘restoration’ of ‘chiefly’ power. Prob-
lems with tax collection were not overcome; while head taxes, trade store licence
fees and court fines all provided revenue, the community governments relied
heavily on grants from the North Solomons provincial government which amount-
ed nominally to K700,000 in 1986 but, in fact, were much higher as a number
of delegated projects were not included in this figure. A kina-for-kina cost-sharing
program aimed at promoting self-reliance saw budget allocation grow from
K70,000 to K100,000 per annum between 1982 and 1986. The provincial govern-
ment also made available expertise in design, supervision and materials purchase
with the choice of project and level of contribution left entirely to the community.
For the period 1982-86 the community contributed some K230,000 to the provin-
cial government’s overall K440,000.

Each community government had an assembly, executive and president/chair-
man. The latter was paid K1,100 plus per annum and was expected to spend two
days a week full-time on the job. The deputies, variously elected or appointed,
received K650 per annum. Turnout at elections ran at 50 to 60 per cent. Adminis-
trative costs were higher than they were for the old councils, due mainly to the
much greater number of community governments. Full-time community govern-
ment officers (patrol officers) operated in all districts with one in each subdistrict.

A Village Industry Research and Training Unit (VIRTU) was established under
a full-time expatriate officer. It successfully promoted charcoal production, com-
unity works (concrete water tanks, pumps), cocoa drying, mobile sawmilling,
supplies of cheap village equipment, coastal fishing, and kina-for-kina housing
for health workers and teachers, as well as classroom construction.

Administrative performance

The performance of the North Solomons provincial government cannot be adequate-
ly discussed without some mention of its planning and management capacity.
This was the basis not only for its outstanding reputation within the provincial
government system but also for its important but little known efforts to resolve
the 1988-90 crisis and minimise its impact. From its beginning the North Sol-
omons provincial government tried steadily to create a mechanism that would
respond to the problems and opportunities created by mining and answer the
needs of the agricultural sector. Following the resolution of the 1975-76 secession bid, North Solomons provincial government leaders found that the machinery to implement their plans was virtually nonexistent. National government agencies in the province had little experience of planning and policy development. As the colonial heritage was suspect, the \textit{kiap} system was not fully utilised while the Works Department was too inefficient and too closely associated with its anti-decentralisation Waigani head-office. At first the provincial government was at a loss to know how to use its new-found freedom and was not helped by a hangover of personality conflicts from the secession crisis.

Not until 1977 did effective planning and budgeting systems begin to evolve. Experienced technical staff were hard to get. There was a reluctance to recruit through the public service owing to lingering distrust. As a result recruiting was often done from outside it, in spite of opposition from the national Public Service Commission (PSC) and public servants within the province. To give lip-service to the provisions of the Organic Law, the statutory number of six secretariat members was maintained while additional officers, recruited as and when required, were regarded as support staff. These included both citizens and expatriate staff on provincial government contracts. In recruiting the latter, the provincial government used provisions of the Organic Law allowing the hiring of consultants and specialised staff on short-term contracts, subject to consultation with the public service on renewals. By the mid-1980s the PSC under Paul Songo assisted in every way possible, no doubt encouraged by the reputation the North Solomons provincial government had established.

As is consistent with a period of learning and consolidation, there was limited progress towards longer term planning in the late 1970s in spite of success with carefully planned and implemented individual projects. Nevertheless this period saw the building of procedures and institutions for the longer haul. By the 1980s the budgeting process was working reasonably well. Regular budget reviews coincided with financial and physical reviews of projects. The Budget Priorities Committee (BPC) became a key mechanism. Divisions of the government were encouraged to use procedures set by the BPC which evaluated project proposals for budgetary decisions by the BPC. It also monitored expenditure on progress of projects on a continuing basis. As a powerful committee the BPC was sometimes accused of arrogance and inflexibility. It was nevertheless generally seen as fair in its decisions. It encouraged professionalism in project submission, monitoring and review. Its success in achieving planned objectives was in large part due to its insistence that objectives must be achievable to obtain value for money. Policy making and implementation depended on a range of planning and technical services rarely matched in other provinces.

The planning unit was staffed by graduates recruited through a highly selective process. Unlike the technical unit, which consisted mainly of overseas engineers, it was almost wholly Papua New Guinean. North Solomons was one of the few provinces fully computerised in this area. It was organised and efficient. Expatriate and citizen expertise combined effectively. Staff attitudes to provincial development were in sympathy with policy and the people’s aspirations for genu-
The rationale for a strong technical and administrative unit was to ensure that the revenue from the non-renewable mining resource was productively used to create economic opportunities when the Panguna mine was exhausted in the early 21st century. This provided the impetus for a Provincial Development Study carried out in 1982 to evaluate the impact of the mine and its closure. The study was jointly funded by the national government, Bougainville Copper Foundation and the North Solomons provincial government. A provincial government committee, chaired by the provincial planner, managed and evaluated the work of the consultancy firm and its critical comments were incorporated in the six-volume study.

A two-scenario analysis was set out. The first, based on an operating mine, portrayed the province with secure revenues flowing from mineral royalties, retail sales taxes and all other taxes paid locally by companies related to the Panguna mine. The second assumed a gradual nosedive in provincial revenue as mineral production declined until finally exhausted in 2001. From these scenarios long-term strategies were designed, including a comprehensive rural development policy, a youth policy, work on population policy, the kina-for-kina policy, a business assistance scheme and a rural technology transfer program. The interplay between a future revenue shortfall and an increasing demand for social services from an increasing population resulting from provincial fertility, immigration and lower than average mortality rate, was seen as disturbing. It was estimated that the population could quadruple by the year 2016.

The implementation of the long-term plan resulting from the study involved massive expenditure on a capital works program, almost 50 per cent of the budget (K10 million to 12 million per annum). This was possible because of the mineral royalty payments and the tax base provided by associated activities. This income was to be used to build a province-wide productive economic base rather than concentrate on one specific area, so that the agricultural sector would have an efficient infrastructure when the mine closed. Mineral revenues were not misused. The provincial government built more than 1,232 km of road and more than twenty bridges and causeways. Per capita expenditure was about K144 per annum. Private sector participation in this program was enthusiastically encouraged. All capital works were thus tendered out, unlike the practice in other provinces, which used the national Department of Works and Supply. The North Solomons provincial government thus reduced its reliance on the national department while also eliminating the need for its own works unit and supply and tenders board, both of which ensured projects were thoroughly evaluated and that financial arrangements were feasible.

In retrospect, the provincial government should have given more attention to the people in mine-site villages. The handling of mining projects (inclusive of impacts on villagers) was, however, a national responsibility. All aspects of compensation to landowners were therefore handled at a national level, and the focus of provincial activity and planning was to ensure some degree of equitable development from mining revenue was spread throughout the province. Hence although the provincial government was concerned about the landowners, its
formal role was limited. It also tended to assume – in retrospect, naively – that compensation payments were equitably distributed and did not appreciate that the contradictions between these and the land tenure system at Panguna would precipitate such a generation dispute and that the traditional social system would fail to adapt to rapid change (Filer 1990).¹ The only signatory to the Bougainville Copper Agreement was the national government. It was a national project and responsibility. There was no development agreement between the two governments as became the practice elsewhere in Papua New Guinea. The North Solomons provincial government pushed for such an agreement in 1981 as part of its renegotiation, but failed to gain any response from a hostile national government.

North Solomon’s financial management system was probably the best in the country. Budget reviews and audited accounts were produced regularly. Revenue collection was highly efficient: receipts collected from internal and national sources were 99.9 per cent of the amount budgeted and expenditure was 81.7 per cent. Under-expenditure reflected mainly prudent spending and cost cutting. Analysis of budgeted as against actual expenditure over the years demonstrates continuing improvements in performance. Project implementation was constantly geared to getting value for money. Budget reviews emphasised monetary value against project progress/completion. This efficiency also reflected political stability. Unlike the situation in the national and in other provincial governments, there was never a vote of no-confidence moved in the provincial assembly.

**Political history of North Solomons Province 1976-86**

Prior to the effective cessation of the North Solomons provincial government (in March 1990) the North Solomons legislature (the Provincial Assembly) performed well. There was little absenteeism, no problems over quorums, no violence, none of the instability of constant motions of no-confidence that have plagued many other provinces. Assembly members appeared to understand procedures; they participated. There was no serious financial abuse; levels of payment to members followed National Remuneration Tribunal decisions. One meeting only was ever cancelled. Agendas were well prepared; consultation with public service advisers was adequate. The first three speakers were men of substance: Aloysius Noga (1976-80), a former priest and president of Buin Local Government Council; Moses Havini (1980-84), a graduate of the University of Papua New Guinea and a former adult education officer of the Interim Provincial Government; Raphael Niniku (1984-86), a former MP (1976-77) and president of Kieta Local Government Council. Relations with national MPs were relatively cooperative in spite of their being at political odds with the 1980-84 premier, Leo Hannett. Because NSPG was one of the minority of provinces with full financial responsibility, national MPs tended to be politically redundant in the delivery of material goods. Moreover, during 1977-87 all four MPs belonged to the Mela-

¹ Other landowners whose land was utilised for the mine (coastal villages whose land was taken for port and other facilities) did not react in the same way.
nesian Alliance Party. Therefore, they were generally out of government during 1982-88. National programs were not easily lured to the province, the limited successes in this regard being entirely due to skilled lobbying by secretariat members, a process helped by the rapport they enjoyed with key elements of the national bureaucracy.

With the political demise of Sir Paul Lapun, the dominant personalities prior to 1988 were Leo Hannett, John Momis and Alexis Holyweek Sarei. All had been trained for the Catholic priesthood: Hannett (born in 1941) had withdrawn within a year of ordination in 1967 with the notoriety of having been intensely critical of colonial administration, plantation culture and Christian missions; Momis (born in 1942) had been expelled from the seminary for similar dissidence but his bishop sent him to Australia to complete his studies and for ordination; Sarei (born in 1934), a more staid personality, deemed *episcopabile*, was sent to the Gregorian University, Rome, for a clerical doctorate. He subsequently married and was laicised in 1972. In 1972 Sarei became personal secretary to Chief Minister Somare before, in response to local pressure, being appointed district commissioner in North Solomons, a role which developed into chairman of the BIPG. He was a reluctant secessionist in 1975 and phlegmatically holidayed in the USA for six weeks in July and August during the crisis, but returned to preside over the UDI, albeit with misgivings about trends and tactics. Somare, knowing his attitude and relishing his friendship, was loathe to dismiss him as district commissioner. In 1976 Sarei was unopposed as first provincial premier.

Momis entered politics in 1972 because certain power brokers, especially Lapun, realised the need for an educated and zealous MP who could asseverate the special identity of his province and contribute accordingly to the imminent process of constitution making. His bishop allowed Momis the irregular role of priest-in-politics for this reason and for want of another front-running candidate and because Momis could make a Christian ideological input at the birth of the new nation. Hannett wished to stand and would have been the less anomalous choice, but his anti-mission writings and espousal of an integrative 'Black Power' position while at the University of Papua New Guinea temporarily (see above) eroded his standing. Hannett withdrew his candidacy with some bitterness and Momis, with the support of the Catholic network, won the provincial seat with over 80 per cent of the vote (Anis et al. 1976). Momis became deputy speaker of parliament and deputy chairman (but, in reality, de facto chairman) of the Constitutional Planning Committee. As such he propagated decentralisation, redistribution, a strict leadership code, rigorous supervision of foreign investment, and a narrow base for citizenship. His distaste for BCL (Momis and Ogan 1972) prevented him from even visiting the mine for a number of years and he played a leading role in the 1974 renegotiation. Momis applied himself manfully to constitution-making (taking advice from a progressive theologian-mentor in the process) and, contrary to general opinion, was only a secessionist because decentralisation appeared to be rejected by the national government. He left the priesthood in 1993. The network of friendships Momis, Sarei and Hannett had built up with other key Papua New Guineans helped resolve the crisis of 1975-76.
Hannett progressed from provincial planner to provincial secretary and later became a successful businessman in his own right. The energy he had injected into provincial mobilisation also contributed much to the establishment of the Bougainville Development Corporation (BDC) in 1974-75, which became the first and only successful body of its kind in Papua New Guinea. Its objectives were:

1. To enable Bougainvilleans to share in the profits being generated by the presence of Bougainville Copper on the Island [instead of their going to] … foreign-owned companies and being exported …
2. To enable people not living in the immediate vicinity of the mine, through a shareholding in BDC, to share in profits that were being generated in the vicinity of the mine and thus to spread the wealth and avoid the possibility of a wealthy elite developing in the immediate vicinity of the mine at the expense of the majority of the people on Bougainville.
3. To undertake certain other viable economic projects which would be of assistance to the people though not necessarily undertaken to make profits, for example, Bougainville Air Services (Hannett 1979).

The directors of BDC insisted that it be a profit-making body based on sound management principles without concession to localisation for localisation’s sake. A North Solomonee lawyer, Paul Nerau, however, became managing director in 1980. While an initial identification with provincial government was fostered, ‘the original concept … was [that] … over a period of time the corporation would move away … and become an entirely independent public company … in which the people of the province would become the predominant shareholders’ (ibid.). Although later as a premier under electoral challenge Hannett would extol the advantages of the premier being also chairman of directors, he was adamant that BDC should not be subject ‘to continual petty political interference’ and that its private enterprise ideal in pursuing profit in the most advantageous quarters should prevail (ibid.). In his view, the provincial government’s interest (56 per cent) ought to be satisfied with dividends which it could disperse according to its developmental program. The Catholic Church as a significant shareholder ought similarly to be gratified.

BDC funds were acquired initially through (with patronage) penetrating service industries associated with BCL. By 1984 it was involved in airline operations, catering services, property rental, tavern and liquor sales operations, commercial laundries, welding and steel fabrication, hardware and timber supply, automotive repairs, polyurethane manufacture, paper products, limestone quarrying (for production of lime for sale to BCL) and investments in other companies, even to the point of moving ‘offshore’. It had finally invested in plantation acquisition, an original and popular objective, but by doing so through investing funds in a large mainland based company it laid itself open to the criticism that it was assisting outsiders to own large areas of land in the province. It had paid average dividends in excess of 20 per cent per annum; the total investment had been returned
to shareholders; its assets stood at K6 million (BDC 1984). In 1987 BDC recorded a profit after taxation of K941,863 (Times of PNG 11 June 1987).

Sarei, Momis and their supporters were vehemently opposed to this ‘trickle-down effect’ philosophy; BDC’s task was to promote ‘grassroots’ development and small-scale business. Virtually any BDC initiative, even when it took local participation and import substitution into consideration, was opposed as personal rivalries as well as ideological differences came to dominate local politics. Hannett resigned as provincial planner in 1977 after an offer by the provincial government to take over Bougainville Air Services was rejected by BDC. ‘The bitterness created by this dispute ... damaged the Corporation greatly during the next few years’, wrote Hannett (1979:9-10), but ‘neither side could claim to be blameless’. The tensions originating in this period were a major factor in 1985 moves by the BDC board which reduced the provincial government’s shareholding in BDC below 50 per cent (see below).

Despite general misgivings that he as well as Momis should leave provincial for national politics, Hannett nominated in 1977 and not for Central Bougainville which he could have won, but against Momis for the provincial seat. Such competition between the two heroes of the 1975 UDI was itself regarded as unseemly. Hannett asked Bishop Singkai to withdraw approval for Momis to stay in politics, maintaining that this was an act of contempt towards the laity. Momis replied in a statement, ‘Priest in Politics for his Fellowmen in the World’. The documents of the Second Vatican Council were on his side, he claimed:

As a priest ... sharing in the universal priesthood of Christ, it is both my responsibility and privilege to take a plunge unreservedly into the abyss of human affairs and in fact into human history in the context of our personal destiny ... Our strategy to promote such a development of man must be one of an integral approach and must do away with the dualisms such as soul-body, heaven-earth, church-state ... As co-creators we must not be slaves to traditional practices and structures for the sake of conformity but rather be prepared to update them to suit the modern man (Momis 1977).

Momis won the seat with 13,697 (51.4 per cent) to 8,046 (32.5) votes. He won by over five to one in his home base, Buin district, lost uncomfortably in Central, and scored narrowly in the north, Hannett coming from Nissan Atoll. Momis supporters carried the other three seats, Lapun (South) and Donatus Mola (North) being swept aside because they had supported the national government. Their parliamentary careers were over, in spite of further attempts. Momis’s reputation for integrity, ecclesiastical endorsement, and rhetoric against foreign influence (‘neo-colonialism’), multinationals and corruption were decisive in a province with an ethnonational identity. This was despite the fact he was himself mixed race (having a Buin father and a part-Chinese-New Ireland mother) and lacked even the appearance of a Mungkas tru.

In Port Moresby Momis continued to join forces with his radical colleague in the Constitutional Planning Committee, John Kaputin (Rabaul), with whom he had previously formed the Nationalist Pressure Group in 1974 to try to force
acceptance of their program. Their Alliance for Progress and Regional Development had some clout in Somare’s new government, Momis gaining the Decentralisation portfolio and Kaputin Education. Nevertheless they were soon at loggerheads with Somare over a proposed strengthening of the Leadership Code and, after Somare in a 1979 reshuffle moved Momis to Mines and Energy and demoted Kaputin, they crossed the floor with their followers, stigmatising Somare as ‘corrupt’. They accepted respectively Provincial Affairs and Finance in the Chan-Ookuk ministry (1980-82).

Meanwhile at home, in mid-1980, Hannett, after a vigorous campaign against a complacent Sarei, unexpectedly won the premiership decisively (14,244 to 8,993). Hannett retained his popularity in the Kieta district, and had always been attentive to cultic areas and the atolls. As Sarei came from Buka Island, both candidates had claims on the northern electorate and, while it would not be true to say that Sarei’s regime was unproductive, expenditure on infrastructure in the early years took time to yield benefits. The result galvanised Momis and his supporters, including Anthony Anugu MP (South Bougainville), a personal antagonist of Hannett, into forming the Melanesian Alliance party (MA) which was organised with Catholic Church support on a pyramidal basis in the province (Griffin with Kawona 1989:234-5). The MA triumphed in the 1982 national elections, winning all four seats. Some 75 per cent more voters turned out, Momis being returned with 72 per cent against three opponents, including a prominent secessionist (who got 14 per cent). The MA, however, was no longer in government. In October 1982 Hannett openly embraced Pangu Pati (and Somare, who was returned to power in the 1982 national elections) in spite of what this had done to Lapun and of Somare’s stated desire to rein in provincial-government powers.

Somare’s claim that he now represented North Solomonsese interests did not help Hannett in the 1984 provincial elections. While he was seen as an effective premier, he was widely branded by the MA as ‘a self-serving capitalist’ who had relinquished traditional egalitarian values. He was also alleged to be too hospitable to unwelcome immigrants from elsewhere in Papua New Guinea and to have too close a relationship with BCL and its agencies. With the MA’s grassroots support, Sarei regained the premiership with 23,538 votes (two-and-a-half times his 1980 vote) to Hannett’s 13,345 (slightly less). Roughly 38,000 voters had turned out as against 23,000 in 1980. Hannett went to Port Moresby, where Somare appointed him chairman of the Papua New Guinea Investment Corporation.

Hannett, however, did not relinquish his chairmanship of BDC. Initially he had been opposed to political interference in or even close government association with BDC but during his premiership had stressed the benefits of combining both offices. Aside from personal advantages in this, Hannett also feared that BDC would collapse if handed over to MA control since MA leaders had opposed virtually any initiative he took. In February 1985 the board of directors, in the absence of its provincial government representative, decided to issue 700,000 shares at K1, with a premium of 30 toea, additional to the original authorised capital of 2,000,000 shares at K1 each. BDC had previously been advised by its accountants that an issue could be made by private placement or through a re-
nounceable rights issue. The board chose the former course although the provincial government had directed that no action should be taken until it had been fully briefed. The board, however, went ahead, selling 14 per cent of the new shares to companies directly or indirectly associated with the directors present at the meeting. Not offered an opportunity to purchase shares, the provincial government’s share dropped below 50 per cent.

Hannett and Nerau were openly accused of greed, impropriety and ‘unBougainvillean’ conduct. Relations between the provincial government and BDC were strained; BDC directors faced court action, which prior to the 1988 secessionist crisis had resulted in a Supreme Court ruling that the North Solomon provincial government had, prima facie, good grounds for challenging the share issue. Many North Solomonese, particularly MA supporters, saw the share issue as the culmination of BDC’s general performance, allegedly hijacking lucrative business opportunities and blocking local small and medium-sized business participation. One company involved was the mine-site landowners’ Road Mine Tailings Lease Trust Fund whose chairman, Severinus Ampaoi, was a BDC director and was accused by disgruntled landowners of acting without their authorisation. Ampaoi was also a BCL executive officer. In the popular mind, grievances against BDC, the directors of the landowners’ trust funds and BCL (which had been a patron of and provided advice to BDC) became intertwined. Many Bougainvilleans, including Momis, have alleged that, by abusing public trust, BDC contributed to the rebellion.

The BRA revolt 1987-90

As the 1987 national elections approached, serious discontent among mine-site residents, especially younger ones (see Filer 1990) became evident. In the early 1970s a complex of compensation payments had been worked out for relocation; for losses of crops, trees, fish from polluted streams, and hunting tracks; for damage from blasting, inconvenience, and so on. By 1974 perhaps 4,000 people were more or less recipients (Bedford and Mamak 1977) and by 1989 a total of K22 million had been paid out (Carruthers and Vernon 1990). Its distribution, however, was uneven and, in particular, ‘once-off’ payments as well as negligible ones caused discontent.² Per capita returns diminished with rapid population growth. Facilities and houses in relocated villages were allowed to deteriorate. BCL’s efforts to involve residents in business on a privileged basis (for example, taxi companies) were generally unsuccessful.

² Disputes over compensation were greater among the landowners of the special mining lease area than among those of the port site and tailings groups. Distribution was more equitable among the port group, while in 1988 the tailings landowners, predominantly Nagovisi, decided to break away from the RMTLTTF to form their own organisation because, they said, they were fed up with the fighting among the Nasiloi (the Panguna landowners). Although the breakdown of law and order forestalled an official constitution of the Nagovisi group, the RMTLTTF executive board agreed to pay its portion of the ‘social inconvenience’ compensation.
In 1979 a Panguna Landowners Association (PLA) was established to protest this felt inadequacy. BCL did not respond, in part because of opposition from the provincial government, under Hannett’s premiership, to BCL’s business advisory section’s involvement in assistance to mine-site villages. In July a demonstration was held and the company supermarket looted. In 1980 roadblocks were erected following a march on BCL’s administration block. In response, a compensation agreement was worked out and the PLA formally recognised. The association’s investment agency involving the main areas affected became known as the Road Mine Tailings Lease Trust Fund (RMTLT). It invested in plantations, BDC and other national companies and was intended to provide services ranging from water supplies for the present to scholarships for the future. From an apparently satisfactory beginning the PLA board came to be increasingly out of touch with its clientele. It was felt to be managing the fund in the interests of its own members, to be parsimonious in lending money, to be too close to BCL and BDC (especially after its involvement in the BDC share issue) and to be secretive in its dealings. On the other hand demands made on the fund were often unrealistic and loans made were not always repaid.

Meanwhile BCL’s Village Relations Office lapsed, its localised personnel tended to be ineffectual in dealing with mine-site residents, and communication between company and people was lost. Moreover the seven-year review of the mining agreement, provided for under the 1974 agreement, did not take place – for reasons not entirely clear. BCL expressed its willingness to review the agreement and, as a gambit, offered more financial benefit to the province. The Chan-Okuk government, however, in the middle of a recession was not in a mood to offer more to its wealthiest province, against which its leaders evinced some prejudice. Momis has denied accusations by Hannett and Chan that he took no steps to bring the review about although he was number three in cabinet. He is alleged to have been reluctant to see Hannett, as premier, get any credit, but a letter by Momis to Chan exists to say that he did ask for a review. The provincial government, on the other hand, is alleged to have demanded greatly increased benefits in order to exert better leverage, and to have preferred to exploit the mine-site residents’ grievances to gain increased provincial funds rather than directly to attend to mine-site problems (Griffin 1990:11-12). Later events were to show those demands were not in excessive. An apathetic national government was out of touch not only with the impact of mineral development in North Solomons but with that of exploration nationwide. North Solomons was pushing for a policy which would address the concerns of landowners and provincial governments before they rebelled.

These problems were aggravated in the minds of the ‘new generation’ as it became clear that the Panguna mine had only a further fifteen to twenty years lifespan and that, if the provincial standard of living was to be maintained, a new mine would be needed. Negotiations over mines in other parts of Papua New Guinea postulated much greater perceived benefits than North Solomons had enjoyed and profited from North Solomons’ admonitions in the 1980s. So North Solomons was the national milch cow, after all! And for the younger generation
there was glaring environmental degradation and tens of thousands of unwelcome and allegedly unproductive and disruptive permanent immigrants. A host of other grievances surfaced: it was alleged that dust from the mine, not overcropping, was responsible for poor cocoa, and for infant illnesses; and the disappearance of fauna was attributed to the mining operations, rather than to overuse of shotguns and over-fishing.

Momis in his 1987 national election campaign tuned into this, especially as it was felt that the MA would not be so successful this time. Sarei had severely criticised him, and had resigned the premiership and was to stand against him (Griffin with Kawona 1989:234-6). Raphael Bele in the Central Bougainville electorate was always problematic because stolid and poorly educated. He had never had more than 33 per cent of the vote. Momis launched into an inflammatory attack on BCL in a document known as ‘The Bougainville Initiative’ written for him by a naive Australian journalist with no background in Melanesia; Momis subsequently disowned him (personal communication with Griffin 27 November 1990). The Initiative mendaciously accused BCL of transfer to the tune of K60 million a year and asked that it give the provincial government 3 per cent of gross income or 4 per cent of net sales revenue per year. It said BCL could easily do this by removing inefficiencies – although these were generally unknown. This was to be outside any national review of the BCL agreement. Even friends of Momis saw the Initiative as demagogic (Griffin with Kawona 1989: 234-6). The future rebel leader, Francis Ona, was with Momis when he made his demands personally to the BCL managing director. In the event the MA won three of the four provincial seats and Bele’s total rose to 36.7 per cent while Sarei polled a derisory 17.6 per cent.

Joseph Kabui, a Nasiol from the mine-site area, acting premier following Sarei’s resignation, was elected premier in June 1987 by the House of Assembly and again in 1988 at the general election. Hannett returned to contest the premiership, this time with the support of a new organisation of local business leaders, Bougainville United Group (BUG). An unusual supporter was North Solomons-born Archbishop of Port Moresby, Sir Peter Korongku, who turned up during Hannett’s campaign as a makeweight for Bishop Singkai’s continuous endorsement of the MA. The MA’s candidate was Anthony Anugu from Siwai, who had easily won South Bougainville in the national elections in 1977 and 1982 and had not contested in 1987 in order to win the premiership. Anugu was a strident opponent of Hannett’s, but his turbulent personality made him unacceptable outside the south where he led with 54 per cent of the vote. Hannett won with 45 per cent in the north, and, like his former deputy premier and incumbent MP for North Bougainville, Michael Ogio, prospered in Teop-Tinputz and the atolls. Kabui won 65 per cent in central, losing only Arawa town to Hannett and polling well in dissident areas. With approximately the same turnout as in 1984, Kabui won with 40 per cent, Hannett had (with fewer actual votes than previously) 28 per cent and Anugu 27. One minor candidate took less than 5 per cent.

In particular, Kabui had the support of a ‘new’ PLA formed in August 1987 by a younger group of mine-site residents with a woman, Perpetua Serero, Ona’s
‘cousin-sister’, in the chair (prior to her death in June 1989) to emphasise matrilineal inheritance which, it was claimed, had been ignored during original negotiations with BCL. Ona became secretary. The ‘old’ PLA was deposed. With Momis having no voice in government there was no alternative to direct action. In March 1988 a demonstration of some 300 petitioned BCL for greater benefits for both landholders and provincial government, but the specific demands (Okole 1990:21) were engulfed in a demand on 5 April for K10 billion compensation, 50 per cent of all future profits from the mine and the transfer of ownership to landowners and the people of Bougainville within five years. The Wingti government, with its own internal difficulties, was perfunctory in its response and, without it, BCL could only temporise. Roadblocks and a sit-in on the Espie Highway followed in mid-May but were discontinued with the promise of top-level negotiations.

With a change of government in July and the MA in office, the ‘new’ PLA was recognised and in August it occupied the RMTLTF offices and appointed a new board of directors. Legal processes ensued as did an environmental enquiry by a New Zealand scientific team (Applied Geology Associates 1989). Eventually, when this team failed to uphold the new PLA’s charges, Francis Ona resigned his surveyor’s job with BCL and ordered the closure of the mine. Secession was already at this time on the new PLA’s agenda. Organised arson attacks took place on company infrastructure and then on the property of ‘antagonists’ such as the BDC and some of its directors. The Bougainville Revolutionary Army (BRA) was formed under an Australian-trained deserter from the Defence Force, (Lieutenant) Sam Kauona. By early January threats were being made against towns, airports and general services. A senior member of the old PLA, Matthew Kove, Ona’s uncle, was abducted and murdered, a generational payback for the perceived inequitable distribution of benefits from the mine.

The national government replied by escalating the police presence and by the end of March introducing the army. Curfews were followed in late June by declaring a state of emergency. By May the mine had to be closed, except for an aborted eight hours start-up in September. In January 1990 it was indefinitely ‘mothballed’. The guerillas were aided by the incompetence of the leadership of the security forces whose brutality to civilians alienated the general population. Prime Minister Namaliu tried to temper force with magnanimity and offered a new mining package: 20 per cent royalties and greater compensation for landholders, the sale of the government’s 19.1 per cent equity on generous terms to the province, and a K200 million development scheme. It was too late.

The provincial government, with Kabui equivocating, accepted this package and declared opposition to secession in late May. A select committee, however, under Commerce minister, John Bika, asked for a ‘state government’ under the Papua New Guinea constitution:

... with full powers to manage all its political, administrative and economic affairs including finance, taxation, foreign trade, police, registrations, laws and all public services except defence, currency, foreign exchange and foreign policy. The province
to retain 75 of all revenues generated in the province through direct and indirect taxes. All taxation powers to be decentralised. Province to pay 25 of revenues to national government to help develop other provinces (meme).

BCL was to be allowed to continue but all mining was to be controlled by the provincial government, clans were to be given sovereignty over their land, and migration into and settlement in the province restricted. This was not radical enough for the BRA and in this it had the virtual support of the churches. Bika was assassinated in front of his children just before his recommendations were to be presented to Port Moresby. Atrocities were also committed by ‘Rambo’ youth groups. There was an exodus of non North Solomonese and even non-indigenous spouses of Bougainvilleans.

In October 1989 Namaliu personally went to Arawa to participate in a peace ritual but Ona would not attend. On 2 November a voice purporting to be his was heard on the NBC declaring the peace package ‘rubbish and dust’ and just part of the ‘white Mafia’s’ rip-off of national resources. Even Momis and Kabui were said to be ‘blind’ to this multinational plot. Australia had deliberately set up a dependent economy and made Papua New Guinea a ‘dumping ground’ for its unemployables. Namaliu’s package did not address the country’s basic problems because it did not benefit the ‘have-nots’, he said. The broadcast offered nothing on secession. This was music to many radicalised Papua New Guineans who persisted in the view that talk of secession had been simply rhetoric to cover the unacceptability of the status quo. To many, Ona appeared ‘a national hero’ (as he was called by John Kaputin who, with Momis, was a father of the constitution and formerly spokesman for the Tolai Mataungan Association). Utula Samana MP, an articulate socialist, believed in late 1989 that a referendum should be held in North Solomons because the vote would be against secession. Bernard Narokobi, Minister for Justice and philosopher of the Melanesian Way, could scarcely believe Melanesians would not want to stick together. But really Ona was saying no more than: ‘Our two separate “nations” have similar problems’.

By early 1990, with their standing destroyed through indiscipline and atrocities against civilians, it was obvious that the security forces could not restore order. The good offices of Amnesty International were accepted in arranging a ceasefire. In March the security forces were withdrawn altogether from the province. Provincial government had no further authority and was formally suspended in August 1990; members who would not accept the authority of the BRA and its puppet Bougainville Interim Government (BIG) either fled or resigned themselves to a ‘terror’ at the hands of the BRA or of uncontrollable raskols who now had a ‘patriotic’ sanction for their activities. Kabui became minister for Justice in the BIG and the heads of the three churches accepted portfolios. Ona became ‘His Excellency the President’ and was so addressed.

But well before that the premier had failed his government. Vacillating by nature, he had, as a tailings landowner, a conflict of interest. He facilely entertained secession as a panacea for North Solomons’ problems. He failed to give leadership either to his locality, province or colleagues. Other members of the
government and bureaucracy tried to uphold their constitution through an awareness campaign (face-to-face meetings, radio, special newsletters) focusing on traditions, achievements, respect for life and property, and the new deal in Namaliu’s ‘Bougainville Development Package’. John Bika was very involved; Kabui was not. In the end Kabui was physically mistreated by both the security forces and the BRA and in 1991 stigmatised by Somare as an untrustworthy negotiator. Kabui’s conduct should not be allowed to obscure the capable work done by his administration in trying to cooperate with national authorities, explaining the situation to them and setting up care centres for village evacuees. Lives were saved in the process. If the provincial government had had some record of instability, Kabui might have been made to resign if only on the grounds of contradictory statements, crucial indecisiveness and simple inattention to duty. (‘He did not suffer from insomnia,’ said one senior administrator.) Ultimately, as the behaviour of the security forces polarised opinion, anti-secessionists became the alleged ‘enemies’ of their own people.

Postscript: Prolonged agony 1991-94

With the reoccupation of Buka by the PNGDF Sam Tulo, one of the organisers of the Buka Liberation Front, was made provincial administrator while Momis, as minister for Provincial Affairs, with the liquidation of provincial government, was in effect premier. Momis, with the cooperation of Solomon Islands officials who were concerned at problems caused by the blockade, took initiatives which led to a meeting in Honiara on 22 and 23 January 1991 of representatives of the BIG led by Joseph Kabui and the Papua New Guinea government led by Somare and Narokobi. By the Honiara Declaration an Interim Legal Authority (ILA) was to be set up with a Task Force for implementation while a Multinational Security Team (MST) recruited from Australia, New Zealand, Canada, Solomon Islands and Vanuatu was to oversee disarmament and law and order. The result was an impasse. Port Moresby was not prepared to compromise its sovereignty and would not accept the BIG as the ILA. Nor was it prepared to withdraw its troops from Buka. There could be no MST without an acceptable ILA and, blaming Australia for the whole tragedy, the BRA would not accept its forces on Bougainville soil. The BRA refused to disarm and Kabui’s authority to sign the Declaration was rejected by Ona on his return. However, the Declaration remained a point of reference for future negotiations which, in 1991, did not get beyond preparatory level.

By April the PNGDF was sufficiently confident to cross Buka Strait where rapport was established with local ‘chiefs’ so that by midyear it had moved, by local invitation, as far as Wakanai on the fringe of the Central district. By the end of the year Momis was negotiating with Siawai leader, Anthony Anugu, for the return of civil authority. By this time Momis had concluded that a province-wide ILA was not feasible but that a piecemeal approach could work. Six ‘district interim authorities’ (DIAs) were to be set up in Buka, the Atolls, North-West, North-East, South and Central Bougainville (though later South was split into Siawai
and Buin while a ‘Bana’ (Banoni-Nagogvisi) IA was also set up, making by 1994 eight in all). Geographically they were not unlike the pre-independence local government councils.

The deal with Momis proved fatal for Anugu who was taken prisoner by the BRA in April 1992 and executed together with a provincial MHA, Ben Kirape. Six other Siwai leaders escaped from custody. This action by the BRA alienated most Siwai, whose leaders in May invited the PNGDF to return. Resistance to the BRA also developed in Buin although security was harder to retain there. By mid-1992 it was clear that the BRA, while capable of sporadic harassment throughout Bougainville, had lost overall support and that it would become increasingly concentrated in its Nasiqi-Nagogvisi heartland, provided always that the PNGDF could maintain reasonable discipline. BRA harassment, however, made the maintenance of ‘care centres’ for villagers imperative throughout the island. Possibly up to 35,000 were at one stage in protective custody.

After some debate as to whether valid elections could be held in the province, the Papua New Guinea government decided that sovereignty and integration dictated that they should. In spite of rumours of his unpopularity, Momis retained the provincial seat as did Ogio in the North, while moderates Joseph Egilio in Central and Michael Laimo in South won in farcically small voter turnouts. Ogio became an ineffectual Minister of State for Bougainville. Wingti had, prior to his return as prime minister, opposed the use of the military in Bougainville and even intimated that he could countenance secession. However, on election he was convinced (by, among others, expatriate advisers with mining interests) that Panguna could be reconquered and that a symbolic victory would lead to rebel capitulation or, at least, close containment. He appointed a new PNGDF commandant specifically for the task in late 1992. Arawa was captured in February 1993 but it was only after an exasperating sequence of unmet deadlines that a PNGDF foray planted the flat at Panguna in mid-1994, only to pull back with casualties as it lacked air support and adequate logistics.

Meanwhile anti-BRA leaders had begun to seek an accord with Port Moresby by which they might entice the rebels to compromise. In April 1993 a pan-Bougainville Council of 100 ‘chiefs’ met at Buka. It rejected secession, supported the PNGDF’s custodial presence, and called for the reinstatement of the North Solomons provincial government as a step towards greater autonomy which would include 51 per cent control over mining and other provincial resources – in fact, something short of the recommendations of the Bika Report. Wingti’s response was mere temporising as a Constitutional Review Committee (the ‘Micah Committee’) was in train to recommend the virtual abolition of second-tier government and Wingti was intent on implementing a centralising program albeit with a strong emphasis on village development. In fact, Wingti ascribed problems with North Solomons to the institution of provincial government and those with decentralisation to Port Moresby’s having allowed North Solomons in 1975-76 to dictate the terms of provincial government.

When Sir Julius Chan replaced Wingti in late August 1994, his approach was not in reality so different except that he forsook the military option and declared
a ceasefire. His demarche at Arawa in October involved a South Pacific supervisory team to protect rebels attending his peace conference without conceding any point of sovereignty. A few rebel leaders – but not the hardcore of Ona, Kauona and Kabui – attended. Subsequently in late November a Mirigini Charter for a New Bougainville was signed, prescribing a Bougainville Transitional Government (BTG) to be set up before March 1995. The BTG, however, is not to have the structure or powers of the former provincial government. It will consist of the four national MPs, the chairmen of the eight IAs, and at least three appointees, presumably from ‘chiefs’, and women’s groups. The chairman or ‘governor’ will be elected from the four MPs, and his deputy from the chairmen of the IAs. In other words it virtually follows the Micah recommendations.

The keyword in BTG for North Solomonese, however, is probably ‘Transitional’. For them, the emphasis on the IA’s will hardly mean that their elected provincial government is to be restored, although they will welcome whatever conduit can bring back services. The former acting Supreme Court judge, Theodore Miriung, who emerged from his North Nasiol area to attend Chan’s peace conference, is ‘asking for a better deal for Bougainville’. He says, ‘We do not want to have fought in vain’. He is a signatory to the Mirigini Charter. Chan will be hoping that the new system will be effective enough to be accepted for the longer term by a war-weary province. However, it is difficult to envisage how the BRA can accept such a complete collapse of their aspirations or how a province with such ethn-national awareness will adjust to a more centralised system which, inevitably, will be short on delivery. And, after all, the North Solomons provincial government did work.

That could not be said for the rehabilitation process in the pacified areas, described by Moral Rearmament observers in October 1993 as ‘chaos in action’:

‘The fact that so little has been achieved ... can largely be put down to the structure ... in place so far. Not only are three ministers involved – Provincial Affairs, Bougainville Affairs and Defence – but under them, all with crisscrossed responsibilities to one or more of the above ministers, are a Provincial Administrator, an Administrative Secretary, a Provincial Secretary and a Bougainville Coordinator, along with the Defence Force Commander and the Commander on Bougainville. If that is not enough, responsibility for capital works rests with the chief engineer of the Public Works Department. Add to that political rivalry and the wantok system of favouring one area against another ...’ (J. Farquharson and A. Weeks, ‘Situation Report on Bougainville’, 26 October 1993, mimeo).

In October 1994 Chan officially lifted the blockade which, in any case, was being applied only in BRA-controlled areas. However, the BRA, still comparatively well-armed, obviated any sense of security and its less rational elements in the Central redoubt seemed as intransigent as ever. This was a problem which an under-resourced PNGDF could not solve. Nor, in view of the parlous state of the Papua New Guinea economy, was Port Moresby in a position to assuage other problems in North Solomons, no matter what structural reforms it attempted.
CONCLUSION

R.J. May

Going against a widespread tendency towards recentralisation in much of the Third World, the introduction of provincial government in Papua New Guinea in 1976 sought both to bring government closer to the people and to contain the spread of local subnationalist movements, most critically that which had culminated in the unilateral declaration of independence of the North Solomons in 1975. Initially, provincial government seemed to have been largely successful in achieving the second of those objectives, though how far it went in meeting the first, and most ambitious, objective is difficult to assess and certainly varied between provinces.

From its inception, however, the provincial government system has had its critics. A good deal of criticism – for example, concerning the limited effectiveness of provincial government and the laxity of financial administration – has been well founded. These failings have understandably contributed to the distrust and cynicism with which governments have been regarded by their constituents in many provinces. At the same time, many of the problems evident in provincial government reflect more general tendencies in Papua New Guinea politics during the late 1970s and 1980s. These include a deteriorating level of government performance, growing nepotism and corruption, and declining standards of financial management.

In retrospect, there is little doubt that the decision to proceed uniformly in the creation of provincial governments in all nineteen provinces perpetuated imbalances and generated particular problems in some of the less-developed provinces. But it is also true that the national government was generally slow, and sometimes apparently reluctant, to address the emerging problems of provincial governments even where, as for example in relation to accounting and audit, there was no shortage of specific, expert advice. Rather, the response of the national government was primarily to re-centralise, largely ignoring resolutions of the Premiers Council, rendering the Fiscal Commission moribund, and moving to facilitate the suspension of provincial governments; by the end of 1994 only four of the nineteen provinces had not experienced at least one period of suspension. In part this response reflected the growing significance of political activity at the provincial level, a trend which many national politicians found threatening.
It would be a mistake, however, to underestimate the extent to which tensions within provinces have contributed to the problems of the provincial government system. In most provinces intense regional competition has at some stage posed a challenge to provincial government. In several (among them Eastern and Western Highlands, West Sepik and East New Britain), full-blown breakaway movements emerged, demanding a separate province. Apart from regional pressures, personal and factional rivalry have produced situations in which provincial assemblies have devoted more energy to politicking than to policy making. In most provinces political parties have played a comparatively minor role in provincial politics – often being discouraged because they are perceived to be divisive – and fluid political allegiances have produced a climate in which the vote of no-confidence has flourished. As a corollary, legislative activity has been at a generally low level. In some provinces a degree of political stability has been achieved by having a provincial executive of a size which leaves the number of provincial MPs outside the cabinet smaller than that required for a successful vote of no-confidence. But while this strategy has helped to maintain stability, it has done so at the cost of genuine political debate and scrutiny. Nepotism and corruption are the likely consequences.

Competition, also, between provincial politicians and local government councils has resulted in a general decline in local-level government, notwithstanding some innovative attempts at promoting community government. Not surprisingly, local government councillors have been among the most outspoken critics of provincial government.

Almost without exception provincial government business arms have failed, due in varying degrees to inexperience, financial mismanagement, and the fact that business decisions have often been overridden by political demands. Provincial initiatives in economic development more generally have had mixed, though mostly disappointing, results; in many instances success or failure appears to have been substantially determined by the extent, or lack of, support from Port Moresby.

In short, there is little doubt that provincial government in Papua New Guinea has failed to live up to the more optimistic expectations of its proponents, though whether this indicates a failure of the concept, or a lack of commitment on the part of the national government to making the system work, remains problematic. The eleven case studies in this volume reveal a number of common patterns in provincial politics, many of them not conducive to optimism; but the studies also suggest a range of experiences, including at least one (East New Britain) which has been generally judged a success.

More significantly, perhaps, beyond the individual case studies there are indications in this volume of a broader tendency in Papua New Guinea politics since independence, namely a shift in the centre of gravity away from Port Moresby towards the provinces. The ‘problems’ of provincial government – both within provinces and in relations between the provinces at the centre – in part reflect the reality that provincial politics has become an arena for fierce contestation, nationally as well as locally. Those who call for the abolition of provincial
government underestimate the irreversible impact this has had on Papua New Guinea’s political system.

As this volume goes to press the future of provincial government in Papua New Guinea is again in question. Observing the debate, one might be excused for wondering whether some of the advocates of change are fully aware how well entrenched the idea of provincial government has become in some provinces (particularly the Islands Region provinces, which have threatened collective secession if provincial government is abolished), and whether some of the proposals (such as a transfer of responsibility from provincial governments to local-level governments or traditional leadership structures) could possibly produce the desired results. For some at least, it seems that the history of provincial government has not been well learned. It is hoped that the collective experience and insight of this volume will help bring about a better informed debate, since the issues raised are important ones for Papua New Guinea, and Papua New Guinea’s experience contains much of relevance to other governments experimenting (often not for the first time) with political decentralisation.
POSTSCRIPT: THE ORGANIC LAW ON PROVINCIAL
GOVERNMENTS AND LOCAL-LEVEL GOVERNMENTS

R.J. May

When this volume went to press, at the beginning of 1995, the future of the provincial government system was still under discussion – as it had been virtually since the system’s inception (see chapters 3, 4). In mid 1995, however, critical developments took place with the passage of long-contested legislation which substantially changes the nature of political decentralisation in Papua New Guinea and raises new issues for the future. In the light of this, the manuscript was retrieved from the press and has been updated. The following pages briefly recount the developments to July 1995 and look to the future.

From the Bi-partisan Committee to the Constitutional Review Commission

Following the 1992 national elections, the coalition government of Paias Wingti began a new assault on the provincial government system. Within weeks of taking office, Village Services and Provincial Affairs minister John Nilkare introduced a Village Services Program (see Post-Courier 14 August 1992:24-25). The program, which according to Nilkare represented ‘the most fundamental policy shift in our national history’, sought to empower some 240 ‘community governments’ through the provision of information, training and resources. Operating through the Department of Village Services and Provincial Affairs, and largely bypassing provincial governments, the program would link the national government with village groups through a structure of district centres and community councils; the latter were to comprise representatives from village groups or settlements, national MPs, provincial MPs, and church, women and youth group representatives. Under the program allowances would be paid to village services personnel, including ‘customary leaders’ and village court officials, working in the areas of education, health, agriculture, land mediation, law and order, and women, youth and sports. Ultimately, it was envisaged that the program would create up to 40,000 new jobs and have a budget of K140 million. (A later statement is given in Times of PNG 12 November 1992:32-33).

Subsequently, in October 1992, Prime Minister Wingti told a meeting of the Port Moresby Chamber of Commerce that he intended to overhaul the provincial government system, reduce the number of provincial politicians, and give greater
powers to national MPs; he described the provincial government system as costly and divisive and marred by gross mismanagement and corruption (Post-Courier 2 October 1992. Also see Post-Courier 8 October 1992). Shortly after this it was announced that the National Executive Council had agreed to the abolition of the provincial government system (Post-Courier 12, 16 October 1992), a decision which was endorsed by opposition leader Sir Michael Somare (Post-Courier 20 October 1992). Legislation for amendment of the constitution to enable the repeal of the Organic Law on Provincial Government was drafted. Around the same time four provincial governments were suspended; three more were suspended in 1993 (see chapter 3). Some welcomed the Wingti-Nilkare initiatives, but in all four regions there was strong opposition from within provincial governments and in the New Guinea Islands there were renewed threats of secession. ‘The option of a separate state for the combined provinces of the New Guinea Islands Region remains on the agenda’, Manus Premier Stephen Pokawin said; ‘Either Mr Wingti must go or the Islands Region must go and it is not of great concern to us which one it is’ (Post-Courier 22 October 1992). The Islands premiers were said to be preparing their own flag and anthem, and a committee of provincial government representatives was to tour the region seeking peoples’ views on secession. Solomon Islands Prime Minister Solomon Mamaloni was invited over for talks (Post-Courier 20, 23 October 1992).

The national government responded with threats to suspend the provincial governments in the Islands region and to prosecute their leaders. Nevertheless, in the face of this opposition, Wingti modified his stance and in November announced the creation of a Bi-partisan Parliamentary Select Committee on Provincial Government, headed by Kavieng MP Ben Micah (Peoples Progress Party), to again review the future of provincial government.

After touring the country to consult with people in the provinces, the Bi-partisan Committee presented an initial report in March 1993. The report confirmed that there was widespread disenchancement with provincial governments. It recommended that they be replaced by a system of decentralisation comprising provincial-level authorities (consisting of national politicians and representatives of local government councils, community governments, or traditional authority structures), with more circumscribed powers than provincial governments, and strengthened local-level structures. The NEC endorsed the committee’s report and agreed to widen its terms of reference to include: consequential reforms of legislative executive and political structures at the national level as a result of the proposed reforms to the provincial government system; reform of the electoral system and administrative boundaries; and review and reform of urban authorities. Five months later the committee presented a second and final report which contained more specific proposals for a comprehensive restructuring of the provincial government system. It also recommended the establishment of a Constitutional Commission to implement and monitor its recommendations and to review the national constitution.

The Bi-partisan Committee’s second report was accepted by the NEC, but produced no immediate action. Provincial premiers again opposed the committee’s
recommendations and at a Premiers Council conference in Goroka in September Wingti appeared to be adopting a more conciliatory approach, suggesting the possibility of a further review (Times of PNG 9 September, 7 October 1993). Meanwhile Nilkare, as minister for Village Services and Provincial Affairs, was pursuing his own agenda, which now appeared to accept a more substantial role for provincial governments. Tensions between the various actors escalated (see, for example, Times of PNG 7, 14 October 1993; Post-Courier 23, 26 October 1993). In late October Narokobi, the deputy chairman of the Bi-partisan Committee resigned. A week later Micah demanded that Wingti reconfirm his support for the committee, threatening to resign if he did not receive a satisfactory response. Legislation establishing the Constitutional Review Commission (CRC) was passed during the next parliamentary session the same month.

From the Constitutional Review Commission to June 1995

The CRC, which was chaired by Micah, comprised representatives from both sides of the parliament as well as representatives from the National Premiers’ Council (initially Pokawin) trade unions, churches, women, and urban authorities, and three ‘prominent citizens’. The commission was assisted by consultants (including Papua New Guinean lawyer Tony Deklin and National Research Institute director, Wari Iamo).

In February 1994 the CRC presented draft legislation to the NEC, including a bill for an Organic Law on Provincial Authorities and Local-level Governments. This was tabled in the National Parliament early the following month and passed the first reading stage.

The provisions of the bill – the so-called ‘Bi-partisan model’ – involved a substantial reduction in the role of provincial governments; not only were elected assemblies to be replaced by authorities comprising national MPs and non-elective members, but the law-making powers of the provincial authorities were confined to: the provincial budget; supervision and control of national and local-level governments’ development policies; alcohol licensing; lower-level education; local health centres; tourism; libraries, museums and cultural centres of provincial interest, and ‘any other powers which have been delegated to it by law’. In contrast, some thirty powers were given to local-level governments. ‘The general principle which underpins the proposed Organic Law’, the CRC explained, ‘is a system of a decentralisation … in that more powers are decentralised further to local-level governments’ (quoted from a Constitutional Commission brief published in Times of PNG 7 April 1994, pp.31-42). ‘The provincial authority’, in the words of Prime Minister Wingti, ‘would only become a facilitator with limited powers’ (Media statement 9 February 1994). Other significant features included a shift from cabinet government at provincial level to a committee system, proposals for a separate ‘Provincial and Local Level Governments Support Service’ within the national public service (but under a commissioner), provisions for district administrative structures (‘electoral development authorities’) within each electoral boundary, and tighter financial control through
a provincial and district treasury system.

But with continuing opposition from provincial premiers and from some national MPs, the second reading of the bill was postponed pending further public consultation. Meanwhile Premier Pokawin resigned from the CRC, complaining that decisions were being bulldozed through without consultation. He was followed by the women’s representative, Winifred Kaniit.

The continuing concerns of the New Guinea Islands region were addressed in April 1994 by a New Guinea Islands Leaders Summit. The summit, held in Kimbe, was attended by provincial assembly members, senior regional public servants, national MPs from the New Guinea Islands region, and observers from Sandaun and Morobe provinces. Although the national Communications Services minister placed a ban on NBC reporting of the summit proceedings (a move which Islands leaders denounced as evidence of dictatorial tendencies on the part of the national government) the press recorded that the New Guinea Islands leaders had drawn up the constitution for a Federated Melanesian Republic (FMR), comprising East and West New Britain, Manus and New Ireland (with Bougainville having an ‘automatic right’ to join) and were demanding greater autonomy; if greater autonomy were not forthcoming they threatened to pursue ‘the FMR option’ (Post-Courier 6, 7, 8, 11 April 1994).

As a result of the further consultation, changes were made to the draft legislation: provincial authorities were granted increased legislative powers and renamed provincial governments; financial arrangements for provincial governments were improved; and provisions were included to guarantee consultation between national, provincial and local-level governments and landowners in respect of projects exploiting natural resources. A redrafted Organic Law on Provincial Government and Local-Level Governments was approved by cabinet in July 1994 and legislation was prepared for gazetted. Some equivocation continued, however; the same month Nolkaire told a Premiers Council meeting that the provincial government issue was still open for debate – bringing a sharp rebuke from Micah (Post-Courier 29 July 1994).

The following month a mid-term change of government occurred;1 in a reshuffle of coalition partners, deputy prime minister Sir Julius Chan (PPP) replaced Wingti, heading a coalition which included Pangu and the Melanesian Alliance.

Chan was not long in making clear his intention to support the initiative of his New Ireland and PPP colleague. With a change of membership (but with Micah still chairman), the CRC was reactivated. The commission subsequently reported to the NEC in November and in January 1995 the latter approved drafting instructions. The following month a revised bill for an Organic Law on Provincial

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1 In September 1993 Wingti had organized an unexpected resignation and quick re-election, catching his opponents off-guard, in order to secure another eighteen months free from no-confidence motions. In August 1994 the Supreme Court ruled that the resignation was valid but that the constitutional requirements of the re-election had not been met. With a new election necessary, and opposition to Wingti mounting, the governing coalition fell apart.
Governments and Local-Level Governments was gazetted (National Gazette No. G19 27 February 1995). Speaking to provincial premiers at a National Premiers Council conference at that time Chan said: ‘The reforms we are putting forward will help bring to an early close a clumsy chapter in the political history of Papua New Guinea’ (quoted by Micah, Post-Courier 22 May 1995, p.17).

In fact, however, the ‘clumsy chapter’ was still unfolding. In September 1994 a further meeting of the New Guinea Islands Leaders Forum, deplored the ‘appalling financial mismanagement by the National Government’, resolved to demand ‘absolute autonomy’ in major areas of government activity (police, public service, agriculture, fisheries, forestry, mining and petroleum, health, education, lands, transport, commerce and industry, and environment and conservation); if their demands were not met, they threatened, they would, by 6 January 1995, declare their independence (see Post-Courier 8, 9, 12 September 1994). The demands of the Islands premiers were somewhat overshadowed at the time by the volcanic eruptions of Tavurvur and Vulcan in Rabaul. However in October 1994 the government responded, following a meeting of the National Security Council, by ordering that the four Islands premiers (Pokawin, Sinai Brown, Bernard Vogae, Samson Gila) and the forum chairman, Talasea MP Patterson Lowa, be charged with treason, that staff of the Islands Regional Secretariat be arrested, that expatriates involved in the move be deported, that the provincial secretaries be suspended and charged, and that grants and loan guarantees to Manus Province be frozen (Post-Courier 14, 17, 18 November 1994). Although the Islands leaders were not arrested, legal action against them was still proceeding in mid 1995 – though by November 1994 secession was said to be no longer an issue (Post-Courier 21 November 1994). Conciliatory initiatives by Pangu leader Chris Haiveta, who was acting prime minister briefly in late 1994 (and had been deputy chairman of the Bi-partisan Committee), were subsequently quashed by Chan, who rejected calls for further negotiations and maintained a hard line against the premiers and other opponents of the proposed changes to the system.

In March 1995 the redrafted organic law and enabling legislation were tabled in the National Parliament and, with minor amendments, passed through the second reading stage with a substantial majority. Chan, on 30 March, said: ‘History was made yesterday’; Papua New Guinea had been freed from the burden of a provincial government system that had handicapped the country for the best part of twenty years.

As against this, the acknowledged father of provincial government in Papua New Guinea, John Momis, urged members to reject the bill and walked out of the house before the vote. Momis acknowledged a need for reform, but called for amendment to the proposed Organic Law. ‘At this time in our history’, he said, ‘attempts to abolish and replace the provincial government system will be deeply divisive and destructive’; there had been ‘grossly inadequate public discussion’ and ‘meetings were stagemanaged’. Momis predicted that the new legislation would create ‘an administrative nightmare’. Not only was the local government system ‘almost dead in most provinces’, but the new arrangements
'will make many provincial governments tools in national level conflict on a level and to a degree of intensity never before imagined'; 'The provincial government system will become a giant Electoral Development Fund' (Post-Courier 4 April 1995).

Notwithstanding the clear vote for the draft legislation in March, with the third reading adjourned till June 1995 it appeared that others were coming round, at least partly, to Momis's persuasion. In addition to continuing opposition from provincial premiers – particularly the Islands premiers, who at an Islands Premiers Council meeting in May announced the formation of a new political party, the Movement for Greater Autonomy, and proposed the formation of an Islands State Government (Post-Courier 26 April, 8 May 1995) – several national MPs began talking about opposing the legislation at its third reading, and even calling for the rescinding of the first and second readings (see Post-Courier 28 April, 1, 5 May, 16 June 1995). Rescinding of the first two readings was also recommended by the Permanent Parliamentary Referral Committee on Justice, which criticised the government for 'bulldozing' the legislation through the house (National 1 May 1995; Post-Courier 22 June 1995). With the Melanesian Alliance already opposed to the bill, and the LNA having threatened to oppose it, in early June it was reported that Pangu would now call for amendments to the bill, which Somare described as 'grossly deficient' (Post-Courier 19 June 1995; also see Post-Courier 7, 8, 9, 13 June 1995). In his determination to ensure the passage of the bill Chan urged members to vote for it and move amendments at a later stage, and he threatened to take action against those who were disloyal to him. His chief political adviser even took the unusual step of intervening to stop a National Broadcasting Commission talk-back radio program on the topic (Post-Courier 22 June 1995).

In the event, when the legislation came to a vote on 27 June a majority of Pangu members voted with Haiveta to support the bill, and with the support also of Wingti it was passed by 86 votes to 15. Those who voted against the bill or abstained from voting included five cabinet ministers: Philemon and Nalau (Pangu), Momis and Narokobi (MA), and Pora (leader of the National Party). The following week all five were sacked from cabinet.

The new decentralisation

The Organic Law on Provincial Governments and Local-Level Governments (OLPGLL) effectively abolishes the provincial government system established in the late 1970s. In place of the existing elected provincial assemblies the new

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2 In a briefing paper prepared by the Constitutional Review Commission, however, the question is asked, 'Will Provincial Governments be abolished?' and it is answered, 'No' (see Post-Courier 31 May 1995, pp.18-19). On the other hand, another paper, apparently authored by Micah (Post-Courier 22 May 1995) concluded: 'By finally approving the Bills the National Parliament will be sending a clear message to the Nation that provincial governments are subsequent of [sic]
legislation establishes bodies (still referred to as provincial assemblies) comprising:

- all members of the National Parliament from the province;
- heads of rural local-level governments;
- one representative of the heads of urban authorities and urban councils;
- up to three ‘paramount chiefs or their appointed nominees representing local areas where the chieftaincy system is in existence and is accepted’;
- one nominated woman representative;
- up to three other members appointed from time to time by the provincial assembly (OLPGLLG s.10 (3)).

All members, including nominated members, have voting powers. The organic law allows for a transitional period of 90 days after which the existing provincial assemblies will cease to operate. Until the next national election (due in 1997) provincial MPs who are heads of local-level governments, and any other members who may be appointed by the head of state, may remain in the assembly (s.124). Others will be compensated for loss of office.

The chairman of the provincial assembly and head of the provincial government, to be called ‘governor’, will be the member of the National Parliament representing the provincial electorate. The governor may be dismissed, however, by a two-thirds majority of the provincial assembly, in which case another person must be elected from among the other national MPs. The governor may not be in an executive position in government, speaker or deputy speaker of the house, or leader or deputy leader of the opposition. The position is constitutionally responsible to the minister for provincial and local-level governments (s.22). The deputy governor will be elected from amongst the representatives of the local-level governments; as an interim measure the existing premier will serve as deputy governor.

The existing ministerial system is to be replaced by a committee system; the provincial executive council will comprise the governor and deputy governor, chairmen of the permanent committees, and members appointed by the governor (not exceeding in total a third of the membership of the assembly).

Local-level governments – which form the cornerstone of the new system – are ‘in principle’ elective bodies representing local communities. They may comprise commissions, urban authorities or councils, community governments, local government councils, ‘traditional form(s) of governmental structure’, or some combination of these (s.26). The particular form(s) of local-level government is to be determined by the national government on recommendation from the provincial assembly, with a normal maximum of three rural local-level governments in each open (national) electorate. Local-level governments are promised full legal status and ‘significant funding and manpower’.

and not equal to national interest. They are not a second source of political or governmental power. They are part of the national Government, largely delegated, but subject to supervision and ultimate control of the state’.
Provinces will retain their present primary powers, including financial powers, but concurrent powers will revert to the national government. Local-level governments are also given significant law-making powers (see ss.42-45). Explanatory notes prepared by the CRC argue, somewhat unconvincingly, that ‘the reform is not “centralising” powers as claimed by critics. This reform is in fact decentralising powers further to the Local Level Governments’.

The same explanatory notes state that ‘There will be no general suspension of Provincial and Local-level Governments except where there is a war or national emergency or where a Provincial or Local-level Government undermines or tries to undermine the authority of the National Government’; however the national government’s powers to suspend or to withdraw functions and finances from provincial and local-level governments, though subject to referral to an independent National Investigation Committee set up under the organic law, remain substantial (see ss.51-71).

The idea of a separate provincial and local-level service was dropped from the revised legislation. Administratively, provincial departments will be abolished and their operations will come under the relevant national departments through a provincial administrator. The provincial administrator, who will be chief executive officer of the provincial government (ss. 73-74), is to be chosen by the National Executive Council from a list of persons nominated by the provincial executive council. Below the provincial administrator will be a stratum of divisional administrators. The framers of the organic law foresee a decentralisation of administration from Waigani to the provinces and from provincial capitals to the districts.

A Provincial and Local-Level Service Monitoring Authority is to be established, comprising representatives of several national departments and agencies chaired by a representative of the Department of Provincial Government and Local-Level Government, whose function is to coordinate national policies at the provincial and local level and monitor various aspects of the system, including assessment of ‘the effectiveness and efficiency of the Provincial Governments and Local-level Governments’ (s.110 (4)(e)).

The CRC’s explanatory notes claim that, ‘Provinces will, under the reform, get a lot more finance from the National Government and will have full autonomy within powers and functions in the law to apply its finances’. To supplement existing internal revenue sources provinces will receive grants from the national government of six types: a provincial and local-level administration grant, a provincial infrastructure grant, and a local-level government and village services grant (all based variously on population and land and sea area); a town and urban services grant (based on urban population); a provincial and local-level staffing grant (related to provincial administrative and teaching service salaries), and the derivation grant (which will be increased from its previous 1.25 per cent to 5 per cent). It is estimated that outlays for provincial and local-level governments in the first year of the new system will be K490 million, compared to K374 million (including K74 million in village service grants and Electoral Development Fund) in 1994. The new organic law also provides for the creation of an
independent National Economic and Fiscal Commission with broad fiscal and economic functions, including oversight of provincial finances – a successor to the long moribund National Fiscal Commission.

A set of provisions added to the initial draft of the new organic law address the question of participation of landowners and local leaders in deliberations relating to the exploitation of natural resources and payments to provincial and local-level governments from resource revenues.

Disputes between and among national, provincial and local-level governments are to be referred to a Mediation and Arbitration Tribunal (of undetermined composition).

While the redrafted organic law was before parliament, progress towards reconciliation of the conflict on Bougainville (and the inadvertent lapsing of the suspension of the North Solomons provincial government) resulted in the establishment of a Bougainville Transitional Government (BTG). In recognition of the special circumstances on Bougainville, the BTG is exempted from the provisions of the organic law until 1997.

In 1997 general elections will be held concurrently for national/provincial members and local-level government representatives and the full provisions of the organic law will come into force.

The next stage

In the euphoria generated by the passage of the new legislation, Chan declared that, as well as being ‘probably the greatest moment of my political career’, the achievement was ‘the most crucial and momentous...for PNG since independence from Australia in 1975’ (Post-Courier 28 June 1995).

It remains to be seen how long the euphoria will last. Already, implementation of the reforms has been delayed by legal challenges (see Times of PNG 20 April 1995, Post-Courier 10 July, 2 August 1995), and those who gave their support conditionally upon subsequent amendments still have to be reconciled. Moreover, the circumstances in which the legislation was pushed through the house opened up splits in the coalition government, which threaten its viability.

In the longer term, questions must be asked about the capacity of the local-level government structures which provide the foundation of the new legislation. In most provinces local government councils have been in decline since at least the latter part of the 1970s and it is not obvious that they can easily be resuscitated. Nor is the alternative, proposed earlier both by Nilkare and the Bi-partisan Committee, of traditional authority structures, a straightforward option (though councils of chiefs have been used in Bougainville – controversially but with some apparent success – as a means of reviving government in the province). The specific linking of national and local-level politics through membership of provincial assemblies will also ensure the provincialisation of national politics and the intrusion of national party politics into provincial and local-level politics – tendencies which have been increasingly evident in Papua New Guinea in recent years. This will reinforce the trend towards a more patronage-based style of
politics and will raise particular questions about relations between national and provincial governments where the political allegiances of national governments and provincial governors do not coincide.

The unfolding of Papua New Guinea's new system of political decentralisation thus promises to be an interesting process, and one in which the experience of provincial government over the past decade and a half is likely to exert a strong influence.
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Going against a widespread tendency towards recentralisation in much of the Third World, the introduction of provincial government in Papua New Guinea sought both to bring government closer to the people and to contain the spread of subnationalist movements. Its main effect has been to create a new focus for political activity, between and interacting with local and national politics. Much has been written about the objectives and structure of the provincial government system in Papua New Guinea, but there has been little analysis from the perspective of the provinces themselves. In this volume, a number of expert commentators examine the experience of provincial politics in eleven of the country’s nineteen provinces. A postscript updates the story to the passage of new legislation in June 1995. Coming at a time when there is revived interest in political decentralisation elsewhere, this study makes a substantial contribution to an ongoing debate.

Contributors
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