

## **‘Governance is Political in Papua New Guinea’**

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### **Abstract**

*‘Governance’ is governing -- what governments do, however well they do it. Discussions about governance tend to focus on issues of corruption, or on administrative processes, whereas political structures and processes are often ignored. This paper argues that governance is a highly political topic, and cannot be examined solely in administrative terms. Economic structures also determine the activities of state and affect governance. The consequences of poor governance are a decline in public welfare, unpopular government and loss of authority for the state. Not only do most provinces in Papua New Guinea lack sufficient funding and staff for their range of responsibilities, but they suffer from a political structure which is quite dysfunctional. This paper points towards the need for a frank and fearless review of political and provincial governance structures, without ejecting ‘the baby with the bathwater’.*

### **Keywords**

Governance, political, administrative, structures, State, economic sub-national, provinces, local level governments, wards, administrators, districts.

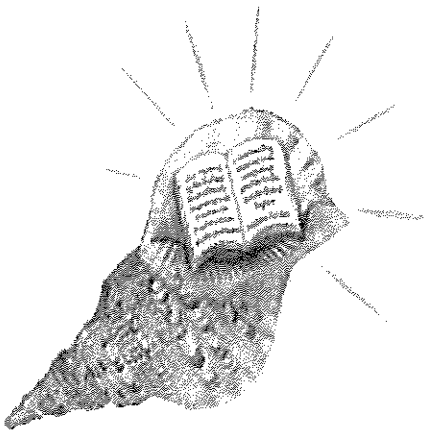
### **Introduction**

This article is about the politics of governance in Papua New Guinea (PNG) and how they matter. It was first drafted in the last few months of the Somare governments of 2002-2011,<sup>1</sup> and hopefully the situation in Papua New Guinea has improved since then. The word *governance* means different things to different people yet has become very fashionable in PNG. People use it in a variety of ways to push their different agendas, from would-be politicians to church leaders. The research behind this document was strongly influenced by the lively examination of governance by staff at the Institute for Development Studies at Sussex University (Unsworth 2010), and 40 years of observing PNG politics.

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<sup>1</sup> This paper was first delivered at seminars *The Politics of Governance Matters* at the Divine Word University, Madang, and the National Research Institute, Waigani, in February and March 2010. I am grateful for feedback received at the time.

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The old English word 'governance' most simply was a descriptive term for how things are managed ~~to~~<sup>by</sup> *what governments do, and how they do it*. The word goes back further to the Latin *gabānare*, the person who steers a boat. The United Nations Development Program in 1997 gave a modern definition of governance as:

"The exercise of political, economic and administrative authority to manage a nation's affairs. It is the complex mechanisms, processes and institutions through which citizens and groups articulate their interests, exercise their legal rights and obligations and mediate their differences." (UN Development Program 1997).

AusAID then adopted this complex definition. It should be unpacked further. The term governance sometimes focuses on *political structures*, who makes decisions and holds power -- whether in a government, a business, a university, a clan, a village or a family. At other times people focus on *political processes*, which is famously summarised as 'who, gets, what, when, how and why' (Laswell 1950). Most aid workers try to use the word governance to focus on a third dimension, the *administrative aspects* of how governing is done, pretending that it's not political. Foreign interference in politics within a sovereign state is unwelcome, and the World Bank's Charter forbids the Bank getting involved in political matters. Hence Western donors usually argue that '*good governance*' arises from *transparent processes* (so people can see what is in the budget and how it is spent) and *accountability* such that the activities of governments are closely watched and evaluated by the parliament, media and civil society. Sometimes they remember to include the issue of gender equity.

'Governance' was one of the buzz words during in the campaigns for the 2012 election, however, and this remains a highly political topic. Even the most notorious people claim a good governance agenda. The term carries strong moral implications. It has been picked up and used with glee by the NGO critics of governments and, bloggers and the media. *Poor (or bad) governance*, it is argued, inhibits development, leads to wasted public resources, to rent-seeking where leaders use their position for their personal benefit. Poor governance can lead to corruption, reduced services and low Human Development Indicators, to violence, oppression and overall to a reduction in happiness.

In the second half of this paper I will discuss what I believe are some of the underlying reasons behind the widely perceived failure of PNG's provinces and districts to deliver essential services. These problems can be analysed using the idea of 'governance', even though that term is often used negatively and in narrow ways as part of a finger-pointing blame game. My main point developed here is that political structures, cultures and behaviour are key factors behind what has been called poor governance in PNG. Since first delivering this paper in early 2011, senior politicians themselves have highlighted poor governance in PNG, especially when critiquing the performance of the Somare governments, but not questioning the political structures described below.

## The National Governance System

What is called ‘governance’ has been a preoccupation among aid donors for the last 10-15 years and the concept has been embraced by educated people in PNG including the churches. In terms of national *political structures*, Papua New Guinea has an elected Parliament, and follows the Westminster model whereby governments should be monitored and held responsible to the public through their representatives. PNG has a court system designed to be independent, and it has constitutionally independent monitoring bodies such as the Ombudsman Commission and the Auditor-General. These pillars of democracy are all necessary parts of the governance structure.

In terms of *political processes*, PNG has regular elections each 5 years, which are designed to be free and fair, notionally with one person one vote and with political parties contesting for power. Over the decades in PNG elections have become less and less about competing policies or contesting parties, and are increasingly influenced at both local and national levels by what is now called ‘money politics’. The former Prime Minister Sir Mekere Morauta told me in February 2011 ‘It is all money politics now - absolutely’. In the 2012 election many candidates spent fortunes trying to get elected.<sup>2</sup> Many spend their own and supporters money, and sitting Members often spent the most. There were 3,435 candidates in 2012, an increase of 25 per cent on 2007, so they obviously were strongly motivated to stand. Despite their unprecedented levels of expenditure, 96 per cent of those candidates lost the election. PNG’s political culture involves mobilising village, clan and tribal loyalties, and sometimes church membership. Candidates usually promise to get control of government funds and use them to benefit services for their voters. They use their campaign generosity to show that they know how to get money and distribute it in a caricature of the model of the traditional big-man (Standish 2007). Distributing funds from the state is now what voters expect to be the main task of Members of Parliament (MPs) and -- once elected -- MPs become the ‘money men’ for their voters. Sir Peter Barter called them ‘walking banks’ (2004), a comment proudly echoed by more recent MPs.

Backbench members of the legislature became members of the executive when they gained effective control over where state resources and money are used. That is now seen as their primary role, rather than legislating or asking questions about foreign policy or development strategy. It is true that many still ask about basic services, especially roads and bridges, but less about public health services and education. When the Parliament can

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<sup>2</sup> Newspaper stories and yet to be published reports by PNG domestic observers indicate that cash handouts were distributed widely in (and before) the 2012 campaign, in Port Moresby, Momase and the Bismarck archipelago, well beyond the Highlands region where such ‘gifting’ inducements have been recognised for decades.

vote on half a dozen constitutional laws in an afternoon, and not surprisingly makes mistakes, as happened in November 2006, it is clear that the scrutiny of legislation is not seen by MPs as their main role. This money politics is probably one of the main reasons why so many people try to get themselves elected, not only to control the funds but because other governmental systems of service delivery are not working well in most parts of the country.

As for the *processes of government*, the Parliament's budget has limited resources to enable its standing committees to explore alternative policies and examine the work of governments. One of its key mechanisms, the Public Accounts Committee, was reportedly funded personally by the Goroka-based businessman MP Mal Kela Smith while he served as chair. PNG has had a number of Commissions of Inquiry in the last 24 years, but the follow up and their impacts have been limited.

### **Governance and Corruption Talk**

Often I find that the term 'good governance' is used in PNG discourse to mean the exact opposite. It's like that phrase 'law and order', which is used to mean crime and the absence of law. As an example, the valuable new book called *Inclusive Approaches to Good Governance* based on a Divine Word University (DWU) symposium in 2008 is almost all about bad governance (McCarthy and McManus 2010). Much of the governance commentary quickly becomes talk about preventing corruption and some papers at DWU were controversial. A senior foreign aid official wrote that 'It is recognized, I think, that the public faith in the integrity of leadership in PNG, and the ability of the government to serve in the best interests of all citizens, is very low' (Thomas 2010: 21). The then Foreign Minister saw that comment as undiplomatic (Kens 2008). Former policeman and Ombudsman Commission corruption investigator John ToGuata did not receive the same knee-jerk rejection of his strong critique (ToGuata 2010).

Oppositions and new national governments proclaim good governance as their goal. PNG governments from Prime Ministers down have acknowledged that services are declining and indeed that there is corruption, although ministers usually blame the public service for poor administration and corruption. The then Public Service minister Peter O'Neill said in 2008 that 'in our public service, corrupt practices are becoming entrenched', and 'since independence, we have seen many government institutions becoming just means of providing pay cheques' (O'Neill. 2010:6). Sometimes, the problems arise from within the ministers' own offices, because they and their staff are not using the existing structures and rules, or seeking expert advice. (In private, and off the record of course, senior public servants sometimes blame the politicians.) The situation was reversed after the O'Neill-

Namah government came to power on 2 August 2011, when the new Prime Minister in his Independence Day anniversary speech spoke bluntly about the failure of services under previous governments, and the well-publicised work of the anti-corruption Task Force Sweep (O'Neill 2011). In April 2006 the National Executive Council recognised corruption as a serious problem, and a draft National Anti-Corruption Strategy (NACS) was prepared largely by the Department of Prime Minister & National Executive Council after consultation with Transparency International (PNG) and others. It has yet to be endorsed, though Prime Minister O'Neill has pledged to create an Independent Commission Against Corruption (ICAC).

People in power including top officials tend to resent 'governance talk' by the Opposition or by civil society activists as an attack on their regime. Yet anyone who talks with young people or people in the market, who reads the newspapers or follows the commentary on various web blog sites knows how angry members of the public can be. Sometimes this anger is channelled politely, such as when 7,000 people watched the Community Coalition against Corruption present its petition to Opposition Leader Morauta in May 2010 calling for the dropping of the so-called Maladina amendments to the Constitution which would weaken the Organic Law on Leadership and the Ombudsman Commission.

Public frustration leads to street protests which can easily get out of control. When parliament does not meet there is little opportunity for national discussion and persuasion, apart from the web logs and letters to editors. Without nationwide radio coverage rumour mills thrive, especially when governments 'go to ground' and do not explain their actions. Parliament only sat for less than 6 weeks in 2009, and less than 5 weeks in 2008, despite the constitutional requirement that 'in principle' it meet for 9 weeks. Proposed Votes of No Confidence were blocked by the Speaker (the government's 'shield') and by prolonged adjournments, punctuated by meetings at which the government distributed large sums to Members of Parliament (MPs). The Somare government appeared to have a clear majority of MPs in those years yet seemed insecure and with the aid of a blatantly partisan Speaker avoided testing its control of the House until it collapsed internally in August 2011. With an 18 month period of immunity before there can be a vote of no confidence, a parliament can only assert itself for half its five year term. If the immunity period were 30 months, it could only challenge the executive for 18 months of the 60 month term.

How can governance be improved? There are several papers on that topic in the new book from DWU, and mostly they suggest using the constitution's monitoring bodies such as the courts and Ombudsman, that is, applying existing laws through existing state institutions which in recent years have been under challenge. A lot of the anti-corruption talk is along the lines of 'Say "NO!" to corruption'. In June 2010 over 8,000 people took part in the Transparency International (PNG) Walk Against Corruption in Port Moresby, Kokopo and Kimbe (Aitsi 2010). However officials and politicians can succumb to

pressure and do illegal things they condemn in others. If some appear to get away with such self-help, others follow. Corruption becomes the norm, and the poorly resourced watchdogs themselves are attacked. During elections local group loyalties may mean that clans-people have no choice but to vote collectively for their local big-man, even if they know he doesn't have the right skills to deal with national issues. There are many factors which worsen governance, they are not just moral weakness, and they have to be acknowledged. Discussion of governance has to go beyond anti-corruption talk.

### **The Political Economy Basis of the State**

One key factor not often analysed in the governance literature is where a state gets its income. Quite rightly, Sue Unsworth stresses that 'Relations between holders of political power and holders of economic power are essential in creating effective, accountable public policy' (2010: 71). Does the state have the capacity to tax its own people, does it depend on foreign aid, or does it rely on few big industries such as gold mines, which are easily taxed? Do governments forego long-term revenue in order to attract quick investment? Such factors make up *the political economy of the state*. If people are barely aware of paying taxes, or only small taxes such as the Goods and Services Tax (GST), they have limited motivation to see where and how the government's money is spent. Meanwhile, a huge part of PNG economy such as the agricultural sector is not readily or directly taxed. Perhaps that is why successive governments and the national departments seem to think they can afford to ignore the rural majority and concentrate their energies on big business investments. Ironically, the success of the last 10 years' minerals boom in PNG has helped cause the country's problems of governance.

### **The 'Social Contract'**

I want to bring in one more idea as to why people think there are problems with governance. This is the idea of the *social contract*. When the Australian colonial patrol officers strode out across PNG, they encountered small groups of people, many of which were in conflict with their neighbours. Though the *kiaps* had guns and so did the police, and used them sometimes in the early contact days, weapons were not the main tools of 'pacification' as it was called. The white men came with steel axes, and in the Highlands *kina* shells and *giregire*, to trade. Along with real or implied threats they said 'Stop fighting and life will improve'. The churches came too, and like the government they provided basic health services and opened the path to the cash economy by building roads. Education increased the chances for employment. This process can be seen as what we call an *implied social contract* between indigenous people and their foreign rulers, who said: 'Do what we say and we will look after you. We will create conditions of

security so you do not need to live in fear. Life will improve'. Under this process, in effect, people agreed to be ruled. Villagers mostly got on with their own lives, in remote areas only visited by a patrolling *kiap* once a year who did a census, heard court cases and checked the toilets. The people generally accepted the power of the Australian colonial state, which was *a social contract from outside*. Mostly they still ran their own lives, but increasingly with roads and the expanding global economy they lost their autonomy.

We can argue that *the social contract is now to be found in the PNG constitution*, which resulted from the ideas of a determined group of men led by then Fr John Momis, and which followed genuine nationwide consultation. The constitution with its Five National Goals and Directive Principles was passed in August 1975 by the people's representatives in the Constituent Assembly. It was a document of hope. The parliamentarians made promises to provide human security and promote integral human development. Under this model, the people agreed to come together to rule themselves. It was not an imposed social contract, but one developed within PNG. This is the promise on which the PNG state was created.

The new state in 1975 was based largely on the bureaucracy and the basic services which the colonial regime had developed, the expanding network of health services, schools, airstrips, roads, and radio stations [including unmentioned others]. Clearly more remote areas were still missing out, but by then people had experience of what governments could do, when adequately resourced. The Australians had had the advantage from 1960 of using a rapidly expanding budget. That expansion stopped at Independence, although people's expectations were that services would continue to improve. In real terms, the PNG state's income each year has hardly grown, and the population has more than doubled in the 37 years since 1975. These days' people blame the politicians or public service for failing to do what they know governments can do, or have done, and what they think governments should do.

Failure to provide those services is seen as poor governance. It can be seen as breaking the initial social contract made via the constitution. That is how governments can lose their popular support, which is also called their authority or legitimacy, and ultimately their political viability. We see this in elections. As well as the politicians' performance, however, we know that traditional social groups such as clan and tribal loyalties strongly influence how people vote and the overall election results. The outcome may have nothing to do with the quality of government services provided. It seems unfair that because of local loyalties some leaders who support good services can lose their positions to the next wave of ambitious men. The key may be bribery or bias in the electoral roll, but in modern PNG that's *politics, tasol!*



## Sub-National Politics

I now trace my interpretation of the political history of sub-national governance in PNG, through decentralisation to provinces and districts. The picture is not entirely uniform across the 20 provinces, and the Autonomous Region of Bougainville and the National Capital District have separate histories and arrangements.

Papua New Guinea is a unitary state with a decentralised system of government, which sounds like a contradiction in terms - and it is, which creates continuing political tension. The national parliament has ultimate legislative authority to determine the powers of provinces, which have often sought to increase their roles just as the national government has sought to limit them. Soon after independence certain powers (mostly about service delivery) were devolved to provinces by the national government with funding for what became directly elected provincial governments. After the colonial era the aim was to bring decision-making closer to the provinces and even to return 'power to the people'. But the national MPs saw the newly created provincial politicians as their rivals for prestige -- both in their capacity to deliver services and jobs -- and as potential opponents in the next election. Gradually national governments reduced the development and discretionary funding for provinces. With inexperienced officials and leaders there were administrative failures and the majority of provinces were suspended at some stage for maladministration, often because of political rivalry. Then the provincial governments in turn reduced the funding they allocated to local government councils. As a result, local governments almost faded away over two decades in most of the PNG mainland, although there remained a few viable community governments, as in East New Britain and Bougainville.

What we call 'political culture' changed, too. Especially in the Highlands, from 1982 electoral competition became 'expensive' and voters more determined to receive gifts in exchange for their votes: 'Give and take. We take the gifts and give our votes', or 'Candidates give, and we take'. Nowadays it is 'I have paid you so <sup>own</sup> ~~your~~ your vote'. Gifting thus becomes coercive, but the process is reflected in the next phase of political funding. Once elected, the MPs need funds to repay or reward their supporters if not themselves. From 1975 to 1980, MPs lacked discretionary funds for use within their constituencies, but then from 1984 a budgetary tradition developed that MPs were allocated various Electoral Development Funds (EDF) usually called 'slush funds', to spend at their own discretion. These are now the various district support funds for different sectors. By the late 1990s the EDF had reached 1.5 million Kina per Open electorate (Ketan 2007). Electorate boundaries come under the electoral law and coincide with district boundaries, which are defined under the Organic Law on Provincial Governments and Local-level Governments. Members in the 2007 Parliament were given control of around K20 million each in various grants. The nominal rationale is that the public servants cannot deliver resources effectively, so the funding has to be organised by

the MPs. This is another form of 'Give and take'. The cabinet announces or allocates these funds at the time of the annual or supplementary budgets. These grants serve as incentives to hold the government together or to obtain the high majorities needed to pass constitutional legislation. They provide MPs with resources for their own patronage games, but once again, they become a form of coercive gifting which ultimately disempowers backbenchers. Mismanagement of these funds, also, unfortunately, has led to the majority of the 82 Leadership Tribunal charges against MPs before 2011, and to many cases of MPs losing office (Ombudsman Commission 2010).

In a very important 2004 paper called 'A blunt assessment' the then Minister for Inter-Government Relations, Sir Peter Barter, in a 2004 DWU book *Governance Challenges for PNG and the Pacific Islands* discussed how the primary role of MPs in many areas is seen as 'pork barrel politics' (Sullivan 2004). He described the dispersal of development funds which is often done without professional planning or even consultation with provincial or district administrations and so the funds are often not put to good use for sustainable services. Each MP wants to build a new health centre, school or road – to create a *han mak* legacy. Most MPs, of course, have their strongest support in a fairly narrow section of their electorate, and these are the areas which tend to get the bacon.

Only a few MPs such as Sir Rabbie Namaliu and Bart Philemon have channelled these funds into their district officials for operational expenses for service delivery. Rather, they are used to gain political capital from capital works like schools which then often lack ongoing operational funding and staff. The more facilities there are requiring maintenance, staffing and operating funds then the harder it is for most provinces and districts to deliver services. The national MPs for decades blamed the under-funding for poor services on the provincial governments, making them increasingly unpopular.

Along with the Bougainville secession crisis this blame game created a climate in the 1990s which helped national politicians to drastically restructure provincial governments and to seize power in this so-called 'middle tier' of government. Provincial governments in the New Guinea Islands resented this; they had generally been much better performed than the mainlanders. In 1994 the Island Premiers indicated a desire to secede if their powers were removed. The shock of the Rabaul volcanic eruption soon called a long halt to this possibility, however, and in June 1995 Sir Julius Chan's government went ahead and used the constitutional Organic Law on Provincial Governments and Local-Level Governments to abolish directly elected provincial assemblies.

There was little forward planning for this hugely complex set of changes, which created administrative and legal chaos. On the pretext of increased decentralisation of powers, the 1995 'reforms' created three times the existing number of local level governments (there are now about 320 of them). With some exceptions in the New Guinea islands, they almost all lack capacity. By 1995, local councils had been seriously depleted in most of

the country, and the new local structure was built on a fiction of sand. The amended national constitution promised greatly increased grants to all of the provinces and LLGs. However, the government was unable to provide the required revenues – as had been predicted by the public service advisers in Waigani. Funding did not follow function, in other words (Whimp 2009). A classic case was the removal of the NBC's provincial radio stations from national responsibility which were transferred to the provinces but without budgetary support. Many stations faded off air and leaders lost a great opportunity to build a national political community.

From 1995 almost all the *Provincial Assemblies* have been chaired by the national MP whose electorate covers the entire province, usually called the 'regional seat'. He is political head of the executive, called a Governor, and works through a *Provincial Administrator*. (From 1997-2002 PNG did have one woman Governor, Dame Josephine Abajah, and now from 2012 has another, Julie Soso.) The assemblies comprise *ex officio* both the Open MPs whose electorates cover districts, and also the presidents of local level governments and an urban LLG representative (although the LLG representatives were excluded from 2007-2010). Each province has a Deputy Governor, one of the presidents of the Local Level Governments, who also chairs the Assembly in the absence of the Governor. Some governors have the political skills to mobilise the available resources and people for development purposes, but the great majority have been unable to innovate much because they and their governments lacked significant funding. So from 1995 the Assemblies ceased being elected bodies. The Provincial Executive Council (PEC) appoints a woman to represent women's organisations, and there are up to three other NGO representatives, plus -- where recognised -- a Paramount Chief. These appointees can help make up a quorum when the national MPs miss assembly meetings, which often happens.

The *local level governments* have very few if any staff of their own and until the 2013 budget had almost no funds apart from small national grants which barely cover allowances to hold monthly meetings. In theory they now have the right to impose head taxes (which proved unworkable from 1974 in most parts of the country) but because they lack significant sources of revenue they are mostly impotent. Once again, East New Britain is an exception. By contrast, MPs can effectively control the various district support grants and effectively control key public servants such as the District Administrators. The MPs also soon learnt how to organise votes of no confidence to remove the council presidents in their districts and replace them with compliant allies. In that way they can use their financial power to control the Joint District Planning and Budget Priorities Committees (JDPBPs) and work through the provincial assemblies using these tame presidents. In most of the country the public has no direct influence on the activities of provincial governments, or mechanisms to ensure transparency or accountability.

## The Provincial Governors

Although provincial governments are under the apparent political leadership of the national MPs who are the Governors, the dominant political actors especially in the districts are the Open seat MPs, because they have *de facto* control over much greater funds including various sectoral funds. Most provinces lack effective co-ordination of services in districts and have insufficient operational funds. Sometimes the districts report to national government departments, by-passing the provincial administration. Provinces continue to be blamed for the obvious breakdown of services. The situation may improve with the greatly increased funding for provinces in the 2013 Budget, although it is not clear that many provinces have the organisational capacity to use these funds well, and who will control the funds.

Meanwhile, the MPs take credit for spending mostly on projects for the benefit of their own voters, but as noted above are often unable or unwilling to create long term and sustainable service delivery. The funds they control are not effectively monitored by the National Planning Department. Unfortunately, the only people who can reform the system are the MPs, who think the money will win votes for them, and know that their supporters want it. Yet it doesn't work; in previous elections around 60 per cent of sitting MPs have lost their seats. That same percentage of sitting MPs lost the election in 2012. Thus dysfunctional cycle will repeat itself, unless there is a major shift in PNG's political mindset....Catch 22! In those few provinces with high levels of mining royalties - or in Western Highlands under former PM Paias Wingti, reputedly one of the nation's wealthiest business bosses - the Governor can be dominant. Dr Henry Okole and Prof David Kavanamur then of UPNG once wrote that a governor was 'almost equivalent to a political demigod' (2005:34). By contrast, Dr Joseph Ketan says that a governor's dominance is usually more apparent than real, as most governors are desperate for funding to create a 'hand mark' or physical record of their tenure.

As Dr Ketan argues,

The intention of the organic law is to ensure greater levels of cooperation between politicians at all levels of government, to strengthen linkages between local, provincial and national governments, and to facilitate the pooling of resources through integrated planning and budgeting to achieve common development goals. But the reformed provincial government system is clearly not working, as politicians compete for kudos in disbursement of development grants. (Ketan, n.d.)

Within provinces the picture is not entirely uniform. A lot depends upon the Administrator, who is appointed by the cabinet (National Executive Council, NEC), a decision strongly influenced by national ministers from the province. If the Governor

works well with the Administrator the Governor can have great influence over public service appointments. In some provinces the Governors do work well with Administrators, and have the political skill to work together with Open MPs and District Administrators. But in many cases the relations between the Governors and the Open MPs are toxic, which in turn reduces co-operation with the Districts. The provincial government can be 'left out of the loop' in policy-making, as it were.

In 2009 then Governor Peter Ipatas (whose Enga province has its own source of mining revenues) took the state to court in an attempt to prevent the Prime Minister from allocating K130 million to the Open MPs in Enga. He argued that the MPs did not have the capacity to use the funds effectively, and that their projects duplicated provincial projects already planned, but he lost his case. National power rules!

Few provincial members become ministers, so national government Ministers are mostly Open MPs, with notable exceptions being the former PMs Somare and Wingti. Most ministers are believed to want to abolish the provincial seats and hence the governorships, and Sir Puka Temu argued that position for several years. The governors meet regularly and form a fairly coherent bloc in the Parliament which is larger than all but one of the political parties and there are enough governors to prevent changes to the constitution or an Organic Law. In 2008 there was even a proposal for an upper house or senate, which would remove the governors from their power base in Parliament. Collectively the governors conference held at Lorengau (Manus) in mid 2008 rejected such proposals.

In 2006 legislation was passed to remove the Provincial Electorates (and hence the Governors) from the Constitution, but the Bill was not certified. However that amendment was passed again in May 2010 and so remains a threat to Governors who can be removed whenever 'the Minister' so advises the Governor-General. PM Somare said the governors will stay, but the possibility remains that the Provincial MPs could be removed from the Parliament at the 2017 election.

The governors in 2009 initially supported the idea of provincial seats reserved for women candidates only, but later they reversed that position. They appeared to be concerned that the proposed reserve seats for women would create a new cohort of MPs whose electoral base was strong enough to undermine their own status, even though the women MPs would have no control over funds. Only one MP voted against the constitutional legislation in 2011 but the vote on the required consequential amendment to the Organic Law on National and Local-Level Government Elections was boycotted by many MPs and failed to achieve the necessary majority, despite notional support from the two rival 'Prime Ministers' at the time.

This is a lot of background but it's clearly about politics, power and the control of resources, staff and funding, all of which influence the quality of governance.

### **The Powerlessness of Provinces**

As argued above, the 'good governance' discussion tends to ignore the politics, the overall shape of the economy and hence the role of the state in the political economy of a country. I have shown the dominance of politics. In the case of PNG the main and readily taxed sources of state income are the mining and petroleum industries, which continue the central government dominance of the colonial regime. In some cases the national government is pressuring a province to go ahead with mining while the provincial administration has expressed doubts and wants to go slow.

Two examples from Madang Province: a provincial role in dealing with logging permits was removed by legislation, and national government ministers were driving projects at the Pacific Marine Industrial Zone. A few NGOs close to the people on the ground who are impacted by such projects represent their communities well but seem to have little influence on the various levels of government. The provinces are left to deal with the angry landowners and the negative social and environmental impacts.

Clearly, real power lies with the central government, which is why some island provinces are seeking greater autonomy and control over mineral revenues. There is resistance to the current provincial package by some provinces. In New Ireland the current Governor Sir Julius Chan and his team are emphasising their desire to get funding from expanding gold mining. (From their provincial base they are also now saying the reforms they rammed through in 1995 were a mistake. It all depends on where you sit!) Some people in Morobe Province with its new gold mines are starting to talk of secession. In East New Britain the political and business elites appear to be thoroughly fed up with the national government's limited capacities, a classic case of a relatively wealthy part of the periphery resenting the economic power of the centre. With that province's strong agricultural economy and potential mines there is a long running campaign for increased autonomy and a road network to link the two provinces on the island of New Britain. Some of the autonomy activists give every appearance of wanting to stand alone or even aim for eventual independence.

### **Campaigns for 'Autonomy'**

The national government has been nervous that the Bougainville autonomy model is setting a precedent for national fragmentation, and has stated that no other province will

follow that model. The national government has overall political power, so this will be an interesting period of political contestation. Or, as the Chinese say, 'Interesting times'. Just as the Somare government was confident that the revenues from Liquefied Natural Gas will enable PNG to ignore the wishes of aid donors, some potentially wealthy provinces feel they will be able to ignore the national government. The political actors feel strengthened by their growing economic bases, but in reality no provinces can be fiscally self-sufficient, and few have sufficient skilled and experienced staff to run the full range of government activities. They all will need assistance from the centre, as Sir Peter Barter argued in 2004. That central government assistance is hopefully being organised better now by the Provincial and Local Level Services Monitoring Authority (PLLSMA) based in the Department of Provincial and Local Government Affairs.

Sir Peter was writing at the time when there were serious moves towards removing provincial governments. The Parliament with Government support even passed a Private Member's bill to create 'district authorities' or governments, moved by Peter O'Neill from Opposition (O'Neill and Tuck 2006). The bill was never certified and so not brought into effect. These authorities were clearly designed to be controlled by MPs, and no doubt won Mr O'Neill support in the House. The idea appealed to MPs in 2006 but is currently dormant - although perhaps not dead. There are counter proposals, such as the moves led by the New Guinea Islands provinces for greater provincial autonomy. Significantly, Mr O'Neill's new Deputy Prime Minister the Hon. Leo Dion, is a former provincial Governor and clearly wants to strengthen provincial governments. Sir Peter Barter's other suggestion, if provincial governments are removed and a 'two tier system' introduced, was to create provincial commissioners 'who by their expertise, personal presence and charisma, can inspire, excite and motivate district administrations and governments' (Barter 2004: 150). That could be an excellent suggestion for creating a national presence and consistent policies in the provinces, although there would be complaints that it resurrects the colonial District Commissioner and would surely be nipped in the bud by MPs and rejected by provincial stakeholders as extreme centralisation<sup>of</sup> power.

### **Political Pressures and Service Delivery**

Let us concentrate again on the present. Within the provincial administrations the politicisation of the public service can mirror the divisions between politicians. Although the Gazelle Peninsula of East New Britain was for decades a model of team work, in other provinces the tensions between different politicians' teams and provincial administrators brought in by different Governors or Ministers can be quite destructive. In one province there were two experienced administrators who had been appointed by different governors or under the influence of an Open MP who was cabinet minister.

These two fought for the position in the courts for years until sadly one of them died. Meanwhile the entire provincial administration was largely paralysed. It is alleged that with each change of Governor and Administrator there were purges of experienced staff. In two provinces, long-running electoral appeals hobbled the governors. In another province there have been three Administrators on the payroll, although only one is in charge, and he was said to be appointed by the NEC in order to manage the then Governor. He stood in the 2012 election for the provincial seat, and won after an expensive campaign. In another province the Provincial Administrator served in an acting capacity for nine years. His position was always insecure, which would have given his three successive governors huge leverage over him throughout that time. In many provinces most of the public servants are only 'acting' in their positions, without secure tenure or contracts. One impact is to drastically reduce public service morale and performance, as pointed out by then Public Service Minister O'Neill in 2008 (2010).

Once again, the picture is uneven. The Constitutional and Law Reform Commission (Kalinoe 2009) which reviewed the provincial government legislation and service delivery in six provinces found good co-ordination between District and Provincial Administrators in some provinces, but that in others there was none and - as we often hear - services declined and 'the people are suffering'.

## **Conclusion**

My main theme is to stress the importance of politics. Governance is political. What surprises me is that these issues are rarely discussed clearly in PNG political speeches or writing, although a few brave commentators have mentioned them. The President of Divine Word University Fr. Jan Czuba has introduced me to an ancient Greek word for blindness, *scotoma*. He defined this as 'a political attitude' such that 'the senses within us lock out information, which may prevent us from seeing "the truth"' (2004: 1). I personally think that is what seems to have happened with the *Papua New Guinea Vision 2050* document. The V2050 Task Force was originally commissioned to look at what was blocking effective service delivery. The report of the 2008 meeting at the Institute of Public Administration quoted Einstein saying that, 'It is the definition of madness, where a situation is not working, to keep doing the same thing'. I do wonder if that is what is happening in PNG. The task force and the final V2050 document did not review the political structures of provinces at all, having been pre-empted in the August 2009 decisions of the NEC and Governors to keep the existing structure. The V2050 merely reported that the same so-called three tier system - which has been seen for over a decade as dysfunctional - should continue. V2050 failed to discuss the decentralisation problems raised in this paper.



The response of the provinces was interesting. In February 2010 in Lae, many of the Provincial Administrators were angry about being made responsible for the design of provincial responses to the rather vague V2050 document and somehow to make it work within their provinces. Several PAs complained, saying this was yet another unfunded national government imposition.

In 2011 the PLLSMA issued a Discussion Paper about the provincial government system, which recognised declining services and many weaknesses in the provincial and local government systems. It suggested how more responsibilities could be delegated to provinces and local level governments, and that their revenue-raising capacities could be increased slightly, clearly as a way of dealing with the demand for increased autonomy. It presented options for processes, and criteria for increased autonomy. It did not and probably could not deal with the political issues raised in this paper, or the major funding issues and administrative structural changes required for effective local governance in provinces and districts. This seemed to me – and clearly I am an expatriate -- to be an instance of a government agency and its minister not dealing with obvious but tough issues, the unmentionable ‘elephant in the room’.

In early 2011 I mentioned the concept of *scotoma* blindness to a PNG public servant and he replied that national politicians seem to have so much power that people are reluctant to discuss the problems publicly. ‘We are not blind. We public servants talk about these things among ourselves all the time’. While I was revising this paper for publication in 2012 AusAID released an excellent 2004 report of conversations with former senior public servants (Pieper 2004), which proved just that point. It revealed thoughtful analyses of declining public administration – and it is a pity such points had not been made public sooner. To me, that just shows once again the key importance of political factors and the overall structure of the economy which creates the country’s centre of economic gravity and political power. Frank and fearless public discussion of governance issues is not happening. As the late Sir Anthony Siaguru said, ‘Our country needs good role models ...people of integrity and courage enough to stand up for what they believe to be right when confronted with a sea of silence and quiet consent’ (Pieper 2004:11).

This paper points to the need for a review of provincial and district government structures, in order to improve them, and not just to keep on doing what has not worked well in the past decades. Yet I believe Papua New Guinea also needs to avoid its tendency towards wholesale restructure, but rather to gradually improve what needs repairing. Remember that word *scotoma* – it is not a biological disease, but what universities and research institutes are here to avoid. *Opim ai na putim iau. Em tasol!*

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