PNG at 40 Symposium
Learning from the Past and Engaging with the Future

Alotau 1 – 3 March 2016

Institute of National Affairs

PNG at 40 Symposium

Cover Photos:
Above: 16 September 1975, Independence celebrations: courtesy of the Marsh Family Collection and the Papua New Guinea Association of Australia Inc.
Below: 16 September 2015, 40th Anniversary of Independence

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Symposium Overview

The **PNG at 40 Symposium** was organised by the Institute of National Affairs (INA) over 1 to 3 March 2016 at Alotau.

The aim was to develop a home-grown, constructively critical and useful analysis of PNG's forty years of independence, and extract what can be learned from it so as to better manage current issues and prepare for what lies ahead. It is hoped the symposium's output will make a significant and practical contribution to the challenging and continuing task of nation-building.

The three-day, intensive, by-invitation symposium was attended by 40 men and women who have been, are and intend to be engaged in shaping PNG's political and economic development. They came from all walks of life – political, governmental, non-governmental, private sector, academia and the churches.

Nine papers were commissioned from participants for presentation, one for each of the nine discussion sessions. The subjects fell within four broad themes – (i) *PNG as a nation-state*, (ii) *PNG as a developing economy*, (iii) *PNG as an ethnically diverse society*, and (iv) *PNG in the Pacific, Asia and the world*.

Participants debated the issues raised by the papers, shared observations and insights, analysed lessons from past experience, and collectively reached reasoned conclusions about what lies ahead, and how PNG can best manage and influence current and foreseeable problems and issues.

A final session was devoted to *Shaping and Building PNG's future*. Here, the participants built on the conclusions reached in the prior nine sessions and narrowed these down to **Five Strategic Priorities** for the nation. These are –

1. Repair the Broken Political System
2. Shift the Focus from Monetary GDP to Broad Based and Sustainable Economic Growth
3. Restore a Professional, Accountable, Public Service and Institutions
4. Comprehensively and Effectively Apply the Rule of Law
5. Recognise and Promote PNG Culture

This **Summary of Discussions** document captures the essence of each of the nine papers and discussions. It then presents the Five Strategic Priorities, including the issues identified by participants and their suggested courses of action. The time available for discussion of these five priorities was inadequate. It is therefore intended, as a follow up to the Symposium, that informal, voluntary groups from among the participants, will take up each issue, depending on their interest, and follow through on a deeper analysis and developing concrete, practical action plans.

In addition, there is a **Symposium Statement** which outlines how the conclusions of the Symposium will be carried forward for discussion with concerned citizens, institutions and the Government.

Summary of Discussions
Session 1.1 The Character of the Independent State of PNG

PNG inherited, at independence, a democratic political system which has had to cope with the pressures and influences of a deeply tribal-based culture. The ''sense of a nation'' among PNG's over 1000 tribal communities, has taken a while to seep into the PNG psyche. There is still a limited sense of common national identity. The political system still struggles with the influences of the tribal based culture and the prevalence of patron-client relationships.

PNG continues to lack a strong political party system and structures. Parties are dominated by powerful individuals and built around personal allegiances and promises of political power and largesse.

The first-past-the-post electoral system helped entrench the patron-client relationship. Members of Parliament can be elected with as little as 7% of the vote. The current Limited Preferential Voting System has helped to some extent. But the issue of too many candidates, each obtaining votes based on promises of returning to his/her voters government largesse if elected, remains.

Over time, the Executive arm of government has taken over Parliament, since it controls the Government's resources. The Voters-MPs Reciprocal Relationship forces MPs to align themselves with the Executive, acquiesce to questionable decisions, and tolerate corruption since MPs need access to government largesse to pass on to their voters. It has become the 'politics of service delivery'. Debates on policy within Parliament are limited.

The public service has also been increasingly politicised. Appointments, from senior posts at the national level down to the ward and district level, are increasingly influenced by MPs. This has affected the effectiveness of the public service and reduced public confidence in the service.

Transparency and professionalism in government-decision making has collapsed. Executive commitments are made without knowing how much they will cost. The CACC, once the anchor of good, transparent policy making, does not function effectively, if at all.

Politicians have become project implementers, with a view to keeping their narrow electoral base satisfied and happy. Various institutions of government are being starved of resources; while politicians use available funds and these institutions for their own narrow purposes.

Allocation of public resources is no longer based on needs defined through policy-based analysis by impartial officials; rather, it is done by favouring 'top people' and persons, groups and businesses with access to those in power.

PNG now needs to repair the fractured machinery of parliamentary democracy, and in particular to
- restore accountability of Ministers to Parliament for national public policy
- re-assert the role of policy-based analysis of expenditure proposals, and
- re-affirm the responsibility of MPs to serve the needs of their whole electorates.

Summary of Discussions

Session 1.2   Good governance is crucial to building the nation-State

Modern good governance implies democracy, participation, equity, transparency and accountability.

Traditional Melanesian small societies, governed by the principles of kinship, also adhered to the same principles. In political terms - participation and consensus were integral to clan and village decision-making processes. In economic transactions - transparency, accountability and equity governed wealth distribution in ceremonial exchanges, food sharing etc. In resource management - Melanesians were enlightened in their conservation practices and sustainable use of natural resources.

Why then does PNG have difficulty in maintaining good governance?

The relatively small size of the rural communities made it easy to regulate behaviour and manage common resources. However, rapid population growth, access to media and outside influences, the economy /jobs, and changes in lifestyle have changed the situation. Western governance structures (developed in a different context and more or less dropped into PNG) have established wide gaps between authority and the people. Transparency and accountability have been lost

Our governance system is anchored in the Constitution – a well drafted document. But to make the Constitution work, voted-in politicians must have the necessary knowledge, experience and integrity. This has not been possible with either the first-past-the-post electoral system or the limited preferential voting system (which is in many ways more akin to the FPTP system as opposed to a proportional representational system). The Parliament is not getting representatives with the qualities required to ensure good governance

The centrality of the social contract between the state and the people depends on mutual respect and integrity. But the state has not lived up to its side of the bargain. The Executive has come to control the Legislature. The public service is ineffective and inefficient. Decentralisation has failed. Goods and services are lacking. People have lost faith in the state's capacity to deliver services and have sought to use state resources for their own benefit. The modus operandi is an extreme form of the patron-client system. There is wide spread corruption and fraud. The problem is not isolated. The highlands political culture (the big man culture) is now wide spread.

Is the governance system at fault or are the people who manage the system at fault?

Both need to be addressed to make Parliament and current political processes more effective.

There are ways in which traditional Melanesian values can influence governance for the better.
- Membership of cabinet and parliament need not necessarily be restricted to elected representatives.
- MPs need to live in their respective villages, and operate out of their district offices, except during parliamentary sessions.
- MPs and their personal staff should not be project managers. They should provide the space for the public service to fulfil its responsibilities.
- A more transparent, accountable and equitable way has to be established to let the communities decide how to expend District Development Funds – not just for new projects, but also for ongoing services.

Summary of Discussions
Session 1.3 Effective and accessible legal and institutional processes are essential

Laws provide certainty in regulating human behaviour – protecting rights; ensuring justice. Laws enshrine basic values and provide for a minimum standard of behaviour. Laws are thus the cornerstone of a just and fair society.

The PNG Constitution is the cornerstone of our country's governance system. It emphasizes that the people are the ultimate source of State power and authority. It enshrines the tripartite system of government -Legislature, Executive and Judiciary. It underscores rule of law, separation of powers, independent judiciary, fiscal discipline, and oversight / watchdog institutions.

The state of Governance is worrying. There is a growing weakening of the governance system. Parliament legislates to defeat court proceedings. The Executive Government raises revenue and expends funds without the Parliamentary Approval Process. The Executive uses its appointment and removal powers to threaten the Judiciary and other officials. Political patronage captures oversight bodies.

There is also the issue of access to justice for landowners. About 97 % of the total land mass of PNG is customary land. Customary landowners have no security of title, and are not recognised in the courts. Government itself does not respect the Land Disputes Settlement Act and the Land Courts. The Incorporated Land Group (ILG) which was an attempt to recognise land owning groups, has been subverted by the mining and petroleum industries and by some landowners themselves who sell ILG land that they do not own.

The public is losing trust in institutions, particularly the Legislature and Executive. The Judiciary is acclaimed at times as the last bastion of hope. But it is a fragile bastion. It needs to be protected. This loss of trust is dangerous – to the state of law and order, and the public's compliance with the rule of law. It underscores the important role for the media and civil society to be watchdogs in protecting the rule of law.

There is a feeling, fostered by influential politicians and officials, that the acts of government ministers and public officials derive their power from some general principle of government authority, and should not be questioned in court. Clearly this is a matter for concern where such acts are suspected of being done as part of or on behalf of an illegal activity, or where there are indications of a pattern of misuse of official power for private gain—the most common definition of corruption.

It is especially critical that an independent, non-political body or mechanism appoints heads of oversight bodies such as the Ombudsman Commission.

Non-State actors have a key role in upholding democracy, supporting the rule of law, exposing corruption. Media freedom and freedom of association are guaranteed by the Constitution. Key questions are - is the media fulfilling its crucial watchdog role? Are professional bodies upholding professional standards? Have unions and some NGOs (including some churches) compromised their positions for short-term gain?

Summary of Discussions

Session 2.1 Economic Growth in PNG is commonly defined as an increase in monetary GDP

GDP is not a direct measure of welfare of the population. It is a measure of the total value of goods produced and services provided in any one year. It says nothing about the well-being of the population. "You cannot eat GDP". It is a crude tool, with substantial limitations

GDP growth does not equate to revenue growth. PNG has recently had one of the highest GDP growth rates but yet government revenues remain under stress, services underfunded, and people, by and large, are worse off. PNG is ranked poorly out of the 180 countries for the HDI. It has failed to achieve any of the MDGs. Its per capita income is still well below Fiji's and most of the region. Household income for a substantial portion of the population is going backwards.

PNG is a resource rich country with huge potential. Its natural wealth provides excellent opportunity for broad based and diversified economic growth. PNG has had good growth for some years, primarily due to the extractive sectors. This is now stalling. When the current LNG and operating mines come to the end of their lives, PNG's high economic growth levels will significantly drop.

The minerals sector has already been experiencing falls in prices for its commodities. Foreign currency reserves continue to fall, drastically forcing the value of Kina down. Government revenue will not increase at the rate originally projected. This will put real pressure on the Government's ability to finance projects and to provide services.

We need the productive sectors to grow. There is no constructive, coordinated plan to develop the sustainable sectors of the economy. Approximately, 87% of the population that live in the rural areas of PNG depend on agriculture and fisheries. These sectors of the economy are not given priority for development. Their contributions to overall GDP are falling. Poverty in rural areas is increasing and will continue to do so.

It is very important for Government to engage with the private sector to expand and grow the renewable sectors – agriculture, fisheries. Private sector is the key driver for economic development and growth. For the private sector to grow, it needs a conducive investment climate and an enabling environment (infrastructure, law & order etc). The World Bank report on "Ease of Doing Business"(2008) ranked PNG 84th out of 175, lower than Tonga, Samoa, Kiribati, Solomons and Palau.

Education, especially technical education, is also critical. Sixty percent of the population is under the age of 25. There is an urgent need to create more opportunities for young people. We should be alarmed at the dropout rate of PNG where out of 24,000 grade 12 high school graduates, only 4700 spaces were provided for further tertiary education. How is PNG creating opportunities for young people?

The issue of population growth is also a critical factor. At its present growth rate of 3.1%, it lowers per capita national income. Services cannot cope. The Government needs to effectively implement its population policy.

Summary of Discussions
Session 2.2 Sustainability of Economic Growth

High rates of GDP do not necessarily translate into better levels of well-being in the community. There is also growing inequality in incomes and services across the country.

The PNG economy is overly dependent on the extractive sectors. Its recent high growth levels are not sustainable, particular with declining commodity prices. There is an urgent need to diversify the economy.

PNG inherited an economy that was heavily dependent on world market forces and even though we weathered the initial decades fairly well, we continue to experience declines in revenue. Compounding this is the small and weak tax base.

PNG has one of the highest rates of population growth in the world. This high rate of population growth puts pressure on resources and ability of government to provide services to the growing population. More than half the PNG population is below the age of 25. If high population growth outstrips GDP growth then quality of life will continue to decline.

A related issue is that the extent of high quality agricultural land is limited. With the population heading for 14 million by 2040, if the present situation in which people pretty much feed themselves is to be maintained, a lot of work will be needed in supporting village-based agriculture.

PNG has developed some very sound policies. The key problem has been the inability of the country to implement those policies. A suggested cause of non-implementation of policy is the rapid turnover of ministers and key departmental staff, as well as the politicization of the Public Service.

Planning is deeply flawed. The central agencies have failed to provide and manage a robust policy making and planning process. There is increasing lack of consultation between coordinating agencies and sub-national governments. Good policies are often undermined by inconsistent / ad hoc NEC decisions. There is virtually no monitoring of and accountability for implementation in all areas of policy.

The focus on service delivery in the form of MP-driven 'projects' is not helpful. It is far more important to focus on how to enhance growth in the districts, and create employment, while supporting the essential systems and processes for ongoing services.

Failure to maintain state assets is also a major factor impacting service delivery as assets crumble with little intervention in sight.

Corruption is extensive despite having policies and systems in place to deal with it. There remains questionable public tendering and inadequate contract oversight. Diversion of funds away from legitimate projects by dishonest contractors and government officials is prevalent. The same citizens who complain about corruption are also making demands on politicians and civil servants for personal benefit and yet they don't see that as wrong. Corruption is prevalent in the private sector as well and is also driven by foreigners.

Summary of Discussions
Session 3.1 Recognising and Managing Cultural Diversity

Culture is directly connected to managing cohesion in society and ensuring sustainable development; it is also part of PNG's Constitution which requires citizens to "acknowledge the worthy customs" of the country.

Three questions need to be considered in regard to culture: What kind of PNG do we remember? What kind of PNG do we live in now? What is the PNG that we see or want for the future?

Our memories and our understanding of our collective past define who we believe ourselves to be now, and where we may go in the future. PNG's history has been one of a rich, diverse set of cultural traditions. These need to be remembered and promoted. They provide a sustained basis for national pride, confidence and self-awareness. The history of the colonisation of PNG should not be denied but should be embraced because Papua New Guineans participated in the process in numerous roles. The Pacific War should not be forgotten; hundreds of Papua New Guineans participated as soldiers and carriers, and villagers suffered great privations.

The PNG we live in now is struggling to do what is needed to sustain PNG cultures and a sense of nationhood: the National Cultural Commission is being disbanded, the National Museum is chronically underfunded and the School of Art is closed. The extraordinary outburst of creative energy that saw plays, poems, novels, art work and sculptures in the 1970s after independence has not been sustained. Public performance spaces are disappearing. Ethnicity and culture are used to brand whole groups of people as criminals. Culture is left out of the classrooms of the country. Culture has taken a backseat to economic development, though culture has an important economic value as well as its social significance.

To achieve common values in a country characterised by very high levels of cultural diversity will require a holistic approach to education, the use of languages in vernacular languages in elementary schools (a recently disbanded program), cultural performances in public spaces, and a better understanding of the history of PNG, both individual and collective.

There are some worrying trends. The impact of evangelical fundamentalist churches on the sustainability of cultures e.g. New Ireland school children being prevented from dancing by the evangelical pastor; the role of the media in concentrating on particular aspects of culture, such as Manus dancing or the Mudmen, and completely ignoring others; the failure of young people to use family names and instead using Christian and introduced names; the vernacular elementary teaching program being closed; the influences of modern globalised internet-based music and culture.

On the other hand, there are some encouraging developments. Nicholas Garnier at UPNG is producing posters showing traditional artefacts of many cultures in PNG and displaying the posters in public places like markets, council chambers, Facebook. Gideon Kakabin is using social media to raise cultural history awareness. Peter Tate is posting on Facebook hundreds of historical photographs from all over PNG taken mainly by German and British administrators and missionaries in the 1890s. John Waiko has written a school PNG history book.

Summary of Discussions
Session 3.2 Melanesian Identity: Adapting or Disappearing

The Melanesian Identity is made up of many characteristics - physical appearance, language(s), religious beliefs, taboos, traditional practices, recognised machinery of national governance, respect for national symbols, characteristic dress and body decorations, architectural styles and use of materials, horticulture, agriculture, use of marine resources.

Our Melanesian identity is being reshaped by population growth, pressures on land resources, contact and interaction with non-Melanesians, religious teaching and formal education, participation in imported governance systems, monetisation of values and relationships, travel and telecommunications, access to new sources of power and wealth, globalisation.

There are concerns with regard to how we preserve our Melanesian identity. The greed for money and power has contaminated politics and society. Domestic violence is increasing as customary rules about family relationships break down. Incoming foreign businesses are obtaining customary land by corrupt payments. There is no concerted, well-funded national programme for conserving and teaching the good and useful aspects of our PNG identity.

Languages, dance, painting are important aspects of the Melanesian identity. It is critical to promote a multi-lingual society, the use of traditional dress, the teaching of traditional dances.

Of particular concern is the increase in violence against women. This is not part of the Melanesian identity. But when we deal with this issue, we should also keep in mind the aim of protecting the whole family. In this connection, we need to underscore that violence against children, often by both parents, is not acceptable.

We should recognise the emergence of "neo-tribalism"- such as schools, neighbourhoods, predatory elites and their influence on culture and the Melanesian identity.

PNG's Melanesian culture cannot escape the influences of globalisation. We do not need to resist these influences. We do need however, to reflect on the valuable aspects of our Melanesian culture, and seek ways to preserve and cultivate these.

Often youth do not know about the history of PNG culture and do not have a sense of pride and ownership. We need proactive action to preserve the valuable aspects of Melanesian culture. Educated Papua New Guineans should build permanent homes in their villages of origin and work to influence their local community positively, in particular in regard to preserving their culture.

Summary of Discussions
Session 4.1 PNG and its Bigger Neighbours

PNG belongs to both the Pacific and the Asian region. This is a uniquely valuable position to be in.

PNG has large, dynamic, prosperous neighbours including Australia, Indonesia, China, Japan, the USA, S Korea, Taiwan and the ASEAN.

Australia is by far the largest aid partner. But PNG needs to look beyond 'aid'. PNG's focus should be on trade – a major economic goal. Major resources are devoted to to gaining access to far away markets such as the EU. Relatively little effort is devoted to cultivating the Australian and NZ markets. PNG also has a strategic military significance for Australia.

PNG currently has a common border and cordial relations with **Indonesia.** It has a market of 240 mln people. The issue is - how can PNG exploit this market? The West Papua issue remains alive. PNG's Melanesian links cannot be ignored. PNG has an important role to bring the contesting parties to the table to talk rather than leave things as they are. Indonesia must guarantee protection of human rights and the improvement of the standard of living for West Papuans.

PNG has a growing relationship with **China**. China's investments in PNG are welcomed. But PNG culture and laws need to be respected. Chinese companies do not always adhere to this principle. China is also a huge market with lesser stringent trade access rules than EU or Australia, Japan or USA. PNG needs to exploit this.

USA is important in terms of regional security, potential investments, and trade (eg fisheries, tourism). **Taiwan** has important potential for technical and educational exchanges. **Japan** is both, an important aid and trade partner. We can learn much from **Malaysia** and its economic model and policies.

PNG has a strategic location in a fast growing region. It needs to be more agile in accessing and exploiting opportunities. Trade and investments are a priority. The business community needs to strengthen its business acumen; they need to learn from Asia. There is also need to establish stronger governance and law & order to attract investments and manage sustainable relationships.

The fact however is that there is no a clear and strategic foreign policy. At least not a policy which is seen clearly in action. The stated policy is supposed to be built around four principles - "Friends to all and enemy to none"; "Look north"; "Selective Engagement"; "Connecting Globally". The four foreign policy statements above have remained just statements. They have not been translated into strategies, specific goals and targets to achieve the Vision 2050. They do not define PNG's posture in Asia, or the world.

The asylum seekers policy is suggested to be an example of ad hoc policy in the absence of foreign policy. The national interest and threat to sovereignty were not considered in the arrangement.

Summary of Discussions
Session 4.2 PNG and the Pacific Islands

PNG was admitted as a South Pacific Forum Observer in 1973; full membership was achieved in 1974. As a member, PNG has added its voice to regional discussions on nuclear testing, shipping and fisheries.

PNG's relationships with the Pacific region has waxed and waned over the years. In 1986, it helped establish the Melanesian Spearhead Group (MSG). PNG has been a generous contributor to both the MSG as well as the Pacific Islands Forum.

PNG is arguably still not fully present in the region; it has often asserted an independence from Pacific regionalism. As the largest nation-state in the region, PNG frequently prioritises sovereign interests over its regional relations, with its domestic priorities shaping its approach to regional trade and fisheries in particular.

PNG has major long-term revenues from the agriculture and fisheries sector in the region. PNG's private sector reaches across the region, such as the Bank of the South Pacific. PNG is also a sometimes-donor in the region; though this is significantly correlated to its resources boom. There is however, much potential for development of trade and investment links with the region in the productive sectors and supply chains such as in coffee and cocoa, and in service sectors such as tourism.

PNG has a major role to play as a bridge to Asia. In terms of inter-connectedness, it can link the Pacific to ASEAN since it is an observer (and member-in-waiting) at ASEAN. It is a member of APEC, the largest trading block in the region. The airline Air Nuigini, connects some Pacific islands to Asia. Recently, Air Niugini has entered into discussions with a number of Forum island countries in extending its routes across the Northern and Eastern Pacific. Establishment of these extended air linkages will provide significant impetus and interest for trade and investment through niche industries, primarily tourism and associated industries.

Papua New Guinea's prominent position as a member of sub-regional bodies such as the Melanesian Spearhead Group and the Parties to the Nauru Agreement also presents opportunities to establish consistency or complementarity between regional and sub-regional activities.

PNG has particularly demonstrated that its sovereign interests are worth more than its regional interests. The tendency is to assert its political strength bilaterally. PNG has the potential to be a great regional leader. The Framework for Pacific Regionalism is an opportunity. PNG was the Chair (2015) of the first Pacific Islands Forum Leaders Meeting where regional priorities were identified through the Framework

The Five Strategic Priorities Calling for Action

These Five Strategic Priorities emerged from the papers and discussions of the nine sessions described in the earlier Section. The Symposium discussed these Strategic Priorities on the final afternoon of the Symposium.

This Section summarizes the Issues under each Strategic Priority, and suggests Strategies to address them. These are indicative in nature. Further analysis, consultation and refinement post-Symposium will be required.

Summary Report on Strategic Priority for Action – Area 1

Repair the Broken Political System

<u>Issues</u>

- Respect for the Constitution and its overall governance intent, as well as the application of its various provisions seems to be weakening and waning.
- Executive has taken over Parliament. There does not appear to be a separation of powers between these two bodies anymore.
- The provision of goods and Government largesse has become the means and end to parliamentary politics. There is a need to revisit the constitutional provisions that separate the roles of the public service and MPs in relation to service delivery.
- Debate in Parliament on Executive policies and actions is very limited. Discussions/debates on the Government side have often been confined to the Caucus and therefore are not repeated on the floor of Parliament; there is consistent lack of scrutiny.
- The Electoral Process is flawed and mainly due to human factors. The LPV does not help to elect truly representative people to Parliament.
- Political Parties are not anchored in any policy based platform or ideology. Money politics is the name of the game. Alignments and coalitions are affected with the offer of access to government largesse.
- The Speaker is no longer independent; the role has been reduced to spokesperson for the Executive.
- The use of PSIP and DSIP by Parliamentarians for their own pet projects has undermined the planning processes and the systems-based approach to service delivery. It brings into question the sustainability of service provision. It has given rise to corruption and cronyism. There is no independent oversight and monitoring of how these public funds are used or the benefits accruing to the people.

<u>Strategies</u>

- Minimum qualifications for parliamentary seat candidates should be introduced.
- The Government, with the help of the public, must assure the Electoral Commissioner is independent.
- Introduce Voter ID System and electronic voting where feasible;
- Retain portion of seats for women and representatives of key segments of society.
- Encourage the start-up of policy-based political parties, especially for the next election. Also, the OLIPPAC must have specific provisions to encourage the establishment of parties in the electorates.
- Encourage the parliamentary committee system to start functioning again.
- Introduce tighter controls on the use of the PSIP and DSIP funds. In that vein, strengthen the Auditor-General capacity, the Parliamentary Accounts Committee and community-based auditing to ensure these funds are used appropriately.
- Ensure that Districts have equal access to PSIPs and DSIPs. Though, the principle of equal funding for districts with very different populations and accessibility should be reviewed as per NEFC assessments.
- Coordinate the planning process and ensure that plans from wards, districts and provinces are fed into the process. The DDAs should be brought into this planning process.
- Constitutional office holders should be appointed by an independent body.

Summary Report on Strategic Priority for Action – Area 2

Shift Focus from monetary GDP Growth to Broad-based Economic Growth

Issues

- GDP is a monetary value of annual economic activity or flows. It is not a record of how much monetary value is actually retained in PNG. It tells us little about the general well-being of the people or how GDP is distributed.
- There is currently no system to track the well-being of people. Little or no data. Not even on how the budget has been utilised to address this concern.
- The inequality gap between the well-connected and regular people grows.
- There are increasing regional disparities in incomes and growth, and between urban centres and rural areas. .
- The population growth continues unabated. At its present growth rate of 3.1%, it lowers per capita national income. Services cannot cope.
- The government needs to shift emphasis from monetary GDP and extractive industries to broader-based economic and sustainable development. Greater emphasis on the renewable sectors, which provide broad opportunities for employment and distribution of wealth.
- Government policy needs to focus on agriculture, fisheries, tourism, sustainable forestry, related value-adding industries, and supporting infrastructure.
- Government needs to rethink how it can work with the private sector to revitalise these sectors.

Strategies

- Re-visit the Budget and its strategic focus. Review strategies and resources devoted to the renewable sectors? Strengthen support to health, education, clean water and sanitation.
- The CACC needs to be restored to its role as coordinator of policy and strategic focus. It should be recommending to the NEC policies and budget allocations to address the strategic objectives of government. Currently the Budget is prepared in isolation, by a few ministers and advisers. It should have a more transparent process. Line ministries must be asked to submit to CACC their strategic objectives, plans and budgets. Link plans and budgets.
- Plans from wards, districts, provinces should be encouraged and consolidated at national level.
- Ensure PSIP / DSIP funds are applied and accounted for, both locally and nationally, to support plans for sustainable development in the provinces/districts, rather than for pet projects of MPs.
- Establish tangible indicators of progress in sustainable development which can be monitored, with government performance on these indicators systematically monitored and reported publically. Quarterly reviews by CACC of the use of the Budget are essential.
- The population policy needs to be appropriately resourced and implemented effectively.
- There needs to be greater public accountability. Monitoring and reporting of performance by departments, provinces, districts are essential.
- Reform public financial management systems. Promote a culture of accountability and performance through improved auditing and monitoring of performance
- Improve the enabling environment for private sector development, including by strengthening the rule of law and provision of reliable public goods and services (access to power, transparent land administration, licensing, procurement etc)

Summary Report on Strategic Priority for Action – Area 3

Restore a Professional, Accountable Public Service and Institutions

The Public Service in PNG is highly politicized at all levels, but the degree of politicization is more conspicuous at the executive levels. The principles of political neutrality, anonymity and impartiality are embedded in the Constitution; but these principles are often diluted or ignored. Decisions on personnel matters are often influenced by ethnic, regional or political factors. Politicians perceive senior bureaucrats as representatives of regional, provincial, or tribal interests, rather than as national public servants. Many of these office holders neither have the capacity nor the experience to deliver quality and competent work. In some cases, multiple appointments are made to the same position in a short period, thus demoralizing and confusing public servants.

Issues:
- Public Service has become highly politicized.
- Legal provisions of the *Organic Law for Provincial and Local Level Government* now allow politicians to appoint civil servants at Provincial and District Levels; hence nepotism and cronyism have taken over.
- The CACC and PSC have become dysfunctional. In their operating absence, the public service has become rudderless.
- Discretionary funds (PSIP and DSIP) are effectively allocated to MPs for their electorates. They provide the major funding for the District level but are largely unlinked to the Provincial and District Budgets and Planning processes. Some Districts function better than others.
- Skills of public service officials have deteriorated. There is no systematic, rigorous training.
- Work ethic among the public service has deteriorated. Some senior civil servants do not provide a good example. There are no consequences for bad behaviour. Rules are not enforced. The Church health/education services provide a better model for service delivery and accountability.
- Financial management and accountability is poor; in some cases non-existent. Corruption is rife.

Strategies:
- Political and bureaucratic leaders need to re-establish the necessary trust and performance of the public service institutions.
- The PSC and DPM need to be re-merged. This is the first and necessary step. The new agency must follow a transparent and accountable appointment process for all key appointments
- Urgent up-skilling of public servants is required including the re-establishment of Regional Trainings Centres; use available aid funds if necessary.
- PNG-IPA should develop centralised and compulsory courses for middle & senior management.
- Make CACC functional again. Its role is to manage public sector policy; to support NEC in its policy decisions; to coordinate central agencies on the preparation of the budget based on established policy, the MTDP, and NEC priorities; to coordinate and advise sector departments, statutory authorities, SOEs on their strategic priorities; to monitor budget expenditures.
- The PSIP/DSIP should be aligned with the mainstream planning, budgetary, and accountability processes.
- MPs should be made to understand it is in their interest to support systemic approaches to services in their electorates – to ensure sustained services and avoid waste. They need to move away from the ad hoc 'project' approach to the program and systems approach.

Summary Report on Strategic Priority for Action – Area 4

Comprehensively and Effectively Apply Rule of Law

Issues

Adherence to the rule of law in PNG is deteriorating. The symptoms of this are on the increase.

- Often, there is simply ignorance of the law or ignorance of appropriate norms.
- There is also often flagrant disregard for and non-compliance with the law or lawful norms.
- Detection mechanisms are generally weak and ineffective.
- Data on past civil and criminal prosecutions is usually not maintained and therefore not easily accessible.
- The institutions charged with enforcing the law are often unable or ineffective in enforcement or prosecution.
- Courts entertain unnecessary applications.
- Judgments are often delayed; Justice delayed is justice denied.
- Lawyers file frivolous and vexatious applications to clog up the system.
- Penalties are often light and not proportionate to the offence.
- There is little deterrence from malpractice including in public office.

Strategies

- Increase awareness of key laws such as those relating to the management of public accounts, the nature of public funds, land and resource legislation etc through public campaigns.
- Encourage public participation in detection of corruption and misdemeanours. Encourage public access to information (as required under the Constitution) and to demand accountability.
- Encourage reporting by the public/whistle blowers, access to legal aid, advocacy services by the public (including resource owners in the face of disenfranchisement etc)
- Improve law enforcement data management.
- Improve other detection mechanisms, including bank transactions under POCA and Auditor General, customs & immigration, social auditing and reporting at the local level etc.
- Recognise and promote awareness of human rights (especially rights of women and children) and associated laws through the community – including within law enforcement
- Revive and empower NIO/or establish new organizations.
- Training.
- Insulate institutions from political influence.
- Establish and adequately resource independent institutions like ICAC.
- Provide clear disincentives for malpractice.
- Create and /or empower watchdog mechanisms including on watch dog institutions.
- Provide for harsher penalties.
- Appoint more women magistrates, family violence units, training and social protection mechanisms including accessible safe houses, and professional support capacity.

Summary Report on Strategic Priority for Action – Area 5

Recognise and Promote Papua New Guinean Culture

Issues

- Loss of cultural awareness and values, and this particularly starts with vernacular languages dropping off in use (especially with urbanization). Soon many will be lost to future generations.
- The influence of globalisation, related western influences, social media and the like are hindering youth from appreciating our history and cultural identity.
- Traditional community values are being lost as young people become urbanized and lose contact with small, cohesive communities.
- Recognition of the value of contemporary culture, some vibrant, but some distorted – such as misrepresenting culture and traditional values – e.g. the misrepresentation of social roles, like bride price and distorted views over sorcery leading to violence against alleged sorcerers.
- There is no government policy, program or specially dedicated cultural spaces to encourage the spread and formal education on PNG culture.

Strategies

Language
- Train Teachers of Early Learning on the imparting of cultural history, values, and practices (e.g. in the training of elementary teachers introduce older community leaders who are well versed in cultural traditions).
- Recognize and Certify Cultural Knowledge and Skill Experts.
- Develop and make available Local Language Dictionaries.
- Develop and make available Local Language Teacher support material (Soft and hard).

History and Identity
- Encourage production of history and culture-related material (Soft and Hard Material).
- Develop and publish a book for teachers on Language Dictionary and Instruction.
- Encourage recorded Biographies of Community Leaders and their stories.

Values
- Identify and establish Community Behavioural Values.
- Record Biographies of Community Leaders and their stories, particularly actions that emulate the community values.

Socio-Cultural Resource Centres
- Provincial and District Authorities should approve, fund and maintain the cultural spaces

Way Forward – Potential Initiatives Evolving from the Symposium - Initial Thoughts

Background

It is the expectation of participants that the Symposium will be followed through and progressed with *concrete next steps*. The hopes and ideas, but also the very apparent disillusionment and disappointment expressed at the Symposium, with major aspects of PNG's current political, economic, social and cultural situation, must be channelled into strong corrective and constructive action for positive change and reform..

It is equally important that participants at the Symposium, together with the wider community, *remain realistic* as to what can be actually achieved. Change is a gradual process. To be durable, it must be deeply and widely rooted, driven by shared objectives and principles, within multiple facets of society.

Some change is already happening. The recent and ongoing social movement, especially amongst members of the educated younger generation, indicates in part, a thirst for greater transparency, accountability and equity in society. There is also a frustration with what seems to be an increasingly entrenched status quo, growing control by a small coterie of political, public sector and business leaders over public good and contracts, and rent-seeking over natural resources. Various NGOs and churches are also taking up social accountability roles more vigorously, where they feel able, in the absence or failure of government services. The Judiciary has, likewise, been reaching out to facilitate greater opportunity for community engagement and calling for greater fairness, justice and accountability.

In this context, what realistically can Symposium participants and other interested stakeholders do to take the Symposium's conclusions forward into action?

The Symposium highlighted that *the current political milieu* is both a fundamental constraint, as well as a significant and potential opportunity for change. It should become a constructive platform for the change process, given its valuable role in representing people's wishes and aspirations, and its contribution to managing the economy, social services and law and order. Constraining or misdirecting the public's positive aspirations for reform, invariably results in growing disillusionment and frustration, leading to negativity and anti-social behaviour. The Symposium was intended to provide an overview and positive directions for constructive and collaborative reform and restoration of some of the ideals and idealism which prevailed at the time of Independence.

Over the next few years there will be various opportunities and steps which should be taken steadily to bring about positive change and avoid 'business as usual' or continuing down paths which have brought some of the current impasse. Some of these paths, and potential contradictions, seem to be highlighted in some of the government's own policies and actions. There are many sound aspirations highlighted, for example, in the Responsible Sustainable Development Strategy (STaRS) and its objectives of diversifying the economic base, addressing population and human development needs and challenges, and safeguarding the country's social and environmental fabric. In practice the continued focus seems to have been on a few segments of the economy, and further

entrenching the modus operandi and certain vested interests, even though some of these may have been at the root of many of the country's economic, social, political and environmental problems.

It's as though one hand is paddling in the opposite direction to the other; actions contradict commitments; perhaps, it's that the vehicle is careering so firmly in one direction, it's just too hard to redirect it, however well intentioned, without a much wider and collective social movement, that can refocus, support and provide backbone to the leadership and force through a redirection and accountability.

Clearly, positive social and economic reform needs to be multifaceted and utilise all opportunities, with one early focus and potential milestone being *the forthcoming election* and how it can be used as a lever and opportunity for change in the political milieu. It would be a sad waste of opportunity not to use the forthcoming the election process for positive reform.

Encouraging Policy Based Political Reform

The proximate objective should be to target policy and a *policy-based reform platform and outcomes* rather than the typical hand-out promises during the forthcoming elections. This has been a direction of some political reformers and a few NGOs, working with some media outlets, particularly during the last election, including through providing opportunities for parties and candidates to present their policy manifestos and credentials.

The big question is – how far is it possible in PNG to drive parties to clearly enunciate their policies and principles and then somehow hold them accountable for them? Is it possible for politicians and their supporters to put aside personal ambitions, enmities and reciprocal pressures from their electorates (or parts thereof), wantoks and interest groups, and focus on the larger constituency or national interest? Is it realistic to roll back the clock, for interest groups to forego immediate potential gains via the election of their favoured candidate in exchange for common good, such as stable, progressive, reform oriented government?

As the Symposium indicated, much has to be done with regard to economic policy, public sector reform, corruption, transparency in the use of public monies, accountability for performance etc. But despite strong written and verbal commitments, progress has and will be hampered until and unless PNG moves decisively away from the personality-based, pork-barrel approach to politics and elections.

This is the first and most fundamental challenge.

It is suggested that the first post-Symposium task is to mobilise and work together with interested stakeholders and reformers, including interested Symposium participants, on the establishment of such policy and reform based political platforms for the next election.

Establishing the Reform Agenda

Much of the *reform agenda* would naturally come from the consideration, conclusions and priorities discussed at the Symposium.

These would include –

- Ensuring a strong and independent Parliament and Judiciary
- Rehabilitating the Parliamentary committee system
- Reforming the Budgetary process, including district and provincial level service delivery, including the PSIP and DSIP funding mechanisms (including perhaps making the DDA process genuinely workable and accountable, with active community participation and oversight, and ensuring the Integrated Financial Management System really does connect right down to the local level in delivering and making publicly accessible both complete and timely national and local accounts)
- Public service reform, including making public sector coordination mechanisms at national and local level, including the CACC, functional again merging PSC and DPM, initiating a whole-of-government performance management system with annual performance indicators and targets for every department and for every province, and using mechanisms, such as the Open Government Partnership program, as useful tools for helping roll out these reforms
- Re-establishing the Rule of Law and reinforcing the integrity, capacity, standards, accountability and independence of Constitutional Offices

The key to success is to not be over-ambitious, but start with fundamentals; i.e. getting the basics right and building momentum gradually but steadily.

Mobilise Public Support

This will need a disciplined approach. The Lead Group or network needs to develop and ensure -

- that there is a clear, succinct, emphatic direction or story line
- that everyone stays on focus with these principles and direction
- that multiple avenues for publicity are accessed to promote the reform agenda - the media, the academic bodies, NGOs etc
- that strong links are also established with key progressive leaders and representatives of the wider community
- that support of the private sector is sought, given that they too have a keen interest in stable and progressive government and sound and consistent policies

Getting Started

The sooner willing and concerned reformers from across society, including interested Symposium participants, get the ball rolling on the reform agenda, standards and processes, the better.

While a Lead Group should be established, emanating out of the Symposium Participants and other interested players, and providing a core driving force (philosophy or perhaps as a think tank), it's clearly not intended to be an exclusive exercise. The intention is to engage widely with those interested and eager to encourage positive change and reform to society, and develop a clear action plan based on the ideas spelt out in the Symposium and beyond.

The attendees to the symposium are listed as follows:

	Title	First name	Surname
	Title	**First name**	**Surname**
1	Mr.	Allan	Bird
2	Mr.	Anton	Goie
3	Ms.	Barbra	Thomas
4	Hon.	Bart	Philemon
5	Ms.	Beatrice	Mahuru
6	Sir	Brown	Bai
7	Dr.	Bryant	Allen
8	Mr.	Clant	Alok
9	Mr.	Graham	Tuck
10	Dr.	Henry	Okole
11	Mr.	Ila	Geno
12	Mr.	John	Toguata
13	Dr.	Joseph	Ketan
14	Ms.	Josepha	Kiris
15	Mr.	Kilyali	Kalit
16	Mr.	Lawrence	Stephens

17	Ms.	Magdalene	Toroansi
18	Mr.	Martyn	Namorong
19	Dame	Meg	Taylor
20	Hon. Sir	Mekere	Morauta
21	Dr.	Michael	Mel
22	Mr.	Paul	Arnold
23	Sir	Paul	Songo
24	Dr.	Phillip	Gibbs
25	Rt. Hon. Sir	Rabbie	Namaliu
26	Mr.	Ricky	Mitio
27	Mr.	Robert	Igara
28	Dr.	Ronald	May
29	Hon.	Sam	Abal
30	Mr.	Sam	Koim
31	Ms.	Ume	Wainetti
32	H.E.	Winnie	Kiap

Sir Brown Bai performed the role of Chairman of the Advisory Committee in preparation for and during the Symposium. Mr John ToGuata performed the role of Master of Ceremonies for the Symposium and each of the eight thematic sessions in the three day symposium had a different chairperson and facilitator

Support and administrative staff:
Mr. Anthony Hughes
Ms. Marjorie Andrew
Mr. Cedric Saldana
Ms. Daisy Taylor
Mr. Paul Barker

PNG AT 40 SYMPOSIUM

LEARNING FROM THE PAST AND ENGAGING WITH THE FUTURE

Session 1.1 The character of the independent state of PNG derives from the history and nature of land and people, and the international politics of the region

Henry Okole

INTRODUCTION

> *"…when the unexpected becomes the expected in the land of the unexpected…" – Sabina, The Independent, 2002*[1]

After 40 years of statehood, it is worth asking whether Papua New Guinea as an independent country has reached an ideal or desired stage of political maturity and financial self-sustenance. With abundant resources, large land and sea areas – and a relatively small population – one would naturally expect a thriving and prosperous economy by now. With resources in hand, initiatives to drive development would have pushed PNG ahead with positive indicators showing the quality of life and generally the welfare of the people. Unfortunately, this has not been so. Natural resources have been harvested, but allocation to meet basic needs have staggered behind. There have been serious attempts to improve both the education and health services, but such steps have often been compromised by other activities, such as poorly conceived and/or planned government policies, lack of funding and budgetary support and corruption. Among the prolonged consequences is the perennial issue of less than optimum impact of government programs. The life expectancy is lower and infant mortality rate is higher for a well-endowed country in relative terms to other countries in the Asia-Pacific region as well as others of similar status worldwide.

Otherwise, Papua New Guinea has done well in other areas. The national population is proportionally more educated across the wider spectrum than four decades ago. The country has safeguard and maintain its democratic continuity even if it has been tested from time to time. One can only wonder, however, as to where the country would be if issues that were manageable were addressed well. Forty years is a long time and a responsible population would have endeavoured to make sure that they learn from lessons specifically in the area of governance, administration and economic/financial management.   That is why, when reflecting on developments since independence, it is prudent to ask certain pertinent questions:

- are the challenges that PNG faced today attributed largely to the country's diverse people and the natural endowments of their land?

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[1] The anonymous columnist Sabina made this remark during the 2002 national elections after a container kept for locking up ballot papers was blown up by unknown assailants during the night in Mendi, Southern Highlands.

- is the truncated political history of the country a significant cause for some of the challenges and problems faced today?
- how can one best describe the state of democracy today in the country?
- is the weak performance of public institutions, including the National Parliament, a case of the country not having the appropriate cultures and traditions to make them work, or is it more to do with the approach, behaviour and attitude of people who capitalise on the system?

Such questions are critical if the people and the government have to take stock of where they have been as a country, assessed the present status while learning from lessons, and then planned ahead for the next 40 years.

This paper is divided into three sections. Part I covers the early formation of the PNG state and the process of building a nation from a diverse population. It will also cover the introduction of democracy and other issues since the 1960s. Part II will discuss some of the pertinent issues associated with the evolutionary process of the country itself. As will be discussed, the state has not only held together, but it has developed its own culture and distinctive practices that depict adjustments and continuities. Changes in the state machinery occur both through governments' and Parliament's actions bring to the fore a refined country that has endured a journey for four decades. Finally, Part III will cover PNG's international standing in the region. This paper is crafted to highlight certain pertinent issues, which can then draw parameters for discussion.

Thus, a retrospective look over four decades of nationhood reveals that many of the institutional designs that PNG adopted are now either unworkable or outmoded in the face of the country's fast-changing socio-political landscape. National elections especially under the first-past-the-post electoral system espoused highly unusual results compared to what the applicable literature of political science describes. Papua New Guinea's party system has been dubbed a "deviant" case, given some of its incomparable characteristics vis-à-vis other developing democracies (Reilly 1999). The House of Parliament has gone from a genuine chamber of the people as once evident in the 1980s to one since the late 1990s that has been progressively controlled by the executive. Former Member for Port Moresby South, Dame Carol Kidu, one described the situation as one where there is a "parliamentary democracy with NEC dictatorship" (Okole et al 2003:21). In recent years, with the overwhelming numeral strength of the government side, debates on major issues have been kept to a minimum. Part of the reason is because much discussions and debates place at caucus meetings among coalition members, but appear in Parliament as a united group.

PART I: TRASPLANTING DEMOCRACY AND MODERN STATE INSTITUTIONS

Democracy exists as a cultural variable. Its principles are inculcated by reason and are gradually incorporated by the people into everyday activities. Hence, general acceptance is the first step to the anchorage of democracy. Furthermore, if democracy is a foreign concept to a people, it is likely that it would take time for them to recognize its parameters, accept it, and then inculcate it into their way of life. How much time needed is really dependent on the nature and conditions of a society. It goes without saying therefore that states evolve over time and develop their own mores and intricacies. For that reason, it is always challenging to understand the statuses of countries unless they are viewed comparatively and over time.

Democracy of a Third Wave Democracy: PNG

 Questions have often been asked about the state of democracy in PNG. But given Papua New Guinea's political history and atomized national composition, why do we assume that democracy can work comfortably? For a country where the traditional and colonial history (until the 1960s) did not resemble a democratic unit, much less a modern state, is it fair to expect democracy to work? Such questions should not be taken as excuses for the country's ongoing democratic predicaments. Rather, they represent the reality and therefore should form probing questions to understand the country. At the same time, these should also be the questions that successive governments should consider as the signposts to strengthen democracy in the country.

Samuel Huntington (1991) identified three waves of democratization as well as intervening reverse waves during the modern state system's history. The epochs are as follow:

- a long wave of democratization 1828 – 1926;
- first reverse wave 1922-1942;
- second short wave of democratization1943-1962;
- second reverse wave 1958 – 1975; and,
- third wave democratization 1974 – to present.

Many third wave countries, and particularly those that emerged from colonialism, are now trying to mould and re-mould themselves as they try to fit themselves into this jar called democracy. Many of them are lacking a culture of acceptance and legitimacy to allow smooth transitions from other political systems. The difference between developed democracies and the third wave democracies has to do with the democratization process, a three-step endeavour that is explained this way:

> Democratization refers to the process of change toward more democratic forms of rule. The first phase involves the breakdown of the nondemocratic regime. In the second phase, the elements of a democratic order are established. During the third phase, consolidation, the new democracy is further developed; eventually, democratic practices become an established part of the political culture (Sorensen 1998:160).

What separate developed (first wave) from developing (third wave) democracies is the consolidation process. There is more to this than free competition for office, participation by the people, and other freedom dimensions of society. Many countries can go through the motions of fulfilling such democratic principles, but would still end up with poor results. Ultimately, what makes democracy work is how the citizenry is willing to live and work with it. Achieving democratic consolidation may take some time for many reasons. Thus, while democracy may be accepted in principle, it would take time for it to permeate society and allow the people to adjust to it.

What is apparent is that there was a lengthy time span between democratic countries of the first and third waves. In the former, the traits of democracy were progressively worked into the fibres of

societies and became ingrained in their cultures. They became second nature to these societies. Their governments and public institutions became the outward manifestations of political practices that they had adopted to suit their given circumstances. For example, democracy in Great Britain was institutionalized and legitimatized into a setting and design we know today as the parliamentary or Westminster system of government. In contrast, many third wave countries borrowed democracy mainly through historical association such as decolonization or through change from authoritarian rule.

In the Pacific region, the listed third wave democracies include PNG, Vanuatu, Solomon Islands, Tuvalu, and Kiribati. For many of third wave democracies, and especially those from the region, the institutional state building process came roughly about the same time as the introduction of elections and representative legislative bodies. This stands in contrast to first wave democracies, where the state and its principal institutions such as a common parliament and an independent judiciary were established before the rights of individuals were considered immutable (Rose and Shin 2001).

The introduction of democratic features such as free elections and elected legislatures on the one hand, and a rapid process of state formation, on the other hand, underlie political dynamics. In that vein, the establishment of the modern state in PNG came about at the same time as the introduction of universal suffrage in the 1960s. The quagmire of political problems and administrative challenges that PNG has faced is in large measure are consequences of how the state machinery has been built, devoid of the proper preconditions needed to sustain and cushion the transformations required to make the modern state function effectively. But importantly, genuine political participation by indigenous Papua New Guineans was a fairly recent phenomenon. National politicians became more assertive *vis-à-vis* the Australian government after the 1968 national elections, but any institutionalization. What virtually happened around the late 1960s and throughout 1970s was that indigenous leaders assumed the colonial politico-administrative structure without undergoing any actual 'induction' in the vicissitudes of governance and administration.

Today, PNG has an unbroken history of democratic governance since the 1960s. Over the years, scholars have produced considerable literature on PNG politics. Democracy in PNG has certainly thrived, and many scholars have cited it as a successful case for a developing country (e.g. Power and Gasiorowski 1997; Lijphart 1999). Other scholars, however, have questioned this assessment. Perhaps the most likeable description is that PNG practices procedural democracy (e.g. Reilly 2000).

State and Nation Building

After World War II (WWII), it was assumed that developing countries would naturally advance along the ascendancy ladder to modernization if they could only emulate what their developed counterparts had done. In this regard, great emphases were placed on the need to drive economic growth above other prominent considerations. What was called 'development economics' became the rallying cry where countries - many of them having just gone through the decolonization process - were encouraged to latch quickly onto progressive vehicles, such as industrialization. Little did proponents of development economics know that some key spheres of societal composition, such as culture and politics, were equally powerful stumbling blocks to whatever that could be conjure in economics terms (see Martinussen 1997).

Samuel Huntington was one among a number of Western scholars who was sceptical about the position taken by development economists. He came to conclude that there were some serious asymmetries in trying to nurture developing countries in the shadow of developed countries. While not discarding the need for economic growth, Huntington concluded that strengthening institutional structures and their capability to absorb change was the most immediate prerequisite for everything else. Therefore, state building was required to ensure a firm foundation by which societal changes could be accommodated and facilitated.

The main fear that Huntington harboured was that political turmoil could easily take place if high expectations among the populace arising from economic progress were not met. This would then lead to frustration and then social disharmony. Thus, "political instability in modernizing countries is . . . in large part a function of the gap between aspirations and expectations produced by the escalation of aspirations which particularly occurs in the early phases of modernization" (Huntington 1968:56). This was his gap hypothesis. Implicit in Huntington's hypothesis was the importance of timing, and particularly the time lapse needed for a state structure to develop and acquire an element of resilience in the face of multiple changes. Furthermore, what is necessary for developing countries is not only the need to have good economic growth, but to allow the people to develop an appropriate culture and approach towards state's institutions.

For Papua New Guinea, genuine political participation by indigenous people was a fairly recent phenomenon. The Australian colonial administration ensured that political education of the indigenous people was gradual (Mair 1970:87). Fearing political turmoil that had marked the decolonization processes of other developing countries, Australia insisted that the PNG populace needed to be educated to gain a level of tolerance to its colonial presence. The aim was to remain "two or three jumps ahead" of local demands for self-governance (Ryan 1969:110). To run parallel to this controlled process of politicization was economic growth. This dual-strategy was a quixotic endeavour for a country that also posed other non-political obstacles.

What became apparent was that the push for economic growth took precedent over a proper institutionalization process. Anything resembling such a progression hardly surfaced. That apart, political events in the early 1960s--particularly the United Nations Trusteeship Council's fact finding mission to PNG--were to cause Australia to immediately start preparing its territory for independence. The first nation-wide election took place in 1964. Though billed a success, given the seemingly insurmountable problems that had to be overcome, national politics flowed with the tempo set by the colonial administration. In fact, the pioneer national politicians did not even know their roles in the legislature (Nelson 1974:138).

National politicians became more assertive vis-à-vis the Australian government after the 1968 national elections, but any institutionalization process was too shallow to be considered worthy of any significance. What gradually happened was that indigenous leaders were now slowly assuming the colonial politico-administrative structure without undergoing any actual "induction" in the vicissitudes of governance and administration. Some institutions at this time did show signs of premature change as political developments got to them before they were able to adapt and accommodate new expectations.

Such was the case with PNG political parties, an organization in democracies that normally controls change from the front: "with the transfer of power coming so soon after parties had developed, the

incentive to mobilize disappeared. As the new political elite acquired a material interest in the continuation of the colonial institutions and economy, mobilization became, in its eyes, unnecessary" (Hegarty 1979:190). A few years later, PNG gained its independence. Thus, PNG evolved from a paternalistically administered colony to an independent state in roughly the time that a human being achieves adulthood. Indeed, large sections of the country literally moved from the Stone Age to the space age in a single lifetime.

The picture for PNG is further convoluted when we come to realize that the country is in a perpetual state of flux. Sinclair Dinnen (1998) theorizes that PNG has endured change depicting continuities and discontinuities over time. The fibres of the contemporary PNG society are different from 40 years ago. What is apparent with these continuous changes is that state institutions mirror them as if they were moving pictures on a cinema screen. It is not surprising, therefore, that how the House of Parliament existed in 1970s is not exactly the same as in 2016. Likewise, how electoral and party politics were played out in the 1972 or 1977 national elections were not the same as what was seen in the 1997 national elections.

The tale of PNG is one in which the concept of the modern state was superimposed on hundreds of sovereign traditional communities. That PNG has a short modern history needs no further emphasis. Some members of the older generations in PNG lived through profound changes that took hundreds of years to accomplish elsewhere. Sir Albert Maori Kiki, one of the best known and most eloquent politicians in the years before independence, wrote a book entitled *Ten Thousand Years in a Life-time* (1968). It is a personal account of the changes that were taking place around him. This title in many ways sums up the history of Papua New Guinea: an extremely diverse society that has attained statehood in a very short period of time.

Emergence of a Constitutional Parliamentary Democracy

A challenge at the outset for PNG was designing a new constitution that would help define the identity of a population possessing only a limited sense of nationalism and whose claim to a unified national history was derived from developments in two separate colonial territories. A national vision was framed for the constitution but it had to be substantiated through a preliminary national consultative process with an audience, many of whom were relatively ignorant of the significance of statehood. The vision was steered in part by the inspirations drawn from former colonies particularly from Africa. In essence, what transpired was the development of a 'home grown' constitution for a people whose thoughts and aspirations were guided toward a future ideal society. The process required the adoption of foreign political institutions while the vacuum to be created by the departing Australian colonial administration had to be filled almost overnight. Ghai's description aptly captures the sombre mood and atmosphere that surrounded the design of the PNG Constitution:

> …a major function of the PNG Constitution was to replace foreign authority as the basis of the state; it also tried to democratize and humanize the colonial state. It became the foundation of the state and the symbol of an incipient national unity for a multitude of peoples and islands. It even tried to provide a national ideology. In that way it gave greater legitimacy to the state. But it provided for a different kind of state – democratic,

participatory and humane: its mission was to tame the colonial Leviathan, its vision of development being human rather than material (Ghai 1997:310).

Like most Commonwealth member countries, PNG inherited the principal institutions of government from Great Britain. The basic elements of the Westminster model of government and the judicial system were passed on through Australia's colonial administration. Certainly, significant changes to the implanted institutional structures have been made since PNG gained its independence in 1975, but these were not meant to negate Westminster rather they were meant to address specific areas deemed necessary by the government.

A retrospective look over 40 years of nationhood reveals that many of the institutional designs that PNG adopted are now either unworkable or outmoded in the face of the country's fast-changing socio-political landscape. National elections have yielded highly unusual results, compared to what the relevant literature on developed or developing countries would suggest. The party system has been dubbed a 'deviant' case, given its sometimes incomparable characteristics relative to other developing democracies (Reilly 1999). The House of Parliament, at least over the last 20 years, has gone from a genuine chamber of the people to one that has been progressively controlled by the executive (Okole 2002). All the while, democracy in PNG prevails as if all the main institutional pillars of the government are effectively functioning. At present, the country remains one of only a handful of countries from the developing world that has maintained an unblemished record of democratic continuity (Lijphart 1999).

The institutionalization of any system of government in Papua New Guinea was bound to be restricted by two natural characteristics of PNG: the highly fragmented population and the rugged topography of parts of the country, particularly the interior of the island of New Guinea. Papua New Guinea is home to over 800 languages, spoken by approximately 7.2 million people. In the past, the divisions among the population were reinforced by inter-group rivalries which, in turn inhibited the mobility of people.

These natural characteristics of PNG contributed, both directly and indirectly, to the type of political and economic development of the country. First, the lack of uniformity in the existing political structures among the many native communities meant that the colonial powers found it difficult to exert firm control through traditional power structures (Dinnen 1998). The practice used by colonizers in many parts of the world, which was to co-opt traditional leadership structures into their line of control, was lacking in PNG. In addition, there was the difficulty of expanding colonial control due to the rugged landscape and hostile inhabitants in many areas. Thus, while Germany and Britain annexed New Guinea and Papua respectively, their colonial control was limited only to where they each had settlers and specific interests[2].

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[2]   It was only when the Germans and British introduced their respective police forces and criminal codes that rudimentary control structures were imposed (Mair 1970:66-67). These structures served as the critical linkage between the many local communities and the colonial power centres in both Papua and New Guinea. Over time, the constabulary forces were to facilitate a gradual assimilation of the people and the colonial administrations.

The second consequence was that many parts of the country experienced uneven exposure to the outside world during the colonial period. While many coastal areas had experienced extensive contact with foreigners, the interior was relatively untouched until much later. Thus, in terms of a state building process, many communities in accessible areas were slowly imbued with modern political practices and administrative organization, while others in more remote areas were very much living in traditional communities as they always did for hundreds of years with their own folklores and justice systems. For example, while Rabaul town on New Britain Island had a cab service, a local branch of the Chinese Kuomintang party, and saw the first industrial unrest in the 1920s, the highlands region of mainland New Guinea with the biggest concentration of people was still to be discovered by the outside world (Mair 1970; Nelson 1974). The highlands area was initially discovered in the 1930s and further exploration was done in the 1940s and 1950s.

The third consequence to become apparent much later in PNG's political history was a lack of nationalism. There was hardly a sense of oneness among the people right up until independence in 1975. One reason, of course, was the fragmentation of the population. Some tribal groups in parts of the country did not share commonality with one another for centuries. What superseded nationalism were micro-nationalism, regionalism, and separatism as the fast changing political environment ushered in uncertainty and confusion to different parts of PNG (May 1982). In addition, the various colonial arrangements that PNG had since the late 1800s failed to congregate or assemble the many social cleavages where it would have been possible to recognize an overarching nation.

During the term of the first House of Assembly (1964-1968), the Australian colonial administration was effectively the executive branch. In 1968, the *Papua and New Guinea Act* – the document that outlined the governing institutions of the territory – was amended to allow for ministerial participation by selected indigenous members of the House (Wolfers 1998:42-44). By 1970 most Australian officials were leaning toward a Westminster system of government[3]. Australia abdicated much of its day-to-day administrative responsibilities with the formation of the first national government. However, Chief Minister Somare was still responsible to Australia's Minister of External Territories on more significant matters.

Developing a Democracy

Papua New Guinea is not the country it was in the 1970s. On the positive side, it has remained united as a country for four decades now. The late historian, Hank Nelson (1974:230), remarked back in the early seventies during that tide of pessimism that "in the long term it is the people of *Niugini* who make one confident. They possess a courtesy, imagination and pragmatic strength to provide their own solutions." Whether this has to do with the elaborate efforts by the government to shore up unity or the manner in which the many groups of people have 'grown together' is not distinctively clear. However, there is more tolerance for different groups of people now.

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[3]   What mattered most was a system of government that could facilitate the reconciliation of the diversity of the people with the unity of the country. A federal system was rejected in favour of a unitary system because a strong central government had proved useful in dealing with many intractable problems during colonial rule (Waddell 1998:114).

Overall, the legislative design and composition has gone through a number important transitional phases since the early 1950s. Each phase mirrors the state of political representation by the indigenous people in relation to the receding control of the Australian colonial administration. Table A shows these legislatures.

Table A: Legislatures of Papua New Guinea and Membership

Type of Legislature	Membership
1951 Legislative Council	Administrator 16 Official members 9 Appointed members (3 Papuans and 3 New Guineans) 3 Elected Europeans
1961 Legislative Council	Administrator 14 Official members 10 Appointed members 6 Elected Europeans 6 Elected Papuans and New Guineans
1964 House of Assembly	10 Official Members 10 Members from special electorates 44 Members from open electorates
1968 House of Assembly	10 Official Members 15 members from Regional electorates (candidates must have territory intermediate or equivalent) 69 members from open electorates
1972 House of Assembly	4 Official members 18 members of regional electorates 82 members of open electorates Up to 3 members nominated by the House
1977 House of Parliament	20 elected regional seats 89 elected open seats
2012 House of Parliament to the present	22 elected regional seats 89 elected open seats

Source: Nelson (1974:125), excluding the 1977-2012 Houses of Parliament.

Furthermore, and as referred to above, Papua New Guinea can take pride in its record of democratic governance. There have been rumours of a *coup d'etat* at certain times, but they have never come to fruition (e.g. see Dorney 1990:200). Also, there have been constitutional crises--emanating mainly from political bickering and contingencies--but the rule of law has become ascendant. The court system has proven to be a useful and final arbiter, even if the people are often prone to administering justice in their own ways. The country has had to deal with separatist movements,

including sensitive border relations with Indonesia, and a civil war, but it has not faltered as a union, in spite of its renowned diversity. In sum, PNG remains one of the persevering democracies in the developing world. On the economic front, PNG has been on the crest of a financial boom based on the extractive industries in recent years. The main issue remains firm prudent management by the national government.

On the negative side, however, much is not rosy. Of all the rhetoric and euphoria surrounding self-government in the early 1970s, development and good governance was held in especially high esteem. The ultimate goal was that development in its many faces was to promote self-reliance (Woolford 1976:219). Over the years, efforts to fulfil that goal have been haphazard (Hegarty 1983:1-3; Standish 1999). Today, the government and its institutions have been compromised so often by greed, naivety, and mismanagement at the top. There has been progressive decay of public institutions, including the National Parliament. In the mid-1990s, Papua New Guinea barely avoided total financial collapse. With the economy dependent on raw commodity exports and the country lacking economies of scale compared to other producers, it has been difficult to stabilize export earnings needed to meet many budgetary commitments. Well-endowed in natural resources with a relatively small population, it has been extremely difficult for the government to coordinate measures to improve living standards. The government institutions have performed poorly too under top public servants of whom some have been appointed under dubious circumstances.

PART II: PNG IN THE POST-INDEPENDENCE ERA

Many issues could be highlighted to demonstrate some of the challenges faced today. Three broad issues are covered below. They discuss parliamentary politics, which encapsulates the role of MPs and their attitude towards issues of development and the democracy. It also links them to their relations with the public service and how they understand their roles as legislatures on contrast to service delivery. Generally, there are the governance and administrative issues. Poor governance exacerbates the deep-seated problems that are related to social divisions. Corruption remains a cancerous problem for the country.

Key Features of PNG's Parliamentary System

Given PNG's truncated political history, electoral behaviour and parliamentary practices were bound to be affected one way or another. The end results have constituted a Westminster government that has mirrored its own evolutionary phases. Hence, 'despite its inherited Westminster-style parliament and democratic institutions, Papua New Guinea's political system has rapidly evolved its own mores and distinctive practices' (Dorney 2000:40). To understand the features that define the inherent qualities of PNG's national parliament and government machinery, it is prudent to examine its characteristics.

The first characteristic is a reciprocal relationship between voters and parliamentarians in perhaps all electorates of the country; referred to elsewhere in the relevant literature as the patron-client relations (e.g. see Kurer). This voter-politician relationship is also to be understood against a history of dependence on the government that was developed prior to independence (Parker and Wolfers

1971). The expectation arose that the government was supposedly the source of everything, from road and schools to business opportunities and a source of capital.

A second characteristic that has contributed to PNG's national parliament is the use of the first-past-the-post (FPTP) electoral system. The voting system was last employed during the 2002 national elections (replaced by a limited preferential voting system that was adopted in 2001 – see below). The FPTP system was previously used for six elections at five year intervals from 1977 to 2002. Its impact was partly seen in the increasing number of candidates contesting the 109 seats in Parliament, as shown in Table B.

Table B – Candidates and Electoral Competition, 1964-2012

Year	Type of Electoral System	No. of Elective Seats in the Legislature	No. of Candidates	% Increase in the No. of Candidates	Average No. of Candidates per Electorate	Average Increase in Candidates per Electorate	% Increase
1964	OPV	54	298	--	5.5	--	--
1968	OPV	84	484	62.4	5.8	0.3	5.4
1972	OPV	100	611	26.2	6.1	0.3	5.2
1977	FPTP	109	879	43.9	8.1	2	32.8
1982	FPTP	109	1125	28	10.3	2.2.	27.2
1987	FPTP	109	1513	34.5	13.9	3.6	34.9
1992	FPTP	109	1655	9.4	15.2	1.3	9.4
1997	FPTP	109	2371	43.3	21.8	6.6	43.4
2002	FPTP	109	2878	21.4	26.4	4.6	21.1
2007	LPV	109	n.a.				
2012	LPV	111	n.a.				

Key: OPV = optional preferential voting; FPTP = first-past-the-post (also known as the Plurality system); n.a. – Not available.

There were 298 candidates in 1964, a time when many ordinary citizens did not really understand the role of parliamentarians, and particularly the procedures of the legislature. By the time the FPTP system was introduced in 1977, the total number of candidates had increased to over 800. In 2002, the total number of candidates stood at 2878. The increasing number of candidates means that the degree of support for each winning candidate is likely to decrease with each new election.

The FPTP electoral system has affected PNG's parliamentary democracy and the quality of governance in a number of ways. For one thing, representative democracy means anything but that in PNG. On another level, the electoral system atomised support for the contesting candidates. This in turn aggravated problems relating to hyper-electoral competition, including endemic bribery, vote buying and gun-related violence in the more recent elections.   In relation to parliamentary performance, the restricted support for winning candidates meant that some members were often serving a fraction of the voters they represent in each electorate, a point that adds clarity to the reciprocal relationship highlighted above.

The introduction of the LPV after the 2002 national elections was expected to facilitate more representative results since the second and third choices were to be redistributed if the first choices did not push candidates over the 50+ 1 threshold[4]. Today the electoral results under the LPV have allowed for a marked improvement in the area of representation. However, the electoral system is still disappointing for one reason or another.

The Westminster design of the PNG national parliament is a third characteristic that underpins the peculiar features evident in the country's legislature. It is another arena with its own set of game rules. The aggrandising behaviour of MPS in parliament is dictated to a greater degree by how politics is played out. Since 1977, there have been 109 seats in the unicameral chamber. It was increasing to 111 seats just before the 2012 national elections with the creation of the Hela and Jiwaka provinces, which allowed for the declaration of the two additional provincial seats. One MP is voted the speaker which leaves 110 members. A group of MPs normally aligned with political parties then vie for control of at least the barest minimum of 56 seats.[5]

In an ideal two-party system, the bigger party gets to control the executive and the smaller party occupies the opposition side. In a coalition government, the side with the highest number of MPs assumes control of the executive. Parliamentarians and their parties that find themselves in government can then be given ministries or other responsibilities. A MP stands a reasonable chance of being a 'power wielder' if he or she is a member of the ruling coalition. The government side of politics is where MPs can acquire resources that enable them to meet or fulfil their electoral promises. The regular display of public largesse in front of the voters, needless to say, is also a form of continuous campaigning for the next election. Some fortunate members on the government side are allocated ministries. For others, there are statutory bodies, public enterprises, and special *ad hoc* tasks.

In contrast, the opposition side of politics provides hardly any opportunities to honour commitments or provide 'pork' to one's constituents. Before the introduction of the *Organic Law on the Integrity of Political Parties and Candidates* (OLIPPAC), the best available option was to look for ways to join the government side. This was done by crossing the floor of Parliament, especially if the government offered positions. However, such offers were usually selective and qualified by certain conditions. Thus, most opposition members had an underlying incentive to seek a complete change of government through a 'no confidence' motion. Ultimately, an insidious game of opportunism took place with no real issues or policy stances dividing the various parties. Instead, excuses for 'no confidence' measures were routinely fabricated for public consumption.

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4   Under full preferential voting system, voters were required to rank their candidacy choices in order of preferences starting with "1" as the most favoured. All candidates should have a number. For counting, all ballot papers must be grouped initially in terms of the first choices (i.e. the primary votes). In the event that a candidate collects 50+1 percent of the total votes under the first choices, the candidate is declared a winner. Where the 50 percent mark is not reached in the first count, the candidate least supported under the first count (i.e. the least supported candidate in the whole race) has to surrender his or her ballot papers and reallocated to the remaining candidates on the basis of the second choices. PNG's LPV requires voters to indicate three choices only.

5   The *Organic Law on the Integrity of Political Parties and Candidates*, adopted in 2001, stipulates that the most successful party in an election is to be given the first opportunity to form a government. Prior to 2001, forming a post-election government was a far more protracted affair as parliamentarians engaged in relentless competition to make up the barest majority of 55 members.

A fourth characteristic of PNG's Parliament has been the country's weak party system. This is a shortcoming for parliamentary democracy that is otherwise not unique to PNG. The weakness of political parties is due principally to a lack of support and membership among the populace. Furthermore, many parties in PNG are not founded on ideologies, belief systems, specific issues, or historical circumstances that would galvanise and sustain support over time. Political parties exist because they are the means used for coalition formation in Parliament. In retrospect, while the independence issue created party divisions in parliament in the late 1960s and early 1970s, there has not been one prominent issue since then that would have separated the positions of parties. The role of political parties was then limited to two particular functions: the sponsorship of candidates and subsequently coalition building.

A final characteristic that has exerted impact on the performance of the PNG national parliament has been individuals' attitude toward political power. This has become an area of concern due to the manner in which power has been misused and perhaps misperceived in the country. There are two key but related reasons why individuals crave political power. First, many of the traditional PNG societies place high emphasis on the social status of individuals. Upward social mobility is associated with success in various fields, which often is displayed through wealth. In modern times, success also includes better education, business skills, and the like. Intricately woven into all these success categories is the perceived ability to be a leader. What has often been referred to as a culture of 'bigmanship' represents in part endeavours to achieve this end. The parliamentary arena is the ultimate pinnacle in which one can advance politically (see Hegarty 1983). The second reason why individuals want to be parliamentarians is that the position offers opportunity for them to advance their own interests. Very often these interests are manifested in the form of business opportunities.

State versus Society – and Private Interests

The rapid state building process in PNG is essential for understanding today's political instability, poor governance practices and general public management malaise. The transition of authorities from colonial control to independence left the state structures open and vulnerable to political opportunism where actors and other agents, by virtue of their advantageous positions in the country, found it convenient to adapt and ingratiate themselves with the new independent state institutions in order to advance personal interests.

Generally, state and society is a common dichotomy that has often been used to characterize the closeness - and even explain the overlap of boundaries between the two entities. The issue that comes to the fore is whether or not a person or a group of persons can show dedication and serve the state without submitting to the influences of society, and vice-versa. Generally, many developing countries are deeply entrenched in their culture and traditions of their societies, and accordingly they strictly observe their activities and practices. The state has the resources. When they are poorly protected, resources are often accessed to serve limited or private interests founded in relations in society. Poor protection of state resources often encourages other practices such as corrupt practices, misuse of public assets and maladministration.

What has been gradually seen over the years since independence has been the practice to draw benefits from the state in deceitful ways. The politicization of the public service has peddled the pillage of the state. Better educated individuals are leading the onslaught from the front as they

become senior bureaucrats and MPs. Is it any wonder that there are more highly educated leaders today but there is poor governance and weak or bad administration in the public service?

A source of concern too has been the deliberate attempts to manipulate the states' laws, systems and processes in order to elicit desired ends. While such practices do not often fall squarely on the divide between the state and society, the lack of loyalty to the state simply means that influences of society as well as the drive behind private interests often overwhelm the state apparatus. Even the National Constitution has not been spared the trouble – considering the number of dubious amendments over the last 40 years. Thus, political elites and public servants carried out their responsibilities but with one foot firmly placed in their respective traditional societies and the other placed in the modern state. Papua New Guinea is by no means unique in having people engaged in this balancing act. However, it does become a problem for the country when the state system is continuously compromised by individuals who take advantage of public institutions, laws, and customary practices to serve their private ends – even when decisions are legitimately taken and practices are legally done. In this context, the state institutions become empty shells, losing their legal protection since the very people charged to oversee the institutions are unable to perform even their basic functions. Having evolved over time from hundreds of local cultures, a hybrid national political culture emerges with weak legitimacy vis-à-vis the way government and state institutions operate.

There has been a trend characterized by a relentless drive to acquire more personal benefits out of positions, business deals and so forth. The outward manifestation of such activities has been massive corruption, mismanagement and maladministration. There has been thievery of public monies, manipulation of recruitment procedures, acquisitions of so-called 10 percent cuts from deals and swindling of the tendering processes. Papua New Guinea has been perpetually ranked lowly on the corruption perception index and that should not be a surprise. Huge amounts of resources are lost each year and the majority of the people are forced to suffer needless consequences.

Generally, a pandemic has progressively engulfed the public service and the state system at large where enterprising individuals place in certain positions to benefit unfairly from transactions and activities. For example, a person in charge of printing government cheques in a department or agency will not run them unless he is paid upfront or promised certain percentages from the payments. A person working with the Department of Lands will not release land titles unless he is given payments. The amounts on bills or invoices can be inflated to allow extra cash to be passed around among the perpetrators. Opportunities for such transactions are present in many areas of the state system. A Minister hammering out deals on behalf of the state would have had his cut built in into the final amount. A tendering process at the provincial level can be easily tempered with so that major infrastructure or construction be awarded to preferred companies. Conflict of interests often takes place in such situations.

People, Political Parties and the Government

One of the main dissimilarities between developed and developing parties is the how parties exist and the roles that they play in their respective polities. In that vein, Douglas Rae's (1967) suggested that it is often appropriate to distinguish between two different kinds of party systems in many
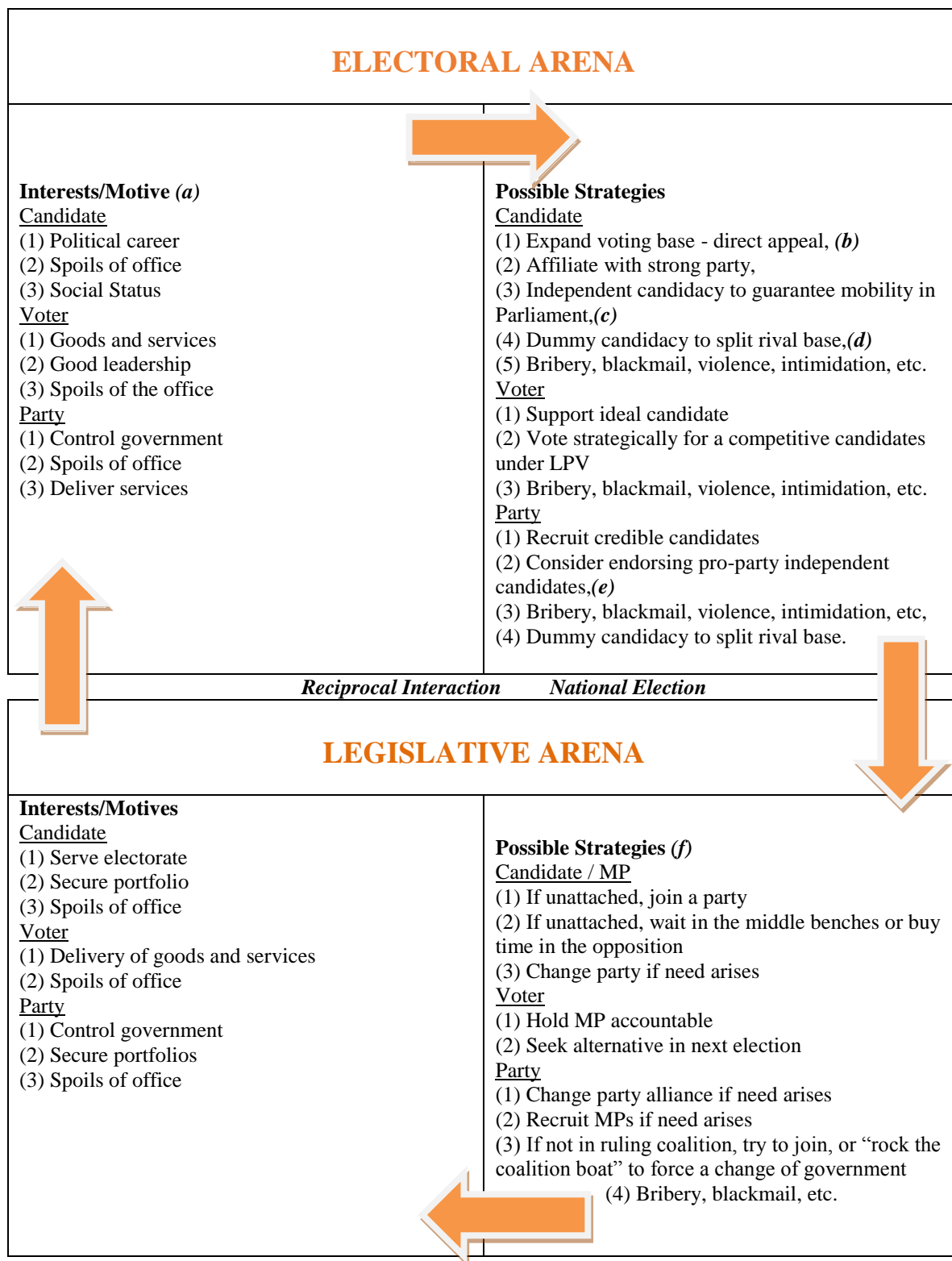
developing democracies around the world. One of these is concerned with elections and the other with the legislature. While the distinction might be far-fetched for many countries, especially those with strong institutionalized party systems, it arguably fits the description of PNGs:

> We are talking about two different party systems: (1) the *elective party system*, and (2) the *parliamentary (legislative) party system*. The former is a system of competitive relationships measured in votes, while the latter is a system of competitive relationships measured in parliamentary seats. The two are not unrelated since, since the parliamentary system is formed from the elective system (Rae 1967:48 original italics).

PNG's *elective party system* is quite weak since there are tenuous and sometimes selective linkages between parties, candidates, and voters.   Also, there is competition between independent candidates and parties for votes at this level. Without firm anchorage in ideology, political issues, identity, or any form of orientation or affiliation, political parties are much more important in the *parliamentary party system*. This is because parties are the basis for forming governments under the Westminster model. For a large part over the last 40 years, parties existed merely to control the national government. This is the main reason why Papua New Guinea has a multiparty system in Parliament, even though parties lack support and followers among the people.

To reiterate, PNG's political arena is rampant with private opportunism. "Spoils" or largesse are the main attraction for everyone. Opportunistic actions - from party endorsements of multiple candidates mainly prior to the OLIPPAC to party hopping in Parliament - directly contributed to the fluid nature of the PNG party system and unstable government coalitions. In the final analysis, however, it needs to be stressed that the great instability in PNG's party system is caused by the close and intimate relationship between candidates and their voters. This relationship is fixed and enduring. People and politicians view political parties in purely instrumental terms. Therefore, it should be of no surprise that political parties command little loyalty or support beyond their immediate utility at a given moment in time. It was only after the OLIPPAC was adopted, and particularly with the creation Integrity of Political Parties and Candidates Commission (IPPCC) to administer the law, that much needed awareness was generated for the importance of parties as well as the need to have strong leadership, sound party platforms and so forth.

Rae's (1967:48) distinction between elective and parliamentary party systems is useful for understanding the PNG case. This distinction can be recast, without losing its original meaning, as the electoral and legislative arenas. These new labels are intended to represent the two types of competition that Rae had in mind. However, since parties play second fiddle during PNG elections, it is incongruous to speak of an elective party system. Figure 1 schematically illustrates the key interests and strategies used by candidates, voters, and parties in the two arenas. It takes into account the FPTP and LPV electoral systems as well as the periods before and after the introduction of the OLIPPAC.

Figure 1. **Motivational and Strategic Factors of PNG's Party System.**

ELECTORAL ARENA

Interests/Motive *(a)*
Candidate
(1) Political career
(2) Spoils of office
(3) Social Status
Voter
(1) Goods and services
(2) Good leadership
(3) Spoils of the office
Party
(1) Control government
(2) Spoils of office
(3) Deliver services

Possible Strategies
Candidate
(1) Expand voting base - direct appeal, *(b)*
(2) Affiliate with strong party,
(3) Independent candidacy to guarantee mobility in Parliament,*(c)*
(4) Dummy candidacy to split rival base,*(d)*
(5) Bribery, blackmail, violence, intimidation, etc.
Voter
(1) Support ideal candidate
(2) Vote strategically for a competitive candidates under LPV
(3) Bribery, blackmail, violence, intimidation, etc.
Party
(1) Recruit credible candidates
(2) Consider endorsing pro-party independent candidates,*(e)*
(3) Bribery, blackmail, violence, intimidation, etc,
(4) Dummy candidacy to split rival base.

Reciprocal Interaction   National Election

LEGISLATIVE ARENA

Interests/Motives
Candidate
(1) Serve electorate
(2) Secure portfolio
(3) Spoils of office
Voter
(1) Delivery of goods and services
(2) Spoils of office
Party
(1) Control government
(2) Secure portfolios
(3) Spoils of office

Possible Strategies *(f)*
Candidate / MP
(1) If unattached, join a party
(2) If unattached, wait in the middle benches or buy time in the opposition
(3) Change party if need arises
Voter
(1) Hold MP accountable
(2) Seek alternative in next election
Party
(1) Change party alliance if need arises
(2) Recruit MPs if need arises
(3) If not in ruling coalition, try to join, or "rock the coalition boat" to force a change of government
           (4) Bribery, blackmail, etc.

Note: this table was drawn up with reference to the role of political parties in PNG (see Okole 2012).

Figure 1: Explanation

(a) *The underlying interests of candidates, voters and parties have remained unchanged in the electoral arena since independence.* *(b)* *How candidates appeal to voters really depends on the situation on the ground. It is widely reported that coercing support comes in the form cash payments and in kind, using ethnic links, family lines. It was hoped that there were going to be more cooperation and reciprocal support under the LPV. So far, and going by the 2007 and 2012 election observations, it is difficult to gauge whether such give-and-take support among candidates and their supporters is actually taking place without benefits to electoral outcomes. It appears as if candidates and their supporters would rather take the risk-averse position of allocation second and third preferences to less threatening challengers than to delve into the idea of exchange voters with widely popular rival candidates.* *(c)* *Since party affiliation does not really matter during election period and the OLIPPAC encourages winning independent candidates to join parties while in Parliament, there is an incentive to remain uncommitted to parties during elections so that he stands a better chance to join a government side during the government formation stage. (d)* *Using dummy candidates to split a rival's vote base was a popular practice under the first-past-the-post electoral system. There is no reason to believe that candidates and/or parties are not resorting to this tactic under the LPV if for nothing more than to capture voting preferences that would have had a high possibility of going to key rival candidates.* *(e)* *Since the OLIPPAC has ruled out the endorsement of more than one candidate per electorate, the next best strategy is for parties to endorse candidates as independents with the understanding that they would eventually come under the party if they were to be successful at the polls.* *(f)* *These were the type of strategies used in pre-OLIPPAC days. In light of the Supreme Court ruling, it is likely that the strategies for MPs and parties in Parliament would increasingly become apparent.*

From Figure 1, and among the three actors, and between the two arenas, the politician-voter relationship is the most crucial and enduring. Parties arise out of the need to form a government and are extensions of politicians. However, the relationship between a politician and his supporters is also the most tenuous. It has a high maintenance cost association since the never-ending expectations of voters are always difficult for a parliamentarian to meet. This in essence is the reason why there are no firm commitments to political parties, to coalition governments, and habitual fleeting loyalty to prime ministers at least until the adoption of the OLIPPAC. When one takes the 111 fixed politician-voter relationships and fit them into a single unicameral Westminster that has its own rules and procedures, it is clear to see why there is a propensity for MPs to be 'unsettled.' First and foremost, their political survival is not dependent on party affiliations. Their respective performances and effectiveness is measured by how much goods and services they can deliver. Thus, it matters to an MP that he is part of the government.

State Legitimacy and the Three Arms of Government

As the new political elite around independence acquired personal interest in the new state structure as well as continuing colonial institutions – including the economy - an opportunity to serve the public without reservation was then missed. It came to pass therefore that political elites and public servants carried out their responsibilities but with a foot each firmly placed in their respective traditional societies and the modern state. To be sure, PNG was not unique in this regard. All the same, it became a problem for the country when the state system was compromised by individuals who took advantage of public institutions and laws to serve their private ends – even when decisions were legitimately taken.

What is seen today is the existence of a hybrid national political culture that has evolved over time out of the hundreds of cultural units. It defines the way the government exist and state institutions operate. It is this political culture that offers legitimacy to the country's political practices. It does not mean that the practices are always beneficial, lawful and public-centred. It simply means that they are the way things are done, understood and sometimes condoned – i.e. the PNG way of doing things. Recognition and acceptance offers credibility and legitimacy. This in turn becomes the basis for political authority.   State legitimacy therefore derives its meaning and intent from other additional sources of authority quite apart from the country's body of laws and conventions. The weakness of public agencies to impose the will of the state in turn reinforces the credibility and even public acceptance of these extra sources of authority. The Weberian state's claim to the monopoly of power is then marginally true in the country.

The National Constitution identifies three independent arms of government - the legislature, executive, and judicial system. Practically, parliamentary politics over the last decade or so has deteriorated to a stage where people are talking about the tyranny of the executive over the legislature. Parliament is allegedly a rubber stamp used to usher in policies and directives initiated by the government of the day. A long-term MP in the current Parliament has described the situation as one where there is a "parliamentary democracy with NEC dictatorship." One of the key casualties of this fluid and generally unstable political environment is the opposition. With MPs inclined to gravitate toward the government side, the opposition ranks have been depleted for some time.

What was starkly evident during the so-called political impasse from 2011 to 2012 has been a case where the traditional separation of powers among the three arms of government now exist only theory and law. There are in effect only two functional arms of government: the judiciary that for a large part has always persevered to maintain its independence, and the executive. What has transpired is the latter has gradually over the last 20 years usurped the authority of the legislature. The executive dominates everything even to the point where perhaps it is fair to say that the opposition can either be accommodated or isolated – depending on the mood of the government of the day. The fact that there is a gravitational pull towards the government side is to be expected. To survive, most MPs see the need to align themselves with the government just to ensure that they have access to pork barrel resources and other perks.   However, by swelling the side of the government over the opposition, legislature itself loses its grit in its oversight role.

The parliamentary committee system has not been functioning properly over the last 20 years too. The committees normally should have catered for the backbenchers in the government as well as members of the opposition. Instead we have seen the increasing use of Vice-Ministers which again strengthens the arm of the executive. The committees have important roles to play to enhance oversight in Parliament, shore up accountability in the public service and establish another opening for dialogue between MPs and the public. Then there is the role of the Speaker's office that is meant to be impartial.   In all, there is a serious need to revise Parliamentary Standing Orders.

While 'majoritarian rule' is at the core of our Westminster system of government, it does not bode well with weak political parties and voters' perception of MPs who are judged as deliverers of tangible goods and services - and much less as legislators. Therein lay the principal causes of parliamentary instability: (1) a legislative design that consistently guarantees the dominance of the

executive over the legislature, and (2) voters who mistake their elected representatives for deliverers of goods and services, which in fact is the role of the state. The MPs on their part entertain the expectations of the voters because it matters for their political careers.

Then there is the role of money politics that has conveniently served as a lubricant either to form or break coalitions. Money politics is palatable to power politics given that securing the executive comes down to amassing the numbers on the floor of Parliament through financial inducement, be that as personal gain or constituency projects.

Another trend associated with the dominance of the executive has been a propensity to amend existing laws and provisions to suit circumstances of the day. Understandably, such changes can only be done with sufficient numerical strength in Parliament. The rather raucous manner in which piece-meal amendments have been made, or new pieces of legislation have been pushed through without proper debate, have led to poorly conceived government undertakings over the years.

Converging Roles of National MPs and Bureaucrats

At the start of the ninth Parliament in August 2012, an induction program was done for the freshman MPs at the State Function Room of the National Parliament. On the high table at the front, a senior public servant was informing and reminding the newly-elected MPs that they were not project managers or project implementers. Rather, they were policy makers or legislators – as required of them by law. An MP sitting upfront, perhaps irritated, got up and gave a rejoinder; "it is all well and good for you to say that from where you are seated. But can I trust the public service to do the implementation - including service delivery – for me?[6]"

This exchange of words captures well the misunderstandings as well as the dilemmas that the leaders and people face today with regard to the role of elected representatives at the national level. The public servant on the panel was merely pointing out the demarcation of roles and responsibilities, and in doing so, was reiterating that MPs were encroaching into the implementation sphere where public servants were supposed to be dwelling. The newly-elected MP for his part was protective of what he believed his role was as an MP and perhaps might have made commitments to the voters in line with such a common understanding. At the same time, he was not sure whether he could count on the public service that already acquired a poor reputation over the years to address the needs of his electorate.

There could be a plethora of reasons for this apparent convergence of the roles of MPs and public servants. The often-quoted reason is that the public service is no longer capable of effectively implementing policies and delivering services. Therefore, MPs as elected representatives of the people see it in their interest as well as they responsibility to stand in the gap and allow the people to receive their services. Another reason is the manner in which MPs react to high expectations. To recall, there have always been for some time a high degree of expectation by voters placed on MPs to deliver tangible things that represent development or progress.

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[6]   H. Okole, *40 YEARS OF PAPUA NEW GUINEA CONSTITUTION: IMPLEMENTATION AND THE EFFECTS OF THE PNG CONSTITUTION WITHIN THE LAST 40 YEARS*, Paper presented at the School of Law Conference, Main Lecture Theatre, UPNG, 16-17 June 2015.

Exacerbating the situation is the voters' tendency to measure the so-called 'success in office' of MPs by the services delivered and the types of change that he or she has brought about in a parliamentary term under the rubric of development. Yet, another reason insinuates that what is evident today is really a culmination of events perpetuated by MPs since independence that have allowed them to use their political clout to control the public service as well as every levels of society. This has led to charges of politicisation of the public service. In so doing, the elected representatives have endeavoured to allocate to themselves more control over the various parts of the state machinery mainly to place them in good standing for re-election. As has been increasingly becoming evident, service delivery is now linked to political survival of most MPs. It becomes a self-perpetuating process when MPs have to take charge of the delivery of services to live up to the expectations of the voters. At the same time, the expectations are limitless while there are no shortages of aspiring 'would-be-MPs' - that is, if we can go by the ever-increasing number of candidates vying for parliamentary seats during every national elections.

Furthermore, some previous governments have not been careful where they have adopted policies for good and genuine reasons, but fail in the process (or perhaps choose to ignore) to take precaution that the choices they made was going to aid unwanted situations. Quite often, short term stop-gap solutions often lead to situations where the issues being addressed succumb to further deterioration. A good example is the conception of the District Support Improvement Program (DSIP) and Provincial Support Improvement Program (PSIP) funds. Just as much as they are much-needed funding for directing impact projects and activities that cuts through the layers of red tape, one wonders on second thought whether these annual public monies should have been committed to fund development plans in the electorates concerned rather than allowing MPs have control over them[7]. Needless to say, there has been gross misuse of these funds that goes undetected or unreported. Suffice to say therefore that greater care should be given to make sure that policies adopted – or laws for that matter - do not peddle and encourage practices that are selective, self-serving or address limited interests – at the expense of the greater good of society.

PART III: PNG AND ITS INTERNATIONAL STANDING IN THE REGION

Papua New Guinea's standing in the Asia-Pacific region for many years was pegged to its importance as a security asset for Australia. While no perceivable threats was identified by the time colonizers sliced up the country and the island of New Guinea, the two World Wars honed home the point that no place on earth was out of reach of interests of the big players on the international stage. For Australia in particular, it was of strategic importance that any threat had to be met somewhere else. The homeland was a continent and it would have been next to impossible to contain the arrival of a foreign army. For that reason, Papua New Guinea was considered a strategic asset by Australia given its close proximity. However, PNG was more than a strategic asset. It had land and natural

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[7]   The DSIP and PSIP have places in PNG. They are parts of the Development Budget. However, they have grown lives of their own and they actually influence the way people think and behave. Some MPs' careers are pegged on them. The real challenge is the need to manage them well.

resources in abundance. Hence, the country became a useful place for Australians to do business too. In simple terms, that was how PNG was viewed by Australia since the pre-independence years.

Foreign Policy Outlook: PNG, Asia, Australia and the South Pacific

Over the last 40 years, Australia has increased its investment and development assistance in PNG. The former colonizer has stood by PNG the entire time and has increased and diversified its donor support. What has been ideal for both countries was to strengthen democratic principles, have a proper and functional government as well as a robust public service. Regardless of how individuals view and trivialise the closeness of Australia to PNG, it would be fair just the same to say that PNG would have struggled without Australia during certain tumultuous times. This is a fair assessment based on the sizeable annual budgetary support alone.

The foreign policy outlook of Australia has been refined too in light of the recent terrorist activities around the world. The closeness of countries who are believed to be harbouring terrorist elements to Australia and the South Pacific region has heightened alertness to who is allowed into the region. That includes the so-called boat people and asylum seekers.

Papua New Guinea's recent economic prosperity at least over the last 10 years has given an edge to PNG to redefine its regional standing too. That includes elaborate steps to step out of the shadows of Australia without compromising the content of the traditional bilateral relationship between the two countries. The potential for increased trade relations with several key Asian countries has been either realized or pushed closer to reality by the visitations of prominent signatories from Asia (Thailand, Indonesia, the Philippines, Japan, China – etc.) and wise-versa Prime Minister O'Neill's visitation to them too including significant countries like India. Papua New Guinea's membership of the Asia Pacific Economic Community (APEC) has increased the profile of the country too to the big economies of the world.

Papua New Guinea's foreign policy has been extended to South Pacific countries too mainly through moral and financial support either bilaterally or through multilateral co-operations such as the Melanesian Spearhead Group – and of course regional events such as meeting and sporting events. It has extended its overtures by assisting influential countries such as Fiji and the Solomon Islands with finances. Fiji in particular was vilified by many countries and international organizations for staging yet another coup in 2006. Papua New Guinea remained true and faithful to Fiji – financially supported the first democratic election in 2014. The country will host the APEC Summit in 2018 and time will tell how much that event will be a boost to PNG's standing in the region.

Trade and Investment: PNG's Benefits and Challenges

The increased in investment and business activities in PNG is hardly a surprise, and particularly those that originate in Asia. China partners such as China, Japan, Malaysia and South Korea have increased their respective volumes in the area of trade. Erstwhile fringe players like the Indonesia, Philippines and Thailand have noticeably got more involved in recent years. Such bilateral activities are set to grow as PNG increases its trading volume particularly through the exportation of raw commodities.

The visitations of Asian leaders in the recent past is a comfortable sign that their respective countries are willing to engage further with PNG.

Just as much as PNG would welcome opportunities to further strengthen its trade relations with regional countries, there is a great imbalance in terms of benefits and volume of what have been traded. The country continues to export less than what it imports. The same goes for investment opportunities. It has managed thus far to extend streams of investments into the smaller South Pacific countries, but it has been unable to make inroads into the Asian countries. Unless PNG pays specific attention to how it would guide and spread out investments to partnering countries – and supported by good government policies – the status quo could be maintained for some time.

CONCLUDING REMARKS

One of the remarkable things about governance and administration in PNG is that many citizens can and have generated ideas and solutions about the country's challenges, how to overcome them and demarcate the way forward to the country's betterment. There are lessons that can be learned if changes are to be facilitated for the future. It comes down in the end to two things. First, MPs in general and a government must have the political will to exert changes. A Parliament that thinks in one accord and places national interests first can facilitate change as a ramification and set the stage of changes that would be deemed necessary.

The MPs however would be unwilling to make changes if they fear that their own interests would be at stake. These could be their own private interests or their political survival. For the latter, the voters are fundamental influential. So the second issue is to find a level playing field where the interests of both the MPs and the voting public can be guided. But the bottom line is that we as a country must know where we have been for the last 40 years and where we would like to be over the next 40 years.

Most Papua New Guineans and the leaders are not ignorant about why we endure the predicaments that we face today. In the final analysis, it comes down to whether or not we are collectively willing to allow what common sense should have intuitively informed us as the right or correct steps to take. That is the unfortunate reality and it amounts to what can be called the elusive quest for PNG!

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PNG AT 40 SYMPOSIUM

LEARNING FROM THE PAST AND ENGAGING WITH THE FUTURE

Session 1.2 Good governance is crucial to building the nation-state

Joseph Ketan[8]

Merging traditional Melanesian and modern Western forms of governance in Papua New Guinea

Introduction

Papua New Guineans have no cultural traditions on public sector management. They have no history of formal government. Their small societies were governed by the principles of kinship, exchange and prestige institutions. Membership of local groups (tribes, clans, lineages) was based on descent, marriage and participation in community affairs. Children were raised in extended families and their education, with an emphasis on generalist, rather than specialist, skills, was ensured through the process of socialization. Leadership status was mainly acquired, rather than inherited, often through excellence in competitive bouts of ceremonial exchange of wealth. Public order was regulated through the communal enforcement of moral codes. Communal oversight ensured the protection of children from abuse and communal discipline prevented delinquency.

All government systems and state institutions, along with the ideas intended to make these systems function effectively, are alien to people in Melanesia. Today the PNG nation-state functions in a dysfunctional manner and does not conform to Max Weber's ideal type model because many of our politicians and bureaucrats are still learning how to manage public institutions independently of personal benefit and kinship loyalties. The legislature has been marginalized by a strong executive that behaves almost like a dictator, in that there is no ongoing scrutiny and accountability, only occasional reviews in cases brought to the judiciary. Our coalition governments spend a great deal of time and resources on keeping backbenchers happy, with little time for discussing important policy

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issues or passing important bills. The public service is under-utilized and incapable of delivering services evenly across the country. If its members were used effectively they would be busy, not time-serving. The public service is not much bigger than it was in 1975, but the population has tripled in 40 years.

Foreign ideas on political governance, including democracy and the principles of good governance, have not taken root in Melanesia. Entrenched local political culture often frustrates reformers by persistently undermining state institutions, impeding policy implementation, and by facilitating the pillage of state resources. The idea of representative democracy – the delegation of powers by the people to parliamentarians through the ballot box – does not work well in Melanesia because of electoral fraud and the distorting influence of money in electoral politics. Thugs and some criminals have forced their way into parliament. MPs appoint political cronies to executive positions in government departments, statutory organizations and state owned enterprises. Corrupt public servants have awarded jobs and business contracts along nepotistic patronage lines. Some heads of public sector institutions have colluded with politicians to rob the state of billions of kina.[9] Constituency or electoral development funds, theoretically K10 million per district per annum under the current label District Services Improvement Program (DSIP) and more recently K5m District Support Grants, have been consistently used by parliamentarians in pork-barrel politics, thus raising concerns among civil society organizations and observers that these funds provide a vehicle for corruption and ought to be taken away from politicians.[10]

This sorry state of affairs has resulted in poor service delivery, demonstrated by collapsing infrastructure and declining social indicators. There is clearly a need to fix the system, to resolve at least the most glaring governance issues associated with corruption and unaccountable leadership. We need to learn from the past 40 years of experimentation in managing state institutions to lay the foundations for the next 40 years.

In this context, it is pleasing to see that one of the most consistently performing think tanks in PNG, the Institute of National Affairs, has taken the initiative in organising an important forum at an appropriate time to take stock of our successes and failures in order to plot an appropriate path for future development of the nation-state. I am most grateful for the opportunity to make a small contribution towards this noble mission. My paper is based on my personal experience (having travelled extensively throughout rural PNG on numerous research trips), from observing electoral politics over 25 years, and on ideas gleaned from the social science literature.

Good governance and democracy have not worked well in developing countries mainly because the people peddling these ideas have ignored the detailed analysis of political and leadership systems in the anthropological literature. A long history of tyrannical rule by despots in precolonial Africa and in

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9. The Chairman of Task Force Sweep, Sam Koim, a fearless anticorruption campaigner, has stated on Australian TV that around one-third of the national budget is stolen each year. The Australian Federal Police inadvertently admitted on camera that K200 million of stolen money is deposited by PNG thieves into Australian banks each year.

10. In a 2007 Policy Paper published by the Centre for Democratic Institutions, at the Australian National University, I examined the arguments for and against electoral development funds, documenting the history and contexts of EDF disbursement, and provided details on parliamentarians charged for misappropriation of public funds and for other forms of misconduct in office under the Leadership Code (Ketan 2007).

some parts of the Pacific and its impact on contemporary societies seems to have been underestimated, perhaps in the haste to graft new institutions onto old societies.

This paper seeks to highlight some governance practices from our Pacific heritage, with a view to finding an appropriate model of governance for PNG and other states in Melanesia and the Pacific region. In keeping with the theme of the symposium, a simple logical approach is employed here – going back to the past to seek solutions for the future. This approach involves the scrutiny of Western political philosophy and Melanesian ethnographies to contextualize discussions on politics and governance in Papua New Guinea.

What can we learn from the history of political thought to make sense of contemporary challenges in Melanesia in order to build a viable nation-state?

What is democracy? The word democracy is derived from two Greek words – *demos* ('the people') and *kratos* ('to rule') – and it simply means 'rule by the people'.[11]

What do we mean by good governance? In practical terms, good governance involves the exercise of political power by authorized people in accordance with rules and regulations to ensure that public resources are used in a transparent, accountable, equitable and sustainable manner. The aim of good governance in public institutions is to remove the traditional barriers to development by cutting down on excessive administration cost; by weeding out corruption; by increasing efficiency; by encouraging greater levels of participation in decision-making; and by getting people to comply with the laws of the country. The principles of good governance are examined in the next section of this paper.

What is good governance?

Governance is now widely accepted as the process of decision-making and the process by which decisions are implemented. It is the way in which legitimate power is exercised – by those who claim the right to rule; by those who hold rights over resources; and by those who have been authorized to enforce law and justice. So, in our style of government system, it should be parliamentarians and cabinet ministers who design policies and patterns of government expenditure; the heads of government departments and statutory organizations, provincial administrators and district administrators, and CEOs of State-Owned Enterprises who actually control expenditure, monitored by the Auditor-General and NEFC; and the police, magistrates and judges who enforce compliance with law.

The contemporary focus on governance is commonly associated with the World Bank, following its reporting of a crisis of governance in sub-Saharan Africa in 1989. Good governance is a term used by international development agencies to describe how public institutions conduct their business, especially in terms of resource management. When confronted with endemic political corruption in Sub-Saharan Africa in the 1990s, the World Bank's charter prevented its officials from criticizing

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[11] . Although the origins of democracy goes back to ancient Greece (with both Plato and Aristotle talking about it), democracy became a dominant form of government in the 1800s and did not come into full majority until the 20th century, when universal voting rights for all citizens, regardless of race, gender or income became the norm (Taylor 2012:14).

African leaders as corrupt politicians so they resorted to this vague term – 'crisis of governance' – to describe the level of corruption there. The international development literature started using the buzz word, 'governance' when referring to levels of transparency and accountability in public office, and later including a wide range of concepts in an attempt to define the term. This was a way of talking about politics without using the word in relation to states which proclaim their sovereignty.

In its 2001 country report on PNG, the United Nations Country Team identified "transparency, accountability, participation, consensus, equity, efficiency, the rule of law, responsiveness and strategic vision" as principles of good governance (UNCT 2001). All the things we would like to have!

The United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP) identified eight characteristics of good governance: "It is participatory, consensus oriented, accountable, transparent, responsive, effective and efficient, equitable and inclusive and follows the rule of law. It assures that corruption is minimized, the views of minorities are taken into account and that the voices of the most vulnerable in society are heard in decision-making. It is also responsive to the present and future needs of society".[12]

Let me now shock you. It is all very well to list down all the principles of good governance, but in practice, no country has been able to exhibit good governance in practice, except most probably in traditional Melanesian and Pacific societies. How is that so?

Melanesian governance principles, practices, institutions and leadership

Contemporary Melanesian societies still retain the open, egalitarian, communal character of their precolonial prototypes. The rigid hierarchical structures of stratified societies (such as feudal Europe, the caste system of India, social classes in the US) are conspicuously absent here. The open nature of the social system gives everyone an equal opportunity to move up in society, although men clearly have advantage over women. Men of forceful personality, with oratorical and entrepreneurial skills, tend to do better than others in achieving leadership status in traditional Melanesian societies, while those with lots of money and guns can force their way into parliament nowadays.

The relatively small size of the rural communities, around 500 persons per local level government ward, with clusters of hamlets containing primary kin-groups (clans, sub-clans, lineages), makes it very difficult to hide anything. This makes it easy to regulate behavior, educate children, promote ethnical conduct, weed out criminal elements, and to share land and other resources in an equitable manner. However, with rapid population growth, access to western education, the economy and jobs, and changes in lifestyle make it difficult to share resources equitably. In other words, the processes of globalization have had a deleterious effect on transparency and accountability in contemporary Melanesian affairs. PNG has a mixed capitalist and state owned economy. Access to wealth and state resources, financial systems, technology, and migration and social mobility have made traditional life unsustainable.

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[12]   UNESCAP: Mr. Yap Kioe Sheng Chief, Poverty Reduction Section
http://www.unescap.org/sites/default/files/good-governance.pdf

Appearances, however, can be deceptive. Papua New Guineans may speak fluent English, wrap themselves in Western garments, drive cars, and conduct themselves like other denizens of the modern world, but they are essentially tribal creatures. They inhabit two publics or moral worlds. [13] This is precisely why PNG politicians and bureaucrats have experienced considerable difficulty in separating personal from public interest. The PNG state, therefore, does not conform to Marx Weber's ideal-type legal-rational model. In spite of this, I believe that PNG leaders as well as citizens are more accountable in their dealings with fellow clansmen in local transactions than they are in public institutions.

It is important to note that the revolutionary changes that we have experienced in this country have all occurred within a few life times. We have made the transition from stone age to space age in less than 100 years. Our cultural values and practices, though dented by Western influence, remain mainly intact. This provides us with the unique opportunity to seek ways to improve governance, by drawing from Melanesian governance practices and Christian principles, to create an appropriate model for the next 40 years.

I shall now examine some Melanesian governance principles, practices, institutions and leadership styles that I think demonstrate the most transparent, accountable, democratic and sustainable form of good governance model.

In political terms, participation and consensus were important features of clan and village decision-making processes. Decisions on important community issues were not taken lightly; indeed, all angles were covered, all arguments for and against were exhausted, and the final decision was reached, not based on a simple majority (51%), not even an absolute majority (75%), but had to carry an overwhelming majority (90+%). Voices of dissent were never swept under the rug. In fact, the merits of diverging standpoints were thoroughly argued, often with fiery exchanges, till a consensus was reached. The forum for such debates, usually at ceremonial grounds or village squares, was the key to meaningful and wider participation of all stakeholders. Contrast this with a modern house of representatives, or in our case, a parliament of 111 members, and you will appreciate how truly democratic Melanesian societies were (and still are) compared with the Westminster system. [14]

In economic transactions, transparency, accountability and equity were the principles that governed wealth distribution in ceremonial exchanges, food sharing, and in pig ceremonials (where thousands of pigs were butchered, roasted in earth ovens, and the pork given away to exchange partners and other guests). Without getting bogged down with the altruistic behavior of community leaders, the items of exchange made it difficult for leaders to hide wealth from their followers. There were

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[13] . A Nigerian scholar, Peter Ekeh, once said that the educated African person belongs to two publics – one moral and the other amoral – so he is admired for robbing the state (which is amoral) to feed his primordial group (which is moral). So what makes the state amoral and the primordial community moral? How can we apply moral codes of behavior in public office? How can we make leaders more accountable in government? I provide some answers to these questions in the concluding section of this paper.

[14] . Under the Westminster system the unrestrained power of executive government, between elections, is described in the political science literature as the dictatorship of the majority government. Unlike the President of the USA whose powers are checked by congressional committees, a prime minster under the Westminster system rarely suffers defeat in the legislature (though PM David Cameron first was denied authority to bomb Daesh or ISIS in Syria.)

neither banks to stash away money for private use, nor private vaults to store gold, diamonds, or masterpiece paintings for safe-keeping. Melanesians had none of these wealth items. Instead, their wealth items were pigs, shells, stone axes, plumage of rare birds of paradise, tree oil in long bamboo pipes, bags of salt, and other scarce valued resources. Imagine how difficult it would be to carry around any of these items in your pocket. Could you carry a pig in your wallet? Of course, you could not do that. In close knit communal settings, it would also be difficult to hide a pig herd from your neighbours. Or would you carry a kina shell in your back pocket? Of course they did not have pockets but *bilums* to hide wealth like we now do with cash in our wallets and pockets.

In the area of resource management, Melanesians, along with other people of the Pacific, may well have been ahead of the rest of the world in their conservation practices, sustainable use of natural resources, and in the domestication of plant species. Melanesians do not consider themselves masters of their universe. Rather, they have always seen themselves as part of the environment, thereby operating in symbiotic relationship with other creatures of the ecosystem.[15] Sacred sites, including old burial grounds, tribal origin places and water sources, are protected through proscriptions of taboo, on pain of illness and death.

In fact, survival in these islands depended on good governance practices. For food, they took from the forests and the seas only what was required for their sustenance, thereby conserving stocks for future generations. Likewise, for construction material, they took saplings for rafters and softwood for building canoes, while revering giant trees. Thus, fitting into the environment was far more important than drastically altering it. So, in as much as their lifestyles were shaped by the environment, they too shaped the environment, gradually and incrementally, through gardening around and beyond the homesteads.

Acquiring values, codes of conduct, life skills, and leadership skills through the process of socialization.[16] This in a way is what the modern state should be helping everyone to get, plus reading, writing and arithmetic to deal with modern world.

Are traditional leadership skills still relevant in modern governance? Writing for the Australian National University, I noted that:

> In Melanesia, it is the classic PNG highlands big-man model that could capture all the important features of good governance. Big-man status was competitively acquired by excelling in ceremonial exchange, maintained by judiciously investing in social relations, and lost by neglecting exchange partners and followers. Note that nowadays parliamentary seats can be won, held, and lost in this way. At the clan level, big-men exercise great care in their transactions, because their leadership status demands transparency and

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[15] . In the classic cultural ecological study on the Maring of the Jimi, American anthropologist Roy Rappaport examined the *kaiko* ritual festivals role in regulating symbiotic relationship between human population, the size of pig herds and natural resources (Rappaport 1968). A well-managed climax to the pig cycle, deliberately timed by buying in pigs so the whole herd is at maximum size, to time with maximum food – and then to distribute it almost all at once!

[16] . Life skills were acquired through a communal-based education system, with emphasis on generalist, rather than specialist, skills, thereby enabling men to build their own houses, make tools, build canoes, clear the land for gardens, build fences and dug ditches around homes and gardens, break fire wood, and plant male crops (bananas and sugarcane); and women to raise children, make net-bags, plant female crops (tubers and vegetables) and harvest food from the gardens.

accountability. It is instructive to look at how wealth is distributed by big-men. So today's successful big-men need to exercise considerable foresight, fairness, and integrity in their dealings with their followers.[17] If they don't do this, they can lose support even of their own clan and if an MP fall in the next election.[18]

What kind of 'governance' systems we have in place today?

What are the systems and institutions we have established in the last 40 years? What are their pros and cons? What has worked and what hasn't? Why? Have they at all drawn from the Pacific heritage? What have they missed? What have been the implications for society in PNG today?

The political and the legal systems that we have in place today were mainly derived from Western systems of government. All state institutions in Papua New Guinea were transferred from Australia and superimposed onto existing traditional system starting 52 years ago with the first House of assembly.

The new state of Papua New Guinea was formed by bringing together many thousands of politically autonomous groups, speaking over 800 languages, and living in small isolated communities on mountain slopes, valleys, marshlands, islands and even atolls. At constitutional independence in 1975, an overwhelming majority of Papua New Guineans had not realised the significance of becoming citizens of a new nation-state. It probably had not dawned on them that, by incorporation of their ethnic groups with their tribal territories into a single sovereign entity, the citizens had theoretically relinquished their rights to defend themselves, their children and their property against tribal enemies, criminals, and other threats. Responsibilities, rights and obligations under the new social contract between state and citizens were never explained to rural people in appropriate language and therefore not fully understood by most Papua New Guineans.[19] Why should citizens pay taxes to a state that fails to deliver services? Why should citizens obey the laws of the state when that very law does not protect them? Why should citizens cooperate with state agencies when they are regularly subjected to gestapo-style police brutality? Why should citizens respect corrupt government officials? Clearly, the nation-state of PNG has yet to overcome what modernization theorists call the various crises of identity, legitimacy, participation, penetration and compliance.[20] These abstract words describe the processes of engagement with the political processes that are

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[17] . Elsewhere, I have drawn from the PNG literature to compare big-men with chiefs and other types of leadership, with reference to their sphere of influence (Ketan 2004). I found the work of Andrew Strathern, Bill Standish, Ron May, Nicole Haley and Phil Gibbs particularly useful in this kind of analysis. Special insights on PNG politics and leadership can be found in publications by David Kavanamur, Henry Okole, Alphonse Gelu, Orovu Sepoe and Anne Dickson-Waiko. In a recent SSGM publication, I have compared modern politicians with their traditional counterparts, in governance terms (Ketan 2013a).

[18] . (Footnote: Adapted from: SSGM DP 2013)

[19] . The English philosopher, John Locke's work has had a profound impact on modern political thinking. In the second treatise of his *Two Treatises of Government*, first published in 1689, Locke "argued the case for benign governance based on the concept of 'social contract' – in exchange for relinquishing certain rights to the state, men can expect to be protected, governed fairly and be allowed to pursue their natural rights of 'life, liberty, health and property'. It was a political theory that was to lead to classical liberalism and which later was to resonate so powerfully in the *Declaration of Independence*" (Taylor 2012:67).

[20] . Refer to modernization theory and explain the crises of identity, legitimacy, participation, penetration and compliance in PNG context.

essential for an effective democracy, and all of these crises are linked to the issue of good governance.

Sadly, the state of PNG has not upheld its end of the bargain. The state has failed to protect its citizens, to provide opportunities for people to freely wheel and deal and enrich themselves, to provide services, to enforce laws evenly across the country. It is incapable of protecting its borders from foreign invasion and from transnational criminals. Smugglers and poachers regularly steal resources from PNG, with impunity. Transnational corporations, particularly mining and logging companies, have caused irreparable damage to the environment potential farming land because the PNG state has allowed them to operate here without meeting the environmental protection conditions usually applied in countries like Australia and Europe.

The PNG nation-state has failed to meet its legal and moral obligations, under its social contract with its citizens, mainly because key public sector institutions (parliament, cabinet, the public service and political parties) do not function effectively.

- The national parliament in PNG operates mainly as a rubber stamp for a strong executive, with government backbenchers controlled through the allocation of district development grants, under the District Services Improvement Program (DSIP) and sectoral programs for health, education, transport infrastructure, rural water supply, and so forth. The parliamentary committees rarely meet and are very ineffective in legislative matters. Parliamentarians spend much time and energy on 'bringing home the bacon' rather than representing the interests of the people in parliament.

- The executive (the prime minister and his cabinet) invest considerable time and resources on keeping government numbers intact in parliament, rather than attending to the business of running the country.

- The public service consumes a large chunk of the budget on its own administration, rather than delivering services to the people (as indicated in NEFC reports on provincial governments).

- Political parties operate more like political factions at the national level, with weak support at the grassroots level, and are difficult to distinguish ideologically.

The electoral system and its selection and legitimizing processes are also to be blamed for the state weakness. Under the first past the post system (from 1972 to 2002), winning candidates scored as low as seven percent of the popular vote, so parliamentarians naturally funded projects in their stronghold, to the exclusion of the wider electorate. Elections conducted under this 'winner-takes-all' system were marred by widespread fraud and violence, so the government introduced the limited preferential voting (LPV) system countrywide n 2007, after first using it in several by-elections between 2003 and 2006.[21]

Reports compiled by election observers on the 2007 and 2012 elections indicate that the benefits of the LPV system are inconclusive. Proponents of the LPV system had argued that candidates would require electorate-wide support to gain 50% plus one vote to win, so they would form alliances with

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[21] . Discuss the main findings of the by-elections under the LPV system (Abau, Anglimp-South Wahgi, Chimbu Regional, Moresby North East, Yangorou-Saussia).

other candidates to exchange second and third preferences, which would result in accommodative campaigning, a reduction in electoral misbehaviour, and perhaps increase the number of winning female candidates. Unfortunately, the results were disappointing. The winners' average percentages of preferences did increase by about 10 per cent, However, after votes for minor candidates had been excluded from the count the winners' majorities averaged only about 35 per cent of the initial total vote. Electoral fraud and violence increased, with candidates still concentrating their campaigns in their respective strongholds, while only three women won in the 2012 elections.[22]

Our modern political system is supposed to operate on the basis of demand and response principle. Citizens organize themselves into interest groups to compete for resources from the state. Parliamentarians, who are supposed to represent the interests of the people, are required to be accountable to the people. In our case, this principle of popular demand and response has atrophied, with local groups, rather than political parties, competing for state resources directly from the parliamentarians. The control of electoral development funds (DSIP and DSG) by open MPs, through the Joint District Planning and Budget Priorities Committees, and by Governors, through the Joint Provincial Planning and Budget Priorities Committees, has led to the entrenchment of patron-client relations, linking politicians at the national level to the provinces and right down to the ward levels. Although the JDPBPCs have now been replaced with District Development Authorities, the patron-client network will be even harder to dismantle.[23]

Is there place for *greater integration* of Pacific and Western models of Governance?

What forms of governance would be possible and appropriate for PNG? What are the constraints to such integration? What would be the benefits?

Assuming that we all want more transparent and accountable forms of leadership, the areas that require greater levels of integration of Pacific and Western models of government would include the ways in which leaders are selected (elected or appointed), their roles and responsibilities, the manner in development goals are prioritized, and how resources are allocated.

- Membership of cabinet and parliament need not necessarily be restricted to elected representatives. The current electoral system rewards those with more money, those who can organize to manipulate the electoral rolls by 'stacking' them with ghost names, those who control polling booths, those who bribe electoral officers, and those who control security personnel (police and military officers) at booths and counting centres. The most principled, highly educated, and widely respected people, including professionals and established community leaders, rarely get elected to parliament. It means that not only the best and brightest, but also proven

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[22] . A nation-wide study coordinated by the SSGM Program at ANU concluded that the 2012 election was worse than the 2007 election (Haley and Zubrinich). A *post mortem* conducted by the PNG Electoral Commission concurred with Nicole Haley and Kerry Zubriniche's findings (Ketan 2013b). The 2012 election could have been failed on grounds of widespread electoral fraud, had PNG not come out of a major Constitutional crisis in 2011-12. The Electoral Commissioner later sent out a strong message to the electorate by failing the 2013 Local Level Government election in several Highlands LLGs because of widespread fraud.

[23] . The German sociologist and influential political economist Max Weber coined the term patrimonialism to describe the blurring of the lines between public and personal interest, whereby state resources flow downward and political support upward, through patron-client relationship. This extreme form of 'clientelism' becomes a reality when those who rule continue expanding their power until their interests and those of the state are one and the same (Weeks 2012:46).

leaders, are not often elected to parliament and hence the cabinet. Rules governing access to parliament and cabinet should be relaxed to enrich the legislature and the executive with leaders of exceptionally high integrity, knowledge of government, and a good appreciation of local conditions.

- The most accountable leaders are those who reside locally with the people. To gain the trust and respect of the people, and to appreciate the hardship faced by local people, parliamentarians need to build houses in their respective villages, and operate regularly out of their district offices, except during parliamentary sessions. This will break down barriers between people and government and help destroy the current cargo cult mentally associated with MPs. The ridiculous spectacle of paid *singsing* groups welcoming parliamentarians at airports and convoys of vehicles escorting them into town will be a thing of the past if MPs live with the people.

- Parliamentarians and their personal staff are not project managers so they should not be planning and implementing projects. The increasing number of MPs referred by Ombudsman Commission under the Leadership Code for misappropriation of public funds shows that MPs are, at best, poor fund managers and, at worst, susceptible to corruption, and therefore should not be handling electoral development funds. The managing of public funds should be left to professional fund managers to ensure greater levels of accountability and transparency. The disbursement and acquittal of district and provincial development funds should be subject to regular audits. And the Department of Implementation and Rural Development should either send its own officers or engage qualified people to visit districts to verify and report on completed DSIP-funded projects, as part of an impact assessment program.

- There has got to be a better way of prioritizing development goals. Under the previous system, the Joint District Planning and Budget Priorities Committees were controlled by the open MPs, who appointed their friends to these committees. District Service Improvement Program funds were disbursed along partisan lines, to reward supporters and voters, to strengthen local alliances, and to create patron-client networks. Contracts for road maintenance, building classrooms, rural electrification, vehicle hire, and for other minor projects were regularly awarded to business partners, clearly with the aim of feathering a retirement nest for the MPs. The establishment of the District Development Authorities may ensure greater levels of transparency and accountability in the disbursement of DSIP funds, though it would be difficult to meet the electoral demand for development and services with K10 million. So MPs are likely to opt for the easiest way out by continuing with resource allocation along nepotistic patronage lines. A more transparent, accountable and equitable way would be to let the communities decide (at the ceremonial ground or the village square) on what their basic needs are, prioritize their community development goals, justify with population figures, and send their simple plans to the DDAs for integrating with district plans and in turn aligning them with provincial and national plans and visions. Continued funding should be subject

to availability of funds and based on successful implementation and completion reports, along with inspection and verification reports.

Conclusion

Our immediate past – the last 100 years – has been an era of dramatic change, from traditional to modern societies, as we have been swept up by the powerful currents of globalization. In the area of government, it has been a period of continuous borrowing and experimentation with state institutions, political and legal systems, and public policies. Some ideas like democracy and village courts have worked, albeit irrationally, while others like decentralization and service delivery have not worked as well as previously anticipated. The failures, it has been argued in this paper, can be attributed to lack of a solid foundation (no legs to stand on).

The last 40 years have been a period of rapid economic growth, progressively matched by declining social indicators, coupled with escalating levels of crime, corruption, and social instability. The reason for this colossal failure lies in the conflict between value systems and the domination of Melanesian cultural practices over key public sector institutions (parliament, cabinet, public service).

In our endless pursuit of material wealth, have we lost a significant part of our humanity? What forms of accountable and transparent leadership can be found in Pacific societies? What kind of sustainable resource management practices that we can learn from Pacific societies? What kind of governance principles and practices work in the Pacific? Can we draw any lessons from traditional PNG societies with which to build a nation-state?[24] In view of conflicting identities and loyalties between state and society, is the nation-state viable? What role can a synthesis of Pacific and Western governance models play in the consolidation of state institutions (especially the national parliament and the public service)? This symposium will hopefully draw from the experiences of the last 10,000 years to show why we have failed in the last 40, and will, moreover, offer useful suggestions for making the business of governance (and government) work in the next 40 years so that scarce state resources can be used much more effectively in development and service delivery.

Some points for discussion by the Symposium

- Structure of government – it is time to think radically and take definite steps to strengthen all state institutions, equip them with sufficient manpower and resources, preferably by anchoring not only the actual annual appropriations, but by indicating definite timeframe, in law. Consider the possibility of reducing gender and ethnic disparities in public sector institutions. Furthermore, consider enriching

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[24] . Most people call it a 'nation-state', but the nation doesn't match the state, and nor is it united in one culture. Aboriginal people in Australia call themselves many nations, and in Europe the big old tribes were called nations. Personally I prefer calling it a state, incorporating all organs from village Aid Post Orderlies up to police and right up to departmental heads, Ministers and judges, and at a particular time talk about the government.

parliament and cabinet with representatives from professional groups, academia, media, and the chamber of commerce.

- If, however, we choose not to tinker with the Westminster system, then it is absolutely necessary to make elections free, fair and safe, without qualifications. Admittedly, electoral fraud is widespread, so it is now time to consider a regional approach to electoral administration, with either a Pacific Regional Electoral Commission (along with a regional court of appeal and central bank for smaller countries in Polynesia and Micronesia), or inviting

- Professionalizing the public service and making it more independent

- More transparent and accountable economic and fiscal management

- Role of a free media

- Protecting independence of the judiciary

- Encouraging other tools of GG such as the Ombudsman and civil society organizations e.g. TI, INA, etc

PNG AT 40 SYMPOSIUM

LEARNING FROM THE PAST AND ENGAGING WITH THE FUTURE

Session 1.3 Effective and Accessible Legal and Institutional Processes are Essential

Sam Koim

Some regret that Papua New Guinea (PNG) gained independence too early. There is a view that the preparations were started too late[25]. Australia assisted with the preparatory work, particularly legal and institutional arrangements to devolve power but did not prepare PNG's leaders to lead their own country. Leadership succession is the key to sustainable growth and reduces the risks of failure. We are reminded of an ancient Chinese proverb that says *"A person who does not worry about the future will shortly have worries about the present."* PNG's present is a reflection of the leadership preparation 40 years ago.

True leadership is measured by the number of leaders one produces, not by the number of followers behind the leader/s. A true leader knows when to hand-over the reigns and once he has done so, renders his continued presence unnecessary. In his absence, the organization does not collapse, but progresses to the next level with the new leadership. So if you see a leader still hanging around, you know that he hasn't done a good job.

Forty years ago, our simple founding fathers did not envision a super state with mega institutional structures, rapid growth in GDP, fat budgets, monstrous state-owned enterprises, a number of national billionaires, etc. Their vision was a simple one —a just and fair society[26]. That is the putatively ideal society they contemplated and to reach that, they have embodied in the Constitution only five (5) Goals and its attendant Directive principles that would provide a yardstick against which government performances can be judged.

Forty years on, how far are we from achieving this ideal society that our forefathers dreamed of? This paper restricts itself to addressing the topical question of how 'effective and accessible legal and institutional processes are essential' in achieving the ideal society. This topic essentially

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[25]   (Dorney, Sean "*The Embarrassed Colonialist* –A Lowy Institute Paper" Penguin Special [Kindle Edition], Australia, 2016.
[26]   PNG Constitutional Planning Committee Report 1974, -Chapter 2

bespeaks the attributes of governance. The paper will briefly highlight the purpose of law, the current governance framework, the effectiveness of existing governance framework, and the way forward hereon.

Purpose of Law

For an evolving society with diverse cultures and traditions, law is one of the most important sources of the principles by which the country can operate civilly. Laws provide certainty in regulating human behaviour. As a modern nation state, we have adopted laws, with the Constitution as the touchstone for the legality of all other laws including traditional laws. The Constitution is the highest legal norm within the hierarchy of norms.

One of the onerous, if not impossible, tasks for any society is achieving an all-encompassing codification of values, ethics and even morality. Laws provide a minimum standard of behaviour. Beyond and above the minimum standard are morals and values that are not always codified. That is why in situations where a conduct is unethical but not illegal, an aggrieved party may not have recourse to a legal remedy. Individuals and organisations can act legally and still be acting unethically. And in some cases in PNG –they just don't care. This is one problem we regularly encounter with leaders, ably assisted by lawyers. They stretch the law too thinly with the alleged pretext of protecting legal rights when ethics and morality patently cry out for accountability. The CPC contemplated such a deviation from moral decency hence specifically provisioned the Leadership Code to be morally binding on leaders[27].

The processes of law need to mediate and explain change in social conditions. A pertinent example is the change in same sex marriage laws around the world. This is not a case where, for instance the Supreme Court of America[28] suddenly switched on a light bulb, but is one that reflects the accommodation of social change[29]. The type and amount of laws can also reflect the societal mischiefs. A Roman Historian, Publius Tacitus once said *"The more corrupt the state, the more numerous the laws."*

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[27]   The PNG Constitutional Planning Committee Report 1974 Chapter 3, states *"We intend the Leadership Code to be more than mere directives. It should be morally and legally binding on "leaders" and firmly enforced".*

[28]   *Obergefell v. Hodges*, <u>576 U.S.   </u> (2015),

[29]   See United States Supreme Court case in *Brown v Board of Education* (1954) 347 US 483 and commentary by Richard Posner in the *Problem of Jurisprudence* (1990), p 307.

Countries like United Kingdom where most of our laws originated do not have a written constitution. The sum of Acts, conventions and principles of common law make up the body politic of the United Kingdom.

The Limits of Power -PNG's Governance Framework

The National Goals and Directive Principles (NGDPs) encapsulate the primacy of public interest. Hence it is the duty of all governmental bodies to apply and give effect to them as far as lies within their respective powers[30].

The PNG Constitution is the cornerstone of our country's governance system. It explicitly emphasises that the people are the ultimate source of governmental power that is vested in the Legislature, the Executive and the Judiciary. By way of social contract, the masses surrendered some of their rights to the government. In return they expect the remaining rights to be protected by the Government. As such, the primacy of public interest should dictate all governmental decisions. For instance, when legislating to deprive or qualify the rights of the citizens, the Legislature is obliged to take account of the public interest[31].

The general framework of the PNG Constitution adheres to a set of fundamental principles and provides for well-functioning governance mechanisms that can effectively prevent corruption. The Constitution reflects the supremacy of the rule of law, the separation of powers, independence of the judiciary, fiscal discipline, and other oversight and watchdog institutions as well as freedom of expression and association. Furthermore, our laws provide specific provisions for good governance and anti-corruption provisions.

PNG has a tripartite system of government comprised of Legislature, Executive and Judiciary. In principle, the respective powers and functions of the three arms of government are consciously kept separate from each other[32]. Such a separation is essential for the provision of check and balance against each other's exercise of authority. Judiciary's independence is further fortified by the Constitution[33] so that all arbitrary and illegal decisions of Parliament and the Executive governments can be independently scrutinised[34].

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[30]   Section 25 (2)&(3) of PNG Constitution
[31]   See s 38(1) of PNG Constitution
[32]   S 99(3) of PNG Constitution.
[33]   See s 157 of Constitution
[34]   S 155 and 18 and 19 of PNG Constitution respectively.

In the spirit of the separation of powers and good governance, the Constitution also establishes independent watchdog and oversight bodies such as Electoral Commission, Ombudsman Commission, Police, Public Prosecutor, Auditor General, Judicial and Legal Services Commission, Permanent Parliamentary Committees etc.

The Boiled Frog –the State of our Governance

Despite the best governance structures we have adopted, for most of PNG's 40 years of nationhood we have been experimenting with our constitutional democracy. Our Constitution has been amended 40 times in our 40-year period, the first being in 1977 to create Provincial Governments and the last being the creation of Independent Commission Against Corruption (ICAC).

Compare this to the United States of America. It is a 240 years old democracy yet its Constitution was amended only 27 times. Australia is 114 years old with just 8 successful amendments to its federal constitution. To cater for an evolving society, Constitutions of countries are amended, but sparingly, and not for momentary political expediency.

What is of most concern is the weakening of good governance mechanisms. Good governance is the panacea to corruption. Governments are run effectively and efficiently on the strength of the good governance frameworks. The growing tendency of politicians and public servants to avoid and circumvent accountability measures has had a corrosive effect on the governance institutions to such an extent that they are no longer effective in delivering their core functions.

Humans have the propensity to observe and reflect on the consequences of the decisions and actions of others. Those observed behaviours in turn yield significant influence over our own personal morality[35]. When others, especially those who are in leadership positions, engage in improper conduct with impunity, go unpunished for their wrongdoings and receive disproportionate penalties when caught, the motivation to engage in improper conduct rises. When governmental authority is used to silence legitimate dissents, brutally reprise whistle-blowers, gradually convert watchdog institutions to political lap-dogs, and political stooges are positioned as substitutes for

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[35]   Shu. L, Gino. F and Bazerman. M "Ethical Discrepancy: Changing Our Attitudes to Resolve Moral Dissonance" Harvard University (2011). Accessed 25th February 2016 from:
https://static1.squarespace.com/static/55dcde36e4b0df55a96ab220/t/55e5e6b7e4b011783cb0ffeb/1441130167652/Shu+Gino+Bazerman+chapter.pdf

professionals, we end up with tyranny and anarchy –not democracy. Here, the people fear the government when it is supposed to be the other way around[36].

The 'Boiling frog Syndrome[37]' can metaphorically describe the weakening trajectory of governance in PNG over the last 40 years. A live frog tossed into a pot of hot water will jump out before it cooks. To successfully boil a frog, one must let it sit in a pot of tepid water, place it over heat, and let the temperature rise one degree at a time. The frog will fall asleep bathing in comfortably warm water, and will stay asleep as the water begins to boil, never having the chance to exert the strength to escape its environment. Similarly, a gradual deterioration in governance—when the steps are so incremental that they are undetectable—can lead the country down a precipitous path toward a failed state[38].

Here are some unfortunate examples of interference with and deterioration of existing governance structures -

- Parliament legislates to defeat court proceedings[39],
- Executive becomes too powerful with purse strings,
- Executive Government raises revenue and expends funds without the Parliamentary Approval Process,
- Executive uses its appointment and removal powers to threaten retaliatory actions against the judiciary and other officials in those respective offices,
- Judicial activism encroaches into legislating and executive decision-making process,
- Political patronage captures independent oversight bodies and converts them to political *lapdogs* instead of *watchdogs*,
- When decisions are made in flagrant ignorance of the law.

The destruction to governance structures, however incremental, is not cyclical; hence its effects do not extinguish at the turn of the following cycle. When unabated, the tampering of governance structures can have system-wide consequences that stretch over years or decades and ultimately cripple a nation.

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[36] "When government fears the people, there is liberty. When the people fear the government, there is tyranny." Thomas Jefferson

[37] (Senge, Peter: *"The Fifth Discipline; The Art and Practice of the Learning Organization",* Doubleday, 1994

[38] Gino and Bazerman (2009)

[39] In *re Constitution Section 19(1) - Special reference by Allan Marat; In re Constitution Section 19(1) and 3(a) - Special reference by the National Parliament* [2012] PGSC 20; SC1187 (21 May 2012) per Injia CJ at par 81.

Today, we have good reason to doubt that those in power are running the country. They appear to be merely attending to programs, busy deal-making in the guise of delivering projects and putting out fires (problem fixing) created by system failures. They are not strategically running this country and taking it forward.

We have come to a stage where the major institutions and processes of the state in PNG are routinely dominated and used by corrupt individuals and groups for illicit gains. At times the situation can best be described as mob rule converting our democracy into a 'mobocracy' though dressed with democratic institutions.

One of the factors that contributes to the demise of governance has been political corruption. We have somehow departed from the ideals of politics that pursues sound governance, stresses the interdependence of bureaucracy and politics each with distinct roles and professionalism, complies with independence, and commits to policies that promote the public interest. Instead, political power in PNG is increasingly gravitating towards building unholy alliances, flagrant breaking of laws, eroding governance, suppressing legitimate dissent, and denigrating the interests of the very people who put those politicians there in the first place.

Today, the pernicious effects of corruption are widespread in most of the institutions of government, so much so, that their institutional efficacy is rendered ineffectual. Corruption agents, like termites, have burrowed into and are living off, the government apparatus. The government has to feed these termites as well as the system itself to function; hence most, if not all, government contracts have to be inflated to feed competing interests.

"Who watches the watchmen?[40]"

An axiom by Lord Action "Power tends to corrupt, and absolute power corrupts absolutely[41]" lends colour to this point. The Legislature and Parliamentary Executive are accountable to the people through the regularly held election process, as well as through the Parliament, the Courts, the Ombudsman Commission, the Police and the media. Yet the public has lost its trust in these two arms of government. The judiciary is independent, unelected and indirectly accountable. The

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[40] ***Quis custodiet ipsos custodes?*** is a Latin phrase found in the work of the Roman poet Juvenal from his *Satires* (Satire VI, lines 347–8). It is literally translated as **"Who will guard the guards themselves?"**, though is also known by variant. Accessed 24th February 2016 from: https://en.wikipedia.org/wiki/Quis_custodiet_ipsos_custodes%3F

[41] Lord Acton, in a letter to Mandell Creighton (5 April 1887), published in Historical Essays and Studies (1907). Accessed 24th February 2016 from: https://en.wikiquote.org/wiki/Authority

Judiciary is acclaimed at times as the last bastion of hope. Nevertheless, it is a 'fragile bastion'[42] that requires protection, not only against external influences, but also from being corrupted from within those protected walls.

Former High Court Judge and Governor General of Australia, Sir Ninnian Stephen puts it well:-

> Judicial independence is nourished by, and in the long term only survives in, an atmosphere of general community satisfaction with and confidence in the high quality and total integrity of the judiciary. If that be eroded, community support for judicial independence is likely to decline and the substance of that independence to be placed in jeopardy[43].

Similarly, there are also questions about who is effectively policing those who police us? The Police have wide powers under the Constitution[44] that transcend agency territorial jurisdictions. This is an inordinate amount of power given to some who often only undergo a 6 months basic training.

In order for the public to cooperate with these institutions, the public must trust these institutions to follow the law fairly and address their grievances efficiently. The public will rely on and resort to these institutions if they see that justice is not only done, but mostly importantly, is seen to be done[45]. Such public trust in these institutions in turn augments institutional legitimacy and thus public compliance with the law and commitment to the rule of law.

Non-State Actors/External Watchdogs

Non-State actors such as media, Non-government Organisations (NGOs), Churches, Industrial Unions and Professional Bodies have a very important role in upholding democracy and exposing corruption. Media freedom[46] and freedom of association[47] are guaranteed by the Constitution.

I have observed that in PNG, the conventional media, instead of being the public's eyes and ears has somehow become merely a passive recorder of events. Professional bodies are not effectively enforcing and upholding professional standards to instil discipline in the respective professions. Unions and NGOs have compromised their positions to be stooges and mouth pieces of the selected few rather than of the masses they represent. Churches have got too much to sort it out in terms of their Christian mission to society.

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[42]   N. Stephen, "Judicial Independence –a Fragile Bastion", (1983) 13 MULR 334.

[43]   N. Stephen, "Judicial Independence", Blackburn Lecture, (1989), Australia Law News, 12. See also M.D.Kirby "Judicial Independence in Australia Reaches a Moment of Truth" [1990] UNSWLawJl 10

[44]   Section 197 of PNG Constitution

[45]   Section 59(2) of PNG Constitution

[46]   Section 46 of PNG Constitution

[47]   Section 47 of PNG Constitution

Conclusions

PNG had a terrible start 40 years ago and part of it is blamed on the colonial masters who handed over the reins without a properly executed leadership succession plan. We have therefore had to experiment with our democracy for the last 40 years on our own.

The PNG Constitution and all other subsidiary laws spell out the limits of governmental power. It is the quest for absolute power that has corrupted the putatively ideal society our founding fathers envisioned.

When governance fails, order and civility in the society crumbles. The citizens, who depend on the government to respect their rights pursuant to their social contractual relationship with the government, can resort to other means to secure their rights if the government fails to honour its side of the contract. The volatile events of the Arab Springs, I believe, are a consequence of governance failure –the failure of governments to respect the rights of their citizens, and to provide for transparency, fairness and rule of law. PNG is on a time bomb and is surviving on the ignorance and naive tolerance of our people.

To ameliorate this country out of its current state, I believe we need visionary, decisive and selfless leadership with the unreserved commitment to change; insulate governance institutions from political adulteration but ensuring them accountable; introducing impersonal rules to minimise public discretion and arbitrariness; detect, catch and severely punish wrongdoers; and encourage public participation in the process. These are but few proposals to rescue this country.

PNG AT 40 SYMPOSIUM

LEARNING FROM THE PAST AND ENGAGING WITH THE FUTURE

Session 1.3 Effective and Accessible Legal and Institutional Processes

Josepha Namsu KIRIS

Our system of government is a constitutional democracy. The doctrine of the separation of powers between the three arms of government is fundamental to our system of government.

The three arms of government are the Legislature, the Executive and the Judiciary. This doctrine of separation of powers simply means that one arm of government should not transgress or interfere with the powers and functions of the other. The Constitution of the Independent State of Papua New Guinea established and formalised these three arms of government in our government system.

The Legislative Arm of government is made up of elected persons who make up the Legislative Arm. Such elected persons become members of the Parliament. In Papua New Guinea we have the National Parliament and the Provincial Assemblies. The members of this arm of government are law makers.

The Executive Arm of government is those bodies comprised of a select group of elected national members of the Legislature. These members are Ministers.   The chairman of this cabinet is the Prime Minister. The Provincial Government also has its provincial Cabinet with member holding Provincial Ministerial portfolios. The Chairman of the Provincial Executive is the Governor.

The function of the Executive Arm of Government is to govern.

The Judicial Arm of government is those bodies involved in the interpretation of the law. In Papua New Guinea we have the National and Supreme Courts, the Provincial Court and 'other 'courts. The officials of these courts are judges or magistrates who are appointed.

They make decisions by interpreting and pronouncing the law in the decisions they make in court. Interpretation of the law is the special function of the Supreme Court, where references are filed seeking the opinion of the Supreme Court on an action or a proposed law.

My paper will focus on this 3rd Arm of government, the Judicial Arm.

The Constitutional scheme speaks of a National Justice Administration for Papua New Guinea wherein it encompasses the institutions of justice administration. Such institutions as the Courts, the Police and the Correctional services are part of the National Justice Administration. The Legal Profession (Lawyers) plies their trade within the sphere of the National Justice Administration whether in court as lawyers for clients or as judges and magistrates presiding over cases or doing general advising and giving legal opinions on the law.

What is the National Justice Administration?

The National Justice Administration consists of:

a) the National Judicial System,

b) the Minister for Justice,

c) the Law Officers of Papua New Guinea.

What or who are our government agencies, institutions, or offices that are accommodated in the National Justice Administration?

My brief answer is:

a) National Judicial System means all the Courts from the village Court to the Supreme Court.

b) the Minister means the Minister for Justice who is the political head of the public service bureaucracy under the Justice portfolio. The Department of Justice and Attorney General being the main State Department that ensures that Justice Administration is carried out for the good of PNG and its people. The Department has many offices set up by Statute to help it provide justice administration and legal service to the State.

Now that we have the Office of the Attorney General, the relationship of the Attorney General and the Department Secretary can be a concern for the Administration of Justice without fear or favour.

C) the Law Officers are those holding Constitutional Offices. The Public Solicitor and the Public Prosecutor are law officers of PNG.

I myself find it very complex and hard to know just what institution or office makes up the Law Officers of PNG. All lawyers are officers of the court but that is different from law officers as specifically mentioned in the Constitution making up the National Justice Administration.

NB: Discussion

The National Judicial System covers all the courts in Papua New Guinea. The source of powers of these courts comes from the Constitution where it states that the judicial authority of the people is vested in the National Judicial System. Any judicial actions taken outside of this formal hierarchy or ambit of the National Judicial System are unconstitutional.

The formal courts are described by our Constitution as Superior Courts, Inferior Courts and 'other Courts'.

Superior Courts are the National and Supreme Court of Papua New Guinea.

The Inferior Courts are the Magistrate Courts.

Other Courts are those courts established under their own Acts and includes the quasi-judicial tribunals.

The Constitution also stipulates that an Organic Law or Statute can confer judicial authority to a person or body outside of the National Judicial System. Apart from the Supreme Court and the

National Court there are other courts established by an Act of Parliament and are part of the National Judicial System.

NB: Discussion

Hierarchy of Courts.

Community Courts (Village Courts):

The Community Courts commonly referred to as the Village Courts is established by the Village Courts Act 1976. The jurisdiction of this court is spelled out in the Act suffice it to say that their intended purpose is to keep and maintain peace and harmony within the village and settlement settings. It is the grass roots court.

As concerning customary land, they can mediate and try to reach consensus on disputes over customary land however, they do not have power to make decisions affecting ownership rights and other lesser rights over customary land.

As to gender issues, the Village Court is appointing women magistrates to help gender sensitise the proceedings at this courts level. The Village Court have been found to make decisions contrary to human rights principles. In one such case, a young girl was given as part of a compensation award. Such instances of human rights and natural justice infringements go unchecked in Village Courts.

Magisterial Courts: The magistrate courts are inferior court under the formal constitutional structure of courts in the Judicial System. Magisterial courts have many criminal and civil jurisdictions as well as other jurisdictions. Land Courts is one such court under the Magisterial Courts.

Land Courts:

This court is established under the Land Disputes Settlement Act 1974. This court was recommended by the Commission of Inquiry into Land Matters. The commission noted that customary land and ownership of customary land are controlled and regulated by custom. The formal courts inherited from the Colonial Administration are ill informed about custom. The rules of evidence and the practice and procedures of the formal courts are intimidating to the customary landowners. Historical experiences by the colonial administrators through the Native Land Commission left many landowners dissatisfied resulting in continuous in fighting to date.

Many of the alienated land in Papua New Guinea are still challenged by current generation descendants of landowners. This in my view is an unresolved development issue.

The National Land Commission:

The National Lands Commission is established by the National Land Registration Act 1977. This Act came into being specifically to effect validation of government ownership of land it inherited from the Colonial Administration. It must be remembered that there were previous exercise of land title validation to restore titles to the Register of Titles after documents were lost during the Second World War.

The Commission of Inquiry into Land Matters was of the view that the Governments Title to land required for public purpose should be clarified, the land renamed 'national lands' and registered in a National Land Register.

All former customary landowners were to be compensated with a settlement award. In this forum customary land owners get compensated for land obtained for public purpose. There are still many more customary claims for compensation to be resolved. Many customary land owners don't agree with the amount of the settlement awards. I know of a case, where no amount is settled after land owners refuse the initial award. The claim still unresolved 30 years on.

The Land Titles Commission:

The Land Titles Commission was established by the Land Titles Commission Act 1962. This Commission is a relic of its colonial master's past glory and we still keep this Commission alive.

As from the date of its establishment in 1962 to 1975 when the Land Disputes Settlement Act 1975 came into effect, the Land Titles Commission had exclusive jurisdiction over all disputes involving customary land. See Section 15 "The Commission has, subject to this Ordinance, exclusive jurisdiction to hear and determine all disputes concerning and claims to ownership by native custom of, or the right by native custom to use, any land water or reef, including a dispute as to whether any land is or is not native land and may make all such preliminary inquiries and investigations as it deems necessary for the purpose of hearing and determining the disputes and claims."

Since the passage of the Land Disputes Settlement Act 1975, all disputes concerning ownership and other lesser rights over customary land are moved over to the Land Courts to be the exclusive jurisdiction of the Land Courts. What is still left with the Land Titles Commission under its own Act is the question of "whether any land is or is not native land".

We still have the Land Titles Commission alive with a mixture of jurisdictions given it by other Acts. In summary Applications before the Land Titles Commission come under the following:

1. Applications under Section 7 of the Land Tenure Conversion Act 1963

2. Applications under Section 15 of the Land Titles Commission Act 1962*

3. Declarations under Section 4 of the Land Disputes Settlement Act 1975**

4. Applications under Section 9 of the Land Act 1996***

5. Review Applications under Section 34 of the Land Titles Commission Act 1962****

In listing the various tasks given to the land Titles Commission after its main exclusive jurisdiction of determining ownership of customary land has been removed to the Land Courts in 1975, we have not repealed the Act in total. This caused a lot of confusion within government and the customary landowners and recently the project developers.

I am certain that most educated citizens don't know what role or functions the Land Titles Commission does. With this confusion, no one really is interested in the plight of the people who

are landowners of their customary land wanting to have security of tenure and be partners in development of PNG.

The majority of our people feel a close affinity to their land. The Constitutional framework and scheme of the National Justice Administration has nothing really to offer the customary landowners. The modern State construct and the legal institutions have no real service both legal and administrative. The customary landowners are left to fend for themselves.

The people have security for their survival while customary land is under customary tenure and customary systems work for them.

With modern State enterprise the government has nothing to service the peoples need for land rights protection and advancement into the modern market economy. The modern market economy insists on Security of Title yet there is no legal service within the States Justice Administration to help them.

Discussion:

The following facts must be taken into account:

1. About 97 % of the total land mass of PNG is customary land or un-alienated land.

2. About 80 % of our population are rural based. They live and sustain their livelihood on customary land.

3. In any disputes over ownership over customary land, only the Land Court established under the Land Disputes Settlement Act, has jurisdiction to hear and resolve the disputes.

4. The Village Court has jurisdiction only in keeping peace and harmony within the community but cannot make decisions on ownership.

5. The Superior Courts (National and Supreme Court) have no jurisdiction and powers over issues of ownership rights and interests over customary land (in the first instance).

6. The only involvement by the superior courts would be through their inherent power of review of any exercise of judicial authority.

7. Land ownership rights are a group right. Customary Land is owned by a clan. One is born into a land owning entity. Therefore, land rights are an inherited right under custom.

8. There is matrilineal and patrilineal land rights inheritance system.

9. Customary law is the applicable law over customary land.

10. The clan or the land owning entity is overlooked in preference for the individual person. The clash between legal personalities, the corporate clan or the individual rights of a human person.

The people have lost respect for the Land Courts for many reasons such as delays, appeals, and lack of money to pursue land rights claims further to the higher courts. Self-help defence and enforcement of land rights results in conflicts between warring clans and loss of lives and damage to property ensues. What started off as a dispute as to ownership of customary land ends up being a criminal offence to which the customary landowners become criminals and are subjected to the Criminal Justice System of Papua New Guinea.

The Government itself have lost respect for the Land Disputes Settlement Act and the Land Courts. In many of the major mining and petroleum projects, the Government has opted out of the Land Court and had used other courts to resolve landownership disputes of major project areas. The Hides Gas case, the Gobe Petroleum case, the Ramu Nickel case are some in which the Government has opted out of the Land Courts and placed these disputes in the Land Titles Commission.

Issues of Separation of Powers and independence of the "other courts" will be highlighted. The call for a Single and Separate Land Court in PNG by the Subcommittee on Land Disputes Resolutions and Mechanisms of the National Land Task Force will be revisited.

PNG AT 40 SYMPOSIUM

LEARNING FROM THE PAST AND ENGAGING WITH THE FUTURE

Session 2.1 Economic Growth in PNG is commonly defined as an increase in monetary GDP

Brown Bai

PNG is a resource rich country with huge potential to be developed into a strong vibrant economy. Its natural wealth is absolutely enormous and provides excellent opportunity for a broad based and diversified platform for economic growth.

GDP is normally measured in monetary term but PNG's GDP has not actually been measured since mid 2000's. The GDP figures are only imputed.

Much effort has been made over the last fourteen years to promote economic growth. As a result, GDP actually recorded positive growth during these years. This growth reached a high 10.7% GDP growth in 2011 largely due to the construction of the LNG Project but it fell back to about 5.5% in 2013 and rose again to 8.5% in 2014 (with the commencement of LNG production).
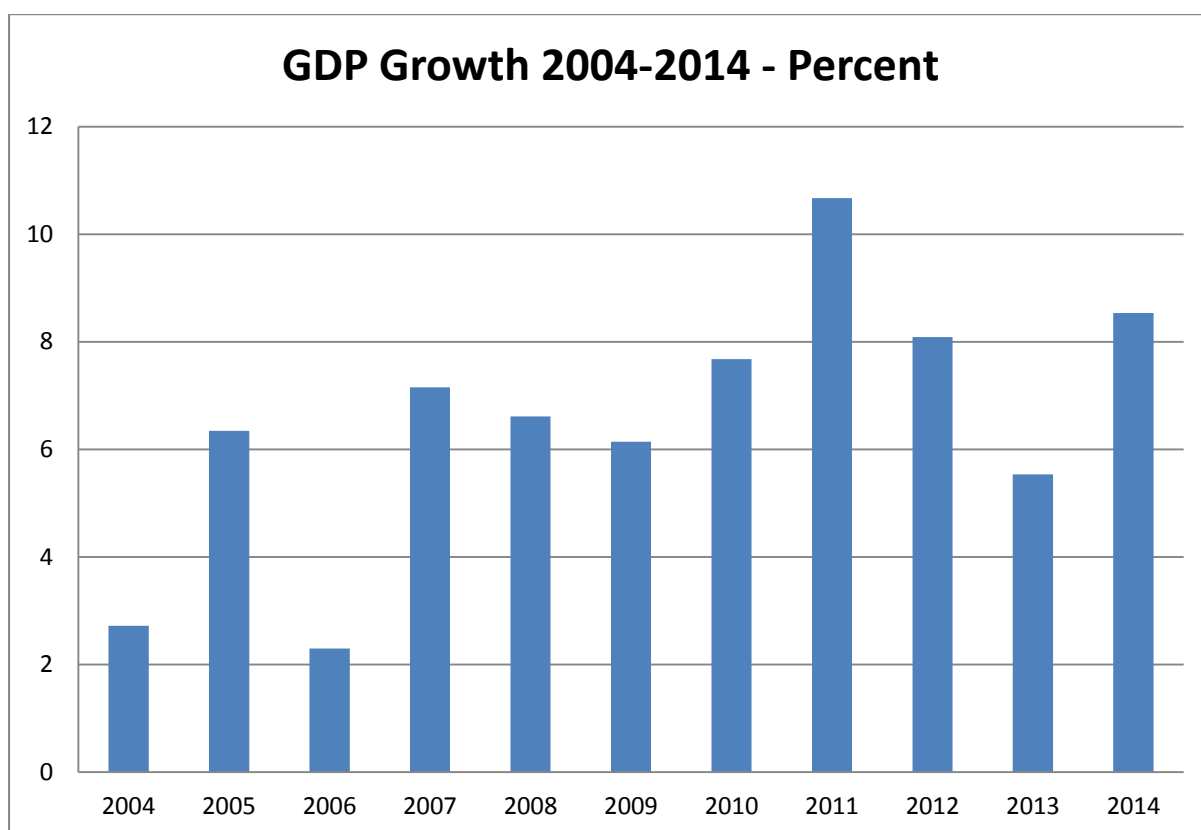
Source: World Bank & BPNG
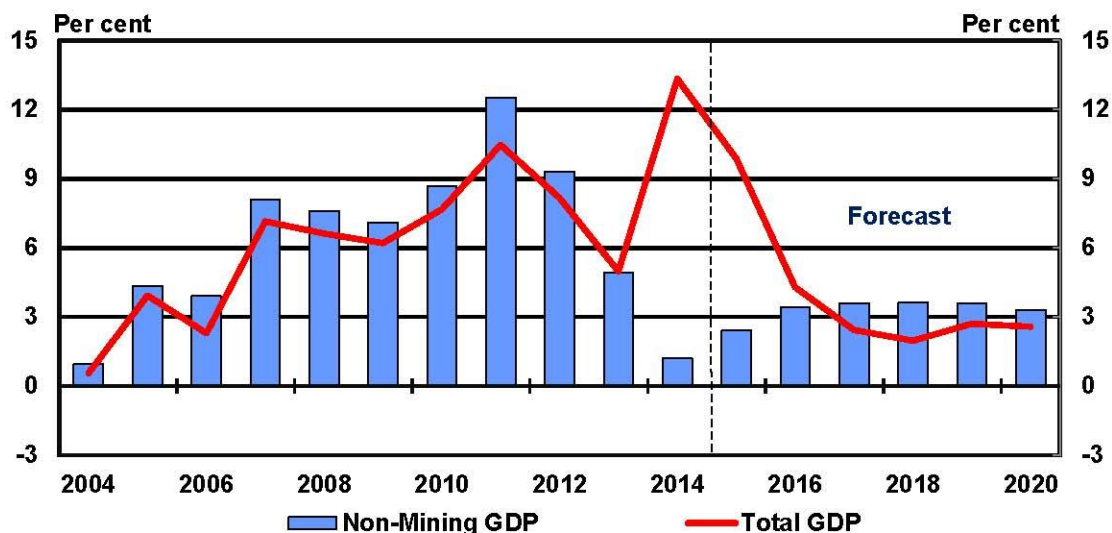
Source: Department of Treasury

The GDP growth prediction for 2015 in the immediate future is somewhat difficult but generally all factors that makeup GDP calculations indicate serious challenges lie ahead. The ADB in its Asian Development outlook 2014 had predicted a 21% growth to be generated by the first full year of LNG production. However, World market prices, particularly for LNG, have continuously fell which forced the bank to reduce this growth forecast to around 15% in its 2015 Asian Development Outlook. The World Bank on the other hand projected a lower growth rate of 6%. The BPNG projected 9% growth. Prime Minister Peter O'Neill reiterated his Government's 9% projected economic growth rate in his address to the 14th PNG Mining & Petroleum conference held in Port Moresby from 24-26th November 2015. Other learned professionals have taken a more pessimistic view by projecting around 6.9% GDP growth rate and at the same time sounding a valuable advice to Government to be conscious of the serious impacts of a drop in the GDP on the overall budget expenditure and the Government's ability to provide valuable services to the country and the people. The following table shows the projected low level of GDP growth, at least in the medium term.

Key economic indicators, 2013-16	2013	2014	2015	2016
GDP, current prices (PGK bn)	34.60	39.80	51.79	55.34
GDP per capita, current prices (PGK)	4709.28	5284.98	6709.74	6995.13
Total investment (% GDP)	24.46	21.27	7.04	7.01
Inflation, avg consumer prices (% change)	4.96	5.31	4.80	5.00
Vol. of imports of goods & services (% change)	-21.85	-16.04	6.28	2.55
Vol. of exports of goods & services (% change)	-0.16	0.66	59.09	-1.74
Population (m)	7.35	7.53	7.72	7.91
General gov't revenue (PGK bn)	9.74	12.51	13.07	13.62
General gov't revenue (% GDP)	28.15	31.44	25.23	24.60
Total gov't expenditure (PGK bn)	12.50	14.94	15.67	15.67
Total gov't expenditure (% GDP)	36.13	37.55	30.25	28.32
Gov't net lending/borrowing (PGK bn)	-2.76	-2.43	-2.60	-2.06
Gov't net lending/borrowing (% GDP)	-7.98	-6.10	-5.02	-3.72
Gov't gross debt (PGK bn)	11.77	14.17	16.66	18.46
Gov't gross debt (% GDP)	34.01	35.60	32.17	33.36
SOURCE: IMF				

Source: IMF

Foreign currency reserves continue to fall drastically thereby forcing the value of Kina to drop against other international currencies. This situation continues to force domestic prices of imported goods to increase, a situation which adversely affects businesses plans to expand current businesses and develop new projects which then cause the country's economic growth to slow down. Prices of all PNG export commodities continue to fall and some of them may not recover quickly. The 2015 Medium Term Economic and Fiscal Review report very clearly points out the severe negative impact on the 2015 National Budget as demonstrated by the following table.

Budget Balance 2014-2015 (Kina, million)	2014 Actual	2015 Budget	June Outturn	2015 MYEFO	Budget Variation
Total Revenue and Grants	11,497.6	13,927.3	4,434.9	11,381.7	-2,545.6
Total Expenditure and Net Lending	14,489.8	16,199.1	5,376.9	16,199.1	0.0
Deficit (-) /Surplus (+)	-2,992.2	-2,271.8	-942.1	-4,817.4	-2,545.6
% of GDP	*-6.9%*	*-4.4%*	*-1.8%*	*-9.4%*	*-4.9%*

Source: Department of Treasury

Source: Department of Treasury

The Government responded to this situation by introducing the 2015 supplementary budget in November 2015 which effectively reduced expenditure by K1,376.9 million. The Government continued to be very concerned about the negative impact of this depression on its ability to deliver important public services throughout the country, particularly to the bulk of the people that live in rural areas of the country where currently Government public services are either absent and/or very poor.

Moreover, PNG's population continues to increase at the rate of approximately 3.1% per annum. Government services are not reaching the bulk of the population. People find it difficult to develop their land for commercial businesses in their pursuit to improve their overall standard of living. Approximately, 87% of the population that live in the rural areas of PNG depend on agriculture and fisheries for their income and overall welfare. These sectors of the economy are basically not given priority for development.

As it can be seen from the table above, PNG statistics show increases of GDP per capita income. However, these figures do not translate into improvement in people's overall welfare. The bulk of the population remains poor. It should be warned that poverty in rural area is increasing and will continue to do so. This trend has to be stopped and situation drastically improved.

It is obvious that the expected benefits from the LNG which is estimated at $31 billion over the 30 years lifetime of the LNG will not be significant and is not used to inspire Papua New Guineans to actively participate in the development of the economy. Initial computations of the benefits were made based on high World commodities prices particularly for LNG, but that assumption is now ambitious because prices have consistently decreased and are not likely to improve until around 2017.

While PNG will experience some revenues to meet obligations like royalties, taxes etc, much of the LNG revenue may not come directly to Government, because money has been held offshore to

repay the $1.2 billion loan which the Government borrowed from UBS to finance the State's 10% shares in Oil Search. Moreover, there is very little funding made to other non LNG areas like agriculture, fisheries, tourism. These commodities may cause a combined 20% fall in the value of GDP in 2015. Similarly the minerals sector has been experiencing falls in prices for copper, gold, etc. Looking ahead, the growth trend for the PNG economy will come under enormous and very difficult challenges. Government revenue will not increase at the rate originally projected. This will put real pressure on the Government's ability to finance projects and to provide services. The Government had planned to return to a balanced budget by 2017 and the overall debt to GDP ratio falling to 23.6% by 2019, but lower commodity prices and revenue, combined with high public expenditure and annual deficits since 2012 have been undermining this objective.

Gross Debt to GDP %
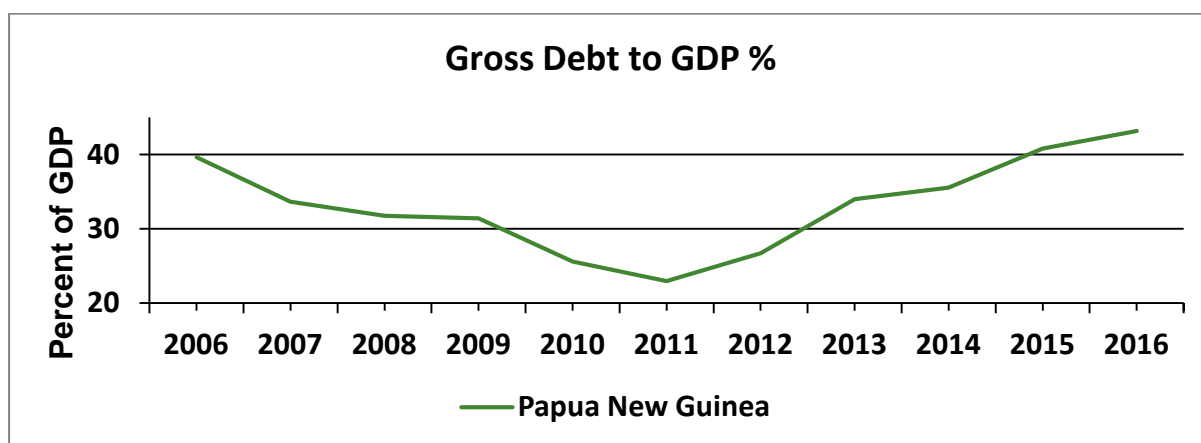
Source: IMF

This target will not be achieved as World commodities prices continue to fall. The Government will be forced to increase its borrowing to finance its budget. This situation will place a serious challenge on the Government's ability to maintain its debt profile.

As stated, the Government has been running a deficit National Budget. It has correctly framed the 2016 National Budget under the theme "Supporting Economic Growth through Fiscal Discipline". The current huge level of borrowing by the Government is charged against future revenues from the expected revenues to be received from LNG export receipts, minerals sales receipts, agriculture exports etc. It is clear that all these export products have come under severe pressure as a result in the drop in their World market prices. There is no certainty on when these prices will increase although some economists have predicted some moderate price increases towards the latter half of 2016 and 2017.

Moreover, the weakening of the Kina against other international currencies, notably the American and Australian dollar, are contributing to high domestic prices of imported goods and services and they are more expensive. Investments will become more expensive and private investors may not start new projects and/or expand their operations quickly.

PNG is experiencing shortages of foreign currencies. Companies and individuals are unable to quickly import their materials to develop and expand their businesses in PNG. Moreover, the Government is likely to increase its domestic borrowings which will cause increases in the domestic demands for goods and services and help to push up domestic inflation. Such a situation will cause a big problem for the investors and consumers of imported goods and services.

There is no constructive, co-ordinated plan to develop the sustainable sectors of the economy in a comprehensive, constructive and dynamic way. This situation will lead to the following scenarios;

a) The sustainable sectors of growth do not receive windfall money from the LNG sales receipts. Because 87% of the population are dependent on these sectors, they are denied of vital services and will continue to live in a very difficult challenging way.

b) PNG will not develop a diversified, well balanced and broad based economy that will sustain PNG's development in a dynamic and progressive way.

c) There will be very limited opportunity for more Papua New Guineans, especially the bulk of people coming out of educational institutions, to be employed and/or productively engaged in economic opportunities which should otherwise be inspired by the broad based sustainable areas of development.

All these difficulties, faults and mistakes will result in a situation where PNG's current high GDP growth cannot be sustained. This implies directly that when the current LNG and operating Mines come to the end of their lives, PNG's high economic growth levels will significantly drop and the nation will suffer enormously. A sensible and progressive economic growth measured by the movement of GDP will only be realized through clear thinking, planning and implementation of co-ordinated, intelligent and broad based sustainable development driven by a sensible set of fiscal and monetary policy initiatives.

It is very important indeed for PNG to engage with the private sector to expand and grow the PNG economy. The Government must set up an investment climate conducive for the private sector to grow. It must work with and encourage constructive consultation with the private sector. After all, the private sector is the key driver for economic development and growth and is largely responsible for movement of the country's GDP growth. Government must help the private to grow and not introduce measures to frustrate it. The bulk of the population of PNG must be empowered and mobilized to operate productively and meaningfully contribute to the growth of the economy. 87% of the people of PNG own and live on the 93% of PNG land mass. So far, they only cultivate one quarter of PNG's 495,000 square kilo meters of land. Over 50% of the people living in rural areas are aged over 15 years. They must be engaged productively in the country's economic development.

The World Bank emphasized this message in its 2014 Article IV Consultation report when outlining its views on structural Reforms for inclusive growth by stating" Potential returns on public investment in these areas, (infrastructure, health, education and law & order) are high, but more efficient use of existing resources will be needed to realize such gains, including through capacity development, careful evaluation and planning for investments and improved expenditure mix to achieve better development outcomes. Moreover, to create more jobs and diversify the non-resource sector, PNG should aim to attract more foreign know-how and capital by easing investor concerns about restrictions on foreign ownership. While recognizing that the last increase in minimum wages was in 2008, staff noted that the recent large increases could have a negative impact on employment and that future increases should take place in a gradual manner in line with productivity improvements. Recent progress in increasing competition in public utilities and telecommunications has resulted in greater service coverage and lower prices, an outcome that will not only help improve service delivery for the poor, but also reduce the cost of doing business."

Moreover, the Bank announced that, greater efforts are required to develop the agricultural sector for the benefit of the vast majority of the population.

It must be reminded that, GDP is a measure of goods and services provided /produced in the country in a year. Where the population and all other sectors of the country are productively engaged in development, one can see the great positive activities and movement of the economy which ultimately contribute to an effective growth of GDP and uplifting their overall standard of living.

GDP is not a direct measure of welfare of the population. It is a measure of the total value of goods produced and services provided by the country in any one year. People will only benefit from GDP growth through an effective and sensible set of policies that place their development and welfare issues in the forefront of development policies. Moreover, they will directly benefit if they are employees and/or operators in the development of the economy.

As Sir Mekere Morauta once highlighted, you cannot eat GDP. It is a crude tool, with substantial limitations, as recognized when first utilized in 1930's, and poorly reflects local benefits in a country with major resource projects and Foreign Direct Investments (FDI), such as PNG. Gross National Income (GNI) is a much better tool. Whilst GNI per Capita-incorporating the population change- and Human Development Index (HDI) better reflect how this translated into income and welfare changes). GDP also does not equate to revenue growth, at least not in shorter run, a point often missed by politicians fixated with, but not understanding this statistic.

Sadly, PNG is currently caught in this situation. According to the Human Development Index, PNG is ranked poorly out of the 180 countries. It can be said that PNG is a country, well endowed with abundant natural resources with one of the highest GDP growth rates but yet remain worse off. People's livelihood is not improving. PNG has also committed itself to the Millennium Development Goal (MDGs). PNG's performance in achieving these targets are nothing more than unsatisfactory.

Papua New Guinea: Status of Millennium Development Goals

Progress on Millennium Development Goals (MDGs)		
	Global targets	**Papua New Guinea's National Targets**
Goal 1: Eradicate extreme poverty and hunger	Off track	On track
Goal 2: Achieve universal primary education	Off track	Mixed
Goal 3: Promote gender equality and empower women	Off track	Mixed
Goal 4: Reduce child mortality	Off track	On track
Goal 5: Improve maternal health	Off track	Off track
Goal 6: Combat HIV/AIDS, malaria and other diseases	Off track	Off track
Goal 7: Ensure environmental sustainability	Off track	Off track
Goal 8: Develop a global partnership for development	Off track	Not a national target

Sources: UNDP Papua New Guinea; and Pacific Islands Forum Secretariat, 2012 and 2013 Pacific Regional MDGs Tracking Reports.

Source: UNDP PNG; and Pacific Islands Forum Secretariat 2012 and 2013 Pacific Regional MDGs Tracking Reports

PNG's population of 7.4 million, (maybe 8 million) now some suggestions it's a bit higher based upon satellite imagery of dwellings and some ground-truthing in PNG is growing at an annual rate of 3.1%.

This is a very high rate of growth which already puts a lot of pressure on the money available in the country.

Clearly there is dominance by the non renewable sector of the economy, which is responsible for PNG's GDP growth. The renewable sector's contributions to GDP growth, which accounts for the bulk of the PNG population, is experiencing very little growth. Its contributions to overall GDP is actually falling as shown by the following two (2) tables.

Contribution to Growth by Sectors 2015 and 2016
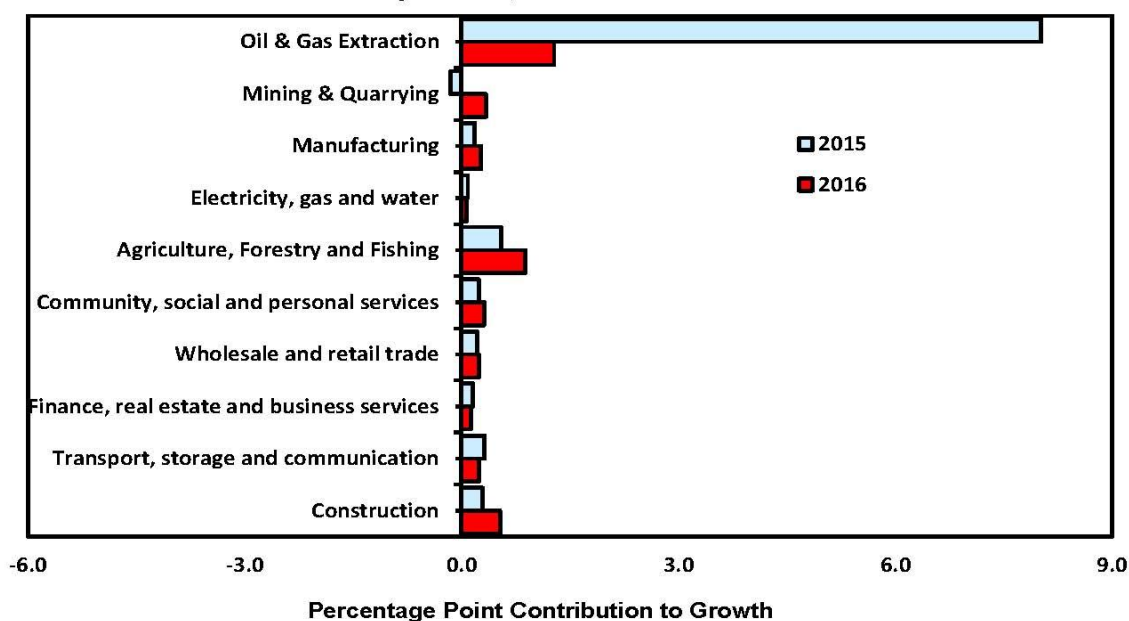
Source: Department of Treasury
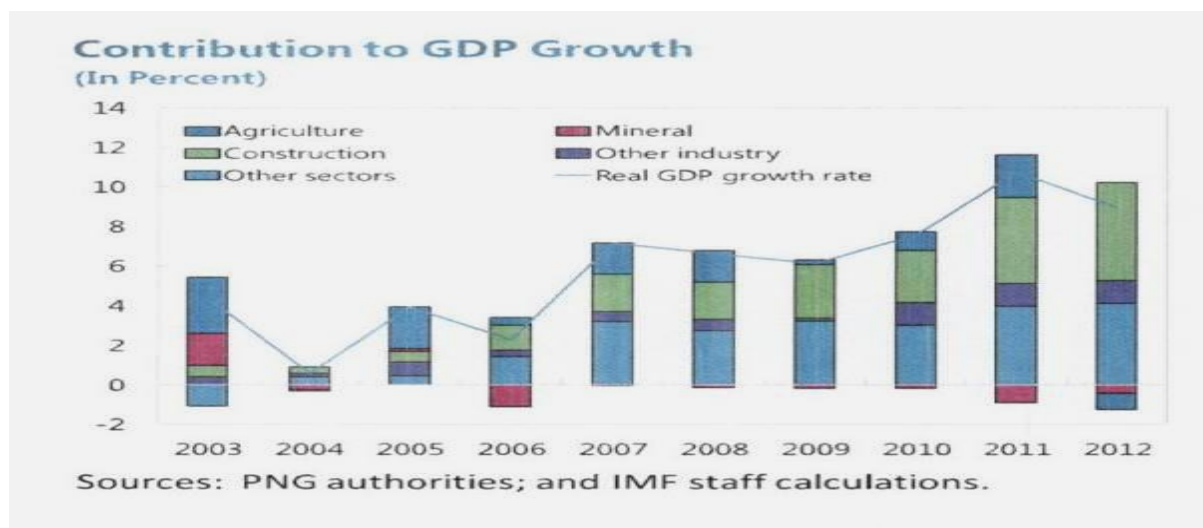
Source: PNG authorities; and IMF staff calculations

Conclusion

Prediction for economic growth for the medium term doesn't look too optimistic.

As already stated above, PNG's GDP until 2014 had been high and was said to be one of the highest in the World. Although 2015 now adjusted back to around 9%, partly with lower commodity prices and temporary closure to some major resource projects like OK Tedi, Porgera etc.

The next few years are forecast to have relatively modest growth rates, but with medium term projections of GDP growth looking brighter, if commodity prices recover allowing a number of resource projects being explored to progress to development. Depending upon sound economic management and controlling such disease to safeguard the diversification of the economy away from undue focus on the extractives, which provide limited employment – as emphasized in the Government's own responsible sustainable development strategy –"Stars"

Treasury Department has maintained that in 2016, the PNG economy is projected to grow at 4.3 per cent driven by a rebound in the mining and non-mining sectors after the disappointing performance in 2015. On the other hand, the oil and gas sector, which provided a significant boost to the overall growth in 2014 and 2015, is expected to revert back to the trend of natural decline after absorbing the impact of the first LNG production in 2014 and 2015 respectively.

Further, supporting growth projections in 2016 is the anticipated improvement in the global economy. This will assist commodity prices to improve and stimulate activities in the domestic economy. Other factors also considered to boost activity in 2016 include the preparations for the 2018 APEC meetings. Total non-mining GDP is expected to grow at 3.4 per cent in 2016 from of 2.4 per cent in 2015, driven by a rebound in the non-mining sector.

The World Bank on the other hand, has projected that, real GDP growth is projected at 7 per cent on average over the medium term (reflecting the boost of LNG production) and to slow to 3 percent in the long run.

The performance of the PNG economy must be carefully driven so that funds are channelled into areas of priority which must promote further development and expansion of the economy.

PNG must promote a broad based diversified form of economic development. While the country must aim to improve the growth of the economy as expressed by its GDP growth, revenues generated by the growth of the economy must be carefully allocated to develop other sustainable forms of development which contribute directly to improving people's welfare which will also continue to build a sustainable basis for higher GDP growth in future.

PNG AT 40 SYMPOSIUM

LEARNING FROM THE PAST AND ENGAGING WITH THE FUTURE

Session 2.2   Sustainability of economic growth

Ronald May

Back in 1972 The Club of Rome published a report on *The Limits to Growth.* Its basic argument was that natural resources were finite and that the exponential increase in exploitation of non-renewable resources – the result of rapidly growing global population and rising standards of consumption – was unsustainable. At the time, this argument was vigorously contested by critics, who pointed to flaws in the Club of Rome's estimates of resource stocks, and looked to continued growth in GDP. More recently, in the face of growing pressures on resources from increased global population and rising levels of consumption, environmental degradation, and climate change, and a realization that high rates of growth in GDP do not necessarily guarantee higher levels of overall wellbeing, there has been some shift in focus from GDP growth to levels of inclusive or comprehensive wealth and intergenerational wellbeing, in other words, sustainability of economic growth.

For countries, like Papua New Guinea, which have been heavily dependent on the export of non-renewable natural resources (mining, petroleum and, to an extent, forestry) and which have experienced high rates of population growth, questions of sustainable development are particularly salient, in the short term and for the long term. If the current returns from extractive industries are not used wisely, and if population growth outstrips GDP growth, living standards will decline.

The situation in Papua New Guinea

On attaining independence Papua New Guinea could boast a generally healthy economy, with a diversified export-agriculture sector, a large mine already in operation and further mining and petroleum prospects. It also had a framework of soundly-based policy-making and financial institutions, and a commitment to increased local participation in business and to inter-provincial and inter-regional equity.

As against this, Papua New Guinea inherited an economy largely dependent on commodity prices over which it had no control, a workforce which was, relative to other countries in the region, low-skilled, a mostly inexperienced public service, high population growth, and an emerging law and order problem. Both agriculture and mining and petroleum have suffered from market volatility and (especially mining) from landowner disputes. Moreover, mines, which in any case have a limited life span, can have negative environmental impacts, as has been amply demonstrated in Papua New Guinea.

Despite some pessimistic forecasts at independence, Papua New Guinea weathered its first decade fairly well. But from 1987 real GDP declined, precipitating a financial crisis in 1994-95. Facing heavy demands for public expenditures, a weak tax base and declining real levels of development

assistance, governments (and some communities) have been attracted by the immediate prospect of income from mineral and forestry projects, arguably without adequately weighing the returns (discounted by tax concessions and expenditures on associated infrastructure) against the longer term costs (especially environmental impacts and the social effects of growing inequalities). Expectations, both of communities and governments, were often unrealistic, and disgruntled landowners have demonstrated a propensity, and a capability, to disrupt the operations of major resource extractive projects.

Since the mid-1990s economic performance has been erratic, with high GDP growth in recent years associated with mining and petroleum developments, especially LNG. The agricultural sector's contribution to growth has been patchy, with palm oil, briefly vanilla, betel nut (at least until the recent bans in Port Moresby) and vegetables for the domestic market being perhaps the most notable. (The successes of vanilla, betel nut and vegetables, it might be noted, have been achieved largely without support from government agricultural extension services.) But there seems to be a general consensus (supported by social indicators) that exploitation of the nation's resources has not yielded significant benefits to the mass of the population. Personal and regional income disparities appear to have widened, debt to GDP ratios appear to be rising, and it is doubtful (LNG notwithstanding) whether Papua New Guinea can be said to have achieved sustainable development.

Why has the record not been better?

Poor policy making?

In Papua New Guinea, as in Australia and elsewhere, it is easy to point to poor policy decisions and failures to take account of predictable developments. In many policy areas, however, sound policies have been developed but there has been a serious gap between policy making and policy implementation. In an extensive study of policy making and implementation in Papua New Guinea (*Policy Making and Implementation. Studies from Papua New Guinea*. ANU E-Press, 2009) authors identified as major causes of failure to implement policies, high rates of turnover of ministers and senior line officials, and the politicization of public service positions. Planning processes have also been deeply flawed (a review of the 2005-2010 Medium Term Development Strategy, for example, reported that 'During discussions with stakeholders, much was said about lack of consultation and coordination between the central agencies and other departments and implementing agencies, and between the national government and sub-national governments. There seemed to be a general view that the CACC, PSRMU and DPNM had failed to provide leadership in policy coordination and planning. As the lead institution in overseeing the implementation of the MTDS, DNPM has been plagued by institutional instability and high turnover of responsible ministers and senior personnel….') Often, stated policy objectives have been simply ignored (The MTDS 2005-2010, for example, listed 'rehabilitation and maintenance of transport infrastructure' as its first expenditure priority, and a Transport Infrastructure Priority Study identified sixteen 'roads of national importance' for priority funding; the 2010 Budget, however, noted that a significant proportion of funds had been spent in non-priority areas – including the allocation of K20 million for a 'missing link' road between Angoram and Bogia!) Inability or reluctance to implement sound policies has been reflected in the failure to achieve sustainable development goals, even in periods of high GDP growth. There has also been a tendency to go for big new projects at the expense of maintenance

and ongoing running costs of existing assets and activities. (Failure to maintain state assets – roads, schools, housing, vehicles and other equipment – I would argue, is a particular cause of infrastructure degradation in Papua New Guinea.)

Corruption?

Despite constitutional provisions (such as the Ombudsman Commission and the Leadership Code) and copious legislative and regulatory provisions (as, for example, in the *Public Finances (Management) Act* and the *Fiscal Responsibility Act*) there is little doubt that corruption has become endemic in the public and private sectors and that funds are often diverted away from their designated purpose by corrupt politicians and officials or dishonest contractors. From 2011 Investigative Taskforce Sweep seemed to be having some success in reversing this trend, until attempts were made to disband the taskforce, retrench its staff and ultimately cut off its funding. But while it is relatively easy to identify such corrupt behaviour by politicians and officials it is not always acknowledged that the same citizens who accuse politicians and officials of corruption often place heavy demands on the MPs and *wantok*, to gain benefits from public spending and financial support from MPs, and do not see this as potentially corrupt behaviour. It is also necessary to bear in mind that corruption is not confined to the public sector.

At least in part, both these problems have their roots in the political system: in the (predictable) absence of a developed party system, with electoral outcomes heavily dependent on parochial factors and turnover of MPs high, most politicians act, quite rationally, to maximise returns to their electoral supporters (if not to themselves), and political leaders reward the members of coalitions which support them. The public service has become increasingly politicized, from national to district level – especially since the changes to the OLPLLG in 1995 – and the discretionary funds available to national MPs have fostered an increase in political patronage.

Capacity and service delivery

Apparent declines in service delivery, however, are not simply due to corruption. Arguably, the capacity of government, at national, provincial, district and local levels, to deliver services has deteriorated across large parts of the country. Papua New Guinea's rugged terrain and susceptibility to natural disasters contribute to this, but this does not explain why missions and private businesses (such as mining companies) can provide services where government cannot. Despite the skills and dedication of many government employees, low levels of education and training seem to be a significant factor in poor service delivery, along with poor infrastructure maintenance and lack of support services (including accommodation) for government employees in remote locations. (Issues of capacity are discussed in the NRI/Development Policy Centre, ANU, *A Lost Decade?*)

Education, training and entrepreneurship

More generally, notwithstanding attempts to increase the number of children in schools, and recognizing that a small number of Papua New Guineans have succeeded in high-level employment outside Papua New Guinea, there seems to have been some deterioration in standards of education and training in Papua New Guinea, notably evident in the present state of UPNG. Sustainable development requires good levels of education, skills training and adaptability. Low levels of

education and skills limit productivity and employment options available for young people, and make it difficult to compete economically with other countries.

In the late pre-independence and early post-independence years there was much discussion of the need to promote Papua New Guinean businesses but the country's small manufacturing sector remains largely under foreign management, and development of SMEs has been modest. Sustainable development would seem to require greater Papua New Guinean participation in these fields. Whether or not access to finance has constrained Papua New Guinean businesses I am not able to judge; there have been many institutional attempts to address this issue.

Law and order

Problems of law and order (apart from those relating to corrupt behaviour) also impact on the sustainability of development. Criminal activity has an impact on business, service delivery, foreign investment and development generally: people will not take their produce to markets if they fear they will be robbed or harassed; banks and other businesses will withdraw from provincial towns and district centres if they are threatened by criminal activity; teachers, doctors and nurses will not operate effectively if they cannot work in a safe environment; foreign investment will not flow if risks are deemed to be too high. And intergroup fighting has frequently destroyed or damaged state assets. In recent years there seems to have been something of a vicious circle involving law and order problems and the capacity and morale of the RPNGC. If personal and regional disparities in income and wealth increase and urban unemployment remains high law and order problems are likely to get worse.

Urbanization

Internal migration, particularly the movement of young men to towns, and urbanization have been longstanding concerns in Papua New Guinea. People migrate to towns partly in the (often misplaced) expectation of gaining employment in the cash economy and/or better access to government services. Policies designed to counter these trends over a number of years have had little impact. Urbanization is by now almost certainly irreversible. If sustainable improvements in national wellbeing are to be achieved, what is now needed are policies which balance service delivery in rural areas, where the bulk of the population still lives, and provision of basic services and housing to peri-urban migrant settlements. The private sector may have an important role to play in the commercial provision of housing and urban services, but anecdotal evidence (plus some first-hand observation) suggests that more effective regulatory frameworks and scrutiny of contracts may be needed.

Population

Papua New Guinea has one of the world's highest rates of natural increase in population. Although this has been welcomed by the Catholic Bishops Conference, a very high rate of population growth puts pressures on resources (including arable land) and public services (such as health and education). If population increase outstrips GDP growth, GDP per capita must fall. Recognizing this, a national population policy has been formulated and endorsed (at least twice); but policy appears to have to lapsed. A National Population Policy (NPP) 2000-2010 addressed the issues associated with population growth and targeted a reduction in population growth to 2.1 per cent per annum by 2010 and 2.0 by 2020. The Medium Term Development Strategy 2005-2010 endorsed the NPP targets and

listed as a one its key objectives strengthening implementation of the NPP. However, a review of the NPP in 2007 noted that the National Population Council, which came under the Department of National Planning and Monitoring (DNPM) and whose functions included policy monitoring, had not met since 2004 and had never been allocated a secretariat. The review noted widespread agreement that NPP policy goals should be retained, but made no reference to growth targets. The same year a MTDS Stock Take recorded that 'The Government has taken a "pro-natalist" approach in addressing population' and [contrary to the MTDS] 'has given low priority to addressing population issues'. Population policy was also a notable omission from the Vision 2050, though the 2009 Progress Report on the MDGs saw large average household and family size as 'an impediment for future development'. Unfortunately, this lack of commitment to, and even ambivalence about, stated policy goals has been demonstrated in many areas of policy.

In a broader context…

Issues about sustainability and short time-horizons are not unique to Papua New Guinea. Arguably, short time-horizons, linked to electoral cycles, are endemic to democratic systems (though non-democratic systems are seldom long-sighted either). Consider, for example, the current Australian debate over coal mining versus prime agricultural land and the potential impact of coal processing facilities on the Great Barrier Reef, or the effects of China's 'economic miracle' on the Chinese environment. But in at least some developed democracies there is a lively and sometimes informed debate over policy directions, and a degree of accountability and continuity in politics which encourages longer-term perspectives and discourages corruption. If Papua New Guinea is to achieve sustainable development – which will be a challenge for an economy which has been so dependent on mining and forestry – it must achieve a better management of its natural resources and human resources than it has to date.

So, what is to be done?

There is no easy answer to this question. Returns from mining and petroleum will decline over time, which implies a need to promote growth in other sectors – agriculture, sustainable forestry and fisheries, perhaps tourism, and maybe small-scale manufacturing and service delivery. The private sector has an important role to play in this, but private investment will not be forthcoming if risks and uncertainty are perceived as being too high.

I have suggested above that a major problem in government policy has been non-implementation of basically sound policies. In reviewing the MTDS 2005-2010 my colleague Ilivi Saneto and I pointed to a lack of ongoing consultation between DPNM and line agencies, and failure on the part of the CACC and PSRMU to provide the necessary leadership in policy coordination and planning. Policy objectives are frequently ignored by ministers and public servants. There is clearly a need for more effective monitoring and accountability for policy implementation in virtually all areas of policy.

There is also a need for better financial management and accountability across the public sector. We have an auditor general and a parliamentary public accounts committee, but when they do report their recommendations are frequently ignored. Tendering processes are often questionable, and it is not uncommon for contractors to receive payment for work not done (as well as for suppliers and contractors to provide goods and services and not be paid).

For sustainable development, financial responsibility more generally and forward thinking are required. The passage (finally) of legislation to create a Sovereign Wealth Fund is a small step in this direction, but there are several outstanding issues where decisions have been made and resources committed without reference to proper financial procedures. Such actions may set dangerous precedents.

For effective planning and service delivery there is a need for better cooperation and coordination between national, provincial, district and local levels of government. There have been many reforms in decentralization over the years, but the problems remain.

Private sector investment is essential for sustainable development, but it is important to ensure that the foreign investment brings long-term gains to Papua New Guinea, not just in terms of output and revenue but also in terms of building local capacity.

PNG AT 40 SYMPOSIUM

LEARNING FROM THE PAST AND ENGAGING WITH THE FUTURE

Session 3.1 Recognizing and Managing the Diversity of PNG

Michael A. Mel (Ph.D.)

'We cannot build a nation simply from technology; we cannot build a nation purely on the basis of the wheel and on the basis of the steam engine. We must build this country; we must build our civilization on values, which have been passed on to us from generation to generation. And I say this: that if we do not agree on common values if it is not now the basis and the stem upon which we nurture and grow our children, then I say there will be no future for this country.' Bernard Narakobi.

Introduction – Nation, Nationalism, National identity

In the *Alotau Forum: PNG at 40*, I have been asked to develop some key questions and discussion points on Papua New Guinea (PNG) and its relationship to ideas of PNG as a Nation, a State, and a country. When and how do we become Papua New Guinean? The answers (if any) are not easy, especially within a multicultural location – like ours. In Alotau, we have come together to talk about and bring to the surface ideas like what it means to be a Papua New Guinean. Indeed, the sense of being Papua New Guinean - can that be a definitive? Is it tangible? Where is it? What is it?

It will be useful to get a clear picture of the idea or notion of nationalism or national identity from the beginning. Steven Pickford (2001:1) in a conference paper presented in PNG points out that:

> National identity … is not only the recognition of common symbols, images, experiences and practises which have shared importance among people, but is also a recognition of how lives, languages, environments and activities of particular people, in particular places and circumstances, contribute to a national self-image.

Pickford refers to a number key points for us that will be useful for us. Clifford and Marcus (1986: 18-19) also make a valuable contribution (albeit paraphrased) for us.

> [National Identity is] not a scientific "object" … neither is it a unified corpus of meanings that can be definitively interpreted. [National identity] is contested, temporal and emergent….

The above then provides us with a focus on in what I aim to share with you and what we might be in search of in this forum. What will be useful now will be to look at the current context of PNG some of the challenges facing us in terms of the making PNG as a nation.

Cultural diversity in PNG

It is widely accepted that PNG is a nation with many diverse cultures. Each cultural group always had their own ways of seeing and making sense of the world. In these communities there was an intricate network of social and family relationships. Common ancestry, a shared history and common

language bound each cultural group. In todays' changing communities our traditional cultures or *Pasin bilong tumbuna* continue to be a common and key reference for many Papua New Guineans. Basic questions like where one comes from and where he or she belongs quite readily reverts to our hometown or village.

Today Papua New Guineans have grown up in a nation that has dramatically changed through colonization. We have been trained: we have learned, we have been educated in the ways of Western culture and civilization. Many Papua New Guineans have migrated to various parts of PNG and elsewhere for work and opportunities. The introduction of an economic system, a national system of government, introduction of new belief systems and many other influences continue to mitigate and dilute some of the traditional cultures and their practises. Any connection with the past in terms of our sense of belonging and place of origin is drawn from memory and even more now from imagination.

Where do we and how do we find this nation within our diverse cultures? At the same time from experience, what is happening around us is showing that our cultural communities are shifting and changing. For the Alotau Forum: PNG at 40, and in particular to focus on the sub-theme for this session: Recognizing and Managing Cultural Diversity is Central to the Social and Economic viability of PNG, allow me to state a few keys questions to help us deliberate on this sub-theme.

- What kinds of PNG do we remember?

- What kind of PNG do we find ourselves in today?

- Which is the PNG we see for the future?

Nestled within each of them are additional questions and comments. I will articulate some of these in my discussion below.

What kinds of PNG do we/I remember?

In our efforts to find answers to this question, it is important to bear in mind that remembering relates to the past - our heritage. How do we remember the past? Which bits of the past do we remember? There is collective memory, where many of us remember an event or events. Then there is individual memory. What efforts have been made to record the collective past and maintain those records? These records are for our children, and in turn for their children. It is also important that various pasts (collective or individual) need to be shared with others both in PNG and from elsewhere.

Cultural heritage

In talking about our past, our heritage, there are many pasts that have shaped and reshaped our country – PNG. Firstly the cultural heritage that belongs to each unique culture that dotted what is PNG today. Language, food, stories, myths, dances, costumes, knowledge, beliefs and values were part of our communities. There were men and women that helped lead and shape our communities. Where have we stored those images and experiences and who can have access to those for various purposes? As PNG develops through economic growth and wealth, our heritage as a form of wealth is rapidly being forgotten. We may remember and keep the aspects that look spectacular for those interested and forget others. Our children, and their children may miss out on this wealth – a form of wealth that is immeasurable in monetary terms.

Colonial history

Then there is the shared colonial history. People (various members of PNG communities and Chinese) were forced to learn, understand and live their lives based on the dominant cultures' ways of doing things. Confusion, alienation and isolation have been part of the many communities' experiences. PNG, its environment, its people and their rich and varied cultures had been mapped and represented for the dominant culture's particular sets of eyes. Some of these constructions have been very dominant and persistent (sometimes to the point of being kitschy and clichéd) in setting the tone and texture of the images of PNG. Where are our repositories of the shared colonial history?

Where do we keep our history for our future?

In more recent time there have been both disasters and triumphs in PNG. Who were the heroes and heroines? What did they do to achieve what they did? How and where do we remember the events and the individuals for both our collective and individual memories? What have we got to show and share among ourselves -- and with others that we care for our heritage and our history? Repositories of collective memory we lack very much.

> Memories – individual, collective, dominant and subjugated… whether material or non-material are all precious. They need to be treasured and handled with respect and sensitivity, as memory is the cornerstone of a well-balanced personality. The collective memory of the people… is of vital importance in preserving and developing cultural identities, in bridging the past and the present and in shaping the future. But that memory, as we know, is fragile (de Guchteneire, P. 2008: 14).

What kind of PNG do we find ourselves in today?

Papua New Guineans today traverse the entire country. For employment, education, marriage, or just simply migrate to another place for opportunities and to make a new life. The movement of people throughout the country is creating opportunities for the growth and development of larger communities as opposed to the more traditional clans and tribal system.

Migration

In our history, indentured labourers were taken from Highlands to the coast to work on copra and rubber plantations. Highlanders were taken across mountains to tea and coffee plantations to work as general labourers. Carriers, translators, catechists and policemen were recruited and taken to various parts of the country. Many settled in those communities. They married into the communities and were given places to stay and have become part of the communities.

Blurring of cultures

There is blurring of cultural lines. The cultural localities of yesterday may still be located but more and more these are becoming indistinguishable. A major indicator of this is the use of language: there is more Pidgin and English rather than local languages in urban as well as in rural areas.

Our pride of what made PNG different – our cultural diversity on the way out. We only have certain events and activities that demarcate and set a specific cultural community. We find these happening in urban centres and in institutions. The ubiquitous cultural day comes around and youngsters jostle to find a modicum of traditional *bilas*. A composite of found material and others borrowed from relatives and friends provides for a cultural dress and performances. There is also a range of performers. Are these indications of a culture and its traditions? What about authenticity?

Digital age and cultures

The influence and shifts in cultural locations is blurring faster than ever in this digital age. Communication and access to information and details is now in over-drive. Conformity and uniformity in the digital age is more and more the norm. While social platforms offer opportunities for dialogue and discourse, there are limits in terms of scope and size of discussions.

Migration and xenophobia

Now and again there is a xenophobia emerging in our urban centres. Today in our urban settings traditional identifiers of settler communities have been diluted, segregated and fragmented for a variety of reasons. PNG urban centres are now a melting pot of peoples, debunking the idea of the homogenous communities. Smaller communities have given rise to more broader and even regional categories for ethnic identity - Highlanders, Sepiks, Engans or in some cases Goroka, Okapa, Pangia. Economic, social and political conflicts have now been defined to have a broad ethnic base.

The explosions in petty crime, theft, and violence and in some cases damage to property and loss of lives in the urban settings have been directed towards groups of communities identified by locals as immigrants. Migrants have been tagged as the perpetrators of the cultural violence. So much so that the xenophobic approach lays blame on the migrants and demands mass migration of all immigrants to their home provinces. Is it possible to return all migrants to their place of origin? What about cultural tolerance? The politicization of ethnic groupings and issues of crime, unemployment, and deterioration of law and order on migrants and others are signs that there is a need for intervention. What might be the strategies? Who and how should these be done?

Schools and our youth

In our schools (primary and secondary) student-led differences have been settled more and more by mob mentality and gangster type violence. Cultural categories have been blurred and groupings are very different in make-up and the basis for such groups. What are the efforts in ensuring our young are inculcated with values of our communities? Values that advocate for non-violence and an attitude toward negotiation and consensus do not appear to be part of our youth in their make-up when confronted with issues and challenges. A recourse to mob-rule and violence seem very easy options instead. What needs to happen in school system to mentor and train our youth learn about tolerance and peace among other values?

The arts and the need for social spaces

In the late 60s, 70s and 80s the local was a platform to advocate difference and the need to retain and maintain our own in the face of dramatic change and perceived loss was at its peak. Ethnic identities took off as the voice of difference. Poetry, story telling, play writing, theatre, films, music, music concerts, art, and art exhibitions among a plethora of activities reverberated within our institutions. Youth found voice to say and express their views and how they saw and experienced the world. Today our arts and cultural activities are few and far in between. In our schools and educational establishments, the arts do not feature at all on the timetable. How much of our history, stories (local and national) are taught in a primary or secondary school?

In our urban settings the community Town Hall, the art gallery, the theatre, the cinema are devoid of these spaces. Such spaces allows a community to come together for fun and entertainment, to spend time as a community in spaces where we can belong, mix, mingle and get to know others. More and more of our urban centres and semi-urban spaces are filled with shops selling virtually the same things. Any option for variety and choice are no longer visible.

Ethnicity and politics

Our political leaders, since the inception of a central government (from the House of Assembly to the current Parliamentary system), have relied on the cultural boundaries for political support and elections. However, globalization is showing its footprint, not only in economic terms but also by the migration of various cultural communities into urban and semi-urban centres in PNG. The Asian migration (in recent times the Chinese) provides a real test for our capacity to accept and tolerate others. Political leadership and the processes of democracy are changing and challenged by these changes.

Whether we realize or not the blurring of distinct cultural groups and the emergence of newer groupings puts a new perspective on politics and politicians. The State's stronghold is shrinking. The emergence of Districts, District Development Authorities, Councillors and Wards is suggesting for a new imperative on decision-making for scarce resources and communities' wellbeing. The emergence of more regional and sub-regional groupings in PNG politics demands that our leaders need to maintain strong leadership characteristics. Economic hardships and benefits should be allocated in ways that integrate rather than fragment our multi-ethnic communities. Our elected leaders must foster a strong centre. This centre must be strong enough to protect and maintain the rule of law and civil and political rights of various groups as well as individuals. An independent judiciary not captured by political forces is essential.

Which is the PNG we see for the future?

I would like to provide some suggestions based on the discussions and questions I have raised above.

Preservation of our cultural heritage, cultural diversity and increasing thresholds in people for cultural tolerance:

Encourage and approve vernacular education. Strengthen early education teachers and encourage the development of vernacular skills and knowledge along with the three 'Rs' among other things. The Ward and District can take the lead in ensuring these are established funded and staffed by qualified people. The Province should take responsibility for standards and benchmarks (in all areas including physical facilities, learning materials, curriculum, assessment and benchmarking skills and knowledge performances).

Establish and support cultural centres and facilities where children are taught their community values, knowledge and laws. Trained elders and knowledge experts are employed at Ward and district levels to embark on caring and maintaining the centres and teaching those that come to the sites. These strategies should be taken up by Districts for funding and ensuring they function.

Provincial Governments should establish provincial cultural centres. These serve as sites for storing and maintaining material and non-material cultures of the province. These centres should source its content from all groups that comprise the province (locals as well as migrants).

These sites should be popular for youth and children to see and appreciate their communities, their place and all those that belong there. Regular events should be scheduled and various groups and stakeholders asked to participate and celebrate.

The Central government should provide incentives for corporate bodies to support such facilities and activities. Something akin to the sponsorship of sporting codes and teams.

Wards and Districts should work with the Province to recognize local landmarks, cultural sites, historical buildings and so forth and these should be attended to in terms of care and maintenance for the future. Information and knowledge regarding these should be properly recorded and made

available for all. Ceremonial events including special dates (international, national or provincial) should be celebrated with fanfare, dignity and pride.

Cultural performances and presentations (song, dance, storytelling, costume, food, art, craft) should be encouraged and presented in schools and public spaces regularly. Visits by other cultural groups and individuals should also be encouraged supported through funding and in-kind help. These can be encouraged at District and Provincial levels.

Our youth, our future

Wards and Districts should take a lot of interest in youth and youth welfare and training. Records should be kept of all youth in a Ward and in District. Youth leaders should be trained in understanding, supporting and counselling youth. Varying youth groups categorized by age and gender should be established.

Youth camps held at regular intervals by Wards and Districts to ensure all youth participate. Recognized and renowned persons are invited to facilitate and share for youth. Specially designed activities (sports, physical skills, mental and emotional discipline workshops, relevant skills and knowledge workshops) should be developed and executed for youth in youth camps. Youth work groups to help in community projects should also be part of youth training.

Provincial offices need to have designated Youth Offices with appropriately trained staff, facilities and funds to help and compliment efforts in Districts and Wards. Inter-district visitations and challenges fostered to develop in youth competitiveness, discipline and various other capacities.

Interchange of information regarding youth between all levels of schools and Wards and Districts youth chapters should be a major effort in looking after and monitoring youth as they go through the early years of adult life. Sharing information about our youth and taking an interest in every aspect of each of our youth in the Ward and the District (both outside of and in schools at all levels – ECE, Primary, Secondary) will affect the kinds of members of our communities we envisage for the future of our Ward, District, Province and country.

Social Spaces and the common consciousness

Districts and Provinces should be encouraged to develop and support community Halls and Facilities. These may include a community hall, for use in various activities; sporting facilities for use by the community, parklands and reserves where families and communities can share time. Play centres for children should be part of these reserves. Districts should be responsible for funding support for establishment, maintenance and upkeep.

The teaching of sports, arts and crafts should be mandatory for all levels of schools. Regular competitions and shows should be promoted to ensure the development of vibrant programs and friendly rivalry and competitiveness. Teachers of these programs and activities can work also with youth programs and activities as indicated earlier. A Provincial/District sporting code team, dance troupe, theatre troupe, music group, debating team and so on should be fostered so that the best in the Province can be encouraged to continue their work in the chosen field.

Provincial Cultural Repository facilities (Museum, Art Centre, Performance space) are essential. Provincial sporting facilities are also essential. A Provincial Civic Centre is worthwhile. Parks and Reserves, Theatre spaces (indoor or outdoor) should also be encouraged.

Regular events are encouraged, where individuals, families and members of the community participate and belong to the community.

Building, organizing and maintaining these facilities, events, activities, year-in year-out will take much in terms of resources. These are necessary because the development of a community spirit and a common consciousness are key to strong well-knit communities.

Summary

In sum: nationalism and national identity are symbols, images and experiences. They also relate to where and how people live and experience lives that contribute to a national self-image. A national self-image is not a fixed object. The national self-image is an idea that is contested and historical (Pickford 2001, Clifford and Marcus 1986).

Thank you.

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PNG AT 40 SYMPOSIUM

LEARNING FROM THE PAST AND ENGAGING WITH THE FUTURE

Session 3.2 PNG's predominantly Melanesian identity is being diluted by Education and Business-related Immigration and Citizenship

Aivu Tauvasa

Introduction

Dilution of national identities is an inevitable process the world over. It is largely caused by economic development needs, priorities and aspirations of nations, the movement and / or resettlement of their peoples, education and citizens opting to move away from their traditional homes and villages to modern commercial towns and cities.

Emerging and growing influences from science and technology, innovation, information flow, economic integration, trans-border trade and social media to name some, are contributing to the world's evolution. These influences are changing the identity and behaviour of nations, their peoples, their social structures, their institutions and eventually the choices they make about their futures.

Papua New Guinea is no exception. It is experiencing these very same effects and is both accepting and adapting – sometimes for the better, sometimes not so. The effects of these influences consequently are not only diluting but actually transforming its Melanesian identity and the societies our forebears set up.

I have been asked to discuss and share on two important causes of the dilution of PNG's predominantly Melanesian identity – education and business-related immigration and citizenship. Even more significant are changes to our DNA, as it were, from things like IT, television, videos, movies and social media. It is on our young people that the impact is most evident. A powerful behaviour change is peer pressure and I am not so sure that PNG has the national policies to help our young people cope with the changes.

What is the Melanesian Identity? - AND - What is the PNG Identity?

The name Melanesia originally meaning black islands, was first used in 1832 by a Frenchman Dumont d'Urville to denote islands of an ethnic and geographical grouping, distinct from Polynesia and Micronesia. The inhabitants of these islands are black island people of the South Pacific who migrated to the region thousands of years ago.

We know that the Melanesian identity remains largely categorized through the collective product of beliefs, traditional knowledge, culture, national symbols, practices, rites and rituals. Trade between islands and the barter system helped strengthen and retain that identity for a very long time. Over the centuries, that collective Melanesian distinctiveness has remained relatively intact.

But in the last 40-50 years changes consistent with modernisation and commercialism have fundamentally altered the organics, the authenticity and indigenousness of our island states.

PNG shares its predominantly Melanesian features – physique, culture and traditions with Pacific neighbours like Fiji, Solomon Islands, Vanuatu and New Caledonia, as well, West Papua and Timor Leste. While not demarcated as in our sub-region, the people and culture of the Torres Strait Islands are Melanesian.

For PNG, an obvious distinction is that it is larger in terms of land mass and population plus it is more diverse and very multi ethnic. Another difference is the extent to which PNG has been able to retain that multi-ethnicity. One can argue that the dilution of PNG's Melanesian identity will therefore take longer. But in reality and call it what you like - change, alter, tweak or whatever, PNG's Melanesian identity is already on the path of permanent transformation and as with any kind of change, there will be negative and positive results. So how PNG deals with these changes now and in the future is the challenge – because it is not only about the rate of dilution but deciding what aspects of our identity we are going to preserve and why.

The process of change in PNG began when early European explorers arrived on our shores in the 1800s. Then there were the Chinese and German traders who settled primarily in the New Britain and New Ireland regions. So that's about 150 plus years of constant change to PNG's Melanesian identity.

Education and PNG's Melanesian Identity

By education, we mean of the western kind and from two perspectives - where education and PNG's cultural ethics work well side by side, and where they collide or are in conflict. We know that education provides a lot of advantages for human kind. For our discussions education:-

- Allows us to expand understanding, engagement and connectivity with the rest of the world.

- Enables our people to contribute to nation building including through employment, taxes, trade and commerce – plus the tools to undertake activities conducive to social and economic growth.

- Allows some of our people to create wealth and improve their social and economic status.

- Enables people to make decisions about relocating to other countries for jobs, marriage or a better way of life.

- Empowers people to make choices about the way they want to live their lives which by the way might not necessarily include the consideration of their being Melanesian.

- Allows us to better appreciate and accept multi-culturalism and tolerance of other peoples and cultures.

- Improves our understanding of ourselves as Melanesians, our heritage, our roots and our sense of belonging.

- Empowers us through knowledge and skills to better protect our environment e.g. the land, the sea and the resources therein – our flora and fauna bear special spiritual significance in our cultures.

- And so on.

Should education and modernisation improve living standards? Yes, but in reality it is not exactly the case in PNG when there is still a huge gap between our rural and urban socio-economic statuses – which are vastly apart, although, perhaps leadership and service delivery, are mostly the causes.

We see young Papua New Guineans opting to abandon, belittle, disown or even be ashamed of their Melanesian background. They feel their Melanesianism is a burden; that it is of no real value to them in the future or that it holds them back from say, enjoying western comforts.

The churches have also influenced PNG's culture and traditions and to some extent were probably the first to be the cause of the actual dilution process. In the name of education (or in those days it was more about 'civilising') our people, the churches not only discouraged but forbade our people from participating in activities regarded as blasphemous and sinful. In recent times, mainstream churches in particular have come to accept by accommodating the use of PNG traditional bilas, song and dance in modern worship rituals.

Melanesian Identity and Gender

We always hope that education will change society's perceptions, attitudes and behaviour towards our women for the better.   In reality, we still have a long way to go. An example is the gap and rate between the number of girls versus the overall number of boys going to schools and colleges. Some parents today still choose to send only their sons to school. They don't make much of an effort to send their daughters to school especially beyond primary school – for them it is OK that their girl children stay at home and help look after the family. This is one Melanesian habit that needs a *change-for-good* label. Fortunately, this practise is not as wide-spread as it used to be as more and more young people become educated parents themselves and see the importance of education for their sons and their daughters.

PNG Melanesian Identity and Domestic Violence

PNG has one of the highest rates of domestic violence in the Pacific – an uncomfortable truth often linked to our Melanesian culture and behaviour. So why isn't education changing the behaviour of perpetrators? Why this tolerance level as a society? Why do our women continue to feel our legal system is letting them down?

This is one PNG Melanesian habit we can let go altogether.   It is complex though and often uncomfortable when our people, men AND women say, *em pasin ia* or that it is the Melanesian way

so *em i orait*. Well it is not OK every which way. Some women feel it is the Melanesian kastam so they accept it and in fact blame themselves. PNG by habit and design does not invest enough in gathering (substantive) information, data and research for national social development planning purposes – which could help empower our leaders and politicians take leadership of PNG's overall gender under-development status. Politicians pursue women's votes so shouldn't this matter? This Symposium can challenge that thinking especially given 2017 is national elections year?

PNG did not meet its full Millennium Development Goals in health, welfare and education of our womenfolk – it is telling from a number of perspectives but could this suggest that even at the national level, our modern development policies including in education may still be influenced or dictated by our inherent Melanesian ethics and attitudes? In other words, is focusing on women in mainstream development not the PNG Melanesian thing? The onus is on more educated men and women to use their knowledge, skills to reverse the lack of upward movement of PNG's UN obligations.

PNG readily asks for and accept offers for assistance in status-changing programmes of our women from international development agencies. There is a long list of areas where funding and resources support is given to lift the status and performance of women in PNG's socio-economic development agenda. So, to what extent and how does PNG use these program outcomes and results to realign its own educational curricula to make changes in the area of women and education? PNG's private sector is doing what it can, so why aren't there more joint programs between government and business to not only expand the educational and skill levels but sensitise both genders to care and treat each other with respect at home and at the work place. I think the philosophy of gender sensitisation plays a critical part in promoting fair and better inter-gender attitudes, behaviour and treatment of each other.

I don't think it is only about formal education. It is equally about gender sensitising so both our educated young men and women learn or be taught why and how respecting each other and themselves has benefits for families and communities – the very foundation of our Melanesian identity.

Business-related Immigration and Citizenship on PNG's Melanesian Identity

PNG is part of the global community so it will always have foreigners coming for work, holidays, short term stays and tourists. Foreigners being here impacts on our national identity. They interface with PNGeans and in the process they see and observe our culture and traditions and make value judgements – sometimes they make it known to us, sometimes they don't necessarily express exactly what they think about our Melanesianism. By and large though, history shows that only a very small number make an effort to understand, appreciate and embrace our Melanesian culture and traditions. Is it because our traditional systems and values are too complex, alien and cumbersome? Are we as PNG Melanesians doing enough to help them understand, appreciate who we are, what we stand for and why? Are we doing enough to promote and protect our identity including from ridicule by foreigners? Are we okay with allowing entry of foreigners and businesses without somehow compelling them to at all times respect our identity and heritage including through the preservation of our land, resources, TK and our family values and community cohesion?

Over time, this may change when, on the one hand, people move away from cultural connections to environments where civic values and responsibilities take priority in their daily lives. On the other, it is only when immigrants feel comfortable that they can integrate into the PNG community through social interaction – that is probably when we can begin to establish more trust with each other. I believe a potential problem for PNG is when not enough is done to bring the two cultures together and where or when indigenous PNGeans become or feel more and more marginalised that signs of conflict and racial tensions emerge. Inequalities in our wage and remuneration system do not help. PNG has been through the experience of racially incited conflict before and I'm afraid it won't be the last time.

A growing phenomenon and one that I think many PNGeans have begun to observe with greater scrutiny and suspicion is the huge influx of new and foreign traders who locate themselves conveniently in rural and urban properties and do trade. By the way, it is not only the educated PNGeans who are asking the questions (i) has PNG become a dumping ground for cheap goods contrary to its WTO rules? or (ii) what is the level of compliance by this new sector to PNG's entry and business set-up laws? or (iii) how come commercial or customary land becomes so easily accessible when mipela long ples find it very hard to acquire same?

Internal migration provincially, does not seem to have diluted the essence of PNG's multi-ethnic and cultural groupings (clans) and tribes. Customary ties are often re-affirmed through the broad wantok system - something which is not only an asset but a curse as well. For the educated affluent PNGean, it is the latter.

A very good example of internal migration almost not totally affecting the identity of culture and traditions is that of West New Britain where oil palm growing has attracted people from other provinces. Despite the movement of people and inter marriage between indigenous local people and migrants from other provinces over many decades, the cultural and traditional identities have remained relatively unchanged. If anything, the local indigenous people such as the Nakanais from Bialla to Kimbe and the Bakovis from Kimbe to Talasea have tightened their grip on the things they hold most dear – their languages, culture, values, traditional knowledge etc. Conversely oil palm growers who are migrants who come to settle in West New Britain province have found strength, comfort and are empowered by affiliating themselves with their "wantoks" or ethnic groups from the same province - that is how they remain connected with their ethnicity. I suspect the same applies elsewhere where there have been agri re-settlement schemes such as in Oro, Milne Bay and New Ireland provinces.

On the other hand, there are instances where internal migration for economic reasons is creating ethnic tensions. This is now acute in urban centres like Lae, Port Moresby, Madang, Goroka. Milne Bay appears to discourage road links to other provinces perhaps so it can restrict internal migration? East New Britain Province somehow has managed to apply and well manage its own internal migration policies in a bid to avoid multi-ethnic tensions and conflict.

Identity and Modernisation / Commercialisation

There is also the issue of conflict between what our culture holds most dear in terms of natural resources and the environment, and the pace of modernization. PNG in the last 20 years has welcomed investors and trendily signs international trade agreements to help engage with the global community. We are embracing modern market economy philosophies and practices. But it is the rate at which PNG is accepting modern market economy that we should begin to ask:

- What are the impact assessments studies on our people, and communities?

- What real long term benefits will be gained by *Keeping up with the Joneses*?

- What are the values and effects on our domestic economy; our production capacity, our trade and export capacity, our manpower and skills capabilities?

- What are the effects on our physical environment and traditional practices? Most sensitive being the rate of depletion of natural resources which inherently define who we are as PNG Melanesians.

- How will they affect our typical Melanesian PNG family ties and social relationships and our caring and sharing values?

Modernisation is also affecting the health of our people. Our once healthy natural, organic food and beverage consumption is being now replaced by oily and sugar loaded fast food and drinks. Our dependency on and diet of fresh, organic and home grown food and the traditional methods of growing and preparing them are also rapidly disappearing. Our ancestors knew about bush medicines and cures so why are we importing medicinal herbs from China and India?

What else is diluting PNG's Melanesian identity?

Another and probably more pronounced effect on the erosion of our PNG Melanesian identity is modern telecommunications, television, social media, videos and IT. Many of young people are very tech savvy. Their acceptance and capacity to maintain a lifestyle habit of technology use and abuse has the potential to change our cultural and identity landscape forever. Things we do and see every day are examples of change on the move; more people are using western first and surnames over typical local PNG names and spellings; some of our womenfolk are trending for straightened and relaxed hair styles; our literacy and language use of Tok Pisin and English are pretty much based on mobile phone text language – we know this is affecting our children's literacy and numeracy skills at school. Tok Pisin is more commonly spoken than English or local dialects and languages.

Then there is betelnut chewing. We harp on it as being a PNG kastam. But is it anymore? It has become a serious health and hygiene wrath rather than a valuable cultural practise it was originally meant to be. So we ourselves are diluting our own PNG identity.

Concluding Remarks

Multi-culturalism is inevitable. So PNG should begin a real conversation AND do something about the choice/s we can make about what aspects of our Melanesianism we want retained and how; what we do not mind letting go of and what aspects, we realise will evolve regardless.

The challenge is how we measure the effects of dilution on PNG's ethnicity. PNG's cultural identity is not only Melanesian but very PNG centric which is what makes us different to our Melanesian neighbours. PNG's multi-ethnicity is also being influenced by the choices we are making as a country and people. Our global business involvement and our acceptance of commercialism (and dare I say materialism?) and personal choices are all impacting our behaviour, performance and reputation as Melanesians.

Where to from here? We have some fundamental questions to ask ourselves;

- Have we realised that there is a change process occurring already and which is affecting who we are or and what we stand for as PNG Melanesians?
- How much of our Melanesian identity have we lost already?
- Can we protect ourselves from further identity erosion? And how AND where do we begin?

The modern market economy is an inevitable determinant of PNG's future development. But the path to our increased participation in it is disintegrating PNG's social structures, family values and strength, quality of our arts and crafts, our traditional songs, our dance, our rituals, our TK, our oral history and our environment.

It is also bringing about more stress related illnesses, our professionals are dying younger, and lifestyle diseases are killing too many of our people. As well, it is creating a warped sense of development especially given the state of social and infrastructure of many of our urban and rural communities.

If this Symposium has a charge then it would be to ask, not if but when and what the next steps are for PNG to minimise the negative effects of modernisation and capitalism on our peoples and culture. Perhaps the first preferred outcome would be to arrest the rate of permanent transformation of its Melanesian identity.

Thank You

PNG AT 40 SYMPOSIUM

LEARNING FROM THE PAST AND ENGAGING WITH THE FUTURE

Session 4.1 PNG and its Bigger Neighbours

Sam Abal

PNG is lucky to be wedged in between Asia and the Pacific. It can claim to be a part of any or both regions and can participate in either. Papua New Guinea shares a land border (800 kilometres) with Indonesia, and sea borders with Australia, Micronesia, New Caledonia and Solomon Islands.

PNG has a good relationship with all its neighbours in all areas but probably because of its historic relationship, in the area of trade. Australia is the leading one both in terms of exports and imports. Its other economic partners are Japan, China, Germany & South Korea which it exports, while imports come mainly from the region namely, Australia, Singapore, Japan & China.

Papua New Guinea through a variety of links and experiences in the last few decades has been shaped and formed into a parliamentary democracy. Economically, PNG is an open economy, very subject to the vicissitudes of the world economy and largely dependent on commodities, recently on mining, oil and gas. It has to take proper cognizance of this fact and manoeuvre itself wisely to provide well for its 7.3million people, given the vast resources it has.

The Asia Pacific region remains a strong regional influence and will continue to be so because of the region's economic dynamism and hunger for resources. The ASEAN countries, China and Japan continue to provide the momentum. The sources of investments cannot be expected to be only from Australia, USA and Great Britain, but also and more so from Asia with Japan and Taiwan and China leading the way.

As is evident, PNG has very large neighbours but it is not useful to look at them with fear or suspicion. I believe it is up to us to make the approach and contacts and to enter into mutually benefitting arrangements in a globalized world of different scenarios and possibilities. The Asia /Pacific region and our bigger neighbours do stand to give us different benefits in achieving our national interest. The foreign policy angle of "Friends to all and enemy to none" at independence 40 years ago still rings true as the country's motto in order to advance. We have to be friends to all, beginning with our neighbours, in order to advance economically. The largeness of our neighbours must be seen as blessings, not as threatening or condescending, especially as markets to develop.

For example, our neighbour, Australia is a sub-continent and a market of over 20 million people with a high propensity to spend, with its GDP per capita being US$46,600 per annum. We have taken it for granted as our aid giver but that must stop. It is a market and with our special relationship and more importantly because of its proximity it makes economic sense to look at the opportunities of trade. Our industries should adjust to focus on the opportunities there.

Australia - Aid/Trade

Australia has been very involved with PNG even before PNG became a sovereign nation, and has remained its closest partner in development. It gives an aid package of over a billion kina per year and has been doing so faithfully, consistently and religiously whatever the state of the bilateral relationship is at that moment. PNG is remains grateful.

However both countries must now realize that this relationship must move into more mature one and that is where I believe the two must get into discussions to explore these avenues. It is suggested that a target be set to explore new ways to increase the trade levels between the two countries and to decrease the level of aid. Australia must wean PNG away into maturity. Perhaps 20-30% of its aid package should be allocated for assisting in the promotion of export oriented industries. Promotion in PNG should include assistance in trade promotion and in meeting quarantine requirements of Australia & New Zealand.

There are a vast array of agricultural crops that have potential to be sold in Australia and New Zealand. I have witnessed for example that Thailand is selling coconuts in Australia, while we next door could and should sell all the coconuts that Australia needs - and mind you that income will go straight to our villages. Our coconuts could be cheaper because of proximity but some assistance may be given to meet quarantine requirements or even trade subsidies. PNG needs to explore ways to facilitate and capture this trade. Building up more of our trade capacity with and towards our nearest neighbour should be a major economic goal.

(Since independence, PNG has spent all its resources concentrating on the EEC and trying to gain access into that market thousands of miles away with all of its protective trade measures and where developing countries have been for years negotiating entry. PNG had signed up as member of the Economic and Trade Cooperation Treaty between the ACP (Africa, Caribbean & Pacific) and the European Union (EU) since 1979. What really have we benefitted there needs to be looked at. A critical cost benefit analysis needs to be done here to answer the question, have we benefitted from that access arrangement? And why not spend our time and efforts closer in the Asia /Pacific region including Australia & New Zealand and seek for trade possibilities here more aggressively closer.

Australian military/strategic interests of PNG

Additionally, one can say that an economically independent and strong PNG is a positive for Australia especially for other aspects of the relationship such as the strategic defence interests of Australia.

Kokoda Trail is a staunch reminder of the unquestionable military buffer zone for Australia that PNG is. It has indeed been proven to Australia during WWII that war not need to come to Australia but can be fended off from within PNG (certainly for conventional warfare). Though this does not apply to unmanned, airborne weapons eg ICBMs.

Can we extend it further to say that the defence of PNG is the defence of Australia to some extent?

Indonesia

Our other big neighbour is Indonesia with whom we also have very cordial relations since independence.

There have been border tensions now and then but they have been downplayed very well over time especially relating to the so called West Papuan rebels.

Regarding this situation, PNG does not need any further justification than the fact or the truth that the issue of demarcation and incorporation of West Irian into Indonesia happened while she was not as yet a nation and still not yet independent. She could not do anything then nor can she do practically much now. Unfortunately it may be ' *fait accompli*', for some though not to others. PNG will continue to face challenges at the border so it cannot leave things to the elements as it were. There has to be a serious conversation and initiative to bring in all stakeholders to find a way. Perhaps for PNG its fair role may be to bring the parties to the table to talk rather than leave things to the elements as it were.

This is because, being the largest Melanesian country, PNG may find it hard to avoid the fact that it needs to be sympathetic to the West Papuans' cause. The Melanesian man on the streets in PNG and other Melanesian countries will still harbor sympathies for their 'cry', and that is not misplaced. Melanesians do have a trait of belongingness to their tribes or clans. Their affinity is strong. Be that as it may the West Papuans are conscious of they being accommodated in the Melanesian countries (PNG, Sol Islands & Vanuatu especially) and to destroy their own welcome would be unwise for them and their cause. It will undoubtedly and perhaps increasingly become an issue for the region. As to its solution I believe only God knows.

However perhaps the important or the practical issue may be the same desired issue for PNG and every other country i.e., how to lift up the standards of people living there. Would that not be the most desirable thing for all nations, namely to upgrade the lives of their people? And if this were to be guaranteed to the people of Papua, without any form of human rights violation, would it or could it not be accepted? For why waste lives in fighting, if a guarantee is given and international control and scrutineers are present to monitor the programs and fairness to the Papuan people?

Hypothetically, would such a thing be acceptable? Would Indonesia accept to give such guarantees? Would Indonesia in some ways see it like their own policies of separating the Provinces where Aceh and Papua Provinces have provincial type regional administrations? Not fully knowing or understanding the structures there we cannot make any judgements; but if there is a move to provide separate governance to Papuans within Indonesia, should this be acceptable?

The other side of the coin needs to be explored. Namely, a scenario that allows the issue to fester on; we have witnessed many times, repeatedly all over the world, that many ethnic groups fighting for freedom seem to be going on forever refusing to give up. Sadly only more lives are lost on both sides. Perhaps it is time that countries of our region find new ways forward

One needs to highlight this as a Asia/Pacific issue which should not be swept under the floor. With some daring, one may even suggest that PNG should do a lot more to discuss with Indonesia to find a way. To leave it to the elements as it were, is not wise. It is the work of diplomacy to keep in constant touch chipping away to at it. But more so one needs to put more energy to it now rather than leave it.

Indo-Melo economic relationship

Seeing that the border is a permanent aspect of both PNG & Indonesia, both nations must see this not as a disadvantage, but rather an advantage and therefore open up to each other to promote serious programs to help their people.

The best way perhaps for a nation or nations to develop affinity is to set about looking for common interests and especially to encourage trade. It is useful to send out trade missions to each other's nations to kindle businesses interest and to engage in trade, and encourage cultural exchanges so people can learn of different customs and learn new ways of doing things. There can be government sponsored student exchanges. Unfortunately, here not been much of this has taken place but there is always a time to start.

Other Countries in the Region

China

We have a dynamic and growing relationship with China. Since our independence we have been very faithful in our respect of their 'One China' policy and they have acknowledged that on many occasions.

The forceful emergence of the Chinese economy in the world has forced many countries, in and outside the region, to shift their outlook of China, and develop a new equation with China. For PNG it would be amiss not to take advantage of the special relationship it has with China. We can look at taking advantage of the opportunity that China poses as a huge market possibly with lesser stringent trade access rules than say the EU or Australia, Japan or USA. For example, what if hypothetically, we were to just get 1% of them to drink our coffee just once a week? We would run out of enough land to grow the coffee.

Chinese diplomacy has been strong in the Pacific even where accusations were made of 'Dollar Diplomacy' when purportedly, grants are being given/refused according to whether countries recognized Taiwan or not. PNG has played its cards well. It strongly recognized the 'One China Policy' but also managed to secure trade/tech/consular relations with Taiwan..

Even so where Chinese companies are operating, there has been talk of illegal or abusive behaviour by them. The internet is full of all these companies doing all sorts of misdemeanours in Africa and other regions. Such behaviour may be generally acceptable and not officially frowned upon in parts of Asia; it is however, not acceptable in PNG and the Pacific. It is definitely a threat to our society

and what we want to make it to be. PNG certainly cannot be allowed to develop into a corrupt society. Across the Pacific the feeling may be the same.

At this initial stage needs to press upon the Chinese government to take better control of its companies, and ensure they respect the laws, rules and processes because they will be here for the long haul and PNG will certainly continue to supply resources.

In the area of infrastructural development, the Chinese are already heavily involved.   There is a lot of talk and criticism about the awarding of contracts. Also supply of materials must be of good quality with value for money. We must build properly and not rush up infrastructure which later does not last or involves costly maintenance.

Taiwan

Relations are amicable but this is one country looking for partners; and strong friendships can be developed by PNG especially to connect with their technological capacities. Under scholarships agreed upon, large student populations can be sent there to learn the technological skills. Serious educational dialogues and especially university to university exchanges should be undertaken. The two Governments can agree to promote research exchanges in various areas relevant to PNG and this can develop later into scientific cooperation. The development of exchanges and the potential for cooperation in IT and technological advances should be promoted.

USA

America is still the strongest nation on earth militarily and economically despite the recent growth of China. The dollar still remains crucial to the world economy.
For PNG the power balance in the region as it has been since WWII is quite acceptable. Under this free world democratic environment wonderful things have been happening especially in the Asia Pacific region in terms of economic growth and with it, standards of living have improved in leaps and bounds. But for PNG, it has to stop and take proper cognizance of the advantage of being in the area and plan better to take advantage of it.

Despite the prowess of the USA, there has been criticism of it in the Pacific over the years especially in the 1990s and into the millennium. There has been some uneasiness that America has not paid much attention to the Pacific and its issues. Attention was waning as the USA was starting to fold up and leave its military presence in various places around the world. One would have thought that it would certainly not 'withdraw ' from its own region or ocean. Warships that used to circulate in the Pacific seemed to have been withdrawn and their absence was being picked up by the Chinese.

In certain meetings this was mentioned that during the time of President Obama, lesser attention has been given to the Pacific. Even the   negotiations for the one most important economic agreements between a developed nations and the group of developing nations of the Pacific in regard to fisheries viz. " the Nauru Agreement " now stands terminated. For these Islands that is one of the only hopes for annual revenues and   the failure of this Agreement will have dire consequences.

Japan

PNG has again a very cordial relation with Japan. A very important trading partner second only to Australia. The Japanese aid package is substantive; but it would be better to give them particular sectors to concentrate on and help develop, for example the area of bridges infrastructure building which they seem to be good at. Japanese skills and materials are dependable. They are serious partners who consider it an 'honour' to get projects done with quality finish.

But is Japan changing its face in the region now? Is it getting too militarily inclined? The recent signing of the USA-Japan Military agreement spells a scenario change. We have been used to a non-military Japan. Now regional issues may ignite.

Conclusion

PNG is surrounded by big and dynamic neighbours within a fast growing region. It has no scores to settle with anyone. Its main aim should be to use its relationships to promote its national interest which must be to raise the standards and well being of its people. A positive approach to working with its neighbours will go a long way in assisting.

There is now a greater need to review trade and investment promotional policies, and to strengthen authorities or merge current efforts on information-gathering, research and intelligence. PNG needs to better understand, interpret and manage its differing relationships with its variety of neighbours. It would then be able to project and promote investment on one side and to protect PNG interests *on the other.*

We need to learn from Asia in being business minded, and to strengthen our business capability. However, it is equally important to maintain practices of good governance, transparency, law & order, democratic systems of government, and freedom of speech. These are principles we have inherited and tested over time.

PNG AT 40 SYMPOSIUM

LEARNING FROM THE PAST AND ENGAGING WITH THE FUTURE

Session 4.2   PNG's Engagement with Pacific Regionalism

Meg Taylor

Summary: *Since independence in 1975, Papua New Guinea's identity within the Pacific region has emerged as that of a political and economic friend, particularly to its Melanesian neighbours, albeit with selective and variable engagement in regional affairs. As the largest nation-state in the region, PNG is arguably not as present in the region as it could be, frequently prioritising sovereign interests over its regional relations, with its domestic priorities shaping its approach to regional trade and fisheries. Opportunities to deepen its regional engagement abound and should be pursued given the questionable economic sustainability of PNG's ad hoc donor-modelled engagement strategy with its smaller Pacific neighbours. PNG's current chairmanship of the Pacific Islands Forum, its geographical and economic ties to Asia and potential for greater economic development, places the nation in an influential regional leadership role in the long-term. Through the strategic leveraging of these opportunities, PNG could cast lasting influence over the future direction of Pacific regionalism.*

PNG's Regional Engagement – Still finding its feet

Since independence Papua New Guinea has asserted itself as an integral and influential part of the Pacific region. Speaking in 1974, the then Chief Minister Michael Somare told Pacific Leaders gathered in Raratonga, Cook Islands, "We feel our closest ethnic and cultural ties are with the island nations of the South Pacific, and our leading obligations and commitments in international relations are to these nations[i]." PNG also recognised its strategic place in the broader region as well. Addressing the Australian Institute of National Affairs, later in 1974, Somare said, "Papua New Guinea is concerned to ensure that her future trade relationship with [Southeast Asia] is in line with the wishes of the other South Pacific Leaders. My country may be able to fill a bridging role between these two regions."[ii]

In these early years the PNG Chief Minister was actively engaged with Pacific Leaders like Hammer De Robert of Nauru, Albert Henry of Cook Islands, Robert Rex of Niue and Fiame Mata'afa Faumuina Mulinuú II of Samoa. Somare also enjoyed a particularly strong relationship with the then-Prime Minister of Fiji Ratu Sir Kamisese Mara. When PNG began seeking membership of the South Pacific

Forum (as the Pacific Islands Forum was then known), as early as 1972, it was the Prime Minister of Fiji that Somare began corresponding with to raise the prospect.

PNG was first admitted as a South Pacific Forum Observer in 1973 and granted full membership in 1974. PNG was up front about its expectations: Somare commented that the Forum had "been much talk and little action[iii]." Behind the scenes he was urging fellow Leaders to "take constructive measures to implement some of our previous resolutions[iv]." PNG quickly added its voice to regional discussions on nuclear testing, shipping and fisheries. It also brought new ideas to the table with early discussion papers on technical education training and the environment[v]. PNG also demonstrated its commitment to the Forum by offering money to assist with building a Forum headquarters in Suva and by offering to pay "almost double its assessed contribution" to the annual budget[vi].

Since the 1970s, however, PNG's relationships within the Pacific region have waxed and waned in response to domestic challenges and, at times, fractious regional relations. This is not dissimilar from the experience of its Melanesian neighbours, Solomon Islands and Vanuatu, who together with PNG were branded as the Melanesian component of the 'arc of instability[vii]' in the mid- to late-1990s. However, this underscores the fluid sense of connectivity to the region as a whole that PNG has demonstrated over the years, as evidenced by PNG's leadership push in establishing the Melanesian Spearhead Group (MSG) in 1986[viii].

In the 1980s and early 1990s, PNG's foreign policy centred on direct bilateral engagement with global superpowers. This may have paid off in the long-term for PNG's international relations, but perhaps at the expense of some of its relations with its Pacific island neighbours, particularly from the 1990s to mid-2000s. Despite PNG nationals being at the helm of the regional Secretariat from 1980-1982 (Gabriel Gris, Director) and 1998-2004 (W. Noel Levi), these tenures did not appear to have coincided with focused strategies of regional engagement with Pacific neighbours at the time.

Rather, PNG's regional relations have been fostered through the sharing of its largesse, a practice very much driven by Melanesian principles of generosity and sharing. For example, PNG quickly established itself as a responsible Forum member and friendly neighbour, responding to Vanuatu's call for military assistance in stemming a separatist movement in 1980[ix]. In 1997, Prime Minister Bill Skate led PNG's first foray as an aid donor to provide tertiary scholarships to Solomon Islanders[x]. In the mid-2000s, Prime Minister Somare sanctioned the provision of disaster relief to Fiji (2008), a practice continued by Prime Minister O'Neill with post-disaster support to Samoa (2012), Solomon Islands (2013) and Vanuatu (2015). Most recently fuelled by PNG's economic growth from developing liquefied natural gas resources (LNG[xi]), PNG's increasing actions as a regional 'donor' have extended to supporting Fiji's 2014 elections, fully funded scholarships to PNG's universities for citizens of Solomon Islands and Vanuatu, and offers of assistance to the smaller island states of the region to establish their own joint secretariat[xii]. One could also add that as a fisheries-rich nation, PNG has also shared this largesse with its neighbours through the former arrangements of the US Tuna Treaty[xiii].

Despite relatively responsible regional citizenry, PNG is arguably still not fully present in the region and has often asserted an independence from Pacific regionalism[xiv]. PNG has not always found political convergence with the Forum collective. Perceived politico-cultural bias within the Forum to its Polynesian states led to the first formal political sub-regional grouping by Melanesian[xv] states in

1988. Often described as borne out of a frustration in relation to protracted intra-regional trade negotiations, PNG's leadership in establishing the Melanesian Spearhead Group of states led to significant advances in sub-regional trade relations and has been a successful trading bloc model for the region. Since 1982, PNG's active support for the Parties to the Nauru Agreement in relation to fisheries has also demonstrated PNG's pragmatic foreign policy in relation to multi-lateral issues.

A footprint on the region's economic development

Notwithstanding the variability in its regional relations, as the largest Pacific island state, PNG is a key player in the region's economic development. The significant long-term revenues from the agriculture and fisheries sector, as well as the expansion of PNG's private sector across the region, such as the Bank of the South Pacific, and widespread direct investment in Pacific island states demonstrate PNG's increasingly important role in the region's economic affairs. There is no doubt that PNG's donor-styled engagement in the region is significantly correlated to its resources boom and a widening footprint in the region's economic landscape. However, as for any aid donor, such a regional engagement strategy will be constrained by domestic economic downturns.

Credible macroeconomic policy will assist in PNG's sustained role as development partner in the region, if that indeed remains its primary strategy for regional relations going forward. PNG has significant economic potential, especially in the terms of a large and young labour force, which augurs well for improving competitiveness. The focus on internal mobilisation of labour across productive sectors, up-skilling human capital, social inclusion (including economic empowerment of women) and a stable macro-economy are key immediate challenges in PNG's quest for higher potential economic growth and prosperity, and in turn its ability to sustain its regional engagement strategy as an emerging donor and interlocutor.

Development of Regional Productive Sectors and Supply Chains

In addition, the development of regional productive sectors, such as fisheries through a Pacific Marine Industrial Zone (PMIZ), coupled with readily available business sector enablers and transport logistics to the world's most dynamic and largest markets, would place PNG as the hub of the region's fisheries processing centre. Forum Leaders have called for increased economic returns in fisheries for the region; the development of a vibrant regional fisheries industry by increasing regional processing of key marine products, such as tuna, by 2020, would greatly assist the realisation of this goal. This in turn could create additional value-adding, generates new jobs, develops an array of allied industries for the Pacific island region, and simultaneously, enhances the inter-connectedness of the region. Such regional initiatives to improve economic returns from regional resources provides a panacea for creation of similar supply chains and/or product linkages across the Forum island countries. For instance, the potential for PNG coffee and cocoa to be used in growing consumer and tourism markets, such as Fiji, Cook Islands and Palau, thus diversifying and expanding the market for PNG coffee and cocoa exporters.

A Bridge to Asia

As the only Pacific island economy to be a member of Asia-Pacific Economic Cooperation (APEC)[xvi], as well as a long-time observer[xvii] – and member-in-waiting - of the Association of South East Asian Nations (ASEAN), PNG is well-positioned to play an important role in bridging the Pacific and Asian

regions that other Forum Members do not, or cannot, play. At the 22nd ASEAN meeting in Malaysia, PNG declared itself a champion for the Pacific region, including the small developing states, to ensure greater connectivity on issues of common interest[xviii]. In 2015, PNG was also Chair of the 13th Southwest Pacific Dialogue (SPD), a forum for dialogue between the nations of Australia, the Philippines, Indonesia, PNG, New Zealand and Timor-Leste. In 2018, PNG will host the APEC Summit, a first for Pacific island states. The exclusion of the smaller economies of the Pacific Islands Forum in these inter-regional fora provides the space for Papua New Guinea to nurture its Pacific relations through championing regional causes.

With such a unique connection to Asia, PNG has the potential to be the main Pacific broker for enhanced trade and economic relations for the small developing states; something that Pacific rim countries have not yet facilitated (for example, the Trans Pacific Partnership circumvents the Pacific island region and potentially *increases* trade barriers for small island developing states). In this regard, PNG's role in the region extends far beyond that of a friendly neighbour and emergent donor. PNG's economic connectedness (through trade, economic and financial linkages) with Pacific island states (especially with the larger Melanesian countries and, in turn, their connectedness to smaller island states) forms a gateway to Asian economies.

Facilitating Inter-connectedness

PNG can play an important role in facilitating the transport logistics and enabling environment for meaningful private sector development in the Pacific region. PNG's private sector and transport network through its national airline, Air Niugini, has the potential to be an important enabler of improved inter-connectedness to the Asian tourism market by marketing multi-country packages, a vision that Forum Economic Ministers have supported in the future development regional tourism[xix]. The experience of Cook Islands, Fiji, Palau and Vanuatu has shown a direct and strong correlation between transport logistics and economic value creation and prosperity in these tourism driven economies. Recently, Air Niugini has entered into discussions with a number of Forum island countries in extending its route across the Northern and Eastern Pacific. Establishment of these extended air linkages will provide significant impetus and interest for trade and investment through niche industries, primarily tourism and associated industries.

Championing political concerns

Aside from the economic bridge to Asia, diplomatic relationships with countries in Asia represents an opportunity for PNG to be an effective champion of a wide range of Pacific interests and concerns. Of particular significance is its relationship with Indonesia and its experience of the complexities of the West Papua region of Indonesia. Having extensive experience of discussions with Indonesia about the treatment of Melanesians living in West Papua, PNG is well-placed to guide the region in efforts to bring greater pressure to bear on Indonesia with regard to alleged human rights violations in West Papua. It is particularly timely that PNG currently serves as Chair of the Pacific Islands Forum when the Forum has made its most explicit statement to date of its expectations that the human rights of Melanesians living in West Papua be fully respected[xx]. (Indeed many attribute the fact of this statement to PNG's chairmanship.) In the event that PNG's term as Forum Chair concludes before an acceptance by Indonesia of the Forum's request to undertake a fact-finding mission in West Papua, PNG has underscored its commitment to continue to play a key role in advancing the Forum's engagement on this issue.

PNG and the future for Pacific Regionalism

In recent times, PNG has particularly demonstrated that its sovereign interests are worth more than its regional interests, highlighting its capricious regional policy. The tendency to assert its political strength bilaterally, such as in regional fisheries negotiations and its withdrawal from the regional Economic Partnership Agreement negotiations with the European Union (while at the same time holding Chairmanship of the negotiating bloc[xxi]), suggest that PNG is still realising its full potential as a regional leader. PNG has the potential to be a great regional leader, but for various reasons its own missed opportunities send a signal that it is still not fully present in the region. Regional leadership will require much more than tenuous donor-style engagement and a more multi-faceted regional engagement strategy.

The *Framework for Pacific Regionalism* is an opportunity for Forum Members to demonstrate a renewed commitment to regionalism. The *Framework* sets out a process for identifying *regional* priorities via a process of political dialogue and settlement, and touches on issues of the pooling of sovereignty and resource sharing. As the current Chair of the Pacific Islands Forum (2015-16), as well as through its regional leadership on economic and Pacific Rim politics (particularly with Asia), PNG can play an active role to advance Pacific regionalism under the *Framework*, and has already begun to be an advocate for the region's political priorities.

In 2015, as the Chair of the first Pacific Islands Forum Leaders Meeting where regional priorities identified through the Framework were discussed, Prime Minister O'Neill demonstrated PNG's regional leadership in brokering a political settlement on five priorities: fisheries, climate change, information and communication technology (ICT), cervical cancer and West Papua[xxii].

Beyond Forum Chairmanship, PNG can continue to play a strong advocacy role in support of regional positions articulated through the *Framework*. PNG, for instance, advocated strongly for the positions of the Pacific Islands during the COP21Meeting, and, by virtue of its size and resources, is well-placed to support progress on the Forum Leaders decision to increase economic returns on fisheries[xxiii].

Elsewhere, as an increasingly 'present' Forum Member, PNG can advocate for Forum Leaders' decisions in other fora, such as at the United Nations General Assembly, APEC and in its representation at other regional meetings. PNG can also leverage its various regional and international relationships to deepen the practice of regionalism in the Pacific. PNG has well-established links to the Asia-Pacific through its membership to APEC and its entrenched bilateral ties with large Asian countries such as China and Japan. Through these relationships, PNG is well positioned to advocate for Pacific access to Asian markets, for instance.

Papua New Guinea's prominent position as a member of sub-regional bodies such as the Melanesian Spearhead Group and the Parties to the Nauru Agreement also presents opportunities to establish consistency or complementarity between regional and sub-regional activities.

Into the future, PNG can continue to support the Pacific in its regional efforts by capitalising on its diplomatic assets and geo-political position. This requires a level of foreign policy ambition on the part of PNG's leadership, as well as arguably a continuation of the resource rents arising from the domestic activities (including the export of LNG) if it wishes to continue to pursue its current strategy as regional donor.

PNG's appetite for leading regionalism will depend largely on the extent to which domestic challenges (such as the imminent question of Bougainville's status) will absorb national attention, as well as the relevance of regional measures to addressing these national challenges. However, opportunities to cultivate PNG's brand of regionalism abound. How much is PNG ready to commit to Pacific regionalism?

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[i] The 5th South Pacific Forum Summary Record and Final Press Communique. 1974

[ii] Sir Michael Somare was giving the Roy Milne Memorial Lecture at the Australian Institute of National Affairs. The speech was titled *The Emerging Role of PNG in World Affairs.* (http://trove.nla.gov.au/ndp/del/article/110783542?searchTerm=%22papua%20new%20guinea%22%20somare%20foreign%20policy&searchLimits=sortby=dateAsc)

[iii] Ibid. ii.

[iv] Ibid. i.

[v] 1976 Forum Communiqué – The Forum considered a paper entitled "Environmental Conservation in the South Pacific". The paper outlined the concern felt by the Government of Papua New Guinea that common and co-ordinated approaches to development and environmental protection should be adopted in the region as soon as possible.

[vi] Forum admission file Vol1, 73-76. Writing to Michael Somare in April 1974 Secretary General M.U Tupouniua thanks PNG for offering to "almost double its assessed contribution to the SPEC budget".

vii First used by Australia at the end of the 1990s, the 'arc of instability' referred to the chain of politically unstable states stretching from Indonesia and East Timor to Vanuatu and Fiji.

viii This was the result of an informal meeting of Leaders of PNG, Solomon Islands, Vanuatu and the Kanak Socialist National Liberation Front (FLNKS), held in Goroka, PNG on 17 July 1986. In 1988, a formal MSG Cooperation Agreement was signed. (http://www.msgsec.info/index.php/members/brief-about-msg)

ix Under Sir Julius Chan's leadership, PNG sent its Kumul Force to assist Vanuatu in quashing a separatist movement that threatened to destabilize the country on the eve of its Independence in July 1980 (Macqueen, 1988). MacQueen, Norman. 1988. "Beyond Tok Win: The Papua New Guinea Intervention in Vanuatu, 1980." *Pacific Affairs,* Vol. 61 (2): 235-252. Vancouver: University of British Columbia.

x Batley, James. 2015. "Papua New Guinea's Aid Program in the Region." State, Society and Governance in Melanesia Program In Brief series 2015/34. Canberra: Australian National University.

xi PNG's "donor" relations with its neighbours have been financed by its resources boom, which pre-dates the recent spike in "Pacific aid" fuelled by LNG-based revenue.

xii Ibid. x.

xiii The United States withdrew from the US Tuna Treaty with Pacific island countries in January 2016.

xiv ANU academic Stewart Firth has described this as a new sense of Melanesian independence within the region. Firth, Stewart. 1 February 2016. "The Pacific's state of independence." Asia and the Pacific Policy Society Forum. http://www.policyforum.net/the-pacifics-state-of-independence/

xv Fiji did not join the Melanesian Spearhead Group until 1996.

xvi Papua New Guinea became a member of APEC in November 1993.

xvii Papua New Guinea became an ASEAN observer in 1976, and has persistently pursued membership through various national administrations, most recently at the 22nd ASEAN Meeting held in Malaysia in 2015.

xviii "PNG Foreign Minister Advances Pacific Island Nations Concerns at ASEAN Meeting," *Papua New Guinea Today,* 9 August 2015. http://news.pngfacts.com/2015/08/png-foreign-minister-advances-pacific.html

xix See 2013 and 2014 Forum Economic Ministers' Meeting Action Plan: http://www.forumsec.org/pages.cfm/economic-governance/forum-economic-ministers-meeting-femm/

xx See 46th Pacific Islands Forum Leaders Meeting (2015) Communiqué: http://forumsec.org/resources/uploads/attachments/documents/2015_Forum_Communique_10Sept2015.pdf

xxi PNG was Chair of the P-ACP Leaders grouping in 2015 when it made a bilateral decision to withdraw from the EPA negotiations. PNG continues, however, to benefit significantly from investment in fisheries processing in the interim EPA.

xxii Pp. 2-4, Forty-Sixth Pacific Islands Forum Communique.

xxiii P. 2, Forty-Sixth Pacific Islands Forum Communique.