Leadership and Support for Public Sector Reform in Papua New Guinea: Evidence from experiments

For presentation at Pacific Update 2019

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Leadership and Support for reform, PNG

Roadmap:
1) Aims & objectives
2) Significance of research
3) Research question, and why PNG
4) Experiment and procedure
5) Findings
6) Conclusion
1. Aims and Objectives

• Evaluate conditions under which citizens provide support for governance reform, or undertake the role of leadership to generate broad support for reform

• Also, how peaceful and constructive collective action can lead to improved governance in PNG
2A. Research and Significance

Why this is significant:

• Reforms to improve governance, government performance, or public service delivery relies on the demand for and supply of reforms

• Supply of reforms: Eg., policies to reduce bureaucracy, waste, corruption

• Demand for reforms: citizens push for improved government performance or public service delivery
2B. Research and Significance

Why this is significant:

- However, even as citizens seek reforms, they may contribute to performance or delivery problems.

- Individual’s choices may reinforce performance or service delivery problems at the societal or collective level. Eg., making sidepayments to get better or faster service.

- This leads to a weak governance trap: social behaviors reinforce poor performance over ethical ones, and government reforms that are adopted continue to fail.

- Principled principal problem: “honest” players are affected by, rather than forebear, corrupt practices (Peiffer and Alvarez 2015).
3. Research question

Research question:
How do individuals choose, faced with a trade-off between outcomes that provide private gains and outcomes that provide collective good?

PNG is interesting for study:
1) Public support for reforms
2) Persistent performance problems
3) Consistent with many countries, eg., despite significant efforts, corruption remains stubbornly intact (Rothstein 2011; Mungiu-Pippidi 2013; Persson et al 2013)
4A. Experiment and procedure

Students play 3 or 4 games. A total of 444 participated.

1. Participants individually decide if they wish to pay *gris moni* to get better outcome
   • collective decisions determine whether there is a low or high corruption environment, which in turn affects services

2. Participants then choose to attend a peaceful forum focused on orderly and constructive debate to support reforms

3. Also choose whether to use social media to drum up support

4. And, choose if they will be a leader to drum up support

Final payout is based on choices, whether reforms occur, and chance of *gris moni* payment being detected
5A. Findings
Round 1: Status quo, low detection (1 in 6 chance of detection)
• Participants choose to pay nothing and get standard service or
• Pay 50 toea (gris moni) to get favourable treatment
• Threshold for low v high corruption=20 percent

Payouts for choices

<table>
<thead>
<tr>
<th></th>
<th>Pay nothing, standard service, receive:</th>
<th>Pay gris moni, if not detected, receive:</th>
<th>Pay gris money, if detected, receive:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Low corruption environment</td>
<td>10 kina</td>
<td>30 kina</td>
<td>2 kina</td>
</tr>
<tr>
<td>High corruption environment</td>
<td>3 kina</td>
<td>7 kina</td>
<td>2 kina</td>
</tr>
</tbody>
</table>
5A. Findings

Round 1: Status quo, low monitoring (1 in 6 chance of detection)

- Participants choose to pay nothing and get standard service
- Students pay 50 toea (*gris moni*) to get favourable treatment
- Threshold for low v high corruption = 20 percent

<table>
<thead>
<tr>
<th></th>
<th>Number</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pay nothing, standard service</td>
<td>315</td>
<td>71.75%</td>
</tr>
<tr>
<td>Pay gris moni, better outcome</td>
<td>124</td>
<td>28.25%</td>
</tr>
<tr>
<td>Total</td>
<td>439</td>
<td>100%</td>
</tr>
</tbody>
</table>
5B. Findings

Round 2: Imagine reforms have been adopted, so there is a high monitoring and higher chance of detection (4 in 6 chance of detection)

- Students choose to pay nothing and get standard service, or
- Students pay 50 toea (*gris moni*) to get favourable treatment
- Threshold for low v high corruption=20 percent

Payouts for choices

<table>
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<tr>
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5B. Findings

Round 2: Imagine reforms have been adopted, so there is a high chance of detection

- Students choose to pay nothing and get standard service, or
- Students pay 50 toea (gris moni) to get favourable treatment
- Threshold for low v high corruption=20 percent

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<tbody>
<tr>
<td>Pay nothing, standard service</td>
<td>353</td>
<td>80.59%</td>
</tr>
<tr>
<td>Pay gris moni, better outcome</td>
<td>85</td>
<td>19.41%</td>
</tr>
<tr>
<td>Total</td>
<td>438</td>
<td>100%</td>
</tr>
</tbody>
</table>
5C. Findings: Status quo or Reform?

Round 3: Support reforms – pay 1 kina to attend a peaceful forum focused on orderly and constructive debate

Threshold: 50 percent pay and attend, then reforms go forward

Expectation: the uncertainty and dependence on others may lead to poor attendance

Surprise:

<table>
<thead>
<tr>
<th>Number</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pay 1kina to attend forum, support reform</td>
<td>94</td>
</tr>
<tr>
<td>Pay nothing, do not support reform</td>
<td>7</td>
</tr>
<tr>
<td>Total</td>
<td>101</td>
</tr>
</tbody>
</table>
5D. Findings: Status quo or Reform?

Round 3: Support reforms – pay 2.5kina to attend a peaceful forum focused on orderly and constructive debate

Threshold: 50 percent pay and attend, for reforms to go forward

Expectation: the uncertainty and dependence on others may lead to poor attendance

<table>
<thead>
<tr>
<th></th>
<th>Number</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pay 2.5 kina to attend forum &amp; support reform</td>
<td>134</td>
<td>87.58 %</td>
</tr>
<tr>
<td>Pay nothing, do not support reform</td>
<td>19</td>
<td>12.42%</td>
</tr>
<tr>
<td>Total</td>
<td>153</td>
<td>100%</td>
</tr>
</tbody>
</table>
5E. Findings: Status quo or Reform?

Round 4A: Pay 1 kina to pledge on social media to attend forum
Round 4B: Observe percentage pledge, then choose to pay 2.5 kina to attend forum

Expectations: Making a pledge does not mean that attendance, people how pledge may not attend

<table>
<thead>
<tr>
<th></th>
<th>Round 4B: Pay 2.5 kina to attend forum</th>
<th>Round 4B: pay nothing, do not attend</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Round 4A: pay 1 kina to pledge to attend</td>
<td>52 (57.14%)</td>
<td>7 (7.69%)</td>
<td>59 (64.84%)</td>
</tr>
<tr>
<td>Round 4A: pay nothing</td>
<td>25 (27.47%)</td>
<td>7 (7.69%)</td>
<td>32 (35.16%)</td>
</tr>
<tr>
<td>Total</td>
<td>77 (84.62%)</td>
<td>14 (15.38%)</td>
<td>91 (100%)</td>
</tr>
</tbody>
</table>
5F. Findings: Status quo or Reform?

Round 5A: Pay 1 kina to be leader, or nothing to be follower
Round 5B: Leaders must pay 2.5 kina to attend forum, followers observe percentage, and choose if attend forum

Expectations:

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<thead>
<tr>
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<th>Round 5B: Pay 2.5 kina to attend forum</th>
<th>Round 5B: pay nothing, do not attend</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Round 5A: pay 1 kina to be leader</td>
<td>73 (85.88%)</td>
<td>1 (1.18%)</td>
<td>74 (87.06%)</td>
</tr>
<tr>
<td>Round 5A: pay nothing to be follower</td>
<td>7 (8.24%)</td>
<td>4 (4.71%)</td>
<td>11 (12.94%)</td>
</tr>
<tr>
<td>Total</td>
<td>80 (94.12%)</td>
<td>5 (5.88%)</td>
<td>85 (100%)</td>
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</table>
5G. Findings:

What do the numbers tell us?
Proportion pay *gris money*, low monitoring = 28.25%
Proportion pay *gris money*, high monitoring = 19.41%
T-statistic = 3.085, Means test = 0.002
- Choices change with high monitoring

Proportion pledge = 57.14%
Proportion lead = 85.88%
T-statistic = 3.573, Means test = 0.0005
- Participants prefer to lead than pledge
6A. Conclusion

Results:

• Choices change with monitoring and detection changes
• 87% - 93% will attend a peaceful forum for orderly and constructive debate on reforms
• More than 85% willing to undertake leadership roles in such forum
• Participants prefer to lead than pledge to attend such forum
6B. Conclusion

Relevance:

• Considers the role of educated Papua New Guineans, and potential future leaders of the country to peacefully and meaningfully engage in policy debate around governance issues

• Inform policy makers, academics (particularly those at UPNG), and students at UPNG on how social norms can reinforce governance systems