

Institutional Sources of Cooperation, Competition and Conflict in Developing Countries

Civil Service Administration in Afghanistan and Papua New Guinea

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What We Will Cover

01

Theoretical Framework

Institutions, and how they shape cooperation, competition, and conflict

02

Case Study: Afghanistan

Civil service administration, 2001-2021

03

Case Study: Papua New Guinea

Civil service administration since independence, 1975

04

Key Findings

What the two cases teach us, together

05

Implications & Discussion

Lessons for institutional design

The Problem: Institutional Dysfunction

Institutions are central to political life — **but institutional dysfunction remains widespread in developing countries.**

- Postcolonial institutions often mismatch long-standing authority patterns
- ‘Legacy institutions’ create incentives their designers never anticipated
- Same problems appear in modern, internationally-assisted state-building

RESEARCH QUESTION

How does institutional design incentivise cooperation, competition, or conflict?

Explored through civil service administration in:

Afghanistan (2001–2021)

Papua New Guinea (since 1975)

What Are Institutions?

“Institutions are the prescriptions that humans use to organise all forms of repetitive and structured interactions”

Elinor Ostrom, Nobel Laureate

1

Two Classical Traditions

Plato: virtue of the gifted few vs.
Montesquieu: distrust power, divide it

2

Formal or Evolved

Institutions can be consciously designed, or
emerge and self-sustain over time

3

Rules, Roles, Relations, Resources

All exist on a spectrum from formal to informal
— networks matter as much as ‘organograms’

Institutions and Cooperation

Institutions can create incentives that foster cooperative behaviour.

How cooperation emerges

- Conventions become internalised as social norms over time
- Deliberative decision-making encourages open, discursive dialogue
- The rule of law reduces uncertainty about the costs of cooperating
- Devolving authority builds trust through local participation

MECHANISMS THAT HELP

- Avoiding 'winner-takes-all' political structures
- Neutral, politically impartial state bureaucracy
- Preferential electoral systems that reward cross-group appeal

Institutions and Competition

Properly organised, competition is a powerful source of dynamism, innovation and legitimacy.

Where competition adds value

Democratic elections: peaceful, periodic change of rulers

Free and fair elections require both freedom and fairness of process

Markets built on secure, exchangeable property rights

Competition as Hayek's 'discovery procedure' for information

RISK: WHEN IT TURNS DESTRUCTIVE

- Monopoly and cartel behaviour undermine fair competition
- Corruption or nepotism protect elites from real competition
- Requires a legal framework to keep competition constructive

Institutions and Conflict

The line between competition and conflict is thin — poor design can push one into the other.

How institutions incentivise conflict

A strong state becomes a prize worth fighting to control

Especially dangerous where trust between political actors is low

‘Rentier’ income can corrode accountability and fuel corruption

Bureaucracies used as tools of political reward, not public service

ILLUSTRATIVE EXAMPLES

- Sri Lanka (2022): presidential system left no path but collapse
- Afghanistan: SNTV electoral system fragmented parliament
- Australia: politicised department leadership (‘Robodebt’)

FROM THEORY TO PRACTICE

Two Case Studies

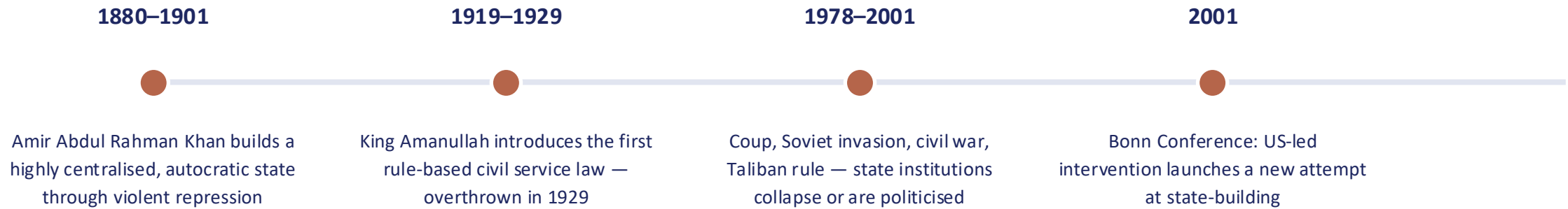
Civil service administration under very different conditions of state-building

AFGHANISTAN
2001 – 2021

PAPUA NEW GUINEA
since 1975

A Legacy of Centralised, Personal Rule

A history of top-down state-building shaped what came after 2001



Key insight: The 2001 Bonn Agreement created an Independent Civil Service Commission — but left the deeper political question of institutional design largely unresolved.

Institutional Overlap and Centralisation

THE BONN LOGIC

Government departments were treated as rewards to distribute among rival factions — not as tools to serve the public.

- More departments created to accommodate more powerful actors
- One ministry was split in two simply to create extra rewards
- Short-term stability prioritised over long-term capacity

4

overlapping national bodies handled development & reconstruction in the first two years alone (Finance, Planning, Reconstruction, AACA)

21

policy areas where a 2015 government review found overlapping institutional mandates — including audit, procurement and licensing

Neopatrimonialism: Loyalty Over Law

Neopatrimonialism — formal offices blurred with informal patronage networks; public jobs traded for political loyalty rather than merit.

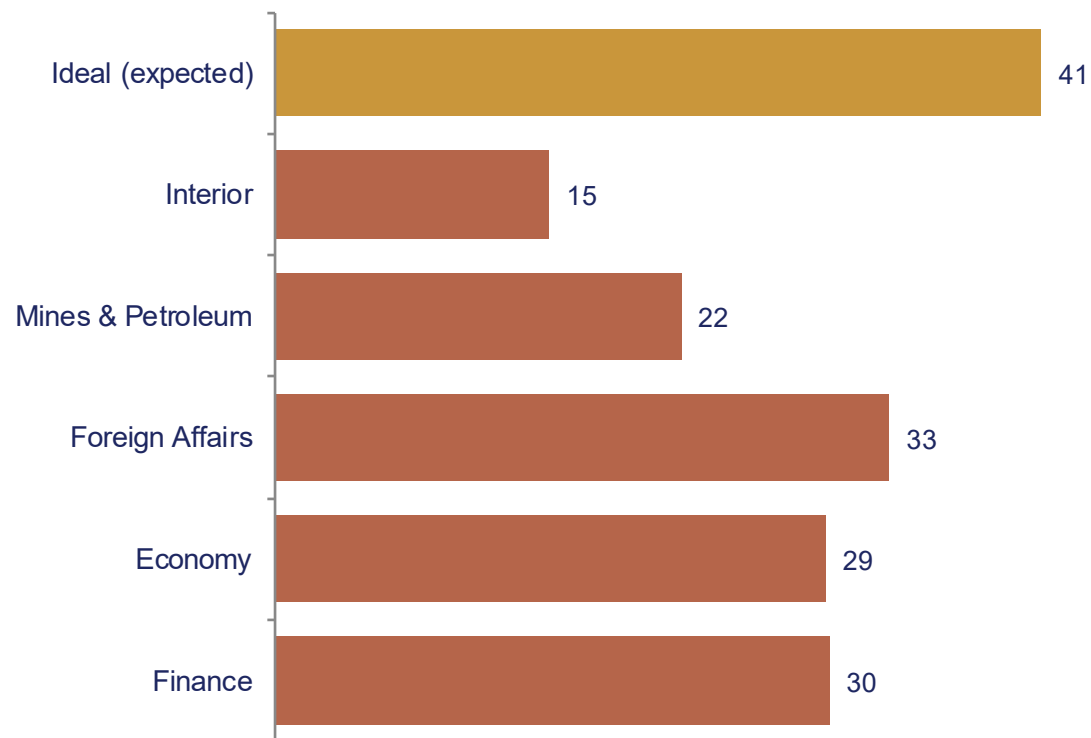
Cabinets built from rival factions to broaden short-term legitimacy

Public office reframed as a 'positional good', not a public trust

Provincial governors often chosen for patronage ties, not merit

Evidence: ministerial tenure fell well below the expected term

Average Ministerial Tenure vs. Expected Term (2001–2021, months)



Institutional Reforms: A Mixed Legacy

Islands of Efficiency

- IARCSC promoted merit-based appointments
- A new generation of educated Afghans entered public service
- 30% quota target for women's civil service participation
- Notable progress in Finance, Rural Development, Health

Persistent Constraints

- IARCSC criticised for weak leadership authority
- Senior appointments still controlled by political elites
- Reformers often confined to implementation, not decision-making
- Selective, sometimes misused pay-reform schemes

Decentralisation: Two Steps Forward, One Back

PNG inherited its civil service from Australian colonial administration at independence in 1975



Key insight: Both waves of reform were driven as much by the national government's desire to retain control as by concerns over provincial performance.

Overlapping Mandates Across Three Levels

National · Provincial · Local-level government — with unclear divisions of responsibility

7

anti-corruption bodies share overlapping mandates — Judiciary, Sweep Task Force, National Anti-Corruption Alliance, Anti-Corruption Commission, Ombudsman Commission, Financial Intelligence Unit, Auditor General

6

independent authorities and ministries all address agriculture policy — producing duplicated meetings and redundant effort

32

ministries authorised under the 2010 constitutional amendment, up from a 27-ministry cap — and rising (now 37)

Wantokism, Big Man Politics and Patronage

Cultural traditions and political incentives combine to erode bureaucratic neutrality

1

Wantokism

Kinship and regional networks link people together — a valuable social safety net, but one that can override merit in hiring and promotion decisions.

2

‘Big Man’ Politics

Redistribution to one’s community is expected of leaders — but this often means delaying or holding up formal processes.

3

Political Loyalty

Bureaucrats cultivate political ties to secure protection and promotion; new governments trigger widespread reshuffles.

40%

of public servants held only ‘acting’ positions in the mid-1980s, many for over a year; a similar pattern of long-term acting roles across 40 key institutions was reported again in 2023 — a sign of chronic executive-level insecurity.

Reform Efforts and Political Instability

Since 1975, no Prime Minister has completed a second term in office and prior to 2002, none was able to serve a full five-year term in office.

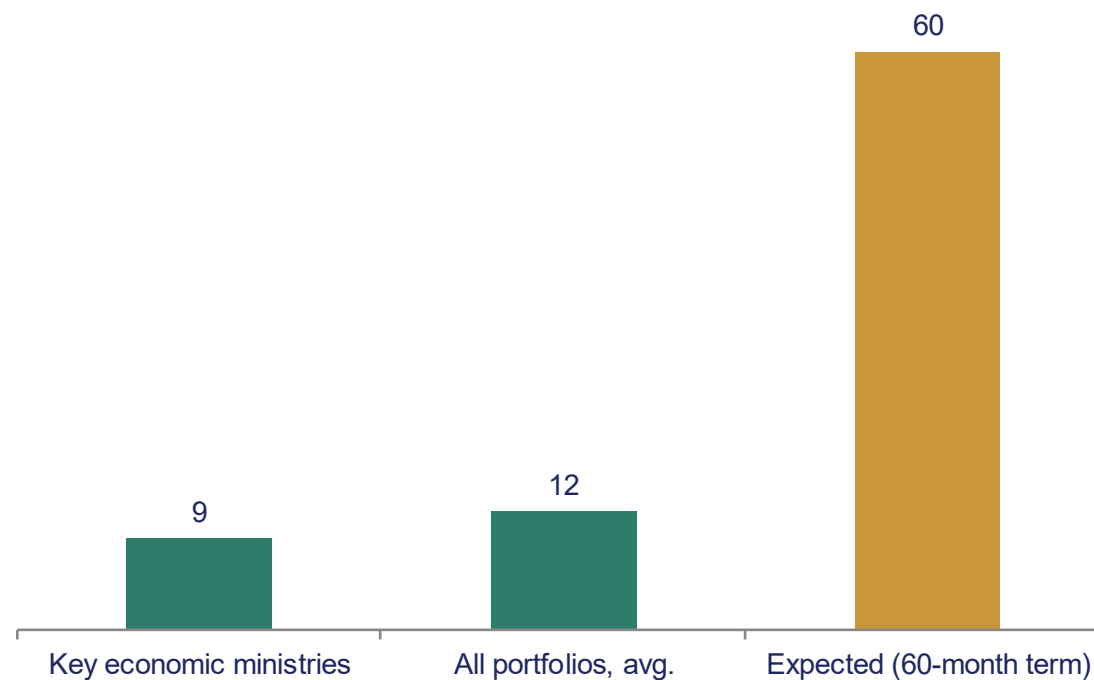
1986 & 2023 reforms repeatedly shifted power over senior appointments

District Services Improvement (DSIP) funds meant for development are used to reward loyal supporters and punish opponents

In 2022, 40% of MPs did not properly account for DSIP funds

Reform efforts described in the literature as 'cyclical' — limited lasting impact

Average Ministerial Tenure vs. Expected Term (months)



Source: Ivarature (2022); authors' analysis

Afghanistan and Papua New Guinea

DIMENSION	AFGHANISTAN	PAPUA NEW GUINEA
Origin of state weakness	Decades of war, regime collapse	Rapid, imposed colonial state-building
Central problem	Overlap driven by elite power-sharing (Bonn)	Overlap driven by decentralise / recentralise cycles
Informal driver	Neopatrimonial networks, factional loyalty	Wantokism and 'big man' obligations
Control over appointments	Contested between president & IARCSC	Swung repeatedly between PSC and NEC
Instability marker	Ministerial tenure 25.5 months vs 40.8 expected	Ministerial tenure 12.3 months vs 60 expected
Trajectory	Republic collapsed in 2021	State weakness persists, and reform remains cyclical

KEY FINDINGS

1

A political objective, not a default

A neutral, impartial civil service must be actively pursued — it does not follow automatically from good institutional design.

2

Design cannot override deeper incentives

In both cases, institutional design proved unable to overcome broader social and political pressures toward patronage.

3

Commissions are never freestanding

Afghanistan's IARCSC lacked the political backing to resist elite capture; PNG's Public Services Commission saw its authority repeatedly stripped and restored.

4

Patronage is produced, not just inherited

Afghanistan turned ministries into post-conflict rewards; PNG built patronage directly into MP-controlled development funds (DSIP).

5

Distrust confines cooperation to networks

Afghanistan's National Unity Government and PNG's political alliances both show cooperation surviving only within, not across, political networks.

6

Islands of professionalism are possible — but fragile

Competent, apolitical bureaucracy did emerge in both countries, proving it is achievable — yet it remained the exception, easily crowded out by more powerful interests.

Implications for Institutional Design

FOR RESEARCHERS

- Treat institutions as embedded in path-dependent history, not blank slates
- Study formal design alongside informal networks and norms
- Compare across postcolonial and internationally-assisted contexts

FOR POLICYMAKERS

- Anticipate that new agencies may become 'positional goods'
- Match the scope and strength of the state to social trust levels
- Reform sequencing matters as much as reform content

Careful reflection is required before new arrangements are put in place.

DISCUSSION

Thank You