

# PNG DEVPOLICY BLOGS 2016-17



Photo: Terence Wood

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## **Preface**

This third collection of Devpolicy Blog posts on Papua New Guinea brings together some of the most engaging writing from 2016 and 2017.

With 2017 being an election year in PNG, there has been a great deal of interest in the wide variety of research, analysis and opinion we have shared as voters head to the polls, as well as continued demand for economic and development analysis.

We've grouped this collection under three main headings: economic challenges; electoral politics and practice; and gender equity and leadership.

There is a lot more on the blog that we were unable to include in this volume. All PNG posts can be found here: <http://devpolicy.org/category/png-and-the-pacific/png/>.

This publication is made possible by support from the Australian aid program through the Pacific Leadership and Governance Precinct, which supports the partnership between University of Papua New Guinea's School of Business and Public Policy (SBPP) and the Australian National University's Crawford School of Public Policy, of which the Development Policy Centre is part.

The views expressed in this publication are entirely those of the authors, and do not necessarily reflect the views of any university, government or other institution.

We hope that this collection will give you a taste of the PNG material on Devpolicy and that, if you aren't already, you will become a regular reader of our blog at [devpolicy.org](http://devpolicy.org).

You may also consider becoming a contributor: we are always keen to receive new posts and comments. Visit the blog or contact us at [devpolicy@anu.edu.au](mailto:devpolicy@anu.edu.au).

Professor Stephen Howes  
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## **Acknowledgements**

Thank you to Michael Cookson, Tatia Currie, Rohan Fox and Ashlee Betteridge for their work in compiling this publication. Special mention to Camilla Burkot, co-editor of the Devpolicy Blog, for her tireless work editing, sourcing and publishing contributions.



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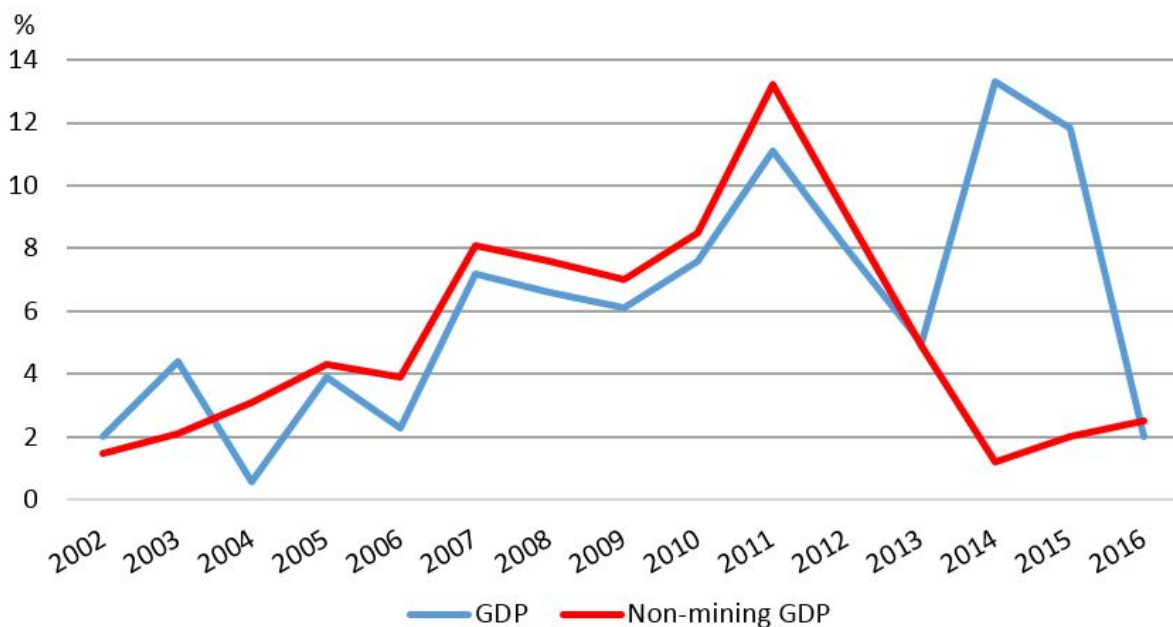
## PNG's economic challenges

### Has the PNG economy been in recession?

By Nelson Atip Nema and Stephen Howes on 22 December, 2016

The most recent official data shows positive though low economic growth in Papua New Guinea. For a highly resource-dependent economy such as PNG, non-mining (or non-resource) GDP – which excludes oil, gas and mineral production – is a better welfare indicator than GDP itself. As Figure 1 shows, non-mining GDP has been on a declining trajectory since 2011. GDP growth recovered in 2014 and 2015 due to LNG exports, but it has also since slowed. The most recent Treasury estimates (in the 2017 budget) for GDP and non-mining GDP growth are 2% and 2.5% respectively.

**Figure 1: GDP and non-mining GDP growth**

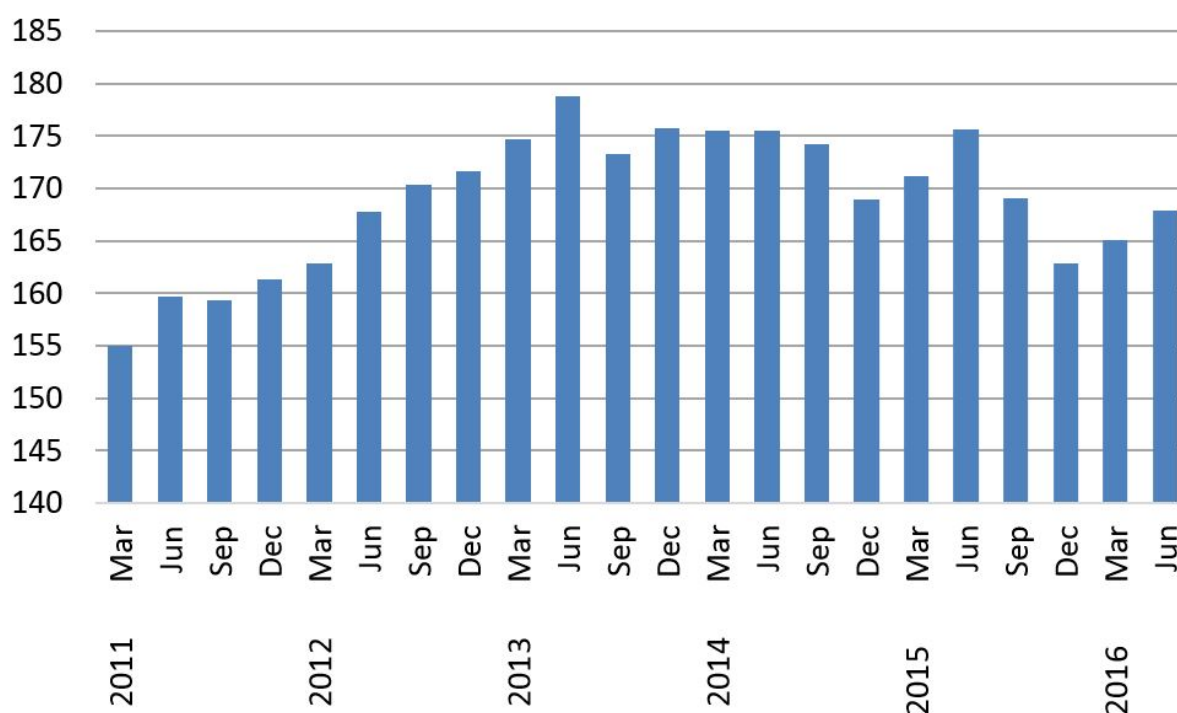


Source: PNG Treasury

Growth has slowed, but is it still positive? A recession can be defined more flexibly but is normally defined as two quarters of negative growth. GDP estimates are produced by Treasury rather than the National Statistical Office (latest NSO GDP data is for 2013) and quarterly GDP data are not available. In this post we look at other data. We focus on indicators most relevant to non-mining GDP because of its greater relevance for PNG. For example, we look at imports rather than exports since exports are largely of resources.

Formal sector employment growth was strong until 2013, but was stagnant in 2014, and negative thereafter (Figure 2). The decline from the peak in employment in 2014 to its level now is about 3.5%. Encouragingly though, the most recent numbers do show a modest pick-up in formal-sector employment in 2016.

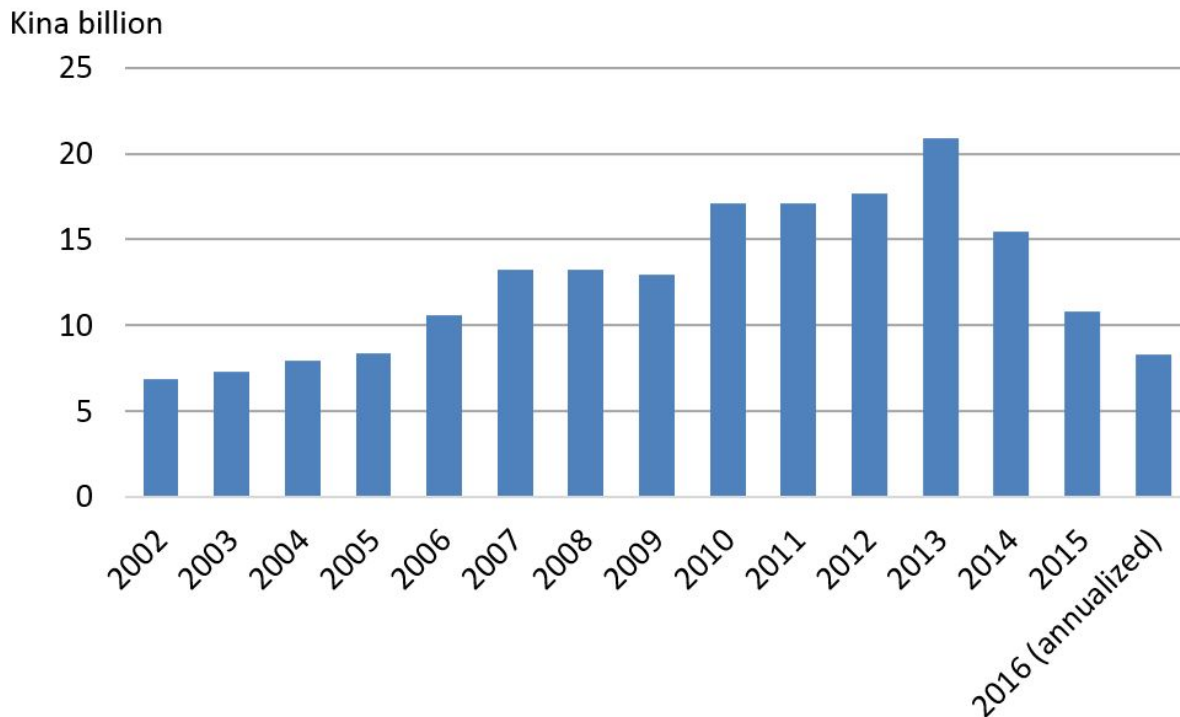
**Figure 2: Formal employment**



*Notes: BPNG data; March 2002=100.*

We can also examine imports (Figure 3). Imports roughly halved between 2013 and 2015 and preliminary data for the first six months of 2016 indicate a continuing sharp fall. Some of this would be due to lower commodity prices (e.g. for oil imports) but part is likely to be an indication of reduced demand. Imports in 2015 were back at below 2006 levels. One reason for the sharp decline is the rationing of foreign currency. The economy would not have contracted by as much as imports, but nevertheless reduced imports are strongly suggestive of reduced demand and domestic output.

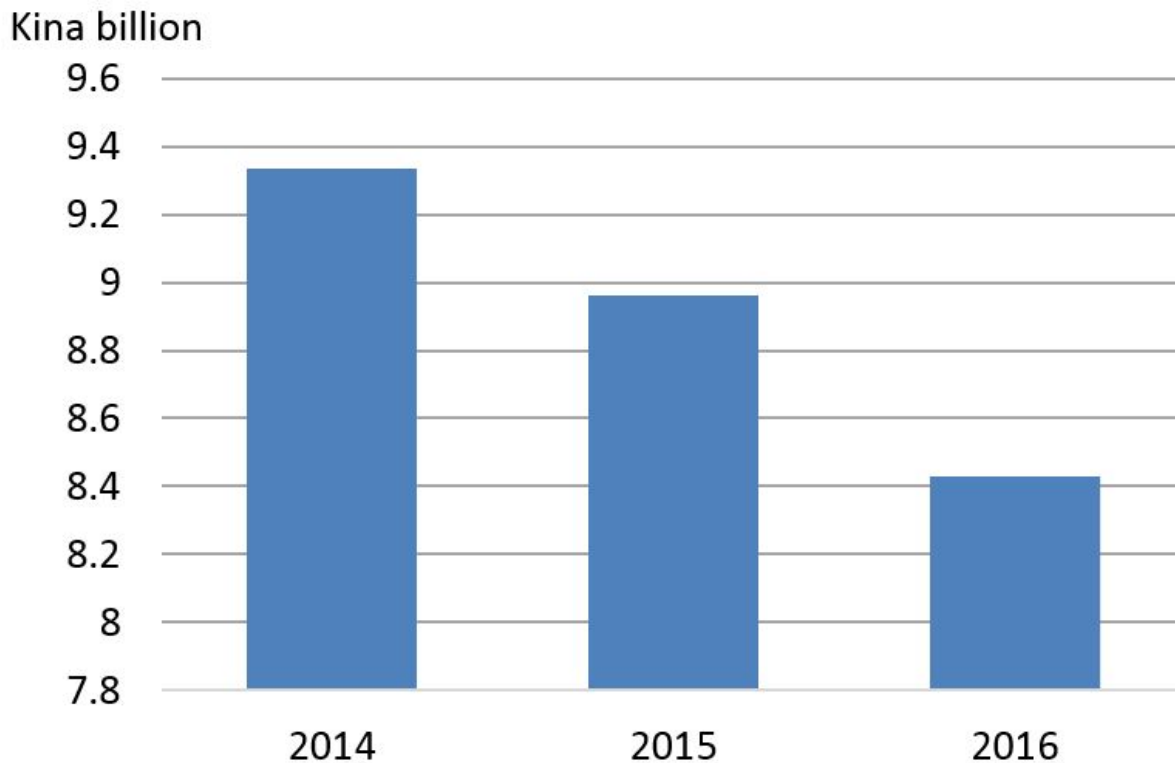
**Figure 3: Imports**



*Notes: BPNG data; imports are of goods and services; 2016 figures are annualized based on first quarter only.*

Tax data can also be used to examine economic trends. We exclude mineral and petroleum taxes to focus on economy-wide taxes such as corporate tax, income tax and GST. Figure 4 shows a decline of 4% in 2015 and 6% in 2016 – and that's before inflation. The decline after inflation over the two years in economy-wide taxes is in excess of 20%. Probably the LNG project paid above average taxes during its construction phase due to high compliance, but even so it is hard to explain the ongoing fall in economy-wide taxes without assuming a contracting non-resource economy.

Figure 4: Economy-wide taxes



*Note: From 2017 budget; total tax revenue minus mineral and petroleum taxes*

Finally, there are the views of business. In an [interview](#) with *Business Advantage PNG*, Bismark Maritime CEO Jamie Sharp stated that “Between this year and last year there has been about a 25 per cent drop in freight.” Sharp indicated that a lot of his customers said that they were “experiencing that kind of drop in sales.” He suggested that coastal shipping was a “barometer” for the economy, and noted more positively that “the fall in volumes is coming to an end.”

None of these data sources are perfect. Only a small fraction of the PNG workforce is in formal employment; and import data is affected by foreign exchange rationing. Still, put together, and especially bearing in mind the large decline in tax revenue even excluding resource taxes (20% after inflation), it is hard to believe that the non-resource economy has *not* been contracting in 2015 and 2016. Certainly GDP grew in 2015 thanks to strong LNG export growth. But it should not surprise us if the end of the LNG construction phase and the fall in commodity prices led to a contraction in the non-resource economy. Employment, imports, tax revenue and qualitative evidence all seem to point in this direction.

[Some analysis](#) has addressed some of this evidence..., but the multilateral organisations responsible for monitoring the PNG economy such as the Asian Development Bank and the World Bank continue to rely on official government GDP estimates. It will be interesting to see what the IMF has to say in its annual (Article IV) report on PNG, which is expected soon.

If we take this data seriously, we can only conclude that the government should utilize macroeconomic tools and implement microeconomic reforms to stimulate the economy and put it back on a growth path.

*Nelson Atip Nema is a Lecturer in Economics at the University of Papua New Guinea. Stephen Howes is Director of the Development Policy Centre.*

### **Australia sounds the alarm on PNG's proposed rice policy**

*By Anthony Swan on 31 August, 2016*

Sometimes all the hallmarks of an impending disaster are plain to see. The course of action has been charted and the engine is running at full steam, but a myriad of obstacles both big and small cover the tracks. Is there anything that can stop the train before it is too late?

In this case the proverbial train is PNG's [proposed rice policy](#) which aims to make the country's rice production self-sufficient by 2030. This is no small task. However, it seems that the PNG government is determined to press ahead.

The challenge is to increase domestic rice production by 20-fold, from around 15,000 tons currently to 300,000 tons by 2030, according to the Minister for Agriculture and Livestock, Tommy Tomscoll, in his [introduction of the policy](#) in parliament [pdf, p. 20 onwards]. Despite a poor track record of previous government attempts to increase rice production by smallholder farmers, the government seems convinced that a new super-sized approach of focusing on large-scale highly mechanised irrigated farming will generate success.

The current rice market in PNG is open and competitive, according to PNG's Independent Consumer and Competition Commission (ICCC) in its [2015 Rice Industry Pricing Review](#) [pdf], and so there is nothing in particular that would stop an interested party undertaking this scale of rice farming in PNG if it were expected to be profitable.

Of course large scale rice production in PNG would not be profitable on its own for many years to come (and may never be) and so any serious investment in rice production would need to come with serious incentives. And on this front, the government plans to deliver.

Under the proposal, pioneering status will be granted to the investor willing to commit a large amount of funds (at least K200 million but possibly over US\$2 billion) to build large scale rice farms in PNG. The pioneer investor will then receive [protection and concessions](#) to help it establish production, brand recognition and a customer base.

It just so happens that an Indonesian backed company – Naima Agro-Industry Ltd – has been negotiating with the PNG government over the last eight years to [invest US\\$2 billion in a Central Province rice project](#). This project was approved earlier this year, and it may not come as a surprise that Naima has been slated to receive pioneer status. According to [Trukai Industries](#) [pdf], which currently commands an 80 per cent share of the PNG rice market, the PNG government is planning to implement an import quota system which would provide Naima with control over 80 per cent of the PNG rice market, clearly at Trukai's expense.

There are two important points to note here. First, the proposed quota system will not require Naima to supply 80 per cent of the PNG rice market with *domestically* grown rice but instead allow it to supply it through *imported* rice. Second, Naima's 80 per cent share of the PNG rice market would be the result of protective measures provided to it by the PNG government. This is in contrast to Trukai's current 80 per cent market share, which according to the ICCC's [Review](#) [pdf] reflects its product quality, strong distribution network, and marketing efforts, rather than any exercise of market power.

Under the proposal, total rice imports will be restricted, and because increases in domestic rice production are unlikely to occur for many years, the amount of rice supplied in PNG will fall relative to demand. The likely result will be an increase in rice prices in PNG.

The ICCC is currently able to regulate rice prices, and it has indicated that it would do this in the event a domestic rice monopoly was [created](#) [pdf, see p. 52]. However, the extent to which the ICCC limits price increases depends on how it defines a rice monopoly, the type of regulation it applies, and whether regulation applies to all types of rice (currently the ICCC only monitors the price of Trukai Roots rice, which is priced in the relatively cheaper end of the market). For example, if the ICCC were to apply regulation based on a "cost-

based” pricing regime, then PNG rice prices could still increase significantly due to higher cost domestically produced rice entering the market as a result of the quota system.

Naima’s exclusive right to source 80 per cent of total rice imports and sell it at potentially inflated prices in PNG will provide it with substantial earnings. There is no guarantee that these profits will be used to invest in domestic rice production in PNG at all, and if anything there may be a strong incentive for Naima to limit increases in PNG rice production to the extent that it keeps rice prices high.

How high can the price of rice in PNG go? Prime Minister Peter O’Neill recently [responded](#) to a question in parliament asking whether reports that the price could increase by 40 per cent were true by saying that he did not expect it to be that high, reflecting limits placed on it by potential ICCC price controls.

However, any actual restriction of rice prices by the ICCC, combined with a fall in the total amount of rice supplied in PNG (as can be expected under the quota system), would likely result in consumers facing rice shortages; rice demand would need to be rationed, and PNG could expect a black market for rice to result, in which prices are pushed above regulated prices. Ultimately, consumers are likely to face price increases but by how much is uncertain. Indeed, a 40 per cent increase may be on the low side given that Naima was [previously reported to be seeking a 60–100 per cent increase](#) in the rice price.

How long will PNG consumers have to pay higher rice prices for? Under the proposal, Naima would enjoy a near monopoly of PNG’s rice market for a 10–year period, although international evidence suggests that once domestic industries become dependent on protectionist measures there is substantial pressure put on government to maintain them indefinitely.

Why is the PNG government so determined to push ahead with the rice policy?

[According to Prime Minister Peter O’Neill](#) not enough rice is produced in PNG to provide it with sufficient food security. Reinforcing the point, the Minister for Agriculture and Livestock even [asserted in parliament](#) [pdf, p. 21] that there is an imminent shortage of rice globally where “white rice will be traded as white gold and will even sell at a price forecasted to be higher than metal gold itself”.

However, according to the ICCC's [Review](#) [pdf], food security concerns affecting rice supply in PNG are unfounded. In fact, the ICCC highlights that creating a reliance on a single supplier of rice and the supply failure risk that it entails will actually reduce food security in PNG. Indeed, it is not clear that Naima has any track record of any rice production at all, let alone successful rice production in PNG conditions. Furthermore, even if PNG was able to be self-sufficient in rice production, the tradable nature of rice means that Papua New Guineans would not be protected from price shocks in international rice markets.

Who gains and who loses from the proposal? We can expect consumers will pay significantly higher prices for rice, most likely to the detriment of health and nutrition outcomes in PNG. Naima, on the other hand, seems like a clear winner, especially since there is an expectation that it will receive substantial tax breaks on their earnings (see [here](#) [pdf] and [here](#)). Furthermore, Naima does not appear to face any significant financial penalty if it is not able to deliver on its promised levels of domestic rice production. Naima will also need to secure land for the project and so particular landholders in Central Province can also expect a windfall gain. Existing rice producers in PNG will also benefit, although the amount can be expected to be small compared to the overall cost to consumers.

Apart from PNG rice consumers, the clear loser from the proposal is Trukai. Two-thirds owned by Australia's SunRice and one-third PNG owned, Trukai stands to lose hundreds of millions of dollars' worth of revenue, potentially wiping out the value of the company. However, these potential losses to Australian interests have not gone unnoticed by the Australian government.

Last week, PNG media (see [here](#) and [here](#)) reported on a "strongly worded" letter from the Australian Trade Minister, Steven Ciobo, to his PNG counterpart, Richard Maru, in which he claimed that the proposed rice policy will amount to unilateral expropriation of an Australian investment (Trukai). Concerns were also raised about the inconsistency of the proposed quota system with PNG's obligations under World Trade Organisation rules, and that the proposal may be in breach of an agreement between Australia and PNG to protect cross-border investments.

The clear message from the Australian government was that it would be compelled to consider retaliatory action against PNG exports to Australia if the PNG government proceeded with its proposed rice policy.

Ironically, Richard Maru has recently threatened Fiji with a [trade war](#) if it did not remove controls that banned certain PNG products from entering Fiji's market. Hopefully the PNG Trade Minister will be able to [convince](#) his colleagues in government that, like Fiji, PNG should embrace open and competitive markets, and seriously rethink its rice policy strategy.

*Anthony Swan is a Research Fellow at the Development Policy Centre.*

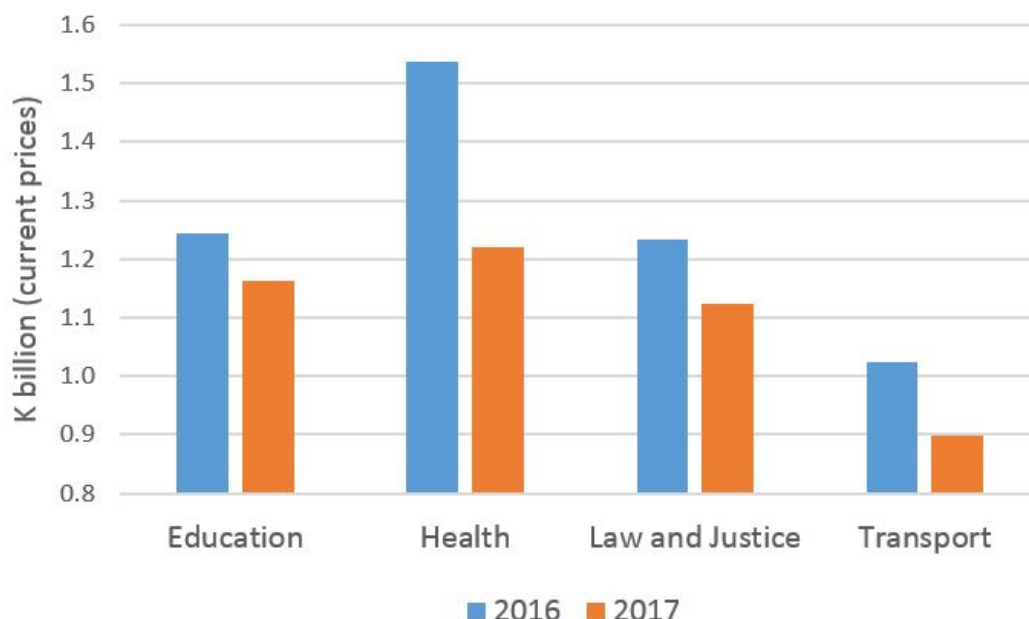
### **Angau Hospital, and PNG's 2017 budget**

*By Stephen Howes on 10 November, 2016*

Papua New Guinea's 2017 budget, brought down last week, has some pretty simple maths behind it. With revenue projected to be slightly up, and borrowing slightly down, total expenditure is virtually unchanged – all compared to the *supplementary* 2016 budget, which scaled back both revenue and expenditure from their original 2016 budget levels. Salaries and interest are also unchanged (which seems optimistic given a mounting debt stock and threats of strikes). So are funds for MPs. An extra K550 million had to be found to pay for elections and APEC. Something had to give.

As the figure below shows, it is core services. According to the 2017 budget (Vol.1 Table 12), health is to be cut in 2017 by K315 million (21%), education by K80 million (6%), transport by K128 million (12%). Even law and justice, a government priority, gets a K108 million (9%) cut. All of these cuts are before inflation, and compared to the scaled-back supplementary 2016 allocations.

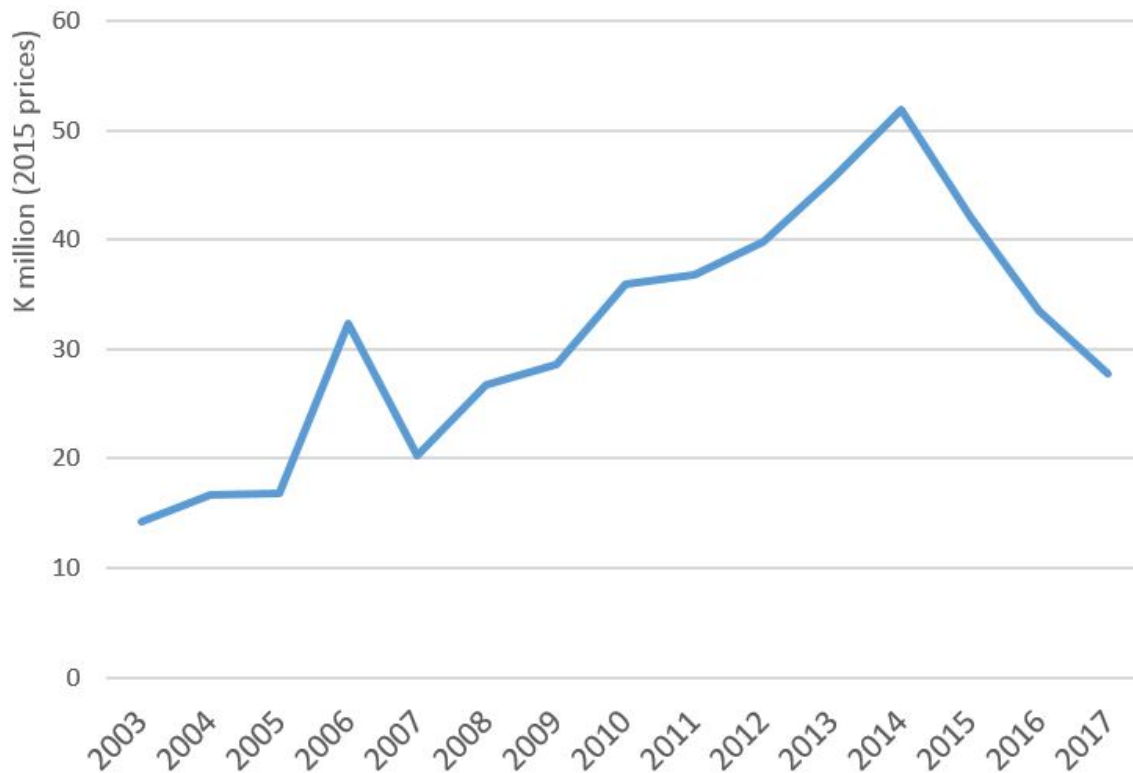
**Figure 1: 2016 (supplementary budget) and 2017 sectoral allocations**



These cuts come on top of significant sectoral reductions in both 2015 and 2016. The [Central Bank](#) (see Governor's speech 16 May 2016) shows cuts between 2014 and 2015 in health of more than 30%. Matthew Dornan [estimates](#) road rehabilitation and maintenance reductions of 50% since 2012.

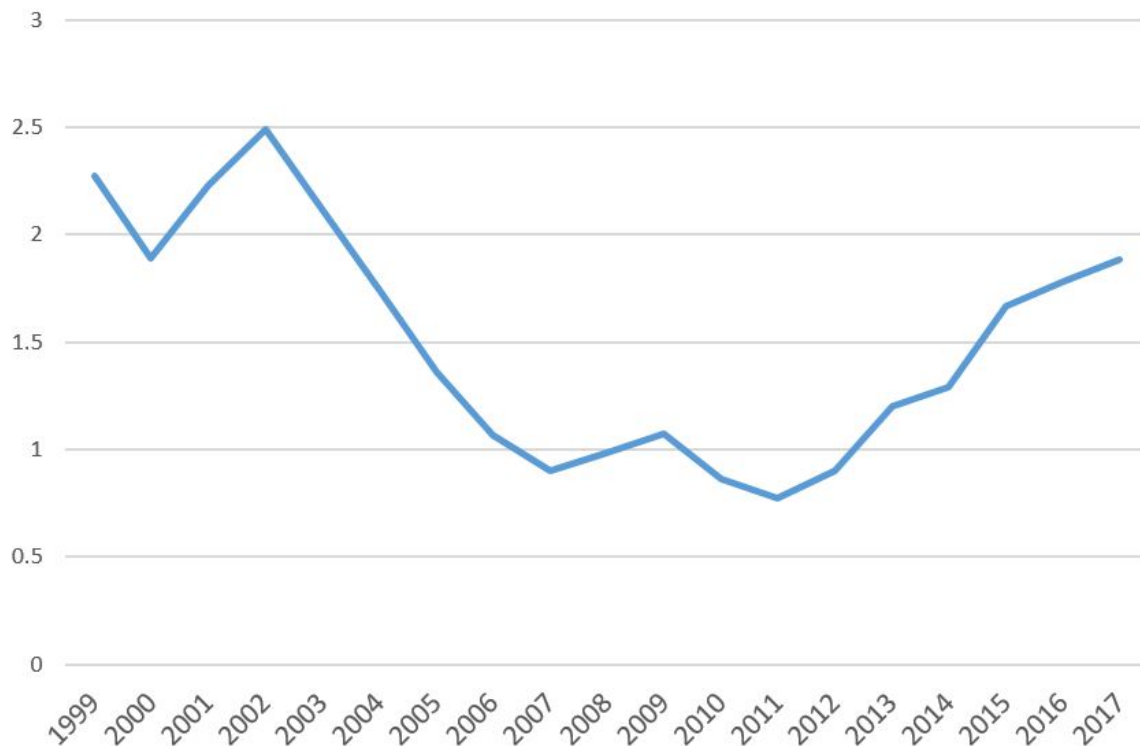
Education, health and so on are abstract categories. More concrete examples are useful. Take the Angau Memorial Hospital, PNG's second biggest, in Lae. It received a nominal cut of 11% in the 2017 budget (relative to the original 2016 budget), on top of two successive annual 15% cuts. Adjusting for inflation, as one needs to do for comparisons over longer periods of time, Angau's budget for 2017 will be just over half of what it was in 2014: see Figure 2. No wonder there are reports of staff being laid off. As the figure below shows, Angau did well during the boom years, but has suffered since: its 2017 budget is below 2009 levels. Just think about how much Lae has grown over that period.

**Figure 2: Angau Hospital budget since 2003**



How could have these cuts to core services have been avoided? It might be argued that the government should have borrowed more . Yet the government seems to be borrowing about as much as it can (as it should, given the drop in revenue); and debt/revenue ratios are approaching historic highs, as Figure 3 below shows. The International Monetary Fund, World Bank and Asian Development Bank could be tapped for further budgetary support lending, but that would require a reform program.

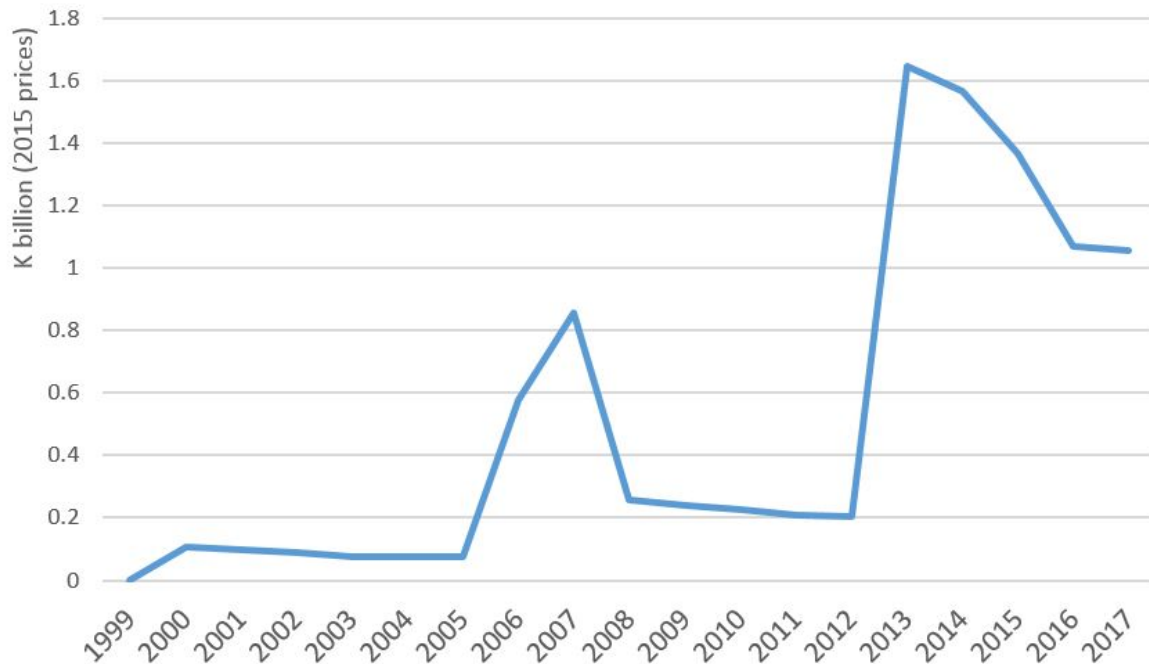
**Figure 3: Debt/revenue ratio**



Core services could have been better protected if MP funds had been reduced. These funds are spent at the district, provincial and sub-district level, through programs such as the District Services Improvement Program (DSIP), mainly under the control of PNG's members of parliament (MPs).

As the figure below shows, MP funds were much smaller in the past, but they have been ratcheting up, first in 2006 and 2007, and then in 2012. There have been subsequent declines in both cases, but not back to their earlier levels. PNG makes more reliance on spending through MPs than any other country in the world. It spends as much on MP funds as it does on health, and more than it does on law and justice, or on transport.

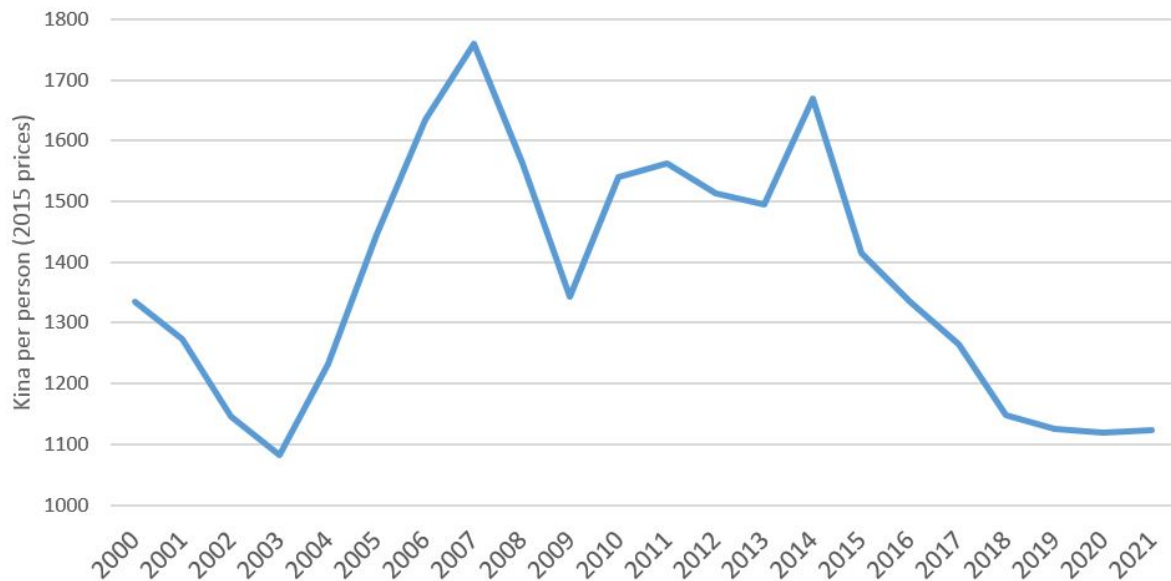
**Figure 4: MP funds (DSIP, etc.)**



Whereas hospital funding as a whole in PNG is 16% below the 2012 level, MP funding is at five times its 2012 level. Perhaps it is unrealistic to think that MP funding might be cut before the election. But the increased share of MP funding in total expenditure from just 2% in 2012 to 9% now is a major fiscal shock squeezing out funding for core services.

Falling or stagnant revenue is an underlying problem. While the budget does contain some tax reforms, the trajectory for revenue is negative. Adjusted for inflation, revenue falls over the forward estimates. Adjusted for population growth, revenue is already back at 2004 levels. By 2021, it will be at the lowest level seen this century. PNG Treasury is renowned for its conservative revenue forecasts. But clearly, this is not a basis on which core services can be adequately resourced.

**Figure 5: Government total revenue per capita**



While tax compliance can be improved, the underlying problem is slow economic growth, which is projected to be just above population growth for the next five years. This is too pessimistic. Even without any further resource projects, PNG ought to be able to grow its GDP by 5% per year or more. Exchange rate depreciation and a range of economic reforms would rebuild economic confidence and allow growth and revenue to accelerate without having to wait for the next resource project.

But all of this seems to have been put in the too-hard basket. The exchange rate has been fixed since May, and the regulation of foreign exchange is increasingly intrusive. PNG may have to wait until after the 2017 elections for reforms to revive growth and prioritise core services.

Professor Stephen Howes is Director of the [Development Policy Centre](#) at The Australian National University.

*Notes: Figures are actuals up to 2015. Other figures are budget and projection numbers, taken from the 2017 budget (except for the figure for 2016 MP funding which is from the 2016 budget). Supplementary budget figures used for 2016 in Figures 1 and 4; original budget in the other two. CPI from BPNG and the budget; population figures from the World Bank.*

## **Budgetary data in PNG: taking the long view**

*By Rohan Fox and Stephen Howes on 27 March, 2017*

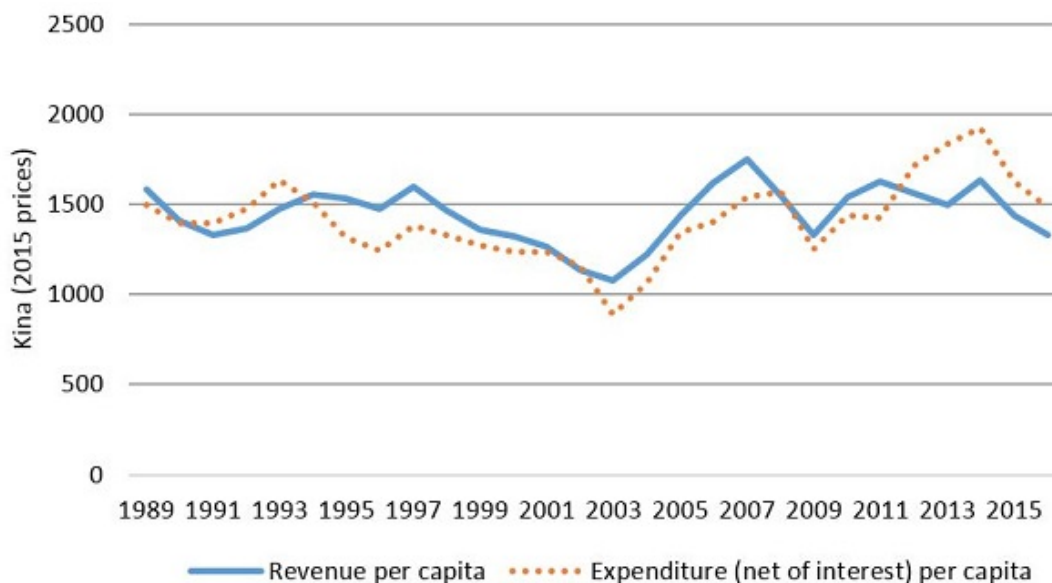
The Development Policy Centre is proud to publish the PNG Budget Information Database, a spreadsheet which compiles information from PNG government budgets from 1989 to 2017.

There is lots of budgetary information available in PNG, but most of it is available in the annual budgets. Budgets can be difficult to navigate and make sense of in and of themselves. Piecing different budgets together and comparing them over time is time-consuming, but important to understand what is really going on.

Now you can find the data all in one place.

Taking a longer-term view, back to 1989, is pretty interesting. Adjusting for inflation, per capita revenue and expenditure (excluding interest) are today the same levels as almost thirty years ago! Of course the population has almost doubled since 1989, but many expenditures need to increase with population for service delivery to keep up (think of teachers, doctors, police and much infrastructure). Also think about how expectations have grown relative to 1989, for example, how much is given to MPs through the District Services Improvement Program (DSIP). But all the old services (health, education, police) are still required. No wonder fiscal pressure in PNG is so intense right now.

### **Revenue and expenditure per capita, 1989 to 2016**



The PNG Budget Information Database has been compiled to be in the same format as the original budget documents and compiles information about revenue, expenditure, GDP, inflation, finance and debt from Volume 1 of successive budgets. Importantly, we also show you how you can straddle the recent changes in budgetary accounting conventions and rules.

The database is freely available online to any member of the public, government, NGO, media or researcher for their own analysis and comparisons over time.

The numbers are often especially useful for comparing to the most recent budgetary information. We'll be updating the database twice yearly: when the Final Budget Outcome (FBO) is released (which should be very soon) and then at budget time.

Rohan Fox is the primary author of this database, but many people at the Development Policy Centre have collaborated over several years and contributed many hours to produce the database. Our thanks to them all.

So please, download the database, use it, and forward it to interested colleagues and friends. Let us know at [devpolicy@anu.edu.au](mailto:devpolicy@anu.edu.au) if you spot any errors or have any suggestions.

Download the database by visiting [this URL](#) which links to the Devpolicy PNG Project website, or by clicking the direct download link [here](#) [.xlsx].

*Rohan Fox is a Research Officer at the Development Policy Centre. Stephen Howes is the Centre's Director.*

*Figure notes: Look at the “Analysis” tab in the database to see how the figure was constructed.*

## **How much is PNG’s kina overvalued?**

*By Rohan Fox and Marcel Schroder on 24 February, 2017*

This blog post outlines the findings of [our new Development Policy Centre Discussion Paper](#) in which we estimate the current degree of misalignment in PNG’s real exchange rate (RER). The RER is defined as the relative cost of tradable in terms of nontradable goods (expressed in domestic currency terms). It is thus a key relative price for any open economy.

PNG’s resource boom has come to an end. Theory suggests that when this happens, the RER should depreciate. However, the kina has [depreciated less](#) in comparison to the currencies of many other resource-dependent developing countries. In addition, foreign exchange reserves have fallen from US\$4 billion in 2012, to around US\$1.7 billion in 2016.

Yet this release of reserves has not sated demand at the current exchange level. In response, the Bank of Papua New Guinea (BPNG) began to ration foreign exchange. Reportedly, the excess demand for foreign currency is about US\$1 billion and rising. The rationing has led to a sharp fall in imports in 2015, which reflects the increased difficulty of PNG businesses to source crucial capital goods and intermediate inputs from the rest of the world.

## **Why is the exchange rate overvalued?**

Why did the central bank not allow sufficient real depreciation despite the clear signs of currency overvaluation? In addition to containing inflation and keeping imports affordable, an important reason for this is that the equilibrium real exchange rate (ERER) is unobserved.<sup>[1]</sup> This means that it is difficult for policy makers to know by how much, even approximately, the RER should fall. While estimates such as a 40% kina overvaluation circulate in the [popular press](#), it is not clear what these are based on.

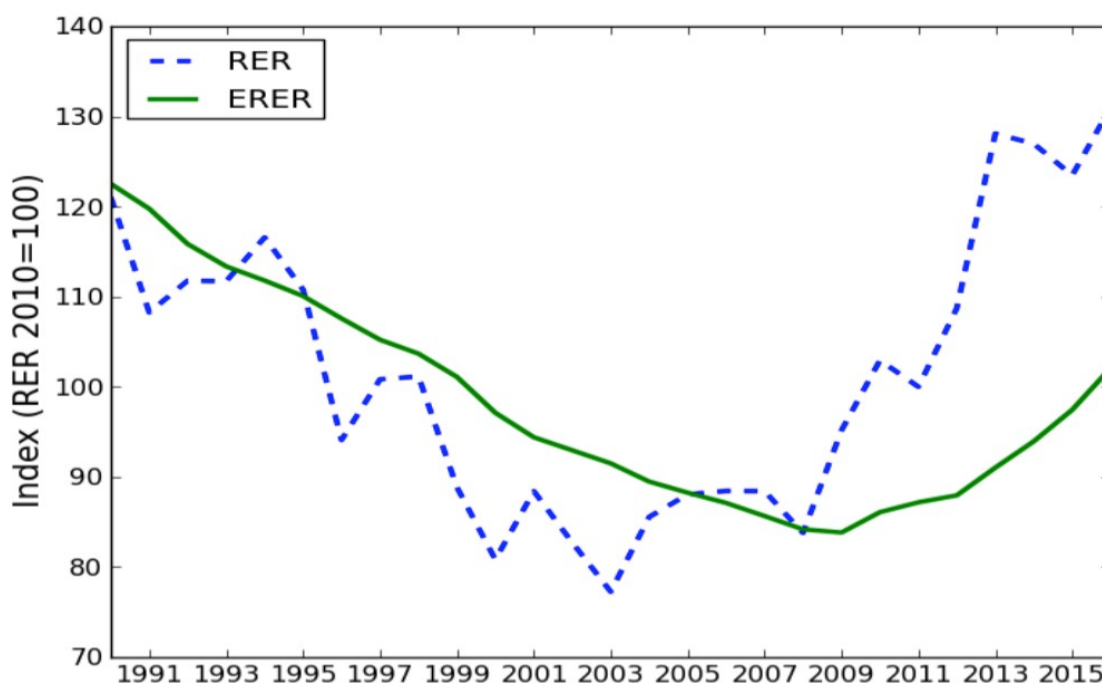
The purpose of [our paper](#) is to inform the ongoing policy debate about the extent to which the kina is currently overvalued. To this end we follow a theory-informed approach to formally estimate misalignment in PNG’s RER. In particular, we use the “single-equation approach”, which we deem the

most reliable among the various alternatives. The method estimates the ERES as a function of a set of macroeconomic fundamentals such as, among others, the terms of trade, government consumption, and the net external position. We employ standard time series methods. The sample period is over 1980–2015. In the final step we compute the degree of RER misalignment on the basis of our ERES estimate.

## Our results

Figure 1 below shows the ERES together with the RER over 1990–2015. From 2007 onwards, an unprecedented resource boom was the catalyst for a rapid economic expansion. As a consequence, the RER appreciated precipitously, which translated into an ever-growing RER overvaluation that continues to the present day.

**Figure 1: RER and ERES, 1990–2015**



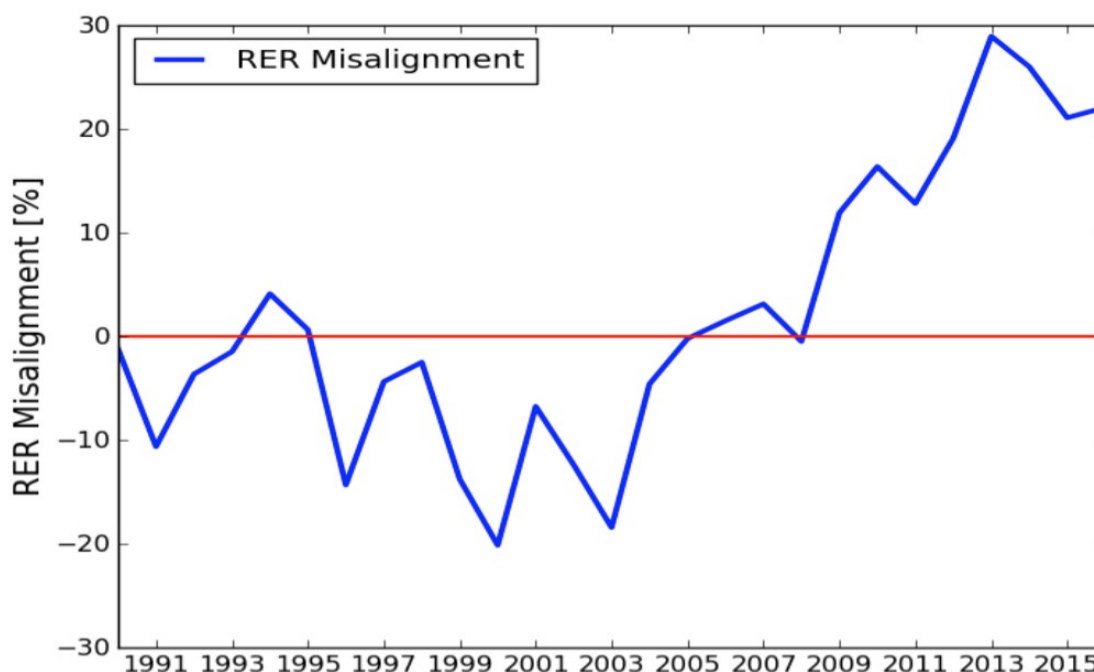
*Note: An increase in RER denotes appreciation. Therefore,  $RER > ERES$  indicates RER overvaluation.*

Figure 2 plots the degree of RER misalignment over the same period. Since 2008, real overvaluation has been substantial, never below 12% and almost 30% at the highest level in 2012. In 2015, the last year of the sample period,

PNG's RER was overvalued by about 22%. For 2016, our projections indicate that the RER remains significantly overvalued at around the same level. While the kina has steadily lost its value vis-à-vis US dollar at a rate of about 1% per month since the beginning of 2016, this depreciation will likely be offset by the inflation differential between PNG and its main trading partners (7% versus 1.5%) as well as movements in the ERE fundamentals.

Our results also suggest that the period up until 1994 was characterized by prudential macroeconomic and exchange rate policy. During that time the ERE and RER did not significantly divert from each other implying that the degree of currency misalignment was small. In the following years this quickly changed, however, as fiscal deficits reached unsustainable levels, largely due to falling commodity prices and a sharp decline in foreign aid. In late 1994, the kina was devalued by 12% vis-à-vis the US dollar, which caused the RER to become significantly undervalued. In 1997 the Asian financial crisis and a severe drought adversely impacted on PNG's economy, which resulted in another nominal exchange rate depreciation of 30% due to serious concerns about the country's external position. Real undervaluation continued for several more years before the RER adjusted back to its equilibrium level in 2004.

Figure 2: RER misalignment, 1990–2015



*Note: Positive values indicate RER overvaluation.*

### **Costs of overvaluation**

Our findings have important policy implications. The BPNG should devalue the kina by about 20% in order to restore internal and external equilibrium. Otherwise PNG's population is likely to pay high economic costs. There is ample empirical evidence that RER overvaluation leads to lower economic growth through resource misallocation. Moreover, the empirical record in Latin America in the 1970s and 1980s suggests that foreign exchange rationing is an ineffective tool to maintain the exchange rate and international reserves, as black markets will eventually develop. Parallel markets entail additional economic costs as they encourage rent-seeking behavior and worsen the fiscal position due to lower seigniorage and tariff revenues. Ultimately a currency crisis might ensue as economic agents are incentivized to divert export receipts away from official channels. It is in the hands of the central bank to prevent such costly and harmful outcomes.

*Rohan Fox is a Research Officer at the Development Policy Centre. Marcel Schröder is a Lecturer in Economics in the University of Papua New Guinea School of Business and Public Policy, under the [ANU-UPNG partnership](#).*

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*[1] The ERER is defined as the value of the RER which attains both internal and external balances, taking as given sustainable values of all the relevant variables. Internal balance prevails when nontradable good and labor markets clear. External balance refers to a situation where the country's external position is on a "sustainable" path.*

## Electoral politics and practices

### Day of judgement: PNG and the O'Neill Government

*By Bal Kama on 9 June, 2017*

Papua New Guinea enters its 2017 national election at the back of one of the most contentious periods of its democracy. Prime Minister Peter O'Neill's reign began unexpectedly in August 2011 after the then Prime Minister Sir Michael Somare was [ousted](#) by the PNG parliament following his long absence from the country due to illness.



The Supreme Court later reinstated Somare on 12 December 2011 only to be rejected by the O'Neill led parliament a few hours later, commencing a dark period of PNG's democracy where the country appeared to have ['two'](#) prime ministers for nearly seven months – O'Neill operated from the Parliament House and Somare from the [Ela Beach Hotel](#). It was a period marked by a decline in public confidence in the judiciary, a divided police and armed forces and a perplexed public service.

The 2012 national election provided the ultimate showdown for the two warring factions. However, with an assurance to deliver the country from the misfortunes of Somare's National Alliance government, O'Neill and his coalition partners found favour with the people. The 2011 constitutional impasse appeared to represent a change of the 'old guard' in PNG politics and an undesirable initiation for the new crop of leadership with Peter O'Neill hoisted to symbolise this transition.

Prime Minister O'Neill appeared at that time to represent the long awaited hope for the country. His government immediately appealed to the people through its flagship [policies](#) for free health and education services, and infrastructural development backed by a strong anti-corruption focus in the form of the Investigative Task Force Sweep (ITFS).

Projected revenues from the billion-dollar liquefied natural gas (LNG) project and other resource developments in the country provided the assurances that his welfare policies would be sustained and effectively delivered. On the anti-corruption front, O'Neill pledged to support the ITFS to systematically '[weed out corruption](#)' in PNG.

### **What has happened since?**

Five years later, the people are called upon to judge the performance of the O'Neill government. For many, the results over the years appear unconvincing. The high hopes of sustained payouts from the LNG project and the resource industry were soon dashed, and led the government to borrow huge sum of loans from overseas to supplement the national budget and sustain its welfare policies.

As loan repayments took preference, and many resource revenues were depleted, the result was a period of continued budget deficit. The government repeatedly attributed its economic woes to unstable global commodity prices. However, such excuses do not absolve its responsibility. The lack of prudent fiscal management, many have [argued](#), draw into question the government's ability to lead the country's economy in an increasingly unstable global environment.

How has the delivery of free health and education services fared? Free schooling has raised access to education for students but also means [overcrowding in classrooms](#). Overcrowding, lack of teaching materials and [teacher shortages](#) continue to affect the quality of learning output. Whether the policy has had a measurable impact on the quality of education in PNG, as opposed to quantity is doubtful.

Increasing media reports of schools and [hospitals](#) in the country running out of funds to sustain their operations further indicate the extent of the government's [fiscal woes](#). A request early this year for [Australian aid](#) for funding indicates the projected challenges ahead.

Despite the government's shortfalls in economic management, there remain some successes and benefits most notably in the infrastructure and construction sector, especially in Port Moresby. For instance, the airport bypass bridge, the improved road conditions and the upgrade of the Sir John Guise stadium (although not fully completed) are evidence of overseas loans. These are important developments in the city.

These developments have enabled Port Moresby to host significant [international](#) and [regional](#) events, undoubtedly raising the profile of PNG. But the end does not always justify the means, as amidst these developments are also allegations of discrepancies in the procurement and tender processes and inflated cost estimates of these projects.

While Port Moresby thrives, the majority of the towns and districts across the country remained under-developed and seemingly forgotten. Their allocated Provincial Support Improvement Program (PSIP) Funds and District Support Improvement Program (DSIP) Funds are often politicised, inadequate or misused by their political leaders. The enactment of the *District Development Authority* (DDA) Act 2014 gave MPs unprecedented political influence over the public service machinery in the districts.

The outskirts of PNG present a stark contrast to the glowing cities – a troubling outlook given more than [three-quarters](#) of the population still lives in rural areas. Foreign investments in resource industries remain stable yet the benefits are unequally distributed to many parts of the country.

### **Corruption and Task Force Sweep**

Like his predecessors, O'Neill's government is challenged with serious allegations of corruption and mismanagement. O'Neill inherited a system already plagued with corruption but it appeared to escalate during his reign. His promise to '[weed out corruption](#)' took a firm foothold with the early successes of ITFS' investigations including the successful prosecution of Paul Tiensten, a sitting MP and former senior government minister, who is currently serving his nine year prison term. To his credit, the successes of ITFS [alarmed](#) the PNG political and bureaucratic establishment.

However, praises for O'Neill quickly turned to distrust, as he became the subject of serious allegations of corruption. The O'Neill government repelled the charges and condemned the fraud investigators, the courts and the attorney-general as '[politically motivated](#).' The extent of his responses to prevent arrest would make the case one of the most highly convoluted corruption investigations in the Pacific.

Sacked, under-funded and embroiled in a craftily drawn out court proceedings for more than two years, the exhausted ITFS team recently decided to [discontinue](#) the case against the Prime Minister. The ITFS' decision was partly influenced by a [National Court judgment](#) that refused to grant ITFS' request for reinstatement after being disbanded by the National

Executive Council (NEC), which is chaired by Prime Minister O'Neill, himself the subject of ITFS' investigation. The Court advised that the matter be left to the voters in the coming election if they are concerned with the actions of O'Neill's government, as ITFS is only a creature of a NEC policy decision and does not have separate legal entitlement to carry on its functions once disbanded.

To resign to the voters not only relieves the court of an issue it should have legitimate interests in as the guardian of the justice system, but importantly raises the most critical question – will voters in PNG be able to make the 'right' decision in all fairness? What is the 'right' decision? Maybe Papua New Guinean voters might put an end to this debacle if they decide to disarm O'Neill's political power, but is it possible amidst concerns for electoral fraud and bribery?

If history is anything to go by, governments in PNG that have been embroiled in allegations of serious corruption always struggle to return to power after an election. The case of National Alliance after the 2012 election is an example. There have been [reports](#) of MPs under O'Neill government being [rejected](#) in some electorates by the people. Prime Minister O'Neill may have administered an admirably ambitious regime but its controversies stand to overshadow its daring achievements.

The O'Neill Government is projecting itself as reliable and deserving of a second term. How will the people respond? The second post in this two-part series will explore some of the questions raised here, the possible election outcomes and the potential consequences for O'Neill's legacy.

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## Some challenges for voters in PNG's 2017 general election

By Bal Kama on 23 June, 2017

In my earlier post '[Day of judgment](#),' I invited Papua New Guineans to critically evaluate the performance of Prime Minister Peter O'Neill's government as they head into the polls tomorrow, 24 June 2017. The post briefly pointed to the struggling economy, the weakening state institutions and the challenges to the rule of law in the country as deeply worrisome despite



the assurances of progress offered by the government. Prime Minister O'Neill's government may have administered an admirably ambitious regime, but its controversies stand to overshadow its daring achievements.

This suggestion, however, depends partly on how O'Neill's government is judged by the voters. The election results will provide some answers to these questions but there are some challenges for voters worth highlighting.

### Campaign and LPV system

The [PNG Electoral Commission](#) confirms that a total of 3,332 candidates are contesting the 111 seats throughout the country. While the total number of candidates nationwide may have decreased, in some individual electorates, especially in the Highlands of Papua New Guinea (PNG), candidate numbers have increased or remain the same. Even though overall candidate numbers have [declined](#) compared to the last election, such a high ratio of candidates to population brings to question the necessity of so many candidates.

An often-advanced argument by candidates vying for a position in politics is that everyone has a right to stand for public office. Another commonly held argument is that because the limited preferential voting (LPV) system allows voters three options, there is no issue with having so many candidates vying for public office. The latter argument is contrasted with the previous system of 'first past the post' where a voter has only one vote so candidates of tribes

in close proximity were forced to stand down in order to maximize the winning margin.

These arguments are valid but also troublesome when studied closely in some contexts of PNG. While the LPV system has allowed greater movement of contestants and voters within the electorates and has created a greater participatory political environment than its predecessor, it appears to encourage bribery. With three options to vote, voters often allocate their 'first' vote to their preferred candidate, and hold out the other two options on auction to the 'highest bidder'. [Vote buying](#) has always been a problem in PNG elections, but the LPV system threatens to normalise the practice.

The LPV system has also been used as a pretext by sitting MPs, political parties and other candidates to sponsor or support what some term 'fake candidates' within the electorates. These candidates may appear genuine, but may actually be contesting in the same area of a stronger candidate in order to divide the voting population and reduce his or her chance of winning.

### **The right to hold public office**

As introduced earlier, an impetus for the high volume of candidates has been the argument that everyone has a right to stand for public office. While it is a constitutional right, it is also very simplistic, overused and in many respects detrimental to efforts of building a robust political system. The right to stand does not always mean one is capable of being a political leader.

Traditionally in PNG, one's eligibility as a political candidate was measured by the extent of a person's material gains such as money, livestock, businesses and the number of wives. However, such characteristics are not necessarily suited to understanding the complexities and demands of modern governance and international and regional trajectories that increasingly influence policymaking. In this environment, it is essential for leaders to have certain level of skills, knowledge and awareness, or the ability to acquire them.

A village leader, while highly respected in his or her village, may not have the experience or ability to relate to and engage with national and international discussions. It may have happened for the pioneers of the country during the post-Independent era where the demands were less complex but it is clearly not the case now.

The failure to appreciate this reality has often resulted in poor choices of political leaders. Consequently, the power of government continues to be in

the hands of a few political elite while the rest of the political leaders jump on the bandwagon as long as they have access to [their share of the perks](#) to keep their electorates 'happy'. It has been a cause of the decline in the quality of national debate over the years.

## Polling

For the 2017 general election to be successful, security remains the top priority and must be absolutely stringent. The [police, defense and correctional officers](#) will all be deployed amidst concerns of [inadequate](#) funding.

Another concern is the announcement to have only [one polling day](#) unlike previous elections. It is not clear what will happen to those who miss out on the day to vote if time runs out, especially in areas of bigger populations and where it is logistically difficult for election staff and voters to arrive on time for the day of polling. It might be a security or cost saving measure, but it certainly risks upsetting the voters, and the frustration in missing out on voting may incite conflict in some areas.

Social media, especially Facebook, continues to be an indispensable asset in this election year. In the last election, the PNG Supreme Court [accepted](#) photos and videos of alleged illegal actions at the polls to nullify winning candidates. With increasing access to smartphones and Facebook, we can expect to see more vigilant voters keeping an eye on any illegal actions at the polling sites.

As one user recently [commented](#):

“All the hidden agenda will now surface so there is nothing to hide thanks FB and social media...the people can now be informed...thanks to Mark Zuckerberg and digicel” (ISP).

## Potential outcomes

Prime Minister O'Neill is [confident](#) of forming the next government on the assumption that majority of the current MPs and candidates under his People's National Congress (PNC) party will be successful at the elections. However, PNG has always had a [high turnover rate](#) of MPs and this is [less likely](#) to change, especially given the widespread allegations of corruption and mismanagement besieging O'Neill's government. If O'Neill wins his [local seat](#), he may be able to pull his political strings, but other incoming MPs,

especially from coalition parties, may question his credibility as a candidate for Prime Minister.

Apart from the PNC party, they are [forty-four](#) political parties heading into this election and all of them are equally optimistic of forming the next government. The revival of two of PNG's oldest political parties, Pangu Pati and National Party, has also gained traction throughout the country. The ultimate question for voters is not who forms the next government, but who is the most credible person to lead the country in a time of unprecedented economic and political challenges.

Regarding O'Neill's corruption allegations, it is likely that investigations will resume under a new government unless O'Neill or his compatriots form the next government. But with PNG's record of resolving serious issues through the lens of 'forgive and forget' – an often misinterpreted Christian principle and Melanesian consensus (such as was displayed successfully in the aftermath of the 2011–2012 impasse) – there is a chance that those implicated for any legal or leadership code liability will have their actions excused. One can never be too sure of predicting the future in the 'land of the unexpected'.

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## Improving the electoral chances of Melanesian women: an evidence-based approach

*By Julien Barbara and Kerry Baker on 6 February, 2017*

Nowhere in the world is the under-representation of women in leadership positions, especially in formal politics, more acute than in the Pacific islands region. Just one in 20 Pacific parliamentarians are women. While 2016 saw some significant progress in this area – Hilda Heine of Marshall Islands



won the presidency in January, Fiame Naomi Mata'afa of Samoa was appointed Deputy Prime Minister in March, and the number of Pacific states with no women in their lower (or only) houses of parliament was halved from four to two – the region still has the dubious distinction of having the lowest level of women's representation in the world. In the Melanesian states of Papua New Guinea, Solomon Islands and Vanuatu, just four out of 213 (2 per cent) parliamentarians are women.

The under-representation of women in Pacific politics reflects a range of structural, cultural and economic factors. In Melanesia, development partners have committed significant resources towards the goal of enhancing women's political representation, yet such support has not significantly improved women's electoral performances and, consequently, has not led to higher women's representation in Melanesian parliaments. This is partly because structural impediments are difficult to overcome. But it is also arguably because development partner assistance has not been effectively targeted to help women better address certain obstacles. One reason for this is that support programs have not consistently or effectively drawn on available evidence regarding factors that contribute to electoral success in the region.

While there are significant gaps in the evidence base, the research points to a number of qualities shared by successful male and female candidates:

- Successful candidates have local credibility and enjoy strong local connections ([Wood 2014](#)). They campaign on local, rather than national, political issues ([Kelly 2010](#); [Steeves 2011](#)). They can also demonstrate a record of delivering valued goods and services to their local supporters ([Wood 2014](#)). MPs with a stronger chance of re-election tend to be those who spend a significant amount of time in their electorates, as many voters see the role of an MP as primarily service delivery, rather than policymaking at the national level ([Hou 2016](#)).
- Successful candidates are able to access critical resources to support their campaigns. Electoral competitions in the region are becoming uneven affairs which increasingly favour men, reflected in the highly gendered nature of money politics in Melanesia ([Haley & Zubrinich 2015](#)). To have a prospect of winning, women candidates need to be able to mobilise resources to support long-term campaigns.
- Successful candidates take a long-term approach. Getting elected to parliament often requires a long-term campaign, over multiple election cycles, highlighting the importance of persistence. Running in consecutive elections to gain name recognition is a strategy for

many male candidates (see [Haley 2011](#)). There are also several female politicians who have won after numerous attempts.

- Successful candidates also think carefully about forming effective coalitions to bolster prospects of success. Successful and near-successful candidates campaign strategically to consolidate local support and build coalitions with influential local powerbrokers. Candidates who perform well at the polls in Melanesia tend to have the support of strong coalitions built upon a constituency base, and typically have secured the support of key leaders within the community. In particular, successful women candidates usually have strong male backers (Haley & Zubrinich 2013), and this is true of high-performing male candidates as well (see [Wood 2014](#)).

A new approach to development partner support would be to draw on the extant evidence base to help women try and learn from and replicate some of the campaign approaches known to make a difference.

An evidence-based approach would:

- Seek to calibrate support over the course of an electoral cycle, supporting women over a much longer period and changing the type of support as the election approaches. An electoral cycle approach might see development partners provide early support to help women review local electoral competitions and undertake stock takes of local electorates and electoral dynamics, which can be used to inform nuanced campaign strategies, before providing more intense surge assistance in the year before elections;
- Invest in candidate identification, to help identify women who are well placed to win elections. This means engaging with women in rural and provincial areas, and those not always picked up by urban-based civil society organisations from where many candidates are drawn.
- Focus on helping aspiring candidates with the local particularities of electoral competitions. This means less emphasis on helping women understand their role as gender ambassadors and more focus on helping women become credible local candidates mounting well targeted local campaigns.
- Focus on helping women develop creative strategies to bridge resource gaps. While development partners can't fund women candidates' campaigns, they can help them to develop more innovative resourcing strategies.
- Emphasise effective campaigning and the instrumental challenge of securing enough votes to win office when providing support. This

requires less emphasis on generic leadership skills and greater emphasis on campaign skills, targeting strategies and the formation of more influential support coalitions.

Such an approach entails challenges for development partners. Not the least, supporting women candidates poses risks for development partners who may be accused of political interference. More effective support therefore requires the development of robust governance structures that can support strong local ownership, including by local male champions. It also requires the development of new, more flexible program structures and innovative support modalities to help women engage with the complex political economies of Melanesian elections, and tailor campaign strategies to the local level. Such modalities could include research partnerships with academic institutions to support women candidates to undertake electorate-level political economy analyses; mentoring resources so that women candidates can develop strategic campaign plans early in the electoral cycle (drawing on political economy research); and support for strengthened regional partnerships with INGOs to help women develop more innovative finance strategies. With flexibility, a long-term approach, and a greater tolerance for political risk, programming for increasing women's political representation in Melanesia could see real rewards.

Based on this evidence and with funding from the Australian Government through the Pacific Women Shaping Pacific Development program, the [State, Society and Governance in Melanesia Program](#) at the Australian National University last month commenced a five-year [PNG Women in Leadership Support Program](#). The Program will take a long-term approach to supporting women's political participation in Papua New Guinea by enhancing their competitiveness in elections.

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*This blog post is adapted from a synthesis report: '[Improving women's electoral chances through an evidence-based approach](#)'. The report draws on discussions that occurred at a three-day workshop hosted by the Centre for Democratic Institutions (CDI) and the State, Society and Governance in Melanesia Program (SSGM) at the Australian National University in Canberra in June 2016. The report is supplemented by a series of SSGM [In Briefs](#) (2016/34--2016/41).*

## Did changing electoral systems change election results in PNG?

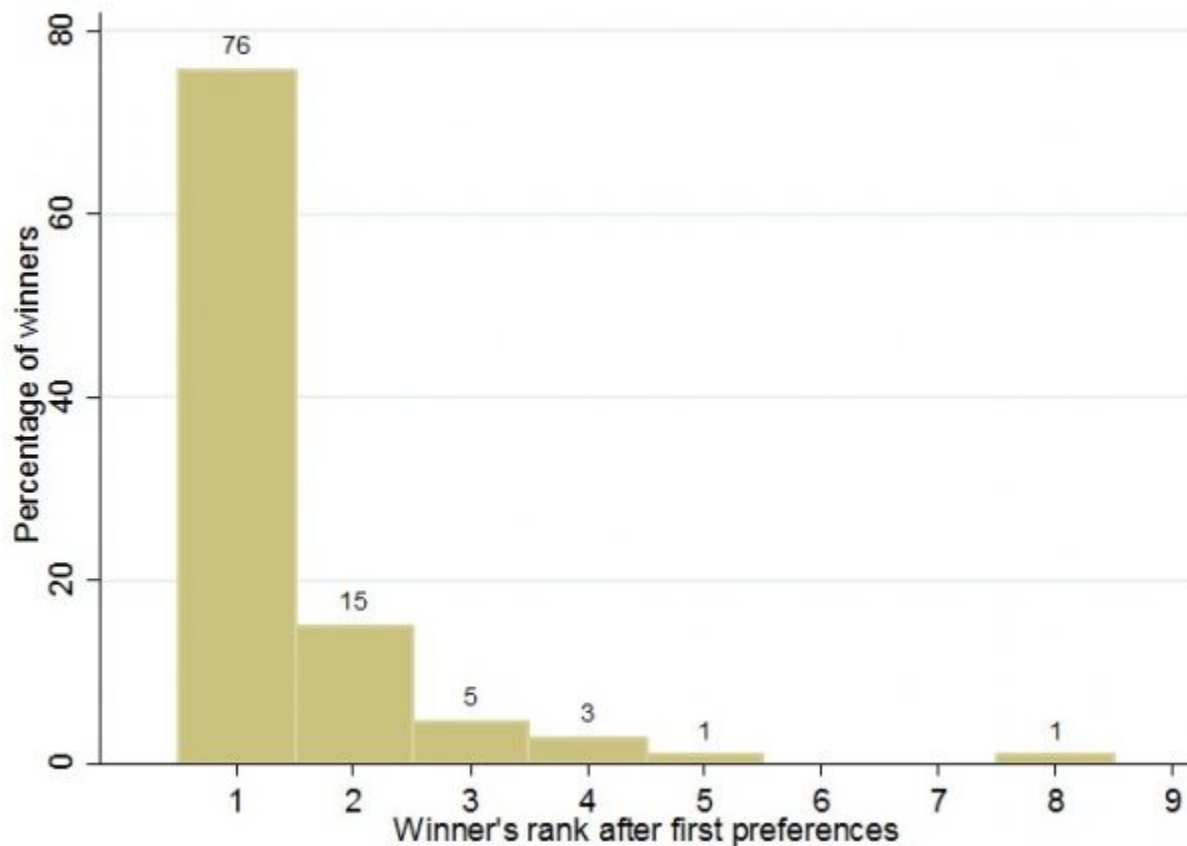
*By Terence Wood on 2 May, 2017*

In the wake of the 2002 general elections Papua New Guinea traded in its 'first past the post' electoral system for limited preferential voting (LPV). (I explain how LPV works on page 8 of this [paper](#)). The new electoral system brought both promises and academic debates. Although election results data can't speak to all of these, they can shed light on some of the impacts of LPV. In this blog post I'll take data from the [PNG Election Results Database](#) and look at LPV's impacts on election results and electoral politics.

### Do preferences change who wins?

One obvious test of LPV's impact is whether it actually changes who wins elections. Unfortunately, complete data do not exist for the 2007 election. However, for all but four electorates in 2012, our database has results after first preferences were counted, and results after second and third preference votes were allocated. First preferences aren't a perfect proxy for results as they might have been under first past the post, but comparing them with results from after the allocation of second and third preference votes still shows whether the process of reallocating preferences actually changed electoral outcomes. The histogram below plots the 2012 data, with the x-axis showing the ranking of election winners after first preference votes alone had been counted. As you can see, a small number of winners won only because their fortunes turned around as second and third preference votes were doled out, but 76 per cent of winning candidates were in the lead after first preference votes had been counted. In 2012, in much of Papua New Guinea, second and third preference votes did not change who was elected.

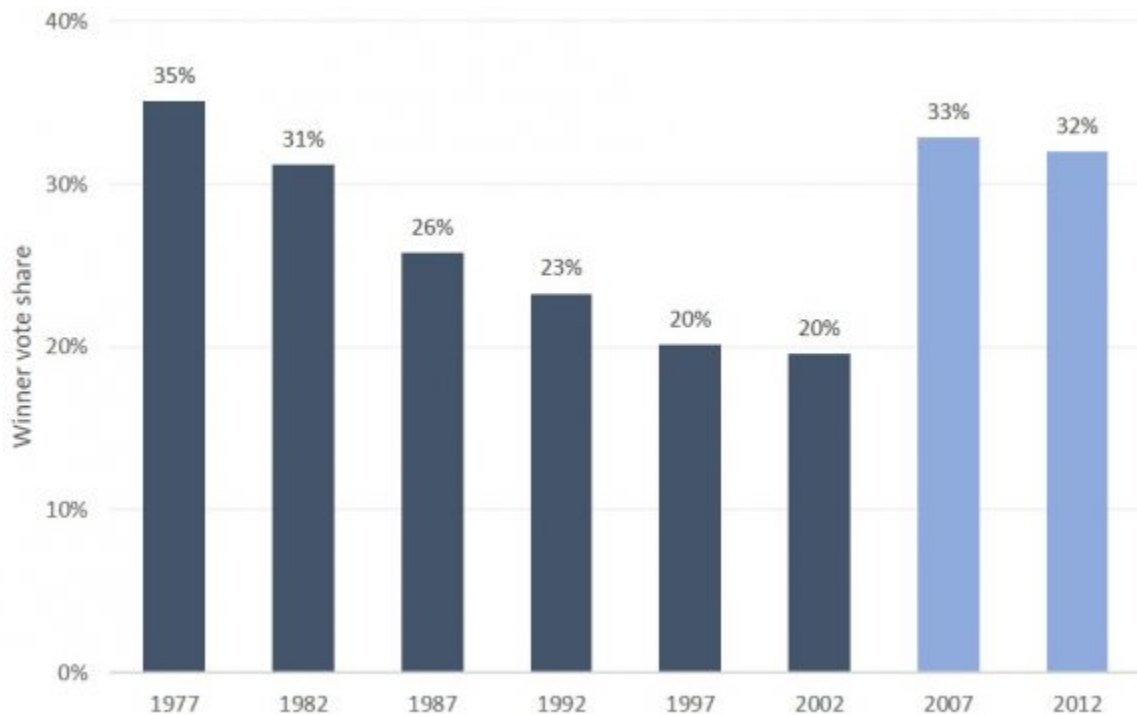
*Histogram of winning candidates' ranks after first preferences*



### **Has LPV increased winners' vote shares?**

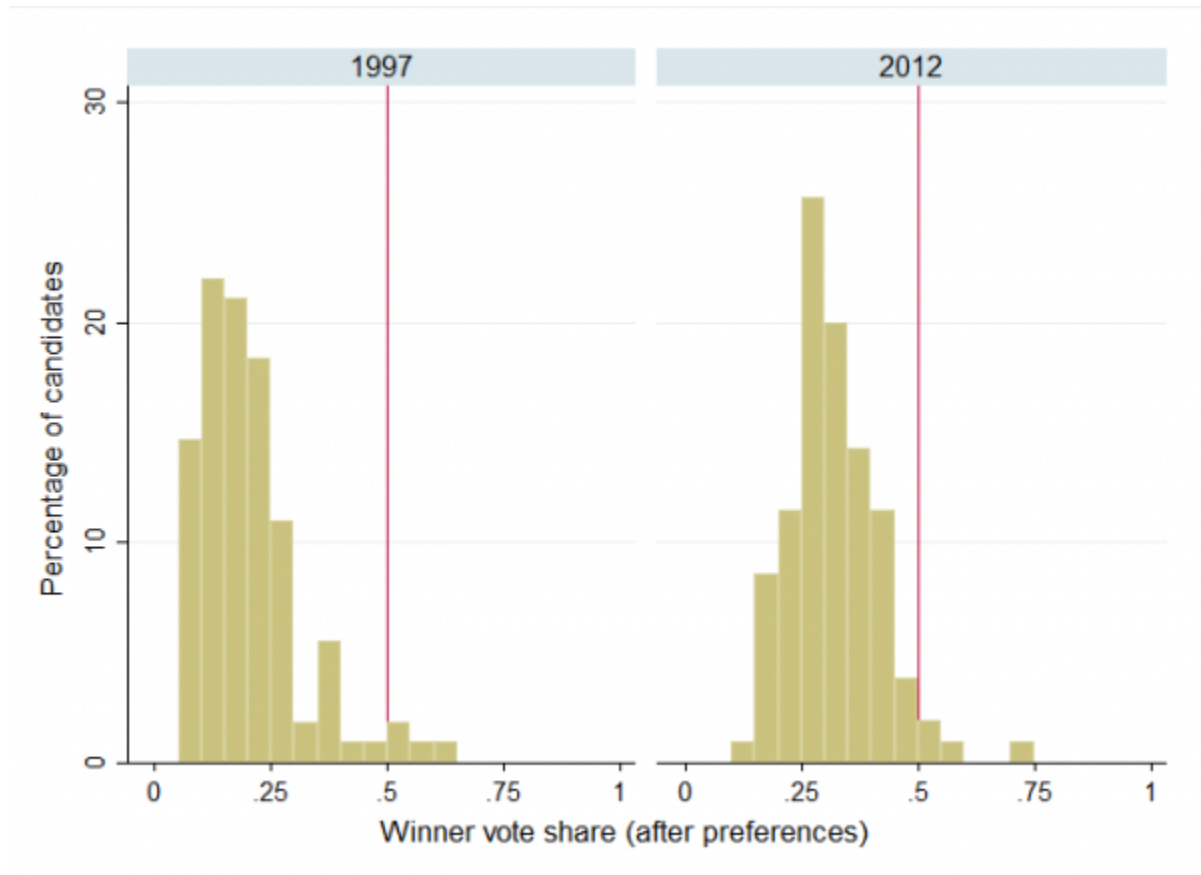
Although LPV doesn't appear to have changed who won that often in 2012, as the next chart shows, LPV did increase the share of votes won by winning candidates. Winning candidates' after preference vote shares were, on average, higher in 2012 than winner vote shares were under in recent first past the post elections. Given winners are now winning with the benefit of second and third preference votes, this isn't surprising. Nevertheless, the increase is notable -- in 2012 average winner vote shares were close to being as high as they were in 1982.

### *Average winning candidate vote share over time*



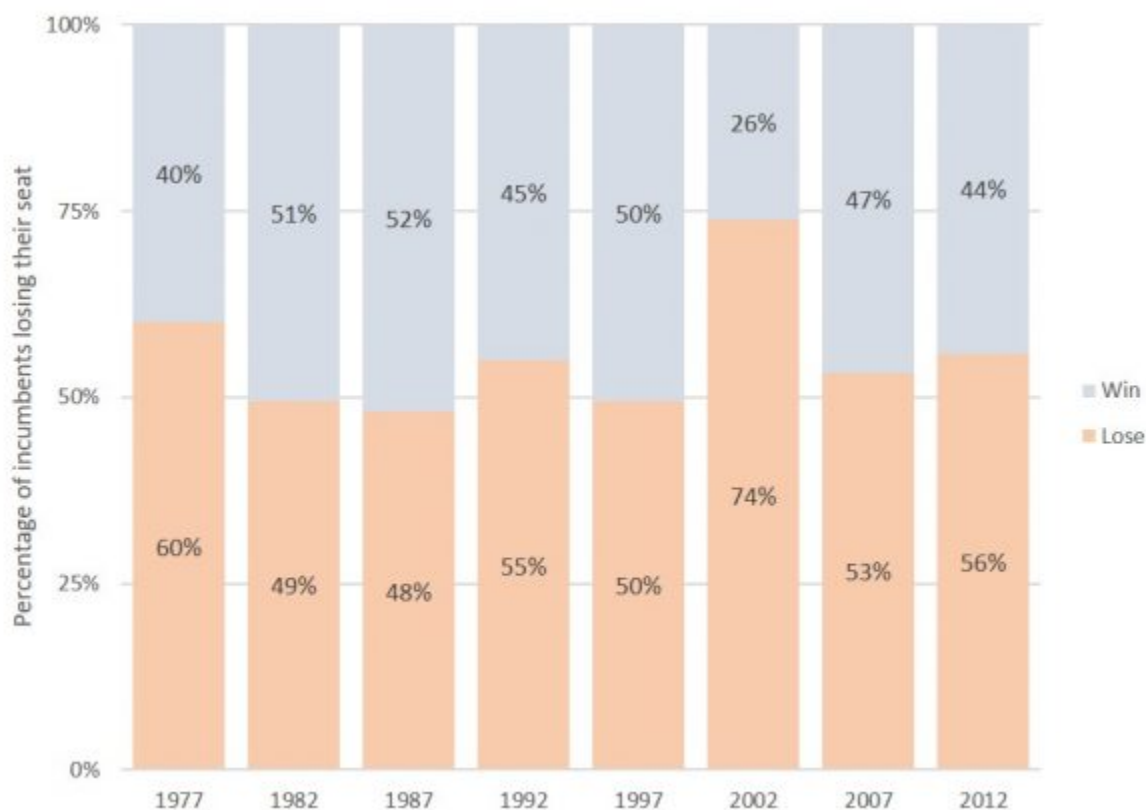
The next chart provides another way of looking at the change. It shows histograms of winning candidate vote shares for the 1997 and 2012 elections. (I chose 1997 because of the problems that occurred during the 2002 election.) The distribution moves markedly to the right between the two years (the median winner vote share rises from .19 to .3). I don't think this change should be dismissed. On the other hand it's not a transformation. In 2012 most candidates were still elected with pretty low vote shares, even after preference allocations. Only four candidates won more than 50 per cent of the vote and they all did so off first preference votes alone.

### *Histograms of winning candidate vote shares in 1997 and 2012*



What's more, other important electoral features haven't changed with LPV. First, as you can see in the first figure on the [Trends page](#) of the Results Database, on average, candidate numbers dipped slightly in 2007 but then resumed their rise in 2012. LPV hasn't calmed electoral competition in PNG; in much of the country more and more people are trying their hand at unseating their sitting member at each election. And, as you can see in the next chart, MP turnover rates are as high as ever.

### *MP turnover rates by election*



One hope for LPV was that the need to win second and third preference votes would see MPs try to cater to the needs of more of their constituents. Another hope was that, even if voters might still cast their first preference vote on the basis of obligation or in search of direct local benefits, they might use their second and third preference votes to reward candidates who looked like they would do a good job governing their country. Through this, it was hoped LPV might bring better governance to PNG. The World Bank's governance indicators [provide no evidence](#) that Papua New Guinea is now better governed than it was prior to LPV. And incumbent turnover rates point to voters who are as frustrated with MPs as ever.

LPV has had an impact on election results, but it has not changed them that much. And PNG's problems of political governance, be they national governance or be they dissatisfied voters, do not seem to have been cured. LPV's high-level political effects appear to have been minimal. This doesn't mean that the LPV experiment has failed entirely though. It's possible it has reduced violence in some constituencies (although available evidence is too patchy for clear conclusions). And there are also other areas where it may

have helped. In my [next blog post](#) I will look at one of these: the fate of women candidates.

*Terence Wood is a Research Fellow at the Development Policy Centre.*

## **The Papua New Guinea Election Results Database**

*By Terence Wood on 16 March, 2017*



We are launching the [Papua New Guinea Election Results Database](#) in Port Moresby today. The database contains all available election results for all general elections held in Papua New Guinea since 1972. The database is our attempt to preserve Papua New Guinea's electoral record and to share it with researchers, as well as people from Papua New Guinea who want to know more about the electoral history of their constituency, region, or country.

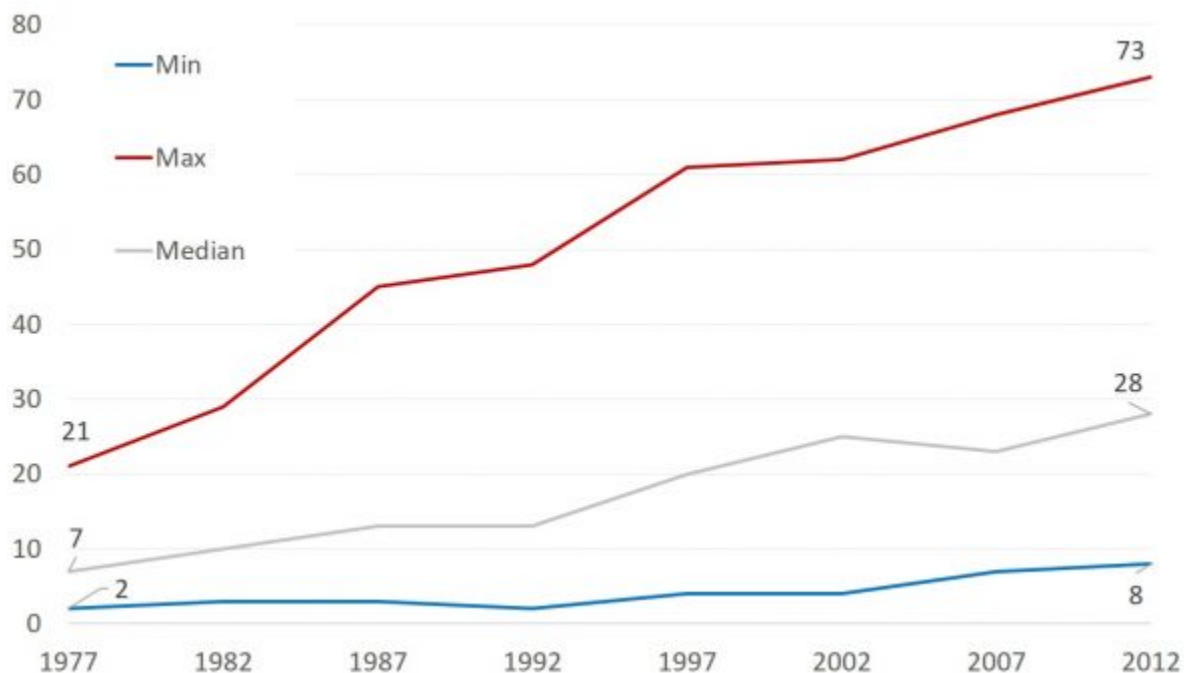
If you are interested in a result from a particular constituency in a particular year you can find it using the database's [Data Explorer](#). If you want booklets of results you can download them from the [Datasets](#) page. And if you want to conduct your own analysis you download results spreadsheets from the same page. There are also other features including an [electorate map](#) and a detailed report on [electoral trends](#).

To launch the PNG Election Results Database online we wanted to provide you with some basics. Here are five key points you should know about election results in Papua New Guinea.

### Point 1: Candidate numbers have gone up

The chart below covers every general election since 1977. For each election it shows the number of candidates in the electorate with the most candidates, the number of candidates in the median electorate, and the number of candidates in the electorate with the least candidates. All of the lines are trending upwards. Candidate numbers are on the rise, on average, in PNG. Indeed, in the busiest electorates candidate numbers are astounding. Seventy-three candidates stood in Chimbu Provincial constituency in 2012 and there were 13 constituencies in 2012 where more than 50 candidates stood.

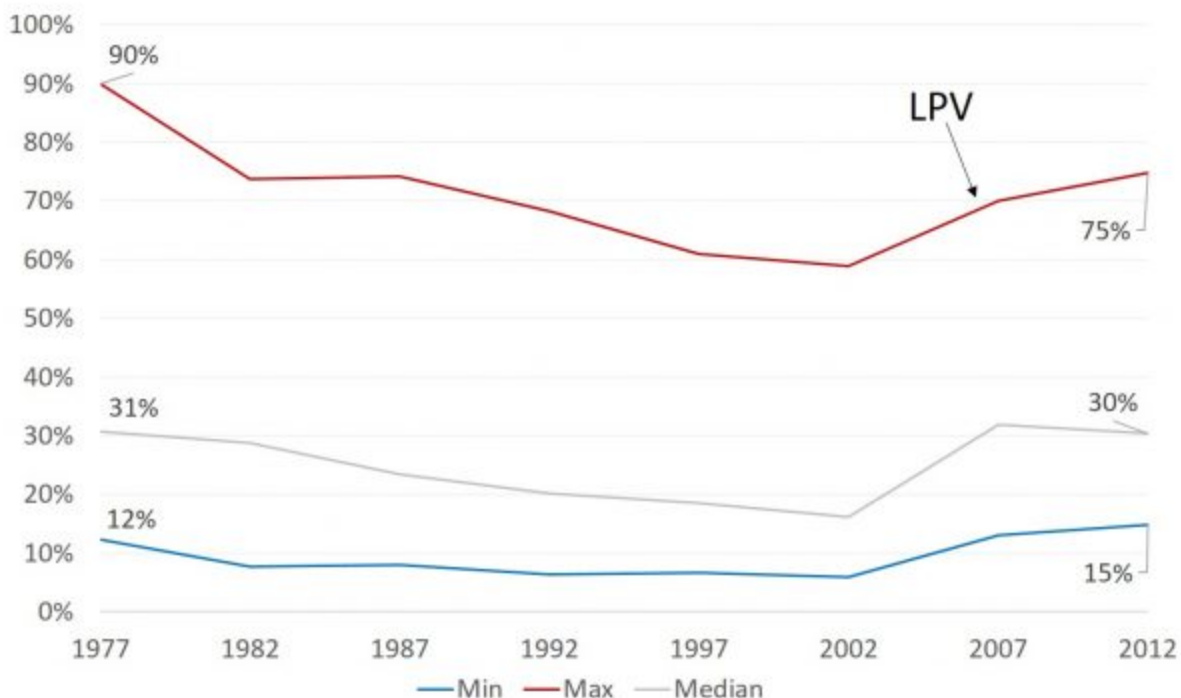
**Trends in candidate numbers**



## Point 2: Winning candidate vote shares have come down – to a point

The next chart shows trends in maximum, median and minimum winning candidate vote shares over time. Initially at least, winner vote shares came down (one candidate won his electorate with 6 per cent of the vote in 2002). The decline in winning candidate vote shares was arrested in 2007 with the introduction of Limited Preferential Voting. However, it is hard to look at the chart and argue that this new voting system has completely transformed election results. In 2012 one candidate was able to win with 15 per cent of the vote, even after preference allocations. And about half of the winning candidates in 2012 won with 30 per cent or less of the votes cast, even taking preferences into account.

**Trends in winning candidate vote shares**

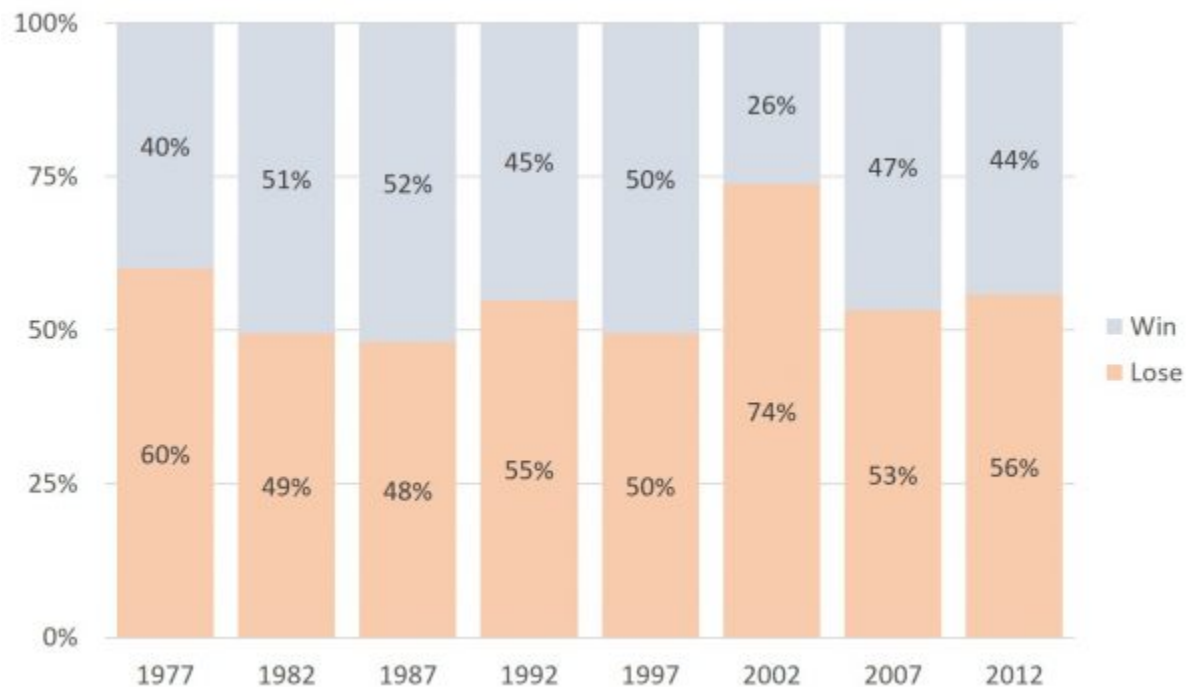


## Point 3: There are no clear trends in incumbent turnover rates

With more candidates contesting one might expect sitting MPs to be having an increasingly difficult time holding onto their seats. This hasn't been the case. Incumbent MPs don't have it easy. In most elections about half of them have lost. But while, as the chart below shows, turnover rates have bounced around, there's no clear trend towards greater turnover. Of course, 50 per cent is still high. It suggests discontented voters. It also means that at any

point in time half the members in parliament are new to politics. In the 2012 parliament, only about 20 per cent of MPs had two or more previous terms' experience.

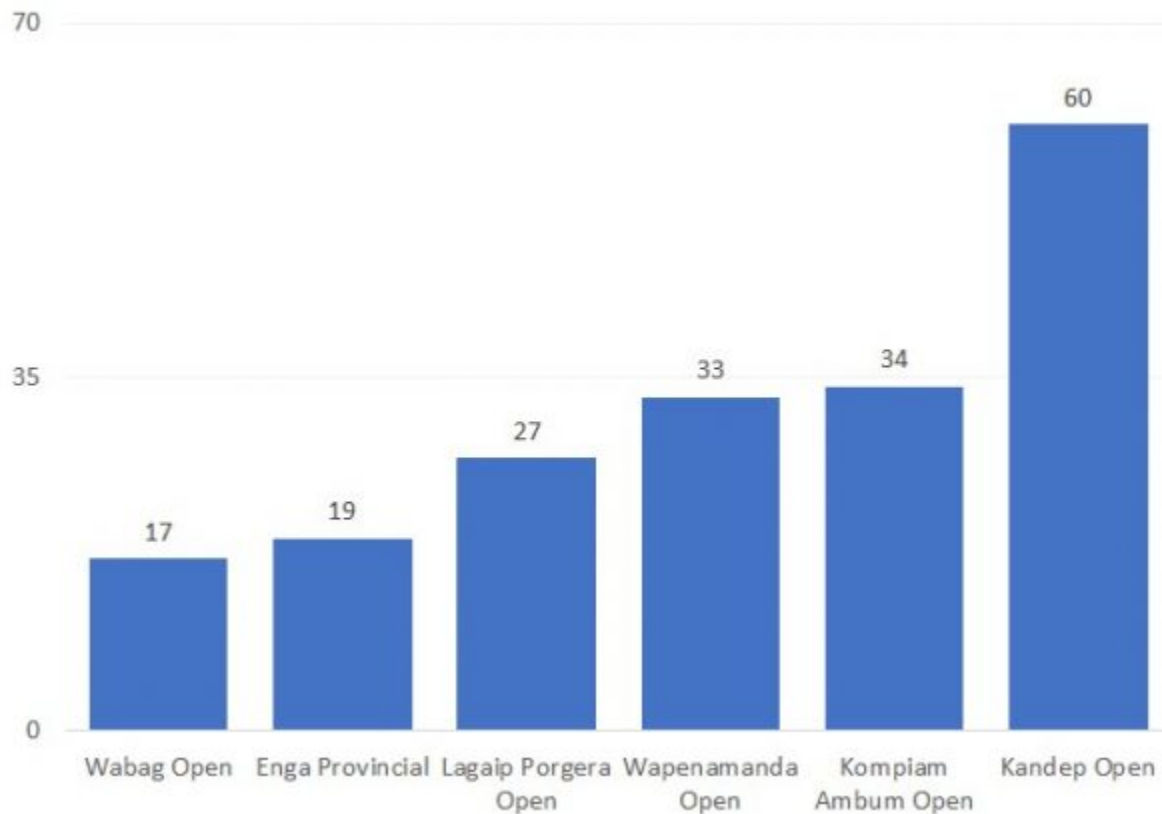
**Percentage of incumbents who contested and won or lost**



#### **Point 4: There is a lot of variation**

Key electoral features differ a lot between different parts of Papua New Guinea. Some of these differences are regional—on average incumbent turnover rates are lower, candidate numbers are lower, and winners win with higher vote shares in the Islands region. However, even within regions there can be a lot of variation. Indeed, there can be a lot of variation within the same province as can be seen in the next chart, which shows the number of candidates standing in the different electorates in Enga Province in 2012. These are neighbouring electorates, but in terms of candidate numbers at least, in 2012 they had very different elections.

## Candidate numbers in Enga Province constituencies in the 2012 election



### Point 5: The playing field is unfairly tilted against women candidates

Most of the time access to money is crucial in electoral campaigns in PNG. Most of the time having influential community leaders supporting you is important in electoral campaigns in PNG. Often voters, other than close relatives, will only vote for a candidate if they think they are likely to win. Women candidates usually suffer in all of these areas in PNG. Women usually have less money than men. It is harder for women to gain the support from community leaders who are usually men. And because PNG does not have a long history of successful women candidates, it is probably the case that voters often discount the chances of existing candidates and don't vote for them. These challenges are compounded in instances by issues such as gendered norms of how women are expected to behave. Taken together all of this makes it very hard for women candidates to win. The results of this can be seen in the figure below. Papua New Guinea does not lack for strong, intelligent aspiring women politicians, and hopefully they will be increasingly successful in winning elections. But for now they aren't contesting on an equal playing field.

## Number of successful women candidates in PNG, by election



These are five key facts for you. There is much more to be discovered if you want to work with the data in [the database](#).

*Terence Wood is a Research Fellow at the Development Policy Centre. Terence's research interests include aid policy, the politics of aid, and governance in developing countries.*

# Gender equity and leadership

## PNG women in leadership

By Betty Lovai on 18 November, 2016

*“Yu no man, yu meri.”*

“You are not a man, you are a woman.”

Does this sound familiar?

Women are not preferred for leadership roles in many societies because of tradition and stereotypes concerning women’s place in society. This mindset will not go away easily.



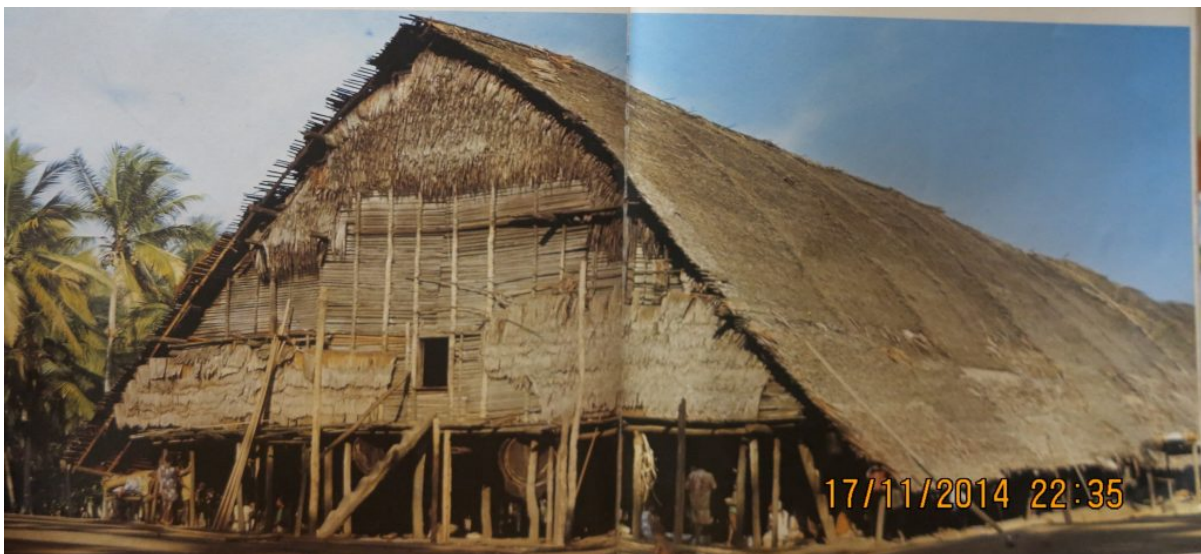
Gender inequality is a major development issue in Papua New Guinea. Different governments, through the adoption of national plans, have addressed gender inequality. Yet experience over the last 41 years since Independence shows that integration of gender equality through legislation and policy has not automatically achieved gender equality or leadership equality for women. After eight national elections, only seven women have been elected to parliament. There are currently only three female members of parliament.

Development approaches taken to progress and advance equality in leadership have been undermined, because gender inequality is so deeply rooted in culture and custom.

This country is so diverse, and gender equality challenges the cultural mindsets and power structures in our social systems. Culture influences the political environment, such as through the existence of public meeting places at the local and village levels where women are not directly engaged in decision-making. Women’s customary status has relevance and is important, but it must not prevent women from taking on leadership roles in modern PNG.

Let me illustrate the cultural perspectives of women from where I come from, to show the mindset that women there are up against.

In the Gogodala Communal Long House, the entire village was accommodated and the gender divide was structured into the architectural design – men and woman were separated from having direct interactions. The central hall, where important decisions were made, was used as a living room by the men, and women were excluded from the space and from decision-making. The men used levels above the central hall for sleeping, and only men were allowed to enter the house through the front and the back entrance. There were cubicles on both sides of the central hall for women, girls and children. Each family occupied a cubicle, which had a ladder for women, girls and children to enter the house. The cubicles had openings wide enough to pass food to male members in the central chamber.



*Gogodala Communal Long House*

The physical structure of the Gogodala Long House has been long dismantled, but the mindset behind its gender arrangement has not changed.

This is just one example of the kinds of barriers to leadership that women in PNG face. There are many others.

Despite the Constitution guaranteeing “equal opportunity for all citizens” there are institutional and structural constraints faced by women aspiring to leadership positions in any sector.

Many women leaders face challenges in the workforce, including jealousy and misunderstanding. In a study on women leaders in the PNG public sector, women holding senior positions said that Ministers and male colleagues saw them as women first, rather than as professionals. Gender bias prevents

women from being seen as citizens and potential human capital capable of leadership. There is still a struggle with cultural and traditional norms clashing against current modern expectations about women's roles. We must change the way women are viewed.

Maintaining a balance between a career and being a wife is not something women are trained to do. Marriage unfortunately for some women has become a place of emotional and physical abuse due to jealousy and insecurity.

A couple of years ago, a female friend sent me a text message at 4am suggesting a breakfast meeting at 7am at Crowne Plaza. I could not sleep after reading the text message, wondering why it was so important for her to reach out in the early hours of the morning. She wanted to share with me the abuse she had to put up with every time she returned from a business trip.

Leadership is a "boy's club". When a woman applies for a leadership position in an organisation, conversations are centered on whether she can fit in and adjust. In 2007, I was asked a question after my seminar presentation for the position of the Executive Dean: "Will you attend after-hours functions?" My immediate thought was that this question was irrelevant, but I responded: "I will attend work-related functions". This has never been an issue for me. Earning respect, acceptance, and approval from the "boy's club" is an unspoken expectation on women.

Women are capable of being leaders, but men are simply preferred as leaders. The lack of confidence in women's ability is influenced by cultural perspectives. In August this year, for example, I was reporting the behavior of a group of students during the recent student crisis. I was interrupted by a question: "Why are you afraid?"

I responded that I was not afraid of students but was merely reporting the unacceptable behavior of few students who had removed resumption forms from the school office and ripped them up. It may have been an innocent question. But would a male dean have been asked this question? It appeared to me that it was assumed that because I am a female dean, I would be afraid of aggressive male students.

Women leaders need encouragement, honest opinions, support and constructive criticism. When male colleagues acknowledge and value one's contributions it boosts one's self esteem.

So what can be done to reach a stage where both women and men are accepted as leaders? We are familiar with the constraints that work against gender equality. We know the preconditions for gender equality, and these are addressed through government policies and legislation and other development initiatives. We hope for more women in leadership positions **but cultural mindsets remain the main constraint** hindering progress. More constructive efforts are needed to change attitudes, change mindsets and address critical cultural barriers.

**I don't have to be a man to be a leader.**

*Professor Betty Lovai is Executive Dean of the School of Humanities at the University of Papua New Guinea. This blog is a condensed version of her keynote address at the 2016 PNG Update. The fuller paper is [available here](#) [pdf] or you can [listen to a podcast here](#).*

## **The future starts today**

By Lucas Kiak on 19 May, 2017

Rosie Batty (2015 Australian of the Year and anti-violence campaigner) visited Papua New Guinea last month and spoke at public events at the University of Papua New Guinea (UPNG) in Port Moresby and the PNG University of Technology (UNITECH) in Lae. In sharing her story she moved people but also brought to light the challenge of violence, not just being a challenge Papua New Guineans faced, but one the world faces right now. The events were sponsored by [Steamships](#) and were jointly organised by [Femili PNG](#), [UNITECH](#), [UPNG](#) and [The Voice Inc.](#)



Here Lucas Kiak, a Level 3 – Nation Builder in The Voice Inc.'s [Leadership Development Program](#) at UNITECH, gave his thoughts on the challenge, and his pledge to move forward, in his closing speech to Rosie Batty.

On behalf of the audience and sponsors, I would like to take this time to thank Rosie Batty for the wonderful inspirational presentation this afternoon.

You know, coming from a Melanesian culture with the patrimonial practices, family and sexual violence is taken to be a cultural norm. We don't always talk about it, you don't always know about it, but just like you, we are all victims of violence one way or another.

Many times our own advocacy of the matter has been suppressed by the cultural limitations of the norm and despite our passion and energy for change, as young energetic people we find it easier to be like everyone else and blend in than to speak out for what we believe is right. But I take this time to salute you and other survivors for letting your own light to shine. I believe deep down inside that as you let your own light shine you are unconsciously giving us permission to do the same and as you are liberated from your own fears your presence in the frontier of this battle liberates us all.

As a young man I believe that there is a PNG free from family violence and sexual harassment. A PNG where my sons and daughters carry themselves and walk with dignity and respect for each other. I am convinced and I say this with the utmost conviction that my vision for a violence-free PNG is not in the future, not in ten years time, not in 2050, not tomorrow but today. I believe that we can create this violence-free PNG in the everyday things that we do in our lives. Because the future that I believe in is a process, it's a journey and it starts today. The future starts today.

I know it's a lonely road to fight this battle and that it's scary at times. But we don't need a spotlight. We just have to shine from within.

In closing, sometimes we are brought to troubled waters not to be drowned but rather to be cleansed, because although we are not all raised in a good family, we are all given the opportunity to create an even better one.

*Lucas Kiak is a Level 3 – Nation Builder in The Voice Inc. Leadership Development Program at the PNG University of Technology (UNITECH).*

*This post first appeared on [The Voice Inc](#) on 1 May 2017. You can listen to the audio of Lucas' talk, as well as Rosie Batty and the other panellists' talks on the Femili PNG website [here](#).*

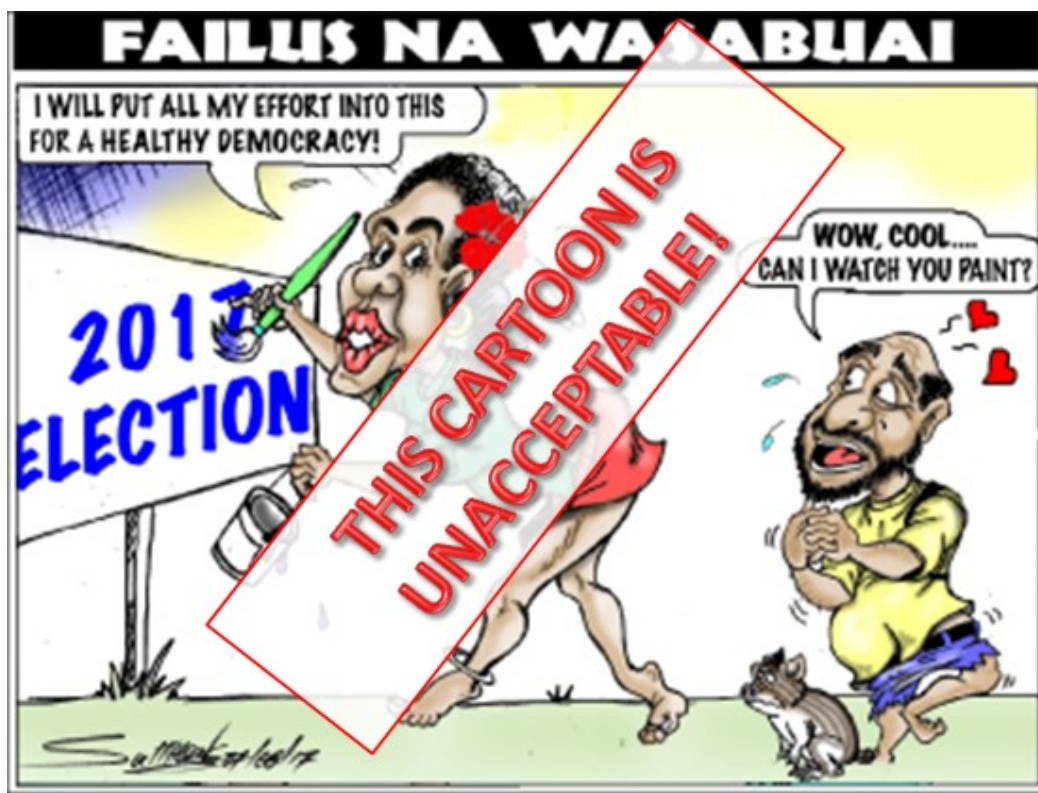


*Lucas Kiak and Rosie Batty*

### **Media fail! Papua New Guinean women deserve better from the media**

*By Michelle Rooney on 14 June, 2017*

Recently, the [Post-Courier](#), one of Papua New Guinea's oldest and largest daily newspapers, ran a cartoon featuring a Papua New Guinean female candidate in the 2017 national general elections. She is dressed in a short skirt while discussing her election aspirations for a healthy democracy. Behind her a Papua New Guinean man is sweating; somewhat delirious, with red love hearts floating above his head, he is more interested in watching her paint – and watching her backside. The underlying message is clear: try as they might to contribute to a healthy democracy, women contesting the PNG 2017 national elections are merely the objects of men's desire.



The [167 women contesting the national elections](#) comprise only 5% of the total 3,340 candidates. Their will and courage to take this step is remarkable, and every single one of these women, regardless of the election outcomes, is a leader and role model for all women in the country. The Post-Courier cartoon is grossly sexist and only serves to reinforce social, cultural and political challenges women face. It also undermines the good work that the media generally have done in terms of coverage of the elections and women's issues.

Unfortunately, other than public outcry that may stem from PNG's active social media, the Post-Courier is unlikely to be held to account for such a tasteless and harmful cartoon. By contrast, in other countries media outlets are met with great debate for similar images (for example see [here](#) and [here](#)). While PNG's media faces struggles to maintain media freedoms, it also enjoys considerable freedom from public scrutiny. This is largely because of a relatively low [adult literacy rate of 64.2%](#) and a social and political climate that tends to curb public debate. Even though a vibrant social media is changing this, the mainstream media still wields a powerful influence on the PNG audience. In this context, this cartoon speaks volumes.

This situation needs to be addressed and the PNG mainstream media should lead efforts to strengthen equitable and fair coverage of women in PNG face

with respect to their political participation. In this regard, an [excellent body of emerging research](#) identifies the constraints that women in the Pacific face in political representation as well as potential areas for support. The evidence shows that women in the Pacific face [immense challenges](#) in political representation (see also [here](#)). Two case studies in PNG ([here](#) and [here](#)) confirm the importance of money politics and entrenched cultural perceptions about the place of women in society.

The good news is that within these detailed and comprehensive studies lies solid evidence that the media can help to improve the performance of women candidates and their performance in public life. [This](#) report notes that the media has an important role to play in shaping public discourse, while [this interview](#) notes that those who work in the media can do more to learn about gender and other issues to give fair voice to all sectors of society. The findings of [this report](#), suggest that collective action and strong robust coalitions are more likely to succeed at achieving transformational change and changing gender norms. As [this submission](#) to a parliamentary inquiry discusses, access to advertising space on TV, newspapers and radio can potentially play an important role in supporting women's political representation. [This](#) report notes that access to powerful networks can be important for mobilising support. Another report identifies how women politicians are subjected to greater [scrutiny of their private](#) lives. Other studies point to the importance of a sustained support for [women candidates that is linked to the electoral cycle](#), and [the need for wider national awareness campaigns](#) that focus on women's rights to contest elections and hold public office. On all these issues, the media has a clear role to play in catalysing action and responses, and in sustaining a national conversation about important issues such as gender equality.

The other good news is that some relatively easy steps can be taken to draw on this rich literature to strengthen the role of the media in supporting a national effort to improve women's political participation. PNG's development partners, including the Australian aid program, are also well placed to supplement these efforts given that many of them are supporting both women's political participation and the media. These steps include, but are not limited to, the following:

Positioning media as an actor in a coalition: As the peak body and voice of the media industry, the [Media Council of PNG](#) is a good starting point. Its website states that it was formed in 1994 to address moves by the then government to control media, to raise awareness about the importance of free press, provide training and support a complaints tribunal. This mandate gives the Media

Council a broad platform to foster practices that move beyond reporting the news towards engaging as a coalition partner in the cause for greater women's political representation.

Informing media of current research: The sexist Post-Courier cartoon indicates that more needs to be done to translate and share the referenced research findings with the media. Synthesising some of this research for a media audience and providing training on it may be one way to inform the media of the important and powerful role they can and should play.

Establishing a media watchdog: In May 2017 the PNG Media Council launched a [code of conduct](#) with partners including an array of international development partners such as the Australian Department of Foreign Affairs and Trade, the United Nations, the European Union Delegation, the Australian Press Council, the Pacific Islands News Association, and others. The code includes a comprehensive list and applies to all media. Several of the guidelines within the code are of direct relevance to the cartoon referenced in this post. To strengthen the code of conduct, the PNG Media Council may also consider establishing something similar to the Australian program [Media Watch](#). Such a mechanism could provide media analysis and engage with the public to generate dialogue about the PNG media's role and the need for it to be accountable.

Tracking media coverage of women in politics: The cartoon shows that the media has a long way to go in terms of addressing gender equitable reporting. Establishing guidelines for gender equitable reporting may help. A media tracking research project designed to conduct text, image, advertising and other analyses might also be useful. This should ideally commence now and be sustained until the next elections. Its aims should be (i) to measure changes in gender equitable coverage; (ii) to support maintain a sustained national campaign; and (iii) as the research suggests, track the links between the media, women's strategies at accessing media platforms, and how this influences their success at elections.

Obviously these steps will require some resources to be realised. The studies mentioned in this post are comprehensive and detailed, and point to a number of opportunities for media to better support women's political participation. The challenges facing PNG's women candidates are daunting, and they deserve more equitable and accountable treatment by the mainstream media.

*Michelle Rooney is a Research Fellow at the Development Policy Centre.*

## Corporate philanthropy in Papua New Guinea – in conversation with the Digicel Foundation

By Amanda H A Watson and Beatrice Mahuru on 30 May, 2017



Ms Beatrice Mahuru is head of the [Digicel Foundation](#) in Papua New Guinea (PNG). As part of the [Pacific Conversations series](#), she spoke to Dr Amanda Watson about the organisation's areas of focus, its relationship to the [Digicel](#) business and her heart-warming experiences in the role.

*Amanda: You were previously in corporate roles. Was it an adjustment to join the Digicel Foundation?*

Beatrice: Moving into the development space was very new, but one of the things I brought was a corporate approach, so a 'no-nonsense, get your business done, report on the outcome' approach.

*What do you do on a day-to-day basis in your role?*

We have 34 projects at present, plus eight in collaboration with the Australian Department of Foreign Affairs and Trade (DFAT). My role is to watch over the foundation's operations to ensure that our finances are managed well against our targets. I'm very hands-on, making sure program impacts are documented and that projects are progressing to the agreed timelines, because we have PNG Board and Global Board meetings every month and they are kept across our investments. I have a small team and sometimes development work can be overwhelming so I want to be there for them, to motivate them and keep them committed to the cause. I continue to build and foster relations with Digicel every day and grow goodwill with our marginalised communities. And every other day, I'm connecting with

members of parliament or corporate organisations to seek possibilities for public-private partnerships.

*You mentioned building goodwill ... is that the main aim of the Digicel Foundation?*

Prior to last year (FY14/15), we responded to community applications and we operated very separately to the business. We're still a separate entity but our strategy is to work more collaboratively with Digicel. Although Digicel has invested in many towers across PNG, the business still receives negative feedback, especially through social media, on the cost of service. We grow goodwill through our development impact projects and lay the foundation on which business can follow. Last year, we probably put 40% of our investment into promoting goodwill and the rest was responding to applications received.

*Some may be unclear as to the relationship between the Digicel Foundation and the Digicel company. Could you please explain the governance arrangements and the relationship between the two entities?*

Although we're funded by Digicel, we're a separate entity because we're set up that way and we have a separate board. But to ensure due diligence and sound financial management, our finances go through the business.

*Digicel operates in 26 countries in the Caribbean and Central America and also six countries in the Pacific, but it has foundations in only four countries. Why was PNG picked as a country to have a foundation?*

In the United Nations Human Development Index, we're 156th out of 188 countries. That's quite low, despite being a resource-rich nation. The Digicel Group Chairman Denis O'Brien believes that as Digicel grows, its communities must too. And when Digicel successfully entered the PNG market, Mr O'Brien felt it was necessary to invest back into the community, and that's what we've been doing since.

*The Digicel Foundation has spent over US\$25 million in PNG. Does all your funding come from Digicel?*

We are funded wholly by Digicel. This is the first year in which we received grant funding from DFAT to implement education projects for them in the Autonomous Region of Bougainville. 15% of my budget goes on administration, such as staffing and travel.

*The foundation initially focused on health and education. Do they remain important areas?*

They remain core areas of focus. 60% of the foundation budget is spent on [school infrastructure](#) – classrooms with desks, plus office space, toilets, water tanks and solar lighting. The DFAT project in Bougainville will include Wi-Fi and an intranet containing educational materials. When a school requests infrastructure, they have to demonstrate good governance and community ownership. In fact, all potential partners are assessed using such criteria. We also have [mobile health clinics](#) that do their rounds and treat patients.



*Children with Digicel Foundation Project Manager, Mr Haro Gomara, at the Sambio Rural Health Aid Post launch in remote Menyamya District, Morobe Province*

*You have now added three other key focus areas: the elimination of violence, special needs, and community building. Why was violence a concern for the foundation?*

As a Papua New Guinean, I'm very passionate about advocating against violence. It's a social scourge. When they say that all men are violent, it gets me very upset because my father wasn't. He believed in me before I realised my potential. I believe every PNG woman who holds a good role has had an amazing father behind her. So it's in acknowledging those good men that we

decided to start the [Men of Honour awards](#). There are honourable men out there – let's bring the stories forward.

*What is the foundation doing in relation to special needs?*

We work in close collaboration with [Cheshire](#). We fund their community-based rehabilitation program in communities, settlements and villages. So many amazing stories have come out of that. I met a little girl who had her disability as a result of meningitis, so she wasn't able to feed herself, talk or walk without aid. Six months after the program, the girl was walking without aid, and 18 months after the program, she's able to read and has started school.

*The fifth pillar of the foundation is community building. What is meant by community building?*

Did you know that 60% of any urban population is made up of youth, aged between 16 and 25? We developed a program in partnership with [Ginigoada](#) called the Life & Business Skills Program to address this age group and the problems associated with unemployment. It's a community conversation in the first week around violence, personal health and wellbeing, and a basic business skills training in the second week. Though poorly educated, our people are very entrepreneurial. We've completed the program here in Port Moresby and we are fortunate to have a 'Men of Honour' finalist run the program in Lae.

*What has been heart-warming for you at the foundation?*

I think the calibre of stories that come through the 'Men of Honour' awards is pretty heart-warming. But what really pulls at my heartstrings is the smile on the face of our communities, and especially our little children, when we lay down education or health infrastructure. You see so much hope in their eyes and feel deep appreciation in their embrace.

[Amanda H A Watson](#) is a Lecturer with Australian National University, based in Port Moresby at UPNG under the [UPNG-ANU partnership](#). Beatrice Mahuru is Chief Executive Officer of the Digicel Foundation.

## Midwifery and maternal health in Papua New Guinea

By Susan Crabtree on 5 May, 2017

“Let’s look after the mothers and the mothers will look after us. When the mothers die, then there will be a lot of problems. We will have problems with the economic situation, the economy drops, because mothers do a lot of labour, women do a lot of work, gardening and all this.” (Office holder, District Administration)

Since its launch in 1992, May 5<sup>th</sup> has been celebrated by midwives and their supporters as ‘[International Day of the Midwife](#)’ (IDM) in recognition of the importance of midwives’ work. Midwives are skilled birth attendants and key health workers for women, babies and families. They have theoretical and clinical knowledge to holistically support all aspects of the childbearing process. Including providing: essential antenatal care; essential and emergency care during labour and birth; screening and health care for women and their babies during the first six weeks following birth; breastfeeding advice and support; education and support for families; and, contraception and other aspects of well-woman and well-baby health care.



In Papua New Guinea (PNG), the poor state of maternal and neonatal health is well documented, in both the literature and previous [Devpolicy blogs](#). And the numbers are shocking. Like many developing countries, PNG has insufficient midwives or other skilled health workers to assist an estimated 1.8 million reproductive aged women, who give birth to approximately 220,000 babies every year. Only around [half](#) of these births occur in the formal health system.

The lifetime risk of dying in pregnancy for a women in PNG is 1 in every 120 women, which amounts to around [1,500 women per year](#). The numbers of stillbirths and neonatal deaths are also high, with many preventative neonatal deaths due to infection or prematurity. These statistics are not that

different to the situation at independence in 1975 ([Bell, 1973](#); [Maraga et al., 2011](#); [Mola & Kirby, 2013](#)). Yet, [Joseph \(2013, p. 271\)](#) suggests, for most people “the plight of women dying in childbirth is ‘off the radar screen’ and there is little awareness of the high rates of maternal mortality”.

The theme of IDM 2017 is: ‘Midwives: Making a difference in the world’. In this blog post I draw on data from [my PhD](#) (undertaken 2011–2016) and recent postdoctoral fieldwork (March 2017) to examine how midwives are making a difference in PNG.

My PhD research used a qualitative inquiry, systems approach to investigate the system implementing [global recommendations](#) to ensure that all women receive skilled birth attendance, from a qualified midwife or health worker with midwifery skills. East New Britain Province was selected as a case study. I defined the ‘maternal health care system’ as the system that provides women and their babies with health care services during pregnancy and childbirth, until six weeks postpartum. This includes health care professionals, policies and infrastructure, and related governance mechanisms. Data collection involved a review of national and provincial documents, and observations and interviews at community health posts, health centres and hospitals (district, rural, provincial); and at local, district, provincial and national levels of the governance system. Selected conceptual tools from complexity thinking guided data analysis.

Overall, the analyses revealed very little engagement in PNG with longstanding [global recommendations](#) that all women have access to a midwife, or knowledge of the importance of midwives for improving maternal and neonatal health. Moreover, the data revealed that many midwives had alternative roles as health sector managers, or were working with NGOs, development projects or local government delivering health programmes such as HIV, sexually transmitted infections, TB, malaria, or child health, rather than being recognised as key health workers to attend women during pregnancy and childbirth. For those who did work as midwives, it was noteworthy that most were based in urban settings, rather than in rural communities, where the majority of women live and birth.

The data further revealed significant confusion between maternal health and child health. Many participants were unaware that maternal health is not a key component of Maternal and Child Health (MCH) clinics. A typical comment was: “Maternal health is safe motherhood, which is family health; it comes under outreach patrols, which is MCH, maternal and child health clinics and programs. ... but recently, with MCH, we have decided to

concentrate on immunisation of children, especially the sick children”. Similarly, an MCH nurse commented: “We do MCH – maternal and child health clinics, but when we go out we just check the babies, not much to do with mothers”.

Within local, provincial and national governance frameworks I found virtually no awareness of the importance of ensuring that all women receive [midwifery care](#). Typically, there was little understanding of the role of midwives. The common expectation was that all health workers had the necessary skills for managing childbirth, “anyone can deliver a baby”. At the health facility level, however, there was some recognition that many health workers did not have the necessary skills or knowledge to manage problems. As one midwife commented: “they think everybody can deal with mothers during delivery, but they don’t know, the nurses and CHWs [community health workers], they don’t know how to manage complications, so some mothers, they die”.



Also noted was the historically limited activity, aligning with recommendations, from international and local development partners in this area. One notable exception was the [Maternal Child Health Initiative](#) (MCHI), a multi-stakeholder, Australian Government funded program (2011–2015). The aim of the MCHI was to provide support for midwifery education to improve maternal and neonatal health in PNG. Support included scholarships to educate PNG nurses to become midwives, capacity building and assistance to improve the standard of midwifery teaching and practice, support for the PNG Nursing Council, and service delivery support in two regions.

In March 2017, three years after completion of the original fieldwork, I returned to the case study province to carry out follow-up interviews for postdoctoral research (papers forthcoming). I was delighted to find that the MCHI had supported the re-establishment of midwifery education in the province. Although there remains considerable work ahead, the changes in the maternal health care system were remarkable and heartening.

In particular, I noted significant improvements in the people's knowledge and a far greater awareness of the importance of midwives – at all levels. At the district level, for example, one participant noted: “There is a booklet, it promotes facility delivery with midwives for all mammas“. Another pointed out: “we require a nursing officer with a bachelor of midwifery... that is a key priority. We need to open up all our facilities for births. We have good midwives, but not enough, we need more. More beds, more midwives, to train more midwives to meet the needs of the population.”

With this improved understanding and commitment to maternal health, and with continued support from international development agencies, now is the time for PNG to ensure policy, funding and political will is directed towards developing culturally appropriate and sustainable programs. Programs that align with evidence-based recommendations, with local ownership, and implementation by the people in the system; this will ensure all women give birth with skilled midwifery care.

Congratulations and celebrations to ALL midwives for 2017 International Day of the Midwife.

*Dr Susan Crabtree is a postdoctoral research fellow in Politics and International Relations at the University of Auckland, New Zealand.*

*The author would like to acknowledge the support and editorial assistance provided by Dr Hilary Tolley, an independent international development researcher with interests in global health and education.*

## **How not to address maternal mortality**

*By Camilla Burkot on 2 December, 2016*

Papua New Guinea is often referred to as the ‘land of the unexpected’. I sometimes wonder whether it might be better referred to as the ‘land of the extreme’.

Extreme is certainly an appropriate adjective to describe the country's maternal mortality ratio, which is the highest in the Asia-Pacific region: [215 deaths per 100,000 live births](#). To put this in perspective, in Australia the maternal mortality ratio is 6 per 100,000 nationally, and [14 per 100,000](#) among Australia's Aboriginal and Torres Strait Islander women.

Extreme also seems an apt descriptor for PNG Prime Minister Peter O'Neill's plan to address maternal and infant mortality in his country. As [reported by the ABC](#) on Tuesday, O'Neill plans to introduce legislation in early 2017 that will make it mandatory for women to deliver their children in a clinic or hospital. To enable this, women will be paid to attend those clinics or hospitals.

To be fair, few details about O'Neill's plan have so far been revealed. And it is positive that political will exists to publicly acknowledge and tackle the problem of maternal mortality in PNG. But as the history of public health has shown time and time again, the road to hell – or at least the road to some seriously ineffective interventions – is paved with good intentions.

First, though, to validate those good intentions. What I assume to be the underlying impetus of this hasty policy announcement – the desire to ensure that all women have access to [skilled attendance at birth](#) – is a sound one. The [most recent data](#) available from the WHO (2013) indicate that less than half of women in PNG deliver their children with the assistance of a trained midwife or doctor. Globally, about [15 percent of women](#) will encounter unexpected complications during or shortly after birth which require [emergency obstetric care](#) (EmOC). Skilled attendance and EmOC save lives.

The key question that policymakers must grapple with, then, is how best to enable access to those services in their particular context. A trio of [case studies](#) published by UC San Francisco highlights how various countries have been successful by targeting different determinants of why women fail to deliver in health facilities. India, for example, introduced a conditional cash transfer program which incentivized women to deliver at facilities; Malawi pushed women towards facilities by banning traditional birth attendants.

While encouraging women to deliver at health facilities is key, doing so cannot be interpreted as a magic bullet for reducing maternal mortality. Indeed, pushing women to give birth in overcrowded and under-resourced facilities [may put them at an increased risk](#) of potentially life-threatening infections, such as sepsis. To that end, it is important to note that the Indian and Malawian interventions described above were not limited to changing mothers' behaviour, but also included supply-side interventions to improve the availability and quality of maternal health services, such as expanding [maternity waiting homes](#) and ambulance services, and training and employing more community-based midwives.

Even in the face of a strong, evidence-based plan for improving the rates of supervised births in PNG, it's difficult to see how the government will be in a position to implement it. As noted on this blog last month, PNG's health budget was [cut by 21%](#) (K315 million) in the 2017 budget (this followed cuts to health of more than 30% between 2014 and 2015). The number of health facilities that are fully operational in PNG, particularly at [the aid post level](#) in rural and remote areas, has [dwindled](#). Health professionals are also few and far between; PNG has just [0.5 nurses/midwives per 1000 people](#), while the WHO [now advocates](#) for a minimum 4.45 skilled health professionals (midwives, nurses and physicians) per 1000. Glen Mola, a professor of obstetrics at UPNG, confirms that the main problem facing the PNG health system is a lack of funding for health staff and facilities; "If we've got the money, let's see it please... we desperately need it," [he told the ABC](#). In this context, requiring women to travel to facilities to deliver their children simply cannot be automatically equated to their accessing skilled attendance.

Theoretical and practical issues aside, what I personally find most troubling about O'Neill's outlined proposal is its vaguely punitive tone. Attendance at facilities is to be made "compulsory". How will this be enforced? Will there be consequences for those women who fail to appear at a health facility, whether that failure is intentional or not? How will the plan ensure that women do not simply show up at facilities, and are not just attended, but that they receive high-quality and [respectful care](#)? Abusive and disrespectful care is a [serious but underacknowledged problem](#) encountered by many women worldwide, [including in PNG](#), when they attend facilities for antenatal care and delivery.

Again, for now publicly available details of O'Neill's plan remain limited. Before they are finalised, PNG's healthcare leaders and frontline workers should be consulted on where the gaps are, and how they might be best addressed. Implementation of the plan – including not only the proposed payments to women to attend facilities, but also the costs of recruiting and training staff to attend birth at those facilities – needs to be fully and realistically costed before it is presented to parliament.

But most importantly, PNG women themselves must be given an opportunity to express their views and experiences around childbirth, in order to craft a policy solution that responds to the real reasons why many either do not seek out or do not have access to skilled attendance at birth. Just as it is an affront to human rights that so many women in PNG (and around the world) go without access to skilled attendance and emergency obstetric care, so too would it be for them to be deprived of the right to give birth where and in the

presence of whom they choose, or to be forced to attend facilities that are under-equipped to receive them.

*Camilla Burkot is a Research Officer at the Development Policy Centre.*

## **Advocating for women in Porgera: an interview with Everlyne Sap**

*By Camilla Burkot and Everlyne Sap on 9 December, 2016*

*It is well known that gender-based and sexual violence are major problems facing Papua New Guinea. What is less widely recognized are the grassroots efforts underway to combat these problems, and the individuals leading those efforts. Everlyne Sap is one of those individuals. She is a gender advocate and chairperson of the Family and Sexual Violence Steering*



*Committee of the Restorative Justice Initiative Association (RJIA) at Porgera in Enga Province, PNG. Camilla Burkot interviewed Everlyne during the [State of the Pacific 2016 conference](#). You can listen to the podcast [here](#), and read the full transcript [here](#) [pdf]. For an abridged version of their conversation, read on.*

**Camilla:** To begin, can you give us some background on the issues facing Porgera before the Restorative Justice Initiative Association (RJIA) came along?

**Everlyne:** There have been a lot of social issues in Porgera. In the past, it was okay. The real Porgerans and their families were living there, with the traditional laws that abided then. But when the mining started, it pulled the people from outside of Porgera into the valley.

One of the common issues there is people go out looking for alluvial gold. So they go there, steal gold and come out, and the cash flow in the valley was very high. And when that happens, what happens? When there's a lot of money, there's a lot of social issues. They take their money straight to the beer club or disco.

They have money, so they forget about their wives and they go out with another woman and go drink, and then the other woman's husband comes in, and he tries to retaliate. All these kinds of connected issues occur. When these little things happen between two people, it grows into a bigger issue and tribal fights occur. Lives are lost, homes are destroyed, government services and infrastructure are damaged during these fights.

The local level government couldn't do anything. The district couldn't do much about it. The police were helpless. Local leaders were on their own. They tried to do something but they could not, because they are only few, they couldn't really talk for the whole. And they couldn't try to go out, reach all the people, bring them together, mobilize them and talk to them about how to come up with a resolution to find peace.

**Camilla:** So tell me a little bit about where RJIA comes in.

**Everlyne:** There was this big fight in the valley some years back. Barrick provides bus services for its employees who live within about 10 kilometers from the mining, which ceased in 2009 for safety reasons. When the fighting goes on there are roadblocks, armed gangs, and serious problems on the road. Public travel is not safe.

Later on, when they saw that tribal fighting and other related issues were lowering down, all the stakeholders, including business houses, started looking for ways to sustain peace and stability in the community.

When they went and talked to the community leaders, "Can you do something?" they said, "We need the police." "Can police do something?" "We need the district administration." "Can district administration do something?" "We need the local leaders." You see? Individually they can only do very little, with no impact.

So Barrick had several meetings, and came up with this idea to bring all the key stakeholders together and to address this law and order issue in the community. And they came up with this project called RJIA, purposely trying to improve security and stability in the community. In early 2012, Barrick resumed its bus service for its employees.

It started in 2012, and started mobilizing the leaders, and they formed a Leaders' Interest Group (LIG) and Business Interest Group (BIG). And I'm the chair of the Family and Sexual Violence Steering Committee (FSVSC), which was formed after LIG and BIG in 2014.

**Camilla:** So RJIA came about originally as a response to law and order issues. How does that connect to family and sexual violence (FSV)?

**Everlyne:** When fighting goes on, it's unsafe for me as a woman, and for children, to move from one place to another. If men come around with a gun or traditional weapons, they can shoot. They can rape. They can do all kinds of things.

So it's not safe. And another reason is police and security personnel who were paid by Barrick were involved in sexual abuse of women who were looking for gold in Barrick's vicinity. That was some years back.

Then when landowners get their land royalties, it's men's society. When they get the royalty payments, it's a man who gets the check first. So they go out, straight to the beer club, or out of the province, take other women with them, and all the money is used up. When they come home, their wives and children are waiting, no money, no food – this can cause family problems, domestic violence.

So RJIA came up with this Family and Sexual Violence Steering Committee to address women's issues and to empower women. And I feel I'm one of the empowered women in Porgera and Enga. Because I can stand in a public way, which is a great challenge for women. And I address issues, together with support from Barrick and funding which put me through training at Fiji Women's Crisis Center, DFAT through PALJP and RJIA partnership trainings on Transformational Leaders Development Programs and FSV/GBV Male Champion programs.

**Camilla:** I'm interested to know a bit more about the approach you have taken to address FSV.

**Everlyne:** Barrick has good plans for community projects for the people of Porgera. It really wants to do more for the community, but it really depends on us, the local individuals and community, to make it happen for us to benefit.

In Enga Province, where I come from – I'm born there and I'm pure Engan, and I know my culture back to front – in order to address FSV effectively, I have to take an appropriate approach, knowing the culture and psychology of the people living there.

Men will say, “What’s that? Where are you trying to go? Get down.” They always say, “What is human rights? We don’t know about human rights. What’s women’s rights?”

So what I do is I walk around in a circle. I speak my language. I use these words, ‘respect’ and ‘understand’, when advocating for women’s rights and addressing FSV/gender-based violence (GBV). We don’t say, ‘we are coming here to do awareness on family and sexual violence’. That name, we had to put it aside and we use different language. It is difficult to advocate directly about FSV/GBV as it is not safe for the advocates.

Through the training that DFAT has funded and through the good relationship of RJIA, men have developed their mindset. The business interest group leader, and leaders’ interest group chairperson, these two saw an amazing change. In Porgera, no man will ever touch their child or hug or hold their babies. It’s entirely women’s responsibility. But now the Business Interest Group leader will take the child around, put it on his shoulder. And when he drives, he puts his wife in the front. That is unusual in Porgera.

So these two are changing, they are becoming agents of change and role modelling to others in Porgera Valley community. We’ve got 36 male advocates who have gone through the FSV training, and they are realizing now. And we would like to continue.

**Camilla:** Have you also been doing some work to strengthen institutions to help survivors of violence?

**Everlyne:** In the past, three or four years back, when women who experienced violence went to the police station to get help, they were told, “Go back. You go sort it out with your husband.”

And then they go to magistrate. Magistrates say, “Go and bring the man in. I’ll look into this next time.” Or “I’m busy.” You see, they’re all men.

And then when they go to village court, even if they get a big cut on the head, if they go there and ask for the village court, they would say, “You have three children. And the man has paid brideprice.” Traditional decisions are coming in, and she is suffering in silence. It was going on like that all the time.

But when the RJIA Family and Sexual Violence Unit was sent to the Paiam Police Station, we got four staff, and one of them is female. Barrick sponsored

her to go to Fiji for training. So she prosecutes all the FSV cases at the district court.

The current local magistrate is now very good, unlike previous magistrates. The FSVU police unit is a new unit. There is big change happening now. It has never been like that. We really want RJIA to continue and have a big impact.

The referral pathway is now more coordinated. They are taken to Family Support Centre (FSC), where they need to get medical reports if they are sexually abused. That is one piece that was to be set up at the Porgera Urban Health Centre when the funding stopped. But now in Porgera, the remotest part, most women know their human rights, than ones that are supposed to know first, like Wabag town and Wapenamanda District. So it's very interesting.

**Camilla:** It sounds like quite an amazing change from how things were. But the issue now, as you mentioned, is that funding is a problem. So the funding from Barrick for RJIA has stopped now?

**Everlyne:** Yeah. I don't know what the reason is. Barrick also sold its shares to a Chinese company, the management has changed. I'm not sure. All I can say is the funding stopped, it's almost a year now. Now law and order problems are trying to creep in, which is not a good story.

So I founded the Voice for Enga Women Association. At present there's no funding, but voluntarily I'm advocating for family and sexual violence and gender issues in the rural areas and urban towns, and advocating for maintaining law and order. I'm also involving the women who are members of the Association to be creative and innovative in making use of the resources they already have in their villages, in farming, baking, making *bilums*, and sewing, to fight against poverty and to sustain themselves physically, financially, and psychologically. This will also have a positive impact against FSV.

*Everlyne Sap is a gender advocate and chairperson of the Family and Sexual Violence Steering Committee, RJIA, in Enga Province, PNG. Camilla Burkot is a Research Officer at the Development Policy Centre.*

## Rubi Miranka and the Bougainville Healthy Community Programme

By Lhawang Ugyel on 9 May, 2017



The Bougainville Healthy Community Programme (BHCP) is a program run through the Department of Health of the Autonomous Government of Bougainville (DoH) in PNG. In an [evaluation report](#) of the BHCP program, it is claimed as an ‘excellent example of well-planned and well-executed public health and community’ and that it is ‘rare to see such a holistic logic and rationale in a project, which has been effectively implemented within the enormous constraints and challenges of a post-conflict setting’. BHCP’s journey is a positive example of partnership between formal and informal institutions, stories of change agents and transformational leaders and good donor coordination. BHCP, which started as an offshoot of the Leprosy Mission in 2009, has now expanded and covers 739 of the 817 villages in Bougainville with 40 full-time staff.

One of the founders of the BHCP is Rubi Miranka, the Program Director. Now in her early 60's, Rubi has lived an enriching life. With an academic background in nursing, she was at one time the head of the nursing school based in Bougainville. As the daughter of a missionary, she was always interested in helping her community at an individual level. What triggered her to help at the broader level was when she was unable to travel to other parts of PNG for treatment and had to travel to neighbouring country Solomon Islands in 1994 to treat her tooth abscess. This was during the darkest period in Bougainville's history. The Bougainville conflict for a separate state started in 1988 and continued for a decade. The main reason for the conflict was the discontent relating to the operations of the Panguna Mines.



It was during the trip to Solomon Islands that Rubi realized the acute shortage of medicines in Bougainville as a result of the political blockade. Through the Solomon Islands Christian Association she was able to reach out to the international community and transfer 100 crates of medicine to Bougainville. This paved the way for Rubi, and with great risk to her own life, she started to work in various areas in troubled Bougainville. In addition to health, Rubi also worked to start primary schools and on women's group and church building activities (read more about her story during the conflict years [here](#)). Her role during this period was significant, and she was one of the 14 signatories to the Bougainville Peace Agreement in 2001; she signed as the Women's Representative. For her contributions, she was made a Member of the Order of the British Empire in 2010.

During the conflict years, Rubi met Alois Pukienei who at that time was a Health Extension Officer (he is currently the Director of the DoH) in Bougainville. After normalcy returned, Alois approached her to work with the Leprosy Mission on the leprosy elimination program. After the successful implementation of the leprosy program, they continued to work on training volunteers in communities on basic primary health care. In 2009, the New Zealand Government supported this initiative which grew into the BHCP. It is now a major initiative focused on advocacy and capacity building in health-related issues. With its success, it is branching out into other areas, such as

education, women's and youth programs, and in some cases conflict resolution. One of the impacts of the BHCP is that they have been able to create sophisticated organizational community based government structures to manage the multiple programs that are run by the community members themselves. These structures are embedded within the traditional leadership and community structures and are run voluntarily.

Of the 739 villages covered by the BHCP, seven are identified as model villages. These are the ones that are well-structured and are performing with positive outcomes. These model villages serve as exemplars for other villages to emulate. Tangari is one such model village where they have a good governance structure and committed leaders. A key ingredient for Tangari's success is that their leaders realize the importance of knowledge. With some basic educational qualifications, their leaders attend all training provided by BHCP and the donors in areas such as health and sanitation, leadership training and others. They have realized the value of investing in human resource capacity.

Rubi herself recognizes the importance of education. Her father died when she was only 12 years old, and she had to continue her studies through distance education. She then graduated from the Lae School of Nursing. Rubi then went on to complete her diploma in nursing education, and a Bachelors degree in Education from Flinders University in Australia. Her commitment towards the pursuit of knowledge has not waned, and just recently, in 2016, she completed her Masters degree in management from Vudal University in Rabaul. Rubi has also travelled widely overseas, liaising and coordinating with donors. Recently she also travelled to Manus Island to share the experiences of BHCP's successes and how it can be replicated in other parts of PNG.

Bougainville is entering into the next chapter of its history with a referendum due in 2019 to determine its independence. Irrespective of the outcome of the referendum, there is an acute need to develop its resources. While income from the Panguna Mines and other sources of natural resources are being considered, Bougainville needs to focus on developing its human resources too. Rather than relying on mining of natural resources and the uncertain market, there needs to be a greater focus on human resource development. It needs to mine more "Rubi-es"!

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## PNG's eye health heroes

*By Bob McMullan on 8 December, 2016*

I have been reading with dismay the [sad stories](#) of the impact of PNG government budget decisions on the hospital sector.

It seems to me we are short of positive stories about what development assistance can achieve.



Therefore, it was a pleasure to be reminded of a positive experience within the PNG hospital sector which continues to deliver real life-changing assistance to citizens of the country.

During an official visit to PNG during my time as Parliamentary Secretary I observed one bright spot at the Port Moresby Hospital, the PNG Eye Care Centre.

This was a bright and cheerful place which was enabling people to overcome unnecessary visual impairment and helping them to enjoy more productive and satisfying lives.

It was a particularly satisfying scene as the Eye Care Centre was receiving significant assistance from the new Australian government program, the Avoidable Blindness Initiative. This additional funding had allowed for the refurbishment of the Centre, the opening of five more centres around the country and the establishment of a National Specs Supply System.

The ongoing work of the responsible local NGO, PNG Eye Care, continues to receive significant funding from the Brien Holden Vision Institute.

One of the most satisfying features of this success story is that the Port Moresby Vision Centre now generates sufficient income to be self-sustaining, fund outreach programs and provide free spectacles to children.

Therefore, it was a great pleasure for me to see one of the workers I met there recognised at the recent [International Agency for the Prevention of Blindness General Assembly](#) as an [Eye Health Hero](#).

Dr Jambi Garap was recognised for her pioneering work in tackling health and social barriers and as a relentless advocate within the government and the health sector for the development of sustainable eye care systems within PNG.

But for me she is even more a symbol of the positive impact that our development assistance can have when intelligently applied.

Dr Garap was not the first PNG Eye Health Hero. Dr David Pahau, an ophthalmologist working in the East Sepik, was recognised previously for his work, particularly in performing more than a thousand cataract surgeries in some of the most isolated places in PNG.

It is great to have the opportunity to recognise the achievements of outstanding individuals.

It is even better to be able to highlight the positive benefits that a program like the Avoidable Blindness Initiative can achieve for very little money when it is used to empower local people to gain the skills necessary to assist people and have the resources to apply those skills to help those in great need who would otherwise be needlessly blind or vision impaired with all the consequences of that for individuals and their families.

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## Governance and corruption

### PNG LNG landowner royalties — why so long?

*By Sam Koim and Stephen Howes on 16 December, 2016*

The recent protests by Hela landowners and their latest [ultimatum](#) in relation to their non-receipt of royalties and other benefits have the potential to derail PNG's prestigious and important LNG project. But they also beg the question: how did it come to this? How is it that after more than 200 ships of LNG have left PNG's shores no royalties have been paid to landowners? How can the situation be resolved, and what are the implications for future projects?

These are important questions on which there is little informed public discussion. This blog post seeks not to blame or to take sides, but simply to clarify the basic facts around these complex issues. Although we focus on royalties, some of the issues also apply to the distribution of other benefits associated with resource projects.

### Social Mapping and Landowner Identification Studies (SMLISs)

One of the primary preconditions for the grant of a petroleum licence is for the licensee (developer) to undertake Social Mapping and Landowner Identification Studies (SMLISs) – see sections 47 and 63 of the Oil & Gas Act 1998. These studies need to be done before the Development Forum for the project – a convening of all parties who will be affected by the project (section 48). The SMLISs are not public documents, but there are various benefit agreements and government decisions dating back to 2009 making reference to these SMLISs for the various project license areas having been completed.

### Landowner determination

The Act gives responsibility to the Minister to determine the local beneficiaries of a petroleum project (section 169). The SMLIS is one among a number of things that the Minister can take into account when making the determinations (section 169(4)). That determination is meant by law to happen before or during the Development Forum or Fora. At the PNG LNG Development Fora (there were various, held in 2009), it was agreed how the benefits would be divided within each license area between clans. However, this division of royalties was never gazetted. Rather, there was an agreement in the various benefit sharing agreements that the beneficiaries would

become Incorporated Land Groups (ILGs) and that to facilitate the incorporation of groups the government would “establish an inter-agency task force to be known as the PNG LNG Land Group Incorporation and Clan Vetting Tax Force comprising officers from the Departments of Lands and Physical Planning and other relevant state agencies.” Thus was born the Clan Vetting Process.

### **Clan Vetting Process (CVP)**

Clan Vetting is not mentioned in the Oil & Gas Act. According to the benefit sharing agreements, it is coordinated by the Department of Petroleum and Energy (DPE) with the aim "to identify, coordinate and facilitate incorporation of land groups for each affected clan or sub-clan identified within the license area in accordance with the Land Groups Incorporation Act 1974", and with the work to be concluded by February 2010.

Yet so far only a few benefit determinations have been gazetted (late last year), relating to the pipeline license areas rather than the gas fields themselves. They are called “interim” determinations and make reference only to “beneficiary clans” not to ILGs. In hindsight, it would have been better, and in accordance with the law, not to consider the Development Fora concluded, and thus not to start construction, until the ILGs had been created, and the final determinations and gazettals made.

It is unclear why Clan Vetting has taken so long (almost seven years longer than expected, and counting), but two factors have now come into play making the CVP more difficult, and indeed making it unclear whether it will ever be concluded.

First, the requirements to register an ILG were tightened up in the 2009 Land Group Incorporation and Land Registration Acts. For example, to register an ILG you now need a complete membership list, and birth certificates for all members. That is a much higher bar for registration, and it is unclear how it will be met. (The SMLIS studies don’t have the names of individuals, and many of them will lack birth certificates.) The new rules came into force in 2012, meaning that they apply now.

Second, over the last few years the judiciary has got increasingly involved with the issue of beneficiary determination, and has started to challenge the CVP.

## Judicial involvement

Some who claimed to be PNG LNG landowners appealed to the courts, as early as 2010, that there were wrongly missing out on benefits. We understand that these appeals related not to royalties, but benefits like land compensation and infrastructure development grants which are paid during the construction phase. These cases eventually led to a Consent Order of 21 April 2015 being signed by the lawyers of the PNG Government and the various landowners to submit to field-based mediation in a number of the license areas. This Alternative Dispute Resolution (ADR) approach commenced in 2015 under the leadership of Justice Kandakasi, but is not complete. We understand that it is now stalled or at least slowed down due to funding shortages. We are not aware of any landowner determinations being agreed to by the various parties as a result of mediation.

But the CVP is also stalled, because the Courts have ruled that it is “without statutory foundation and null and void”. The Courts also issued an order restraining DPE “from conducting any clan vetting exercise or landowner identification process”. (Both orders are mentioned in a 21 July 2016 Court Order, which refers to earlier Court Orders along these lines.)

## Future LNG projects

The judiciary has already intervened in the P’nyang LNG project, referred to by some as the expansion project, which Exxon-Mobil is promoting. A landowner went to the court to stop the Development Forum for this project (presumably for fear that s/he would miss out on benefits). The National Court provided the injunction and in a ruling of 27 May 2016 (*Bernard v Duban [2016] PGNC 121; N6299 (27 May 2016)*) Justice Kandakasi gave detailed guidance as to what an SMLIS should include, in particular a listing of individual landowners. (Earlier SMLISs had not been that detailed, and no regulations have ever been published defining the content of an SMLIS.) Indeed, the main grounds for the injunction on the Development Forum seem to be the lack of confidence on the part of the Court that the SMLISs meet its required standards. (The Court also referred a constitutional issue to the Supreme Court relating to the extent to which provincial governments need to be consulted in relation to resource projects under the provisions of the Organic Law on Provincial Governments and Local-Level Governments.) This ruling is now being appealed.

## Stalemate

It seems that the state is prevented from deciding which landowners should receive how much royalties because the protracted CVP it has been undertaking to make such a decision has been stalled by the courts. But the court ADR process is also stalled due to lack of funding.

It is unclear how this stalemate will be resolved. It would appear that the government has lost faith in the ADR process, and that the courts have lost faith in the government CVP. Presumably, since the ADR process is voluntary, the government could withdraw from it. Moreover, whether the developer undertakes the SMLIS or the courts make a ruling, it is the Minister who ultimately discharges the statutory obligation by making a determination as to who the real project area landowners are. There is provision in the OGA that the SMLIS and court decisions are among the factors that should be taken into account when making the Ministerial determination (s.169(4)). There is also a provision for making a determination even at this juncture, that is, after the commencement of the project (s.169A). Presumably, a determination could be made now, without any further Clan Vetting. However, it is not clear how ILGs could be incorporated; and if the determination related to groups other than ILGs then the various project benefit sharing agreements would need to be re-written. Moreover, if a determination was made, it might be open to any landowner to go to courts to get an injunction on the basis that the courts have said that the CVP already undertaken is without legal foundation.

PNG is keen to pursue further LNG projects but they might well get delayed given the position that the courts have taken which make it impossible to hold a Development Forum unless much more detailed SMLISs are undertaken than have been to date. Even if these are undertaken, if they are challenged in the court, further delays could follow. Clearly, a much speedier process is needed for the creation of ILGs.

Going forward, it is not clear what the solution is. One suspects that the issues will have to be elevated to the Supreme Court. But even if the current round of issues before the courts is resolved, there is much work to be done by the government before determinations can be finalized and royalties flow. Such important issues of public policy would benefit from more public discussion. It is to that end that we have written this article. Much more analysis is needed. We invite your comments and feedback.

*Sam Koim is the former Chairman of the multi-agency anti-corruption body Taskforce Sweep and Principal Legal Officer at the Department of Justice and Attorney General, Papua New Guinea. Stephen Howes is Director of the Development Policy Centre.*

## **Electoral Corruption in PNG: caught between the law and a hard place**

*By Sam Koim and Grant Walton on 19 June, 2017*

Papua New Guinea (PNG) is about to go to the polls. From 24 June 2017, voters will line up to choose MPs for 89 ‘Open’ and 22 Provincial electorates. If past elections are anything to go by, containing corruption will be a significant challenge. In the 2012 election there were widespread reports of [bribery and fraud](#) involving candidates, citizens and electoral officials. Electoral observers also found that bribery, fraud and ‘money politics’ were spreading from the highlands to the coastal regions. This is deeply concerning as corruption distorts and undermines democracy.

There has been some progress around electoral corruption since the last national election. In October 2013, PNG’s Supreme Court found that all forms of exchange of goods and money by candidates during the election period amounts to illegal bribery. The ruling suggested such activities should occur prior to the election period. This latest case, titled [Aihi v Isoaimo](#) (2013) PGSC 56; SC1276, is now the law. This stricter approach is beneficial, as it is designed to discourage candidates from participating in expensive customary obligations, and to mitigate voters being influenced by money politics.

This ruling augments existing laws that outlaw electoral corruption. Section 103 of PNG’s Criminal Code Act (CCA) criminalizes attempts to provide benefits to electors, soliciting benefits in return for votes, or receiving benefits to influence the outcome of elections. Although election bribery should be a very serious offence, the law categorizes it as a misdemeanor: it is punished by a fine not exceeding 400 kina (A\$164) or imprisonment for no more than one year. Given the millions of kina spent on elections this is not a significant deterrent.

A potentially more potent law is Section 215 of the PNG Organic Law on National and Local Government Elections (OLNLGE). It vests in the National Court of PNG the authority to declare an election void if it finds that the candidate had committed or had attempted to commit bribery or undue

influence to get elected. Such a finding by the court does not bar or prejudice a prosecution for bribery under the CCA.

Despite these legal instruments there is little to suggest corruption will be significantly contained in 2017. For a start the Electoral Commission is suffering from a [lack of funds](#), as are the [police](#). The ratio of citizens-to-police has significantly worsened– it is nearly four times worse now [than during PNG's independence](#) in 1975. Sitting MPs have distributed their growing constituency funds over the past five years, which have been used to strengthen patronage among past and potential supporters. In many places, this is likely to increase expectations of largesse distributed during the election campaign.

More importantly, there are few indications of significant shifts in the complex socio-cultural factors that drive corruption during elections. Research has found that citizens, particularly women, feel obliged to vote for [local 'big men'](#). A candidate who is insensitive to or out of touch with the people and their custom can be regarded as “*whiteman gat blackman skin*”, meaning a Papua New Guinean who does not know how to connect to their people and their custom. Citizens also justify selling their vote due to material concerns, such as [poverty and lack of state services](#).

Recently people have been getting around the Supreme Court's ruling banning 'money politics' during campaigns by extending mourning periods (*haus krai*) for deaths, and scheduling compensation payments, bride prices, feasts and other festivities through the election period. Despite the ban, one of us (Sam) has observed political events that have continued through the official electoral campaign period.

Given these factors it is unlikely that, in and of itself, a change of law will significantly reshape electoral practices – even though this is a step in the right direction.

Due to the inability of the PNG state to enforce its laws, many are rightly worried that this year's election will see a rise in vote-buying, electoral engineering and other forms of corruption. In private, some observers predict anarchy. For the doomsayers it's worth remembering that PNG is one of the few developing countries that have not succumbed to military rule since independence. Democracy has been severely challenged but the country has not descended into dictatorship (no matter what some social media warriors suggest).

It is also worth remembering that these are long-running issues. For example, the tension between rule of law and socio-cultural factors can be traced back to PNG's independence (and into the colonial period). PNG's Constitution recognizes the importance of customary practices as long as they are not inconsistent with a Constitutional Law or a statute, or contravene human rights. This is reflected in past Supreme Court rulings. In the election petition case of Peter [Wararu Waranaka v. Gabriel Dusava](#) PGSC 11; SC980 (2009) – a dispute over the outcome of the 2007 national election in Yangoru-Saussia Open – the Supreme Court took a liberal view, noting that:

the political campaigning period is...marked with a lot of festivities and activities. It is a time when a lot of customary obligations are met and often times money and other goods exchange hands. Most of these are to strengthen existing relationships in some cases and in others, creating and entering into new ones. In these settings, leaders are often expected to take the lead, throw up parties and help meet or reimburse expenses incurred by their people or supporters. Care must therefore be exercised to ensure that genuine gifts and meetings of customary obligations with words spoken are considered in their proper context to avoid any misunderstandings and taking matters out of context.

While this ruling has been superseded by the stricter 2013 Supreme Court judgment we discussed earlier, it highlights how important tradition and culture are not only for PNG's citizens, but also for its lawmakers during elections.

It is hoped that the courts and law enforcement will draw on PNG's improved laws to go after candidates who engage in electoral corruption. However, without responding to the deeper political, economic and socio-cultural factors driving corruption, it is likely that they will only be addressing the symptoms, not the causes of the problem.

*Sam Koim is a Visiting Fellow and Grant Walton is a Research Fellow at the Development Policy Centre.*

## **Judicial setbacks for the PNG anti-corruption movement**

*By Bal Kama on 14 December, 2016*

A letter to Prime Minister Peter O'Neill on the morning of 16 June 2014 started off what would become the most controversial anti-corruption [story](#) in the history of Papua New Guinea. The then Police Commissioner Tom Kulunga

requested O'Neill to attend a police interview on allegations of fraud regarding payments of an estimated \$28 million (K71 million) by the State to a national law firm, the Paul Paraka Lawyers. But the scheduled [interview](#) that day never happened.

For many years, PNG has faced allegations of corruption and often [ranked](#) unfavorably in corruption indexes. In 2012, Prime Minister O'Neill [promised](#) to address the issue and, to his credit, established the Investigative Task Force Sweep (ITFS). The ITFS was an inter-organisation agency that included the Police Fraud Squad. Little did the Prime Minister know that he himself would become a person of interest, engulfing a considerable amount of ITFS's work.

But the case against O'Neill was [never](#) going to be easy. Since it began, two and a half years ago, a series of convoluted legal cases have jammed the path of the investigators. An interview, let alone any resolution of the serious allegations of fraud against the Prime Minister, now looks unlikely in light of recent National Court judgements against the ITFS.

This post briefly reflects on the most significant court cases against the ITFS this year and assesses their implications on anti-corruption efforts in PNG.

### **Court decisions against the Police Fraud Squad**

The first significant case was in February 2016. The [issue](#) was whether or not members of the Fraud Squad (itself part of the ITFS) should engage the service of private lawyers instead of the state prosecutors.

The Prime Minister [argued](#) that members of the Fraud Squad should engage the service of state prosecutors because they are acting in their capacity as police officers. Further, it was argued that the *Attorney-General Act 1989* (PNG) prevents brief-outs to private lawyers unless approved by the Attorney-General and that approval was not given.

The Fraud Squad, however, [questioned](#) the neutrality of the state prosecutors in light of the successive appointments of Police Commissioners and the consensus among the lawyers acting for the police and the Prime Minister as evidence of a concerted effort to frustrate the case. They argued, *inter alia*, that the engagement of private lawyers was to ensure that the case against the PM is not derailed or suppressed as often seen in many high-profile cases in PNG.

The Court was asked to look beyond the narrow confines of institutional limitations to that of national interest. It is a view that appeared consistent with the notion under the PNG [Constitution](#) that the Court has inherent power to do justice in circumstances where injustice would otherwise arise. However the Court refused the Fraud Squad's arguments, [stating](#):

“even if the court was of that view, it is not a reason for this court to depart from or to disregard the provisions of a statute.” [para 27]

Although the *Attorney-General Act* 1989 required the Fraud Squad to seek approval from the Minister of Justice and Attorney-General, the Minister is not a neutral party. He is an appointee of the Prime Minister and a member of O'Neill's cabinet. It is therefore unlikely that the Attorney-General would appoint an objective and competent legal representation against the Prime Minister.

The Court's ruling suggests that, despite these circumstances, it is bound to follow the letter of the law. This strict interpretation by the Court was again evident in a later court [judgement](#) in September 2016.

The issue in this case was whether the two leading investigators, Matthew Demaru and Timothy Gitua, should be part of a judicial review proceeding that challenges the power of the Chief Magistrate to issue the arrest warrant. The Court refused their affirmative argument and ruled that the “proper person to be a party to a judicial review proceeding on behalf of the Police Force and to challenge the warrant if thought necessary, is the Police Commissioner.” [\[para 49\]](#)

According to the Court, it is the Police Commissioner, not the Fraud Squad investigators, who should argue the case for the merits of the warrant of arrest against the Prime Minister. While this view may be in line with the constitutional power of the Commissioner to exert superintendent of the police, it arguably overlooks the circumstances that strongly suggest the Commissioner may not be acting in the best interest of the case.

These two cases raise profound jurisprudential questions for PNG. Should courts apply the provisions of legislation strictly to the letter even if such application may arguably be unfavourable to the overall interest of justice? What should be the proper standard of interpretation?

**The Court's decision against Investigative Task Force Sweep (ITFS)**

On Friday 2 December, the PNG National Court [ruled](#) that the decision made by the National Executive Council (NEC) in June 2014, under the chairmanship of the Prime Minister, to disband the ITFS was a policy decision and cannot be reviewed by the courts.

The ITFS was [disbanded](#) at the height of the allegations against the Prime Minister but the Court initially intervened to stay the disbanding. The fall-out resulted in the [sacking and suspension](#) of other senior state officials including Attorney-General Kerenga Kua, Acting Solicitor General Jubille Tindiwi and Assistant Police Commissioner Simon Kauba. Although it received no funding, the stay order enabled ITFS to continue its operation, with Chairman Sam Koim remaining in that role on an unpaid basis. This latest court judgement effectively ends the work and indeed the very existence of ITFS, although there could still be an option for appeal to the Supreme Court.

The decision raises a critical question.

Should the NEC escape accountability even if its policy decision appears repugnant to the course of justice? The Court reasoned that elections and votes of no-confidence schemes are two avenues through which NEC can be held accountable for policy decisions, not through the courts.

However, the issue is not whether the NEC has the power to disband ITFS but whether the decision is a proper use of their power, given the timing of their action in light of pending allegations against the Prime Minister who is the Chairman of the NEC. One may argue that courts have a duty to intervene because the NEC decision to disband the ITFS was intended to frustrate the criminal process and undermine the overall justice system which the courts are constitutionally charged to jealously protect.

On the issue of the proper use of NEC's power, it is a trite [constitutional understanding](#) in PNG that the 'executive power of the People is vested in the executive (NEC).' PNG Courts have long accepted this to mean that whatever policy decision undertaken by the NEC must be in the best interest of the people.

One may then question whether the NEC decision to disband ITFS was a proper exercise of the executive powers and in the best interest of the people. The executive should not be allowed to set up investigative authorities or commission inquiries and when they themselves are incriminated, move hastily to shut it down or suppress reports.

It may be apparent from this analysis that these cases raise profound jurisprudential and constitutional questions. There is need for legislative and institutional reform as well as greater research.

### **Who will take on PM's case?**

Unless there are grounds for appeal, the most recent court decision effectively brings to closure the operations of ITFS. The Fraud Squad continues to exist, but has a limited role in the PM's case. The anti-corruption responsibility will most likely be transferred to the Interim Office for Anti-Corruption chaired by the former Supreme Court Judge Graham Ellis who has already indicated his [readiness](#) to undertake the task.

Originally from Australia, Ellis is an [appointee](#) of the NEC and will coordinate the Interim Office according to the NEC's terms of reference until the proposed Independent Commission Against Corruption (ICAC) is established. The ultimate challenge for the Interim Office and ICAC (if established) is whether they will proceed with the PM's corruption case. Ellis's recent [speculation](#) on Sam Koim as allied with a political party hardly inspires confidence in the former's own independence.

### **Conclusion**

Initially, there were mixed reactions to the establishment of Investigative Task Force Sweep (ITFS). Some argued it was a political '[witch hunt](#)' by the O'Neill-Namah government. However, the [successful prosecution](#) of Paul Tiensten, who was a sitting Member of Parliament at the time and a senior Minister in the Somare Government, to nine years imprisonment appeared to change much of the perception. But it was the investigation against the Prime Minister that proved to the critics even the 'creator' of the agency is not immune.

The successes of ITFS in the fight against corruption is remarkable compared to any other existing or previous anti-corruption initiative. They effectively utilised domestic inter-agency investigatory mechanisms and improved banking and investment procedures in order to prevent the transfer of [corrupt money](#) to Australia.

Corruption remains a major concern for PNG but the people are always resilient. Aside from these worrying court decisions, the judiciary has generally shown [commitment](#) to addressing the issue. The story of ITFS is an

inspiration to many. As (now) former ITFS Chairman Sam Koim has [stated](#): “the wheels of justice have been set in motion and will not stop.”

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## **Decentralisation and the potential for corruption in PNG**

*By Grant Walton and Ainsley Jones on 30 June, 2017*

Recent academic literature suggests corruption can be conceived of in one of two ways: as either as a principal-agent problem or a collective action problem. Principal-agent theory posits that corruption occurs because of the inability of principals (voters, for example) to monitor agents (for example, politicians). In turn, corruption reduces when agents are made accountable. This approach informs global anti-corruption efforts, with policy makers investing in efforts that support principals to monitor agents.



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However, some academics reject this explanation: they suggest that corruption is [better understood as a collective action problem](#) – a theory suggesting group dynamics, particularly a lack of trust that others won’t act corruptly, incentivises corruption. Collective action theorists argue that people know corruption is wrong, but because they are caught in social structures (such as patronage networks) they are prone to supporting corrupt actors and are unable to fight corruption. Because of this, principals and agents are indistinguishable.

[Heather Marquette and Caryn Peiffer](#) argue that the efficacy of these approaches is determined by context. In some contexts principal-agent theory best explains corruption, while in others it is explained by collective action. This makes sense intuitively, but there has been little empirical research to support this claim – which is where our recent [Development](#)

[Policy Centre Discussion Paper](#) comes in. In it, we look at the relevance of collective action and principal-agent theories in two provinces in Papua New Guinea.

Drawing on interviews with district officials and other stakeholders in Gulf (a province [that struggles](#) to deliver government services) and East New Britain (where service delivery is better – see [this report](#)), we examine how PNG’s recent decentralisation efforts have created conditions for collective action and principal-agent problems. We focus on PNG’s newly established District Development Authorities (DDAs), which have been given powers to provide services through the DDA Act (2014). DDAs are also awash with funds, with the District Services Improvement Program providing districts with 10 million kina per year.

The DDA Act (2014) reflects principal-agent theory: it assumes that principals can monitor powerful agents. For example, DDA spending decisions are overseen by a management board, which comprises the open electorate MP, representatives appointed by the MP, and elected Local Level Government Presidents. Members of the board are meant to act as principals to keep the head of the DDA and the MP (powerful agents) accountable.

But how do DDAs work in practice? Can principals keep powerful agents to account?

The answer depends on context. In Gulf, the DDA board had little say on how funding was allocated and spent. One board member said he and other members were only there to rubber-stamp the MP’s ‘shopping list’ of projects that were directed to his supporter base. The pervasive nature of patronage politics meant that there was little scope for principal-agent relationships to form. While there are some committed politicians and bureaucrats working to deliver much needed services, many administrators and their communities are caught in a collective action problem, where there are few incentives not to support the (sometimes corrupt) redistribution of resources through patronage networks.

In East New Britain, principals are better able to keep powerful agents connected to DDAs accountable. Districts had clear and accessible plans about how funding would be spent. In many cases decisions were mostly made by a majority of DDA members – and open MPs played a less decisive role. Information about DDA meetings, decisions and funding were more readily available, suggesting that communities and the DDA board (both principals) were better able to monitor MPs (agents).

District funds were distributed more equitably in East New Britain: for example, funding was delivered to schools on a per pupil basis. Patronage politics still occurs in the province; however, compared to Gulf, principal-agent theory better explains relationships of accountability formed around the DDA. In turn, DDAs are more effective in East New Britain than in Gulf.

In sum, the findings suggest that in places where there is an alignment between social norms and administrative rules (as per East New Britain), principal-agent theory is relevant. But where they do not align (as in Gulf), collective action problems are more likely.

These findings have implications for policy makers and academics. Both should be attuned to the contexts that shape patronage and potential corruption. This means moving beyond national-level policy making and analysis that fails to account for sub-national variation.

In places like East New Britain it might be possible to strengthen sub-national governance through principal-agent solutions – for example, by improving information available to principals and strengthening oversight of agents. In environments overrun by collective action problems, policy makers should look at other responses: ones that strengthen linkages between communities, and help foster a sense of nationalism or regionalism aimed at breaking down patronage networks. This could include building roads, improving communications networks, and supporting development-minded community groups.

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## An insider's view on education reform (and corruption) in PNG: an interview with Peter Michael Magury

By Peter Michael Magury and Grant Walton on 16 October, 2016

What does it take to implement the biggest education reform in PNG's recent history? As Statistical Manager with PNG's National Department of Education (NDoE), Peter Michael Magury – who currently works with the PNG National Research Institute (NRI) – is well positioned to answer this question. Peter was in the engine room of education reform as the Tuition Fee Free (TFF) policy rolled out in 2012. In a conversation with the [Development Policy Centre's](#) Grant Walton, Peter reflected on the magnitude of the challenge that faced him and his colleagues, and some of the ways they coped with the complexity, long hours, and even offers of bribes, as they oversaw the roll-out of this large-scale policy.



One of the key challenges the NDoE faced in implementing the TFF was the short timeframe in which they needed to deliver it. As outlined [here](#), Prime Minister Peter O'Neill announced the policy in August 2011, which caught the NDoE by surprise – they'd been planning to increase student enrolments much more slowly. Despite this, the response was quick: by January 2012 the NDoE had released a policy outlining how the TFF would be administered.

This time pressure jolted many in the department into action. To get subsidies for enrolled students out to schools before the start of the school year, Peter and his colleagues spent long days and nights at the office. NDoE officers took turns sleeping at their desks (often without pillows or blankets), while working through the night. While Peter sorted through payments for thousands of schools across the country, he barely saw his family. Dedication of this kind is not generally associated with the PNG public service, but on this occasion many NDoE staff went to extraordinary lengths to get funding to schools.

The tight timeline made explaining the policy to key stakeholders difficult. This resulted in confusion, particularly amongst school management and parents. Peter devoted a lot of time to explaining how the payment would be calculated and how much schools should expect. Yet a number of schools failed to provide enrolment details on which the subsidy payment were to be based, making it difficult for the NDoE to get funding out to schools. Despite these challenges, according to Peter, three-quarters of all schools registered with the NDoE had their funding delivered

before the start of the school year, a figure that he claims – and the NRI and ANU’s [Lost Decade?](#) report confirms – rose through the first year of implementation (2012).

With the promise of more funds and confusion about how subsidies would be calculated, some principals and school managers thought they could influence their allocation. Peter said:

There were a lot of demands coming from principals, and school’s board of management. Sometimes they wanted to get the school fee urgently. And so they would try to give you some money to speed up the process or inflate the fees, so they would get more money.

Despite this pressure Peter insists he did “not accept cash for inflating the TFF [enrolment] counts” (which would result in higher payments); however, he believes many others have been seduced by the lure of a quick kina. The revelation that subsidies worth 50 million kina were paid to [ghost schools](#) was, he believes, caused by high levels of collusion between education officials:

People in the district, and the province, they knew that those schools were closed or suspended, they still submitted the census forms to get more funds. They also knew that schools without school codes are not registered schools.

For Peter this collusion won’t be broken until the government gets serious about monitoring every level of school administration – from national education policy makers and NDoE officers, to principals at the remotest schools.

Monitoring is important, but ultimately Peter believes that the threat of mismanagement and corruption can be best addressed by one thing: honesty. Producing more honest bureaucrats, he suggests, will require more stringent recruitment processes, ethics training, and better rewards for merit-based performance.

It can also be helped along through redesigning government administrative systems. Despite many challenges, Peter insists that the TFF policy contributed to improved accountability of school funds. When the TFF was first implemented, Peter helped set up a system for paying schools their subsidies into bank accounts – a key feature of the TFF policy (previously schools received funding through sub-national administrations). Peter argued that paying schools in this way significantly improved the management of school funds, as it cut out the potential for mismanagement through the government system.

Peter suggests that reason the TFF was initially able to deliver funding to the vast majority of schools across the country was the alignment of political goals and administrative capabilities. Peter O’Neill’s buy-in was critical in ensuring resources and maintaining momentum. The capacity of NDoE’s staff – built over a number of

years – to implement these changes and communicate their importance to a range of stakeholders was also important.

While Peter is cautious about generalising beyond his experiences, his insights suggest that, for those seeking to implement such nation-changing policies, political buy-in is important but it is not enough. Such reforms require an extraordinary effort from a determined and committed bureaucracy. The bureaucracy overseeing these reforms needs to be able to ensure ‘good enough’ rather than perfect governance. When implementing a policy of this size and complexity things will go wrong, but keeping an eye on the broader objective – in this case increasing student enrolment and getting enough funding to schools on time – is crucial. In addition, the experiences of the TFF shows that big, bold policies can – given the right circumstances – be rolled out quickly and (mostly) effectively in PNG.

First-hand accounts such as Peter’s are rare but important if the policy community is to learn from what was – initially at least – one of PNG’s few good news policy stories (as highlighted [here](#) and [here](#)). In a country where there are many policy failures, it’s important to document the mechanics of success, especially given that, in the case of the TFF, some aspects of this success [are being eroded](#).

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