

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

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Roadmap:

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

1. Aims and Objectives

- Evaluate conditions under which citizens provide support for governance reform, or undertake the role of leadership to generate broad support for reform
- Also, how peaceful and constructive collective action can lead to improved governance in PNG

2A. Research and Significance

Why this is significant:

- Reforms to improve governance, government performance, or public service delivery relies on the demand for and supply of reforms
- Supply of reforms: Eg., policies to reduce bureaucracy, waste, corruption
- Demand for reforms: citizens push for improved government performance or public service delivery

2B. Research and Significance

Why this is significant:

- However, even as citizens seek reforms, they may contribute to performance or delivery problems
- Individual's choices may reinforce performance or service delivery problems at the societal or collective level. Eg., making sidepayments to get better or faster service
- This leads to a weak governance trap: social behaviors reinforce poor performance over ethical ones, and government reforms that are adopted continue to fail
- Principled principal problem: “honest” players are affected by, rather than forebear, corrupt practices (Peiffer and Alvarez 2015)

3. Research question

Research question:

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

PNG is interesting for study:

- 1) Public support for reforms
- 2) Persistent performance problems
- 3) Consistent with many countries, eg., despite significant efforts, corruption remains stubbornly intact (Rothstein 2011; Mungiu-Pippidi 2013; Persson et al 2013)

4A. Experiment and procedure

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

1. Participants individually decide if they wish to pay *gris moni* to get better outcome
 - collective decisions determine whether there is a low or high corruption environment, which in turn affects services
2. Participants then choose to attend a peaceful forum focused on orderly and constructive debate to support reforms
3. Also choose whether to use social media to drum up support
4. And, choose if they will be a leader to drum up support

Final payout is based on choices, whether reforms occur, and chance of *gris moni* payment being detected

5A. Findings

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

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

Payouts for choices

	Pay nothing, standard service, receive:	Pay <i>gris moni</i> , if not detected, receive:	Pay <i>gris money</i> , if detected, receive:
Low corruption environment	10 kina	30 kina	2 kina
High corruption environment	3 kina	7 kina	2 kina

5A. Findings

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

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

	Number	Percent
Pay nothing, standard service	315	71.75%
Pay gris moni, better outcome	124	28.25%
Total	439	100%

5B. Findings

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

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

Payouts for choices

	Pay nothing, standard service, receive:	Pay <i>gris moni</i> , if not detected, receive:	Pay gris money, if detected, receive:
Low corruption environment	10 kina	30 kina	2 kina
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5B. Findings

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

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

	Number	Percent
Pay nothing, standard service	353	80.59%
Pay gris moni, better outcome	85	19.41%
Total	438	100%

5C. Findings: Status quo or Reform?

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

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

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

Surprise:

	Number	Percent
Pay 1kina to attend forum, support reform	94	93.07%
Pay nothing, do not support reform	7	6.93%
Total	101	100%

5D. Findings: Status quo or Reform?

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

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

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

	Number	Percent
Pay 2.5 kina to attend forum & support reform	134	87.58 %
Pay nothing, do not support reform	19	12.42%
Total	153	100%

5E. Findings: Status quo or Reform?

Round 4A: Pay 1 kina to pledge on social media to attend forum

Round 4B: Observe percentage pledge, then choose to pay 2.5 kina to attend forum

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

	Round 4B: Pay 2.5 kina to attend forum	Round 4B: pay nothing, do not attend	Total
Round 4A: pay 1 kina to pledge to attend	52 (57.14%)	7 (7.69%)	59 (64.84%)
Round 4A: pay nothing	25 (27.47%)	7 (7.69%)	32 (35.16%)
Total	77 (84.62%)	14 (15.38%)	91 (100%)

5F. Findings: Status quo or Reform?

Round 5A: Pay 1 kina to be leader, or nothing to be follower

Round 5B: Leaders must pay 2.5 kina to attend forum, followers observe percentage, and choose if attend forum

Expectations:

	Round 5B: Pay 2.5 kina to attend forum	Round 5B: pay nothing, do not attend	Total
Round 5A: pay 1 kina to be leader	73 (85.88%)	1 (1.18 %)	74 (87.06%)
Round 5A: pay nothing to be follower	7 (8.24%)	4 (4.71%)	11 (12.94%)
Total	80 (94.12%)	5 (5.88%)	85 (100%)

5G. Findings:

What do the numbers tell us?

Proportion pay *gris money*, low monitoring = 28.25%

Proportion pay *gris money*, high monitoring = 19.41%

T-statistic = 3.085, Means test = 0.002

❖ Choices change with high monitoring

Proportion pledge = 57.14%

Proportion lead = 85.88%

T-statistic = 3.573, Means test = 0.0005

❖ Participants prefer to lead than pledge

6A. Conclusion

Results:

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

6B. Conclusion

Relevance:

- Considers the role of educated Papua New Guineans, and potential future leaders of the country to peacefully and meaningfully engage in policy debate around governance issues
- Inform policy makers, academics (particularly those at UPNG), and students at UPNG on how social norms can reinforce governance systems