



From chaos to reform in PNG: lessons from Morauta's leadership

By Matthew Morris
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In the wake of the recent declaration of a state of emergency in Papua New Guinea, a sense of anger and profound sorrow has enveloped observers and citizens alike. The city of Port Moresby, normally bustling with life, now echoes with the sounds of a country grappling with its most profound crisis in recent history. The streets, once filled with the everyday hustle and bustle of its people, are now scenes of desolation, marked by the charred remnants of looted shops and supermarkets. The palpable tension has led to the deployment of over a thousand troops, a desperate measure to restore order in a city brought to its knees.

The eruption of violence and lawlessness, resulting in [the tragic loss of at least 22 lives](#), isn't an isolated incident but a symptom of deeper, systemic issues. The immediate trigger was an apparent pay cut for public servants (which the government says was due to a payroll error), but the roots of the unrest are [entangled in a complex web](#) of economic mismanagement, rising costs, high unemployment, and a pervasive sense of injustice among the public.

This distressing situation in Papua New Guinea might lead some to believe that change is an unattainable ideal, especially in such tumultuous times. However, the lessons learned from Sir Mekere Morauta's tenure as prime minister offer a beacon of hope, demonstrating that even in the darkest of times, comprehensive reform is indeed possible. Indeed, the National recently published an article [reminding us of the lessons](#) from Morauta's reforms.

Morauta's leadership in the early 2000s was characterised by a determined push for economic stabilisation, public sector reform, and enhanced transparency. His approach was marked by a vision to instil fiscal discipline, streamline government operations, and foster a climate conducive to sustainable development.

[Morauta's reforms](#) were aimed at pulling PNG back from the brink of economic collapse. He

focused on restructuring the public sector, managing public debt, and revamping the financial system. His government introduced the *Fiscal Responsibility Act* to curb excessive borrowing and established the *Central Banking Act* to reinforce the autonomy of the Bank of Papua New Guinea. These reforms were designed to lay a foundation for a more accountable and efficient government, one that could drive sustainable economic growth and social development.

However, the current crisis is the culmination of a two-decade deviation from these foundational reforms. It underscores a failure in governance and a departure from [the principles of transparency and accountability](#) that Morauta championed. Today, PNG is at a crossroads, where the choice is stark: to continue down a path of instability and economic degradation or to embrace the lessons of the past and steer towards reform and recovery.

The state of emergency paints a grim picture of governance failure. Riots, police strikes over pay cuts and general lawlessness are manifestations of a government that has lost touch with its people. The administrative error leading to the pay cut is emblematic of the inefficiencies and lack of accountability that plague PNG's public sector. The public's response, though violent and regrettable, is a clear expression of deep-rooted frustrations and a call for urgent, transformative change.

As PNG grapples with this crisis, it is crucial to look back at Morauta's reforms and understand their significance in today's context. The need is not just for a change in government but a radical overhaul in governance. The focus should be on establishing a transparent, accountable administration that prioritises the well-being of its citizens. This involves revisiting fiscal policies, strengthening public sector management, and ensuring that economic growth translates into tangible benefits for the populace.

Moreover, the international community's role in supporting PNG through this crisis is pivotal. Aid and development efforts must be aligned with the long-term goal of building resilient institutions and governance structures. International partners must aid PNG in developing mechanisms that not only address the immediate crisis but also lay the groundwork for sustainable social and economic development.

As PNG moves forward, the lessons from Morauta's leadership can serve as guiding principles. His vision for a stable, transparent, and efficient government remains relevant and crucial. The path to recovery and stability is challenging, but with a commitment to genuine reform and good governance, PNG can hope to emerge from this crisis stronger and more resilient.

If there is to be a silver lining, the state of emergency in PNG is a stark reminder of the

critical role governance plays in a nation's development. It is a call to action for PNG's leaders and the international community to prioritise sustainable development, transparency, and accountability. The nation's future hinges on the ability to learn from past reforms and to embrace a governance model that truly serves its people. As observers and partners, we can only hope that this crisis becomes a turning point, leading PNG towards a future marked by stability, prosperity, and justice.

Disclosure

Matthew Morris was an economic adviser to Sir Mekere Morauta from 1999 to 2002, and continued to work for him in later years.

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Matthew Morris helped to establish the Development Policy Centre and served as the Centre's first Deputy Director. Matt is a development economist with 25 years' experience. He is currently an independent consultant.

Link:

<https://devpolicy.org/navigating-from-chaos-to-reform-lessons-from-pngs-state-of-emergency-and-morautas-leadership-20240122/>

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