



Using the c-word: Australian anti- corruption policy in Papua New Guinea

By Grant Walton and Stephen Howes
22 August 2014

Around the world international donors have become more and more comfortable with the ‘c-word’ – corruption that is. During the Cold War, corruption was largely absent from international aid discourse – both sides of the iron curtain were more interested in gaining the support of ‘Third World’ governments, than monitoring how they spent their aid. Corruption was a word not muttered in polite company, not in front of one’s friends (strategic allies) anyway. That changed in the 1990s with the rise of Transparency International, and the World Bank signaling – through President James Wolfensohn’s now famous [‘corruption-as-cancer’ speech](#) – its intention to fight corruption through its projects and programs.

Following international trends, Australia’s foray into the anti-corruption world can be traced to 1997, when ‘governance’ first became a budget priority for AusAID. Initially, the agency was rather coy about directly talking about corruption (preferring the term ‘good governance’ instead); but over time, corruption moved from the margins into the limelight. In 2007 AusAID brought out its first anti-corruption policy entitled, *Tackling Corruption for Growth and Development: A Policy for Australian Development Assistance on Anti-Corruption* (PDF [here](#)).

AusAID worked hard to show that Australian aid was not being misused. In October 2012, Australia and PNG jointly signed a zero-tolerance policy on fraud in Australia’s aid program to PNG.

Fast-forward to 2014 and anti-corruption has moved into the aid program’s top ten. The Coalition’s aid policy’s new([ish](#)) targets feature a call for fresh fraud and anti-corruption strategies, at the country and regional levels, by July 2015. According to the [policy](#), these plans:

... will detail the measures we [Australia] will adopt to protect Australian Government aid funds and how [Australia] will support our partner country’s anti-corruption efforts. Support may include public financial management reform programs, funding of civil

society organisations that champion anti-corruption and funding other anti-corruption bodies (p. 30).

To promote effective governance, the [Development Assistance Budget \(2014-2015\)](#) commits to tailoring 'support to the political context', and conducting political economy analysis to help address 'challenges in fragile and conflict affected situations, including unequal access to the benefits of economic growth and employment, political alienation and a sense of injustice, which can lead to conflict' (p. 15).

This approach is to be welcomed, as it appears to signal a move away from the more technical assessments and responses to corruption that have sometimes dominated the Australian aid program. However, when it comes to addressing *political* corruption and its resulting 'sense of injustice', Australia has already found that it is difficult to meaningfully move beyond mere analysis.

This was highlighted at the Coalition's recent aid policy launch. As the policy was introduced by Minister for Foreign Affairs, Julie Bishop, PNG's Prime Minister, Peter O'Neill, was trying to avoid arrest over his alleged role in the '[Parakagate](#)' corruption scandal. Not only that, but he was in the process of decommissioning Taskforce Sweep – the country's successful anti-corruption taskforce, established by and much [praised](#) by PM O'Neill, until it turned on him.

After her presentation, Bishop was asked by the media whether the escalating crisis could affect Australian aid to PNG. The Minister emphatically stressed that PNG was 'family', and that Australia would continue to pour \$500 million of aid into the country. She did, shortly later, [go the extra step](#) of 'register[ing] our concern' but only about political volatility in PNG. Being concerned about corruption, or abuse of process, or undermining the rule of law, was apparently one step too far.

Australia's silence over Parakagate and the subsequent decommissioning of Taskforce Sweep has been deafening.

This is in part due to Australia's diminishing leverage in PNG. With strong revenue growth due to the resource boom, PNG is long past relying on Australian aid. In agreeing to house Australian-bound refugees, Australia is more indebted to PNG than it ever has been.

Like it was for donors during the Cold War, talking meaningfully about corruption with Australia's strategic allies (through PNG's politicians) is difficult.

Yet, as PNG's political elites have become bold, so too have their critics. Economic growth

has led to a burgeoning [middle class](#) [pdf], who are becoming increasingly outspoken about corruption. The internet has allowed this middle class to share information about, and form alliances against, corruption like never before. Ordinary Papua New Guineans have come out on to the streets to protest against corruption, particularly in relation to the Parakagate affair.

Public servants have also become emboldened. Head of Taskforce Sweep, Sam Koim, fought against the government in the National Court, resulting in a [permanent stay order](#) on the government's decision to disband the successful anti-corruption agency. He travelled to Australia to raise his concerns about O'Neill's actions with Ms Bishop. Sections of the police have resisted orders by the government appointed Police Commissioner, Geoffrey Vaki, that favour the government.

PNG's anti-corruption warriors are brave citizens and public servants. Given that Australia has made such a song and dance about corruption, they look to Australia for leadership on the issue. But they're not finding it.

Indeed, many in PNG are, as blogger Keith Jackson has [said](#), judging the Australian government by its response to these events. Unsurprisingly, few are impressed. Martyn Namorong, another PNG social commentator, tweeted at the time of Sam Koim's sacking: "next time DFAT wanna talk about good governance in PNG remind them of their silence now".

Somewhere in Port Moresby a committee will be forming (if it hasn't already) to write DFAT's PNG anti-corruption strategy. We don't envy them their task. Somehow they need to plan a meaningful response to corruption in PNG, while skirting accusations of political interference, keeping PNG politicians onside, and including non-state actors. No doubt they will be guided by past Australian strategies, the PNG government's own anti-corruption strategy, as well as existing agreements between PNG and Australia.

They should certainly be looking to increase support to those PNG organisations working against corruption. But, whatever the bureaucrats come up with, it will be worth little unless it is backed up by political commitment. When a PNG government disbands an anti-corruption taskforce, Australia should be ready to voice its condemnation, and loudly.

Given that fraud and anti-corruption are front and centre in the new aid program, Australia should remember that corruption is no longer a dirty word.

[Grant W. Walton](#) is a Research Fellow at the Development Policy Centre, and Stephen Howes is the Centre's Director.

About the author/s

Grant Walton

Grant Walton is an associate professor at the Development Policy Centre and the author of [*Anti-Corruption and its Discontents: Local, National and International Perspectives on Corruption in Papua New Guinea*](#).

Stephen Howes

Stephen Howes is Director of the Development Policy Centre and Professor of Economics at the Crawford School of Public Policy at The Australian National University.

Link: <https://devpolicy.org/using-the-c-word-australian-anti-corruption-policy-in-papua-new-guinea-20140822/>

Date downloaded: 7 May 2024



Australian
National
University

The Devpolicy Blog is based at the Development Policy Centre, Crawford School of Public Policy, College of Asia and the Pacific, Australian National University.