Overview

- Presentation based on a paper written for NRI’s project on Autonomy and Decentralisation
- Project is designed to assist an informed national conversation on decentralisation in PNG
  - Paper has been written with this goal in mind.
- Aim is to present a picture of the issues for decentralisation globally in a way that is relevant to the PNG context
- Most of the presentation (and the paper!) will focus on 8 issues for the design and operation of decentralised governance arrangements
- We begin with some preliminary thoughts to assist understanding and discussion
Idea of decentralisation

- Arrangements for decentralised governance can be seen as ranged along a spectrum something like this:
  
  **Delegation → Devolution → Regionalism → Federation**

- There are differences, but no bright lines between these various ‘types’.

- The main distinguishing feature is the depth of decentralisation

- Many factors contribute to depth, but two that are particularly important are:
  - The extent to which power is decentralised
  - The autonomy of each level of government in exercising the power allocated to it, in a way that is responsive and accountable to its own people.

- How these arrangements operate in practice is at least as important as how they are designed.
Decentralisation is now established as significant for good governance. Most countries have decentralised governance arrangements in some form.

The advantages of decentralisation for governance potentially include:
- Quality of government at all levels, including the design and delivery of services
- More inclusive government
- Deconcentration of public power
- Local self-reliance

The goals to be achieved are an issue for discussion in PNG

Decentralisation has been significant in PNG since independence. It has had three distinct phases: from 1976; from 1995; and from the development of Districts in the 2000s.

Current characteristics include the use of national MPs at multiple levels of government, the fragmentation of particular powers and of the funding for them, significant political, administrative and fiscal centralisation and a complex legal and constitutional framework.
Challenges for decentralised governance

Some of the challenges concern design. Eg:
- Which powers?
- Which resources?
- How administered?
- Lines of accountability?

Others concern operation in practice. Eg:
- Capability of governments at all levels
- Potential for resistance to decentralisation, particularly from central institutions
- Lack of understanding of decentralisation, including by the public.

All of these challenges need to be met, in a review of decentralisation
Overview of the issues

The rest of the presentation focusses around 8 key issues for decentralisation, ranging from the number and organisation of levels of government to the implementation of decentralisation.

The paper deals with each of these issues in some detail in three parts:
1) Identifies the issue and the main questions that it raises
2) Suggests how it is relevant in PNG
3) Sets out matters that might be considered in future discussion of this issue in PNG

The presentation highlights only the main questions each issue raises, generally and in the context of PNG.

We are happy to elaborate on any of them, during the conference or later.

Note also that, in the end, all these issues for decentralisation must combine in a single, integrated system that works effectively to achieve the goals of decentralisation.
The eight issues for decentralisation

- Levels of government
  - How many?
  - Boundaries?

- Political institutions
  - Focus on provincial institutions

- Division of legislative and executive power
  - Who should do what, and how?

- Administration
  - Centralised or decentralised?

- Revenue raising and allocation
  - How should revenue be raised and distributed?

- Intergovernmental relations
  - How should relations between governments work?

- Constitutional and legal framework
  - How to ensure that the legal framework balances protection and flexibility and is consistent and clear

- Implementation of decentralisation
Levels of government

Questions raised by this issue:

- How many levels of government should there be?
- How should the boundaries be drawn within each level?

Matters to consider in PNG include:

- Are districts a fourth level of government?
- Are they needed, to meet the goals of decentralisation?
- Is it a problem to use electoral boundaries for the internal boundaries of the District level of government?
Political institutions

Questions raised by this issue:

- What political institutions should each level of government have, to meet the goals of decentralisation?
- In particular, what should be the legislative and executive institutions at the sub-national levels of government?

Matters to consider in PNG include:

- Does it matter that the design of executive and legislative institutions is different at the national and provincial levels?
- What is the effect on achieving the goals of decentralisation of having national MPs at both the provincial and district levels?
Division of legislative and executive power

Questions raised by this issue:

- How are legislative and executive/administrative powers divided between the levels of government?
  - What types of power?
  - Which powers?
- How can the division of powers contribute to the quality of governance, including service delivery?

Matters to consider in PNG include:

- How clear is it which level of government is responsible (and accountable) for what?
- Is it desirable (in the sense of workable and effective) to distinguish ‘service delivery’ from other aspects of power in assigning powers and allocating funding?
- How do the fragmented funding arrangements, including the provision of funds to MPs, affect the operation of the division of powers?
Administrative support and other institutions

Questions raised by this issue:

- How should the public service be organised under decentralisation arrangements?
  - A single public service?
  - A dual public service?

- How should independent institutions (eg the Ombudsman, Auditor-General) be organised?

Matters to consider in PNG include:

- Do the significantly centralised arrangements for the administration in PNG serve the goals of decentralisation in terms of accountability, quality of governance, and responsiveness?

- Could more be done to ensure that independent institutions meet the needs of decentralisation (eg, should AG reports be examined by legislatures at all levels)?
Revenue raising and allocation

Questions raised by this issue:

- To what extent should each level of government raise its own resources?
- On what bases should the balance be struck between transfers for general and more specific purposes?
- How are decisions best made about the amounts transferred to and within levels of sub-national governments?

Matters to consider in PNG include:

- Could more revenue be raised at the provincial level, supporting provincial autonomy?
- Is the balance between general and conditional transfers right? Are the arrangements clear?
- Does current practice for conditional transfers advance the goals of decentralisation?
- How effective is the advice of the NEFC in supporting these key decisions about revenue transfers?
Intergovernmental arrangements

Questions raised by this issue:

- What institutional/structural arrangements might promote decentralisation goals?
- To what extent should a higher level of government have regulatory control over actions of lower levels?
- How are collaborative intergovernmental relations conducted?

Matters to consider in PNG include:

- Does the role of national MPs at multiple levels of government serve the goals of decentralisation?
- Are the checks on provincial and local decisions currently exercisable at the national level of government conducive to effective, accountable and responsive government?
- Could more be done to encourage collaborative action, when appropriate, between levels of government in PNG?
Legal framework for decentralisation

Questions raised by this issue:

- Is the legal framework for decentralisation appropriately spread across the different categories of legal instruments?
- Is the framework consistent, coherent and clear?

Matters to consider in PNG include:

- Is the framework for decentralisation appropriately distributed between the PNG Constitution, the Organic Law, ordinary legislation and political practice?
- Are the legal rules and principles clear, consistent and accessible across these instruments?
- How has the framework been affected by the many significant changes made to decentralisation in PNG since independence? Should it be completely revisited, in any decentralisation reform?
Implementation

Questions raised by this issue:

- What is involved in implementing new or changed arrangements for decentralisation?
- What are the challenges that implementation might face?

Matters for consideration in PNG:

- If changes are made to decentralisation arrangements, what can be done to ensure:
  - Understanding and buy-in?
  - Education and training?
  - Capability at all levels?
  - Necessary structural/institutional/legal changes?
- How much time should be allocated to transition?
- Would a degree of asymmetry help?
Wrap-up

Thank you for listening. We welcome questions and comments.

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