POLITICAL GOVERNANCE AND SERVICE DELIVERY IN PAPUA NEW GUINEA:

A STRATEGIC REVIEW OF CURRENT AND ALTERNATIVE GOVERNANCE SYSTEMS

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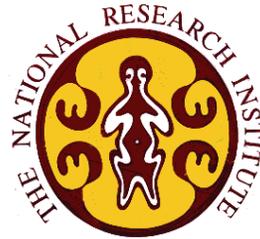
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Political Governance and Service Delivery in Papua New Guinea:
A Strategic Review of Current and Alternative Governance Systems

by

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Cover photo: Trainee nurses assisting with village health patrols in Alotau District.

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Abbreviations

ABG	Autonomous Bougainville Government
CLRC	Constitutional and Law Reform Commission
CPC	Constitutional Planning Committee
DSIP	District Services Improvement Program
EIU	Economist Intelligence Unit
EDF	Electoral Development Fund
JDPBPC	Joint District Planning and Budget Priorities Committee
LLG	Local-level Government
MP	Member of Parliament
NRI	National Research Institute
OLPG	Organic Law on Provincial Governments
OLPGLLG	Organic Law on Provincial Governments and Local-Level Governments
PEC	Provincial Executive Council
PNG	Papua New Guinea

Acknowledgements

I. Introduction

Despite significant increases in resourcing over the last two decades, service delivery in Papua New Guinea (PNG) is still failing to reach most citizens. Factors of political governance such as the design of the nation's parliamentary and provincial government institutions are often offered as part of the explanation for poor service delivery, yet a stronger evidence base is needed to address these challenges effectively. Cross-country analyses that identify the most common political constraints on service delivery and incentive problems may provide lessons for PNG that can help improve development in the country.

In early 2014, the Constitutional and Law Reform Commission (CLRC) was given a directive by PNG's Head of State to review the operations of provincial and local government systems. This paper draws on relevant scholarly and policy literature to examine the relationships between systems of political governance and service delivery in support of the CLRC's review of the Organic Law on Provincial Governments and Local-Level Governments (OLPGLLG), currently being undertaken on behalf of the National Parliament.

This paper does not seek to make recommendations or provide policy options, as this is the role of the CLRC process. Instead, the aim of the paper is to provide a top-down context and empirical framework to assist the CLRC in its task. The intention is for this report to complement the CLRC's work by providing an international and comparative perspective that can be integrated with the CLRC's own grass-roots public consultation, which is focused on the local and provincial levels of analysis. This overview of the available evidence is intended as a contribution to the ongoing national debate about whether changes to PNG's existing system of political governance will improve the delivery of basic services to the population.

The paper focuses on the systemic and institutional aspects of systems of governance rather than delving into other underlying administrative constraints on service delivery by government (such as staff shortages, lack of training or poor financial management). The authors were asked to address three major analytical tasks:

1. Review the performance of PNG's Westminster parliamentary system from 1975 to the present, identifying institutional strengths and weaknesses, and explore alternative governance arrangements such as presidentialism, federalism and bicameralism.

2. Briefly review the history of sub-national governance in PNG and reflect on the Organic Laws on Provincial Government (OLGP), which were in effect between 1977 and 1995, the ongoing evolution of the Organic Law on Provincial Governments and Local-Level Governments (OLPGLLG) since 1996, and the Autonomous Bougainville Government (ABG) arrangements.

3. Assess the international literature on decentralisation, devolution and sub-national governance in order to provide a knowledge framework with the potential to help inform assessments of potential future governance alternatives.

In so doing, this paper summarises the international evidence on the relationships between systems of political governance and service delivery as they relate to PNG.

At its core, the paper looks at issues of national and sub-national governance and the relationship between PNG's own arrangements and the international experience. The Westminster parliamentary system of political governance was implemented in PNG almost 40 years ago as part of the country's process of gaining independence from Australia and its emergence as an independent state. It is understandable that a growing number of Papua New Guineans feel the need to re-evaluate the existing governance arrangements, given that the average citizen's quality of life and access to basic services continues to decline. The key question for this study is whether the decline in service delivery is causally related to the country's political architecture.

This paper argues that it is not. Although many elements of institutional design impinge on a state's ability to deliver basic services, one element that becomes clear from such a comparative viewpoint is that there is no "silver bullet" solution to problems of service delivery. While PNG's political institutions are a mixture of introduced elements of the Westminster system and local adaptations, none of the basic institutional features of its system of government can be held directly responsible for service delivery failures. Thus, the redesign of political institutions is unlikely, in and of itself, to foster better service delivery without concomitant deeper changes to public service culture, popular attitudes and political leadership.

It became clear in the workshop process conducted as part of this research that many Papua New Guineans see virtue in decentralising governance in their country, even if the operation of provincial and local-level governance has had its problems. Some argued that a return to the pre-1995 system of provincial government is in order. We do not take a position on this issue, as the key message from our paper is that there is nothing in the structure of PNG's political institutions themselves that is preventing better service delivery. While some of the country's institutions are unusual, none can be identified as directly retarding service delivery. Rather, it is the way the institutions are used, and in some cases abused, that is the key issue.

The workshop also reinforced the importance of another distinction drawn from the research on decentralization. This is the movement from what might be termed first-generation decentralization work, which focused on the technical structure of governance—including the development of provincial government and local-level government (LLG) mechanisms—and second-generation decentralization, which shifts attention to direct citizen participation in decision-making about service delivery and in monitoring governmental activity. The demand for second-generation approaches to governance, emphasizing more direct forms of democratic participation and citizen-led oversight, partly reflects the very problems PNG has itself experienced with decentralization when it is limited to tinkering with political mechanisms: vested interests

tend to find a way to maintain the status quo. That status quo in PNG has produced a decades-long slide in the quality of service provision. Thus, based on insights from the international literature and discussion at the workshop, it is clear that, to the extent that change is required, it is necessary to find ways to resist vested interests and respond more directly to the demands and concerns of the people.

Assessing the impact on service delivery of major constitutional-level provisions such as Westminster parliamentarism or provincial and local-level government is not an easy task. Few empirical studies in PNG have directly explored the links between democratic mechanisms and public service delivery, especially when it comes to the roles played by representative political institutions such as parliaments and provincial assemblies. Internationally, of course, there is a broader literature, but even there relatively few studies directly investigate the link between macro-institutional design and the delivery of basic services. As one comparative study concluded, a problem for research on service delivery is "the difficulty of drawing general conclusions from our case-studies about the relationship between a particular system of central-local relations and efficiency and effectiveness in service delivery" (Turner 1999: 243). The difficulty derives from the data. Often there are simply few or no data available on the performance of service providers.

This is surprising, as service delivery is widely considered to be central both to a minimally secure life for individual citizens and to broader questions of socio-economic development for society as a whole. At least theoretically, the incentives for the state to engage in service delivery should be higher in a democracy such as PNG than under non-democratic regimes, given that voters' daily lives depend on effective service delivery. Thus governments (and the state) are more likely to be perceived as legitimate when service delivery occurs in general alignment with citizens' needs and expectations. Equally, governments that fail to deliver basic services should expect to be punished by the voters.

Political governance and service delivery should therefore become an interdependent, interactive system in which public confidence in the system of political governance builds the political legitimacy of government. Trust in the system increases when service delivery is effective, public officials are accessible to citizens, and government agencies function in a well-managed way. Ineffective or inaccessible service delivery, by contrast, undermines trust not just in the government but in the legitimacy of the entire political system.

In PNG, however, this interdependence works only partially and sometimes not at all. While service delivery is widely believed to have declined, governments at all levels seem unthreatened by this lack of performance. Indeed, the stability of governments (as measured by their longevity in office) has increased in recent years, even as concerns about their performance have risen. The link between failure to deliver services and the threat of losing power does not, it appears, work to promote better governance in PNG.

Anecdotally it appears that many in PNG feel that key institutions such as the *Constitution*, the National Parliament, standing orders and Westminster conventions

and precedents have not fulfilled their key role, and are asking whether different political institutions are the answer. The performance of the National Parliament, for instance, is often criticized as being in decline on multiple levels, with declining productivity in terms of its sitting times and legislative agenda, but also as failing to hold the executive government to account. While the Parliament produces less legislation than in earlier decades, executive government is becoming so powerful that Parliament has effectively become a rubber stamp for the Prime Minister's agenda.

Figure 1 shows the declining performance of the National Parliament, which has experienced a steady decline in productivity since the mid-1990s, as measured by the amount of legislation enacted. One reason for this is that Parliament is sitting for ever-shorter periods. It was in session for less than six weeks in 2009, and less than five weeks in 2008, despite the constitutional requirement that "in principle" it meets for nine weeks per year.

Figure 1: Number of acts passed by the PNG National Parliament
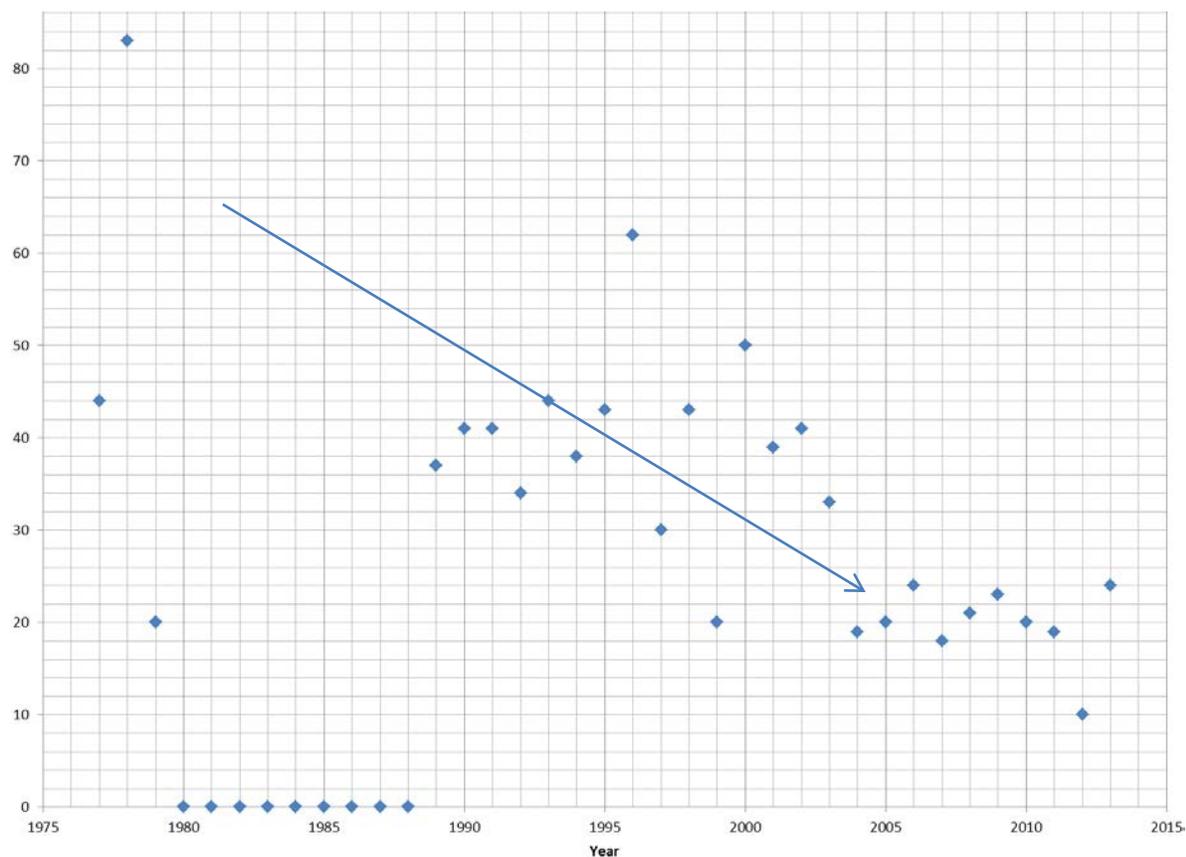
The reason for some of these problems is well known. In PNG, members of Parliament (MPs) are seen as the key conduits for services to their electorates, because other systems of service delivery simply do not work. As a result, an MP's primary role is often seen as facilitating service delivery rather than scrutinizing bills or passing legislation. Similarly for the increasing trend towards executive dominance: politicians have an incentive to become part of government, regardless of their political

differences, simply so they can gain better access to state resources and money, which they can then redistribute to their local political supporters. Thus politicians have taken on the role of service providers rather than policymakers, with "implementation" considered a task of handing out money rather than building sustainable bureaucratic structures. Budget formulation, for example, is often handled by the governor's support staff in Port Moresby, without input from public servants in the provinces.

Much of this "implementation" takes place via Electoral Development Funds (EDFs) and other support improvement program funds available to PNG parliamentarians for pork-barrel politics. These putative development grants are distributed by individual MPs under various district improvement programs, and have had a significant impact on electoral politics and governance in PNG. Research suggests they are often invested in personal networks to secure support for a range of activities, not all of them related to service delivery or district improvement. Critics argue that EDFs promote corruption, nepotism and bad governance, while supporters argue that the EDF is the only effective mechanism for allocating development grants to remote parts of the country.

In the most comprehensive study of EDFs to date, Ketan (2007: 2–3) argued:

> The evidence shows that PNG parliamentarians have misappropriated hundreds of millions of kina intended for projects in their electorates. Various slush funds have been created and controlled by government ministers to facilitate the systematic looting of development grants to enrich themselves and to use in pork-barrel politics. Calls from international financial institutions, anticorruption agencies, and from local civil society organizations for the abolition of slush funds have been ignored, principally because of the increasing significance of such funds in electoral politics.

Similarly, PNG's system of provincial government has proven vulnerable to abuse. Until 1995 the country had a quasi-federal system of provincial government, in which members of provincial assemblies were directly elected. In 1996 this was replaced with the election of a provincial constituent member who became both a provincial governor of a province and a Member of Parliament, under the OLPGLLG. The governor then chooses a number of local government presidents to become members of the Provincial Executive Council (PEC). This has led to the politicization of the provincial bureaucracy, with growing levels of corruption and cronyism, a problem that has increasingly plagued all levels of PNG politics in recent years.

This increasing institutional dysfunction is one reason that comparative indicators of democratic performance, such as the Economist Intelligence Unit's *Democracy Index* and Freedom House's annual *Freedom in the World* ranking, have increasingly marked PNG down for the comparative performance of its democracy. PNG is today categorised as a "flawed democracy" by the EIU and an only "partly free" electoral democracy by Freedom House. Assessments of the quality of democracy in PNG have declined on both measures in recent years (EIU 2014; Freedom House 2014).

II. Definitions, Data, Methods and Limitations of the Research

This report draws primarily on the extensive international body of data and research on systems of political governance and service delivery. In many respects the extensive use of cross-country comparative studies provides a type of meta-analysis that enables us to uncover trends that might be hidden from smaller individual studies that draw on small samples or individual country case studies. The report's other main source is the literature on political governance arrangements—parliament, provincial government and other institutions—in PNG since independence.

Two core concepts, governance and decentralisation, form the basis of this research. This paper defines *governance* as a system of values, policies and institutions by which a society manages its social, economic and political affairs through interactions within and between the state, civil society and the private sector. Governance provides the rules, institutions and practices that set limits on power and encompasses the mechanisms and processes for citizens and groups to advocate for their interests and exercise their rights and obligations.

Decentralisation refers to the transfer of competences from the central level to elected authorities at the sub-national level. (It is different from *de-concentration*, which refers to non-elected officials of the central government stationed in regional offices and providing national public services there.) Theoretically, governments generally use decentralisation as a means to improve public spending effectiveness based on the idea that sub-national governments have better information on local needs and preferences and are better positioned to deliver public goods. This analysis of decentralization draws on legal and constitutional studies and analyses of comparative politics and political economy. It takes into account the unique characteristics of PNG and the fact that decentralization as a concept is not static but reflects changing ideas, often based on the evaluation of different nations' decentralization experiments. It distinguishes between "first generation" efforts, which focus on the technical structure of governance (driving electoral competition and decision-making down to the provincial and local levels), and "second generation" decentralization, which is more concerned with the integration of citizens into key points of decision-making and government oversight.

Most of the existing research on sub-national governance in PNG draws on provincial and local comparative case studies rather than on comparative case studies of sub-national governance in countries overseas (Conversi 1997; Keating 1996). This is understandable: issues of regional nationalism and therefore sub-national governance require an in-depth knowledge of a sub-state region and a country's history, institutions, culture and language. This means that analysing sub-national governance using cross-country comparative cases is difficult and that, although findings are instructive, it is difficult to make comprehensive generalizations. Thus, the main weakness of this approach is the difficulty of comparing sub-national governance in industrialized democracies with sub-national governance in developing and/or nondemocratic countries.

When it comes to studies of parliamentary democracy, by contrast, PNG's experience fits well within the rich comparative literature on this subject. Indeed, PNG stands out as an economically underdeveloped country which has nonetheless maintained, over more than 40 years, democratic government and meaningful elections. A number of comparative studies have confirmed PNG's unusual status in this regard. Myron Weiner's study of elections in the developing world, for example, found that PNG was one of only six developing countries with populations over one million that had remained more or less continuously democratic since independence (Weiner 1987: 18–19). A similar formulation found PNG one of a group of ten developing countries with populations above one million that had maintained democracy, or at least a constitutional "near-democracy," continuously from 1965 (the others were Botswana, Colombia, Costa Rica, India, Jamaica, Mauritius, Sri Lanka, Trinidad and Tobago, and Venezuela) (Diamond 1992: 127). Other comparative studies have found that PNG was one of a select group of developing countries that could be classified as "stable democracies" (Diamond, Linz and Lipset 1995: 35). In Lijphart's (1999) classic *Patterns of Democracy*, PNG is mentioned as one of only four developing countries that are also classified as "established" democracies—defined as countries with a population of over 250,000 which are democratic now and have been continuously democratic for at least 20 years (India, Mauritius, and Trinidad and Tobago are the others).

More specific studies of parliamentary democracy have come to similar conclusions. Power and Gasiorowski's (1997) examination of the outcomes of 56 transitions to democracy in the Third World between 1930 and 1995, for example, found that PNG was—along with India, Jamaica, and Trinidad and Tobago—one of the developing world's few "consolidated" parliamentary democracies. Democratic consolidation was measured by the presence of three criteria: the holding of a second election subsequent to the democratic transition (which, in many cases, coincided with the granting of independence), at least one alternation in executive power, and 12 years of democratic experience (Power and Gasiorowski 1997: 132–33). Another, more demanding test of consolidation is provided by Huntington's "two-turnover test," which occurs when the party or group that takes power in an initial election loses a subsequent election and turns over power to those election winners, who then peacefully turn over power to the winners of a later election (Huntington 1991: 266–67). This test would exclude a number of the above countries, such as Botswana and Malaysia (neither of which has yet experienced a change of government), but is easily met by PNG.

The adoption of Westminster parliamentarism thus appears to be directly related to the relative success of democracy in PNG. In Weiner's study of elections in developing countries cited above, the six successful developing-world democracies (India, Jamaica, Malaysia, PNG, Sri Lanka, and Trinidad and Tobago) were assessed as having little close relationship on almost any social or economic indicator, but "one common feature [is that] all are former British colonies" (Weiner 1987: 19). While PNG's major colonial influence came from Australia (itself an artefact of British colonialism), the significance of Weiner's argument is based on the common democratic heritage afforded to many former members of the British Empire as part of the British model of democratic tutelage and decolonisation, a model followed in form—and largely in function—by the Australian government in relation to PNG. Weiner's conclusion about the importance of British

colonialism was reinforced by Lipset (1996: 153), who found that past experience with British rule is one of the most powerful correlates of democracy in the developing world.

By institutionalising rules and procedures as a starting point for democratic politics, and by emphasising the primacy of the rule of law and constitutionalism as guiding and binding forces upon political competition, the British model created a well-defined arena for political competition before such competition was effectively unleashed in the form of mass suffrage elections and full indigenous participation in politics. Eckstein argued that this process of building consent and commitment to democratic principles is the crucial element in making democracies work. The British, he maintained, "invest with very high affect the procedural aspects of their government and with very low affect its substantive aspects … Procedures, to them, are not merely procedures, but sacred rituals" (quoted in Weiner 1987: 14).

This commitment to procedures is more significant than it may first appear. Weiner argued that the tradition of imposing limits on government, establishing norms for the conduct of those in power and creating procedures for the management of conflict has been hugely influential in the establishment and consolidation of democracy in developing countries (Weiner 1987: 20). He concluded that the British model of tutelary democracy is the single most effective colonial model of democratisation, due to its creation of centralising institutions that can gradually be made indigenous, and the establishment of democratic institutions and free and fair elections. This institutionalisation of political conflict into an adversarial system of political competition bounded by established rules leads to an acceptance of these rules and procedures amongst members of the political elite. In this way, the institutional framework for democracy "helps create the conditions of its own persistence" by enabling the emergence of classes which have an interest in the maintenance of these institutions, and by nurturing popular attitudes supportive of democratic procedures (Weiner 1987: 32).

III. Decentralisation in PNG: The Context

The Westminster parliamentary system

PNG attained internal self-government in December 1973 and independence in 1975. Coming near the end of a worldwide era of decolonisation that had begun almost thirty years before, this relatively late start meant that the nation's new leaders had the opportunity to observe the successes and failures of decolonisation elsewhere, and to learn from the experience of other post-independence countries in Africa, Asia and the Pacific. The experience of democratic failure in the new African states was particularly timely. Scholarly justifications, for example, for a one-party system in PNG, which were relatively common in the period immediately prior to independence, quickly lost their appeal (Premdas and Steeves 1984: 18–20). Other lessons were similarly well taken and given effect in the *Constitution* or soon after independence: the military was placed under civilian control, the role of the opposition was recognised, government was decentralised, and attempts were made to involve all backbenchers in the legislative process through an extended front bench and a committee system. While some of these exercises have been less than successful in terms of efficient government (for example, the establishment of provincial governments as part of the attempt at decentralisation discussed below), they have almost certainly contributed to PNG's relative success compared to most new democracies.

The origins of PNG's system of government are well documented. In 1962, a United Nations mission led by Sir Hugh Foot recommended that a 100-member elected parliament should be established in PNG before 1964 (Thompson 1996: 167). The Australian administration, partly in response to the Foot Report, as it was known, in 1964 established a House of Assembly with 64 members, 54 of whom were directly elected. In his speech to the Australian parliament on the introduction of the *Papua and New Guinea Bill 1963*, which provided for mass suffrage elections for the new Assembly, then Australian Minister for Territories Paul Hasluck made it clear that he saw PNG's political development in the same terms as that of the original Australian colonies—that is, a gradual historical progression towards constitutional government, extension of the franchise, and ultimately a fully independent parliamentary democracy (House of Representatives 1963).

In reality, the progression to independence in PNG was more akin to a rush to the finish line of independence rather than a gradual and measured process of constitutional and political development. While later United Nations missions criticised the relatively slow pace of PNG's move towards self-government (Loveday and Wolfers 1976: 4), increasing nationalist and independence-oriented political movements in various parts of the country meant that the Australian administration departed with considerably more haste than was earlier anticipated—although primarily in response to what it saw as its own interests. Thus, whereas in Australia the process of nation building and the struggle for political power and sovereignty led to the formation of representative institutions and popular suffrage over a fifty-year period in the second half of the nineteenth century, in PNG the situation was reversed: parliamentary democracy and mass suffrage elections

were seen by the Australian government as the *beginning* of the nation-building process, and the time from the first elections to independence was a mere 11 years.

While decolonisation came late, forms of representative government came somewhat earlier to PNG. Local government councils were first established during the 1950s. By 1960 they covered approximately one-third of the country, and Hasluck considered they had provided PNG's indigenous population with enough experience to elect a number of their compatriots to the Territory's (largely appointed) Legislative Council, which had featured only three nominated local members since 1951 (Thompson 1996: 167). The final Legislative Council, which met in April 1961, had nine elected and three nominated nationals in its total of thirty-seven members. Elected representative democracy in PNG began in 1964, with the mass suffrage election of the first House of Assembly to replace a largely non-elected Legislative Council.

Hasluck noted in his memoirs that although he was "not in the least doctrinaire on questions of political theory" he did confess "to being somewhat doctrinaire on questions of political institutions" (Hasluck 1976: 395). By this he appears to have meant that there was no question of anything other than a Westminster model of parliamentary representation being considered for the new House of Assembly, and that within this context Australia's governmental institutions would be transplanted, where appropriate, to the Territory.

In 1968, the Public Relations Advisory Committee of the Australian administration in PNG had introduced a political education program to "instruct people in the theory of Westminster government and its practice as applied in PNG," which was specifically instructed to avoid discussing any political systems other than Westminster (May 1976: 33). May found that the program was notable for an "excessive emphasis" on the formal elements of the Westminster system, rather than on the more general questions of political activity and participation (May 1976: 35), while Parker (1971: 348) argued that the successful transplanting of the Westminster system was one of "four overt aims" of Australian policy in PNG. Following the 1972 elections, the House of Assembly increasingly resembled a genuinely sovereign parliament, with the Westminster format of government and opposition being institutionalised by the appointment of Matthias ToLiman as leader of the opposition to Michael Somare's National Coalition government (Waddell 1973: 28).

The way the institutions of elected parliamentary government were developed was also of great importance to the consolidation of democracy in PNG. The creation of bureaucratic structures that stressed the legitimate role of state authority (for example, the police and the judiciary, functions exercised in colonial PNG largely by Australian patrol officers known as *kiaps*), and the establishment and institutionalisation of the principles of representative democracy and free and fair elections, were the guiding principles. The institutionalisation of political conflict into an adversarial system of political competition bounded by established rules led to an acceptance by PNG's new political elite of these rules and procedures of parliamentary democracy.

As a result, post-colonial politics in PNG was characterised by an acceptance by elites that the Constitution is the appropriate instrument for managing political secession and mediating elite competition (Regan 1995: 10). Several examples support this thesis. On 11 March 1980, Michael Somare's government, which had been in power since the introduction of self-government in 1973, was defeated on the floor of Parliament by a vote of no confidence. This was the first time that PNG's governing elite had faced the prospect of an alternation of power under the rules of a parliamentary system. To the surprise of some observers, Somare immediately stepped aside and transferred the prime ministership in a peaceful and orderly manner to the sponsor of the no-confidence motion, Julius Chan (who had been Somare's deputy two years earlier). This first transfer of executive authority can be seen as a testament to the success of the Australian government's attempts to instil a commitment to constitutionalism and the democratic process.

A series of other potential crises has also been handled within the boundaries of the constitutional "rules of the game." In 1991 the governor-general, Sir Serei Eri, refused to follow constitutionally binding advice to dismiss the deputy prime minister, Ted Diro, after the release of adverse findings against Diro by a leadership tribunal inquiry into corruption. Instead, Eri defused this potential crisis by resigning from office, to be replaced by a new governor-general who had no hesitation in sacking Diro. In September 1993, the then prime minister, Paias Wingti, organised a constitutionally questionable parliamentary manoeuvre: a surprise resignation and immediate parliamentary re-election after 14 months in office in order to circumvent a constitutional provision permitting votes of no confidence after 18 months in office, thus gaining another 18 months of valuable governing time. In August 1994, the Chief Justice of the Supreme Court, appointed by Wingti himself, led a full bench of seven judges who all ruled that the resignation was valid but that the constitutional requirements of the re-election had not been met, thus forcing a new election by Parliament, which enabled Wingti's former deputy (and once also deputy to Somare), Sir Julius Chan, to return to the prime ministership. Again, these transfers of power were conducted in an orderly fashion, and Wingti accepted the Court's decision.

In recent years, however, what Saffu (1985: 531) typified as the "strong hold" of constitutionalism on PNG's political actors appears to have weakened, with a crucial vulnerability beginning to undermine previously perceived checks and balances in favour of executive government power. Specifically, the 2012 PNG national elections were overshadowed by an unresolved political dispute that gave rise to two politicians (Peter O'Neill and Sir Michael Somare) claiming to be prime minister, with each man appointing his own governor-general, defence commanders, police commissioners and cabinets. A constitutional crisis was triggered on 2 August 2011, when Somare's acting Prime Minister Sam Abal was removed by O'Neill and the opposition party; 73 of the 109 MPs voted to install O'Neill as prime minister. Somare experienced five months of ill health in intensive care in Singapore during 2011, and his absence was given by O'Neill as the constitutional justification for his removal.

This power of individual politicians over the Constitution is particularly important given that O'Neill was able to retain executive power on the basis that he "had the numbers"

on the floor of Parliament (Flower and Leahy 2012), despite a decision by the PNG Supreme Court on 12 December 2011 that Somare was the legitimate prime minister. The court declared there was no vacancy in the office of prime minister when O'Neill was elected as prime minister by Parliament, and that the retrospective legislation passed by the O'Neill government after coming to power to protect itself from legal challenges was not recognised by law. The outcome of this constitutional weakness has been aptly described by Christine Stewart (2012 *in* http://asopa.typepad.com/papua new guinea's constitution the fatal flaw html):

> In effect, all it takes to maintain constitutional control of the country is three people: one person in the government to move the necessary motions, one to second them—and the Speaker to orchestrate their acceptance … The PNG Constitution continues to implement the Constitutional Planning Committee's (CPC) wish not to concentrate power in one entity … [however] there is no President … the Prime Minister is chosen by the Members of Parliament, the collective representatives of the people, and may be removed by various means (*Constitution* Section 142[5]). The Governor-General has virtually no powers at all, he is merely a rubber stamp, and he may be removed by the Executive or the Parliament. There is no constitutional provision providing a means of removing the Speaker, or limiting his powers … The drafters of the PNG Constitution forgot about the Speaker. Nobody within the CPC realised how much power they were handing to the Speaker of Parliament in the name of the people. This is the fatal flaw in PNG's constitutional system.

Decentralised governance and service delivery since independence

This section provides a brief historical overview of sub-national governance in PNG from immediately prior to national independence (1973–75) to today. The review touches on the impact of decentralisation arrangements such as the Organic Law on Provincial Governments (OLGP), the Organic Law on Provincial Governments and Local-Level Governments (OLPGLLG), autonomy arrangements such as the ABG agreement and related attempts at devolution in PNG.

The internal pressures and precedent for political decentralisation in PNG were set very early in the foundational years of the country prior to gaining political independence from Australia in 1975. In 1973, whist experimenting with self-government, the central government faced political uprisings from a number of provinces either declaring independence or demanding autonomy.

The most significant regional movement pushing for autonomy was Bougainville province, and the impact of Bougainville's agitation consequently influenced the trajectory of decentralisation policy by establishing a precedent that opened the doors to autonomy for all provinces (Ghai and Regan 2001; Wolfers 2006). Likewise, the province of East New Britain has regularly asked the central government to develop a national policy for the devolution of powers (asymmetrical decentralisation) rather than have ad-hoc policy responses that treat provinces differently. Should PNG ever decide

to adopt a policy of differential devolution of powers to provincial governments, the East New Britain model could certainly serve as a viable approach, yet this has not been pursued to date.

Sub-national governance between 1977 and 1995

The Organic Law on Provincial Government (OLPG) enacted in 1977 provided the legal basis for decentralised governance in PNG until 1995. This framework established a provincial assembly directly elected by citizens and a provincial government with ministers appointed and led by a premier who was elected by the members of the provincial assembly. This decentralised system was supposed to endow provincial governments with substantive legislative and policymaking powers, allowing them to develop and implement development policies as they saw fit given their local priorities. The reality is that although the accountability mechanisms under OLPG were technically and theoretically sound, the interests of individual politicians and consecutive national governments undermined the operation of the system. From the outset and during the 1980s, despite some effort to facilitate decentralised governance in the provinces, the recommendations of a number of parliamentary commissions and committees during this period were not implemented.

The evidence on service delivery from this period is mixed. As May (1998) noted, even figures such as John Momis, the "father" of decentralization, were frequently scathing in their comments on provincial governments' performance, and numerous premiers and provincial ministers were charged with financial mismanagement. On the other hand, seen in the context of declining government performance nationally, the performance of some provinces (such as those in the Islands region) "was generally sound and the delivery of services was better than would have been the case if provincial governments had not existed" (May 1997: 133).

Sub-national governance from 1995 to the present

By 1995 there was a political consensus supported by the views of many citizens that the OLPG system needed reform. However, the legislative changes enacted by the 1995 adoption of the Organic Law on Provincial Governments and Local-Level Governments (OLPGLLG) were compromised from the outset, in that new law evolved out of the predominantly political considerations of national politicians rather than being based on evidence.

Under the OLPGLLG, provincial governments are headed by elected governors who are the regional MPs. Governors chair provincial legislatures made up of Open Members of Parliament, the presidents of LLGs, and appointed community representatives. ("Open Members" refers to Members of Parliament for district constituents in Papua New Guinea.) Regional/provincial MPs with national ministerial positions, and the Parliament's speaker and opposition leader, however, are unable to fulfil the role of governor.

District and provincial structures were based on LLGs under the OLPGLLG. Except for a brief period between 2006 and 2010, council presidents were members of provincial assemblies. Generally there are three LLGs per district, with a district corresponding to an open electorate. District councils almost always comprise three LLGs, which in terms of representation equate to anywhere between 10 and 30 councillors representing an LLG ward.

The model of one local government council per district was never truly operationalized in the OLPG era, having received minimal to no resources since the immediate period following independence. This meant that when the new OLPGLLG act came into effect, LLGs had to be rebuilt from the ground up, literally, in physical and political terms. New LLGs were almost always located in the geographic centres of power of sitting MPs, which were often distant from existing nodes of service delivery in the provinces and detached from the district offices. LLGs have had insignificant funding and have usually lacked committed staff.

In one of the more recent and comprehensive reviews of improvements to sub-national governance in PNG, AusAID (2011) found that on balance sub-national governance is improving in the country. Since that report, and subsequent to Prime Minister Peter O'Neill coming to office in August 2012, there has been a massive increase in devolved funding to provinces, districts and LLGs, with approximately $700 million allocated by the national government in 2013 via development grants (Buis 2013). Even by recent historical standards, this increase in sub-national levels of government is up, growing from 5% of the budget in 2012 to 15% in 2013. Yet it is too early to tell whether the most recent effort has positively affected service delivery. Given the past problems of political interference and corruption, it would be fair to remain sceptical of the latest effort until hard data are available. Our scepticism stems from our review of implementation arrangements for the latest funding outlined by PNGs' finance and treasury ministers, which empowers MPs to make decisions on how funding is spent and accounted for at all levels. In the spirit of the defective OLPGLLG regime, MPs effectively allocate much more funding to their own committees, in what is effectively a large expansion of the District Services Improvement Program (DSIP) (Wiltshire 2013).

Observations

- Provincial administrators, who are effectively the lynchpins of the success of decentralised sub-national governance and improved service delivery, have in general failed to perform their roles responsibly during both the OLGP and OLGPLLG periods. This is a failure of people rather than a failure of the design of the system of governance.

- Accountability mechanisms within provinces were severely weakened by the enactment of OLPGLLG, particularly at the level of provincial governors and provincial executive council members.

- Today under OLPGLLG arrangements, Open Members have direct access to funding but do not have the capability to consistently deliver services.

- Provincial governments continue to lack resources and oversight of what happens at the district level.

- New laws that have been implemented to restructure the system of political governance and create incentives to improve service delivery have been unsuccessful to date. It is clear that legal and constitutional amendments have minimal impact on the behaviour of politicians and bureaucrats at any level of government in ways that would improve service delivery.

OLPGLLG did not enhance decentralised governance; rather, it strengthened national politicians' control over the delivery of provincial and local-level services. The evolution of electoral development authorities and district support grants in 2007 reflects the reality of provincial disempowerment. Other negative consequences of OLPGLLG were as follows:

- National MPs' roles as legislators who develop and oversee policy was diminished.

- MPs came to see themselves as policy implementers, which had the effect of displacing provincial administrators from their responsibilities.

- Political actors have had negative impacts on the delivery of services due to funds more frequently being disbursed on politically motivated grounds.

- Under the OLPGLLG, the majority of provinces experienced interference from national MPs, who manipulated local council presidents to ensure they had compliant operators both in the provincial assembly and on the Joint District Planning and Budget Priorities Committee (JDPBPC).

In 2008 the NRI undertook a major research project to lay the groundwork for a wholesale review of sub-national governance (Gelu 2008; Gelu and Axline 2008) in support of the government of PNG's attempt to further improve decentralised governance and improve service delivery. One of the adjustments was to channel 10 million kina in district (DSIP) funds to local governments. However, one unintended consequence of this policy was increased political competition in the 2008 council elections, which was observable in the form of increased levels of money used to influence the elections and election-related violence. Sadly for the future potential of greater decentralisation in PNG, this trend has continued. In 2013, elections in 22 LLGs in the highlands were declared as failed by PNG Electoral Commissioner Andrew Trawen on the basis of widespread fraud and violence (PIR 2013). The negative influence of national MPs was a noticeable impediment to free and fair elections because some national MPs supported LLG candidates' campaigns as part of efforts to establish patron–client relations and to ensure their control over LLG councillors. Despite these challenges, LLG councillors are still the officeholders most directly accountable to the people.

Regional nationalism

States having to deal with regional nationalism often chose devolution and decentralisation of political power to a territorially concentrated population that thereby acquires its own political institutions. In this context, various autonomy schemes have been implemented, ranging from asymmetric autonomy arrangements for individual units all the way to full-blown federalism. These efforts at accommodation through devolution have led scholars to analyse the structures, dynamics and conditions necessary for federal and other devolution arrangements to successfully manage regional nationalist movements. As a result, a large corpus of research has been developed on how to best manage devolution in situations of nationalist or ethnic conflict (Coakley 2003; McGarry and O'Leary 1993; Safran and Maiz 2000). This research has identified four typical approaches.

1. What is often referred to as *integrationist* or *diffusionist* scholarship (Deutsch 1966; Geertz 1963) attempts to supplant regional nationalism by engaging in state- and nation-building. A variation on this strategy is to explicitly seek assimilation through the projection of a "dominant ethnicity" (Kaufmann and Zimmer 2004) or to neutralize regional nationalist movements through the control of one group by the other (Lustick 1979). Neither of these strategies is viable given the incredibly high degree of ethnic fractionalization in PNG (over 800 tribal groups). In any case, these strategies are questionable on democratic grounds, particularly given their lack of consideration for minority rights.

2. In *consociationalism* or *power-sharing*, a democracy accepts the presence of distinct national identities and groups within a society rather than seeking their assimilation or integration in a larger alternative identity (Lijphart 1977; McRae 1974, 1997). On the positive side, consociationalism involves sharing political/executive power between the groups and the use of collective vetoes on matters deemed to affect vital group interests. The negative aspect of consociational approaches is that they serve to build up, consolidate, and politicize identities that may have otherwise remained fluid and malleable.

3. *Recognition* of national distinctiveness is relevant for helping explore the differences between provinces' efforts to secure greater rights from the PNG central government (Kymlicka 1995; Taylor 1993). Research suggests that regional nationalist movements are different from other types of political interest groups in that they do not primarily pursue material benefits; rather, they seek to secure for the members of their group recognition that they form a nation. Thus, the recognition approach has merit in meeting the symbolic demands of such movements.

4. Regarding the creation of *autonomous territorial units*, it is worth noting that autonomy can, on rare occasion, potentially be implemented in ways that do not tie it to territory (Bauer 2000). Scholars have also emphasized that autonomy for specific communities or regions provides political empowerment, cultural protection and recognition of distinctiveness (Ghai 2000; Lapidoth 1996; Nimni

2005). For example, there has been much scholarly focus on devolution in the United Kingdom since the late 1990s, when Wales, Scotland and Northern Ireland were granted autonomy without stripping Westminster of its sovereignty (Aughey 2001; Dickinson and Lynch 2000; Trench 2004; Wright and Gamble 2000).

During the formative years leading up to PNG independence (the 1960s and 1970s), regional nationalist movements were often seen (by the departing colonists) as obstacles to the construction of civic communities. In this context, political scientists at the time tended to favour centralisation and political integration (for stability and control) over true decentralisation. In other words, the idea was to mitigate regional nationalism through assimilation to the new national identity, or at least achieve a degree of depoliticization of specific groups. In the last two decades, the dominant scholarly perspective on how to react to regional nationalist movements emphasises engagement, management and accommodation rather than attempts to eliminate sub-national power blocs. This perspective is reflected in the voluminous literature on nationalism and federalism/autonomy, in which autonomy schemes are never considered promising tools for the eradication of regional nationalism, and on the growth of a literature that favours accepting and building on multi-nationalism (Gagnon & Iacovino 2007; Requejo and Maiz 2005).

An important influence on this shift in international thinking, from unquestioned commitment to centralised state power to greater acceptance of devolved governance and even secession, was research by Buchanan (1991), Tamir (1995), and Roach and Egan (2008). Although these scholars' work examined the normative bases of claims for self-determination (and often found those claims legitimate), their research also highlighted the foundations suitable for strengthening sub-national governance. More recent scholarship on regional nationalism and its management highlights the need to more critically address normative questions about justice as opposed to simply being concerned with state stability when a state is confronted by issues of political units demanding greater autonomy, self-determination or secession. Secession has become a major focus of scholarly inquiry into regional nationalism. Evidence shows that regional nationalist movements (at least in industrialized democracies) are increasingly seeking a political status that falls short of full independence (Keating 2001). This is relevant to national politicians in PNG who might fear a breakup of the state (and loss of their own power) as a result of moves to further decentralize political governance.

The Bougainville case represents PNG's only attempt at full devolution and political autonomy. Sadly, the ABG for a range of reasons (not all entirely theirs), like the other provinces in PNG, has largely failed to improve service delivery despite its freedom over its decisions. ABG has failed to demonstrate any progress towards good governance, and much of this narrows down to the last ABG's involvement in corruption (BTI 2012). Whilst the ABG currently enjoys broad-based popular support within Bougainville, it has not been free of criticism from its own people for poor service delivery. To date, deflecting such criticism has been relatively easy, with the political elite claiming the impediments to service delivery are nascent post-conflict recovery, PNG national government recalcitrance, internal insurrection from the small Mekamui faction, and

poor income generation due to the Panguna mine shutdown. "One might anticipate that following a referendum on full secession, Bougainvilleans might be more likely to demand an independence dividend and hold their government more accountable for poor service delivery" (USAID 2013: 12).

IV. Models of Political Governance

Institutional strengths and weaknesses

The brief history of parliamentary governance in PNG presented above suggests that it is difficult to identify parliamentarism itself as responsible for the declining standards of service delivery in PNG. Service delivery has varied markedly over the years, while the institutional forms (if not the political interpretations) of parliamentary government have remained relatively constant. While declining standards of parliamentary performance are clear, this has happened independently of the basic institutional design of the system. It is important to distinguish between the design of the institutions (the focus of this paper) and the process of governance—that is, the way in which institutions are used.

The same problem of identifying the impact of political systems on service delivery afflicts the comparative literature, in which examples of good and bad governance are distributed across different kinds of political systems internationally. As a result, the search for the best institutional model for any given country is difficult and possibly meaningless. Numerous comparative cross-country investigations have highlighted the reality that successful democracy and effective public services can take place under any of the main systems of government—presidential (in which the head of state and head of government are fused and directly elected, but the executive is separated from the legislature), parliamentary (in which the head of state and head of government are separated, but the executive is drawn from the legislature), and semi-presidential (which mixes executive authority between an elected president and a prime minister).

Nonetheless, some empirical regularities can be gleaned from comparative research. There is only a limited comparative literature on the relationship between models of political governance and service delivery, but most of what exists supports PNG's existing macro-level arrangements. Gerring and Thacker (2008), for instance, found that unified (rather than federalized) and parliamentary (rather than presidential) government outperform their alternatives on downstream indicators of government performance such as corruption, quality of bureaucracy, and service delivery. Lijphart (1984, 1999) also showed the superiority of parliamentary governance in terms of most policy indicators, although with the recommendation of proportional representation rather than majoritarian elections. However, Barkan (1995) argued that majoritarian single-member district electoral models such as PNG's are actually superior for service delivery, as they enable a direct vertical relationship between voters and the local MP for their district, something distinctly lacking in other systems. He noted that "in agrarian societies, people evaluate parties and candidates in terms of their potential for, or past record of, constituency service" and argued that single-member electorates were optimal. In other words, international experience suggests that there is nothing lacking in the institutional design of PNG's parliamentary model, and indeed it is likely better than the alternatives.

Cross-national empirical studies also suggest that presidential systems are more likely to suffer a breakdown of democratic processes than parliamentary systems on a global

basis. Parliamentary systems are also less subject to "big man" and personality effects and more flexible in times of crisis, and are often recommended for developing countries for this reason (Myerson 2013). By contrast, in developing countries with weak party systems—of which PNG is definitely one—other studies suggest that presidentialism may be a better route for the delivery of collective goods. Empirically, in recent years, an increasing number of new democracies, particularly in the Asia-Pacific region, have rejected both models and instead chosen semi-presidential models (including near neighbours to PNG such as Timor-Leste). Mindful of this diversity of experience, the following discussion seeks to distil the key findings of the comparative literature for PNG.

Presidentialism versus parliamentarism: Advantages and disadvantages for PNG

As noted above, there are essentially three forms of representative government:

1. Parliamentary systems, in which the legislature is the principal arena for both lawmaking and (via majority decisions) executive power.

2. Presidential systems, characterized by the separation of the executive and legislative branches, with executive authority residing outside the legislature with the president and his or her cabinet.

3. Semi-presidential systems, which vary considerably but are characterized by the presence of both an elected president and a prime minister, each with their own constitutionally demarcated areas of executive authority.

As with many institutional choices, the issue is not so much which is best, but which is the most appropriate for a given society with its unique social structure, political culture and history. This has been the touchstone for many debates about the merits and demerits of the systems in the context of PNG's distinctively Melanesian, "big man" style of political culture. In socially fragmented contexts such as PNG's, a key distinction between parliamentarism and presidentialism is the range of parties and opinions that can be represented in the executive under a parliamentary system, in contrast to the unavoidably singular nature of authority represented by the office of the president.

Parliamentary systems

The majority of the world's long-established democracies use a parliamentary system. Advantages of parliamentary systems include the following:

- *Ability to facilitate the inclusion of all groups within the legislature and the executive.* Because cabinets in parliamentary systems are usually drawn from members of the elected legislature, parliamentary government enables the inclusion of all political elements represented in the legislature (including minorities) in the executive. Cabinets comprising a coalition of several different parties are a typical feature of many well-established parliamentary democracies. In societies with ethnic, regional or other divisions, this principle of inclusion can be vital. In PNG, for example, ministries have historically been allocated at least

partly on the basis of regional considerations and the need to strike the right balance of Papuans, New Guineans, Highlanders, and Islanders (Dorney 2000: 39–72).

- *Flexibility and capacity to adapt to changing circumstances.* Because governments in most parliamentary systems can change on the floor of the legislature without recourse to a general election, advocates of parliamentarism point to its flexibility and capacity to adapt to changing circumstances as a strength. A discredited government can be dismissed from office by the parliament itself, in contrast to the fixed terms common to presidential systems. But this can be a weakness too. In PNG, no-confidence motions have become a staple feature of parliamentary politics—with *every* elected government from 1975 to 2002 deposed on the floor of Parliament without reference to an election.

- *Checks and balances.* By making the executive dependent, at least in theory, on the confidence of the legislature, parliamentary systems are said to foster greater accountability on the part of government towards the people's representatives. Proponents argue that this means that there is not only greater public control over the policymaking process, but also greater transparency in the way decisions are made. Again, in PNG, it could be questioned whether this aspect of parliamentary supremacy is a strength or a weakness.

Major disadvantages of parliamentary systems include the following:

- *Tendency towards ponderous or immobile decision-making.* The inclusiveness that typifies coalition governments can easily turn into executive deadlocks caused by the inability of the various parties to agree on key issues. This was typified by the "immobilism" that affected Fourth Republic France and that was partly responsible for General de Gaulle's assumption of presidential power. Decision-making deadlock was in part responsible for the breakdown of power sharing under Cyprus's 1960 constitution. Deadlocks caused by shifting allegiances have also been a frequent issue in PNG.

- *Lack of accountability and discipline.* Critics also argue that parliamentary systems are inherently less accountable than presidential ones, as responsibility for decisions is taken by the cabinet rather than a single figure. This is especially problematic when diverse coalitions form the executive, as it can be difficult for electors to establish who is responsible for a particular decision and make a retrospective judgment as to the performance of the government. Again, PNG is an example.

- *Propensity towards weak or fragmented government.* Some parliamentary systems are typified by shifting coalitions of many different political parties, rather than by a strong and disciplined party system. Under such circumstances, executive government is often weak and unstable, leading to a lack of continuity and direction in public policy. The unstable governing coalitions that have been a

feature of PNG politics since independence provide a clear example of this problem.

Presidential systems

Presidentialism has been a popular choice amongst many new democracies in Asia, Eastern Europe and Latin America. While the influence of the United States, the world's best known presidential system, is probably partly responsible for this trend, recent experience has also highlighted a number of advantages of presidentialism for new democracies:

- *Direct election.* A directly elected president is identifiable and accountable to voters to a high degree. The office of the president can be held directly accountable for decisions taken because, in contrast to parliamentary systems, the chief executive is directly chosen by popular vote. It is thus easier for the electorate to reward or punish a president (by voting him or her out of office) than it is in parliamentary systems.

- *A nationally unifying figure.* The ability of a president to act as a unifying national figure, standing above the fray of sectarian disputes, is an important benefit of presidentialism in fragmented societies. A president enjoying broad public support can represent the nation to itself, becoming a unifying symbol between rival political groupings. To play this role, however, it is important that the rules used to elect the president are tailored so as to achieve this type of broad support.

- *Higher degree of choice.* The fact that presidential systems typically give voters a dual choice—one vote for the president and one vote for the legislator—means that voters can be offered a broader range of choices under presidential systems. Voters effectively have two representatives—their legislator and their president.

- *Stability of the office and continuity of public policy.* Unlike parliamentary governments, a president and his or her administration normally remain relatively constant throughout their term, which can give greater stability in office and predictability in policymaking than some alternatives. This leads, in theory at least, to more efficient and decisive governance, making it attractive in those cases where governments change frequently because of weak parties or shifting parliamentary coalitions, or where hard political decisions, such as contentious economic reforms, need to be taken.

By contrast, the major disadvantage of presidentialism in socially diverse countries such as PNG is the propensity of the office to be captured by one faction, party or social group. This can create particular difficulties in multi-ethnic societies, where the president can easily be perceived as the representative of one group only, with limited interest in the needs or votes of others. This is particularly so in cases like PNG, where a large number of linguistic and tribal groups are present.

Other disadvantages include the following:

- *No real checks on the executive.* The fact that presidential cabinets are not elected or responsible to the legislature gives the executive a high degree of autonomy. This becomes even more true when there is a concordance between the president's party and the majority party in parliament. In this case (typified, for many years, by Mexico) the parliament has almost no real checks on the executive and can become more of a glorified debating chamber than a legitimate house of review. This problem can be exacerbated by the fact that a president, unlike a parliamentary prime minister, can become virtually inviolable during his or her term of office, with no mechanism for dismissing unpopular incumbents.

- *Lack of flexibility.* While impeachment of the president by the legislature is a device built into many presidential systems, it remains the case that the presidency is a much less flexible office than the major alternatives. Salvador Allende's election as president of Chile in 1970, for example, gave him control of the executive with only 36 per cent of the vote, and in opposition to the centre- and right-dominated legislature. Some analysts have argued that Chile's 1973 military coup can be traced back to the system that placed an unpopular president in a position of considerable long-term power.

- *Poor track record.* Scholars such as Juan Linz have highlighted the "perils of presidentialism" as a constitutional choice, pointing out the poor track record of new presidential democracies in succumbing to authoritarianism or military rule. The concentration of executive power, it is argued, makes presidential systems more susceptible to coups and military takeovers. Certainly, when the empirical record is examined, the survival of democracy is weaker amongst presidential than parliamentary democracies (Linz 1990).

Implications for PNG

Broader systemic differences between parliamentary and presidential forms of government have an important influence on political stability. Advocates of presidentialism, in which state powers are divided horizontally between the executive, legislative and judicial branches, often point to the durability of office provided by a truly independent executive, and hence the continuity in terms of public policy that a presidential system of government can bring. Unlike parliamentary governments, which can shift and change between elections without recourse to the electorate, the tenure of a president and his or her administration is usually secure, as cabinets are not dependent on the support of the legislature for their continuation in office. This leads, in theory at least, to more decisive decision-making, making presidentialism a potentially attractive choice for new democracies, particularly those afflicted by weak parties or shifting parliamentary coalitions (Horowitz 1990; Mainwaring and Shugart 1997; Shugart and Carey 1992).

Some scholars have argued that new democracies with weak party systems may find a move to a presidential system an attractive option if cohesive national parties (and hence stable parliamentarism) are lacking, a debate that has direct relevance to PNG (Shugart 1999). More generally, claims that presidential systems deliver greater executive stability than parliamentary ones remain widespread: for instance, in their survey of East and Southeast Asia, Blondel and Inoguchi (1999: 101) argued that presidentialism "has one strongly positive value, which is to ensure the stability of the executive in countries in which parties tend to be 'naturally' internally divided, for instance on a geographical basis; or in which the party system is highly fragmented." By contrast, critics of presidentialism such as Juan Linz (1994: 70) have argued that because of its structural rigidity, lack of opposition and competing bases of legitimacy, "presidentialism seems to invoke greater risk for stable democratic politics than contemporary parliamentarism."

Under the third form of government, semi-presidentialism, a parliamentary system and a prime minister with some executive powers are combined with a president who also has executive powers. The ministry is drawn from and subject to the confidence of the legislature. This has historically been a relatively unusual model—mostly associated with France but also Finland and Portugal in Europe—but in recent years it has become increasingly popular in Africa and Asia, with new democracies such as Mongolia, Taiwan and Timor-Leste adopting this model.

Semi-presidentialism is sometimes advocated for fragile or divided democracies, as it enables rival groups to share power via the institutional separation between the president and the prime minister. However, this same power-sharing also means that the system, if not carefully designed, can generate high levels of instability by creating two rival centres of political authority, making it a dangerous choice for an already fragmented country such as PNG (Reilly 2011).

The structure of parliamentary representation

PNG has a unicameral national parliament with a two-tier system of 111 members elected from 89 "open" electorates of approximately equal population size and 22 "regional" electorates based on the boundaries of the provinces and the National Capital District. Parliamentary terms last for five years, and parliaments have so far run their full term, despite several changes of government on the floor of Parliament. National elections have been held in 1964, 1968, 1972, 1977, 1982, 1987, 1992, 1997, 2002, 2007 and 2012.

For most of its independent history, PNG had a quasi-federal system of local and provincial government, as part of a package of constitutional amendments passed in 1976 designed to head off secessionism on Bougainville and elsewhere (May, Regan & Ley 1997). While the 1975 Constitution provided for a unitary state, the rise of secessionist sentiment in Bougainville, the Gazelle Peninsula, Papua and elsewhere around the time of independence prompted the first Prime Minister, Michael Somare, to agree in August 1976 to a system of provincial and local governments similar to those originally proposed by the CPC (Ghai and Regan 1992: 49–76). The boundaries of the

19 provinces thus adopted in general followed those of the 19 administrative districts of the former Australian administration, plus the National Capital District (which is treated as a province for representational purposes). Between 1977 and 1995, each of these provinces had its own elected assembly and an executive council headed by a premier, and was constitutionally responsible for a range of specified powers. In 1995, however, there was a marked shift back towards centralisation of power following the abolition of provincial governments in all provinces save Bougainville, where the provincial government system continues to operate under a special arrangement.

The OLPGLLG provides for provincial assemblies, exercising a similar range of functions to their predecessors. Provincial assemblies are composed of all members of the National Parliament from the province, heads of rural LLGs, one representative of the heads of urban authorities and urban councils, up to three paramount chiefs or their appointed nominees representing local areas where the chieftaincy system is in existence and is accepted, one nominated woman representative, and up to three additional members. Taken together, these reforms introduced a number of changes in representation at the provincial level, including a form of direct election to a statutory position (as the elected regional MP will automatically become the chair of the provincial assembly and head of the provincial government), functional representation for specified groups, representation of traditional interests in the form of paramount chiefs, and the statutory inclusion of a female representative (May 1998).

The membership of the National Parliament is determined by section 101 of the Constitution, which provides for three different types of members. The most common members are those from "open electorates." Section 101 of the Constitution provides for "a number of members to be elected from single-member open electorates," with the precise number of these electorates to be provided in an Organic Law. Section 34(1) of the Organic Law on National Elections states that "in no case shall the number of open electorates be less than 81 or more than 91" (section 34[1]). These open electorates must also be approximately equal in population, within a tolerance of plus or minus 20 per cent, and must not cut across provincial boundaries (section 35). Since the first and (so far) only post-independence boundary determination in 1977, there have been 89 open electorates. These electorates were demarcated on the basis of census figures from 1971, and have not been revised to take account of changes in population. The average population size of each open electorate at the time of the 1997 election was around 46,000 people, or 38,360 registered voters—a number that varied considerably from the largest electorate (Lagaip-Pogera Open in the highlands, which had 84,578 registered voters) to the smallest (Rabaul Open with 15,977 registered voters) (PNG Electoral Commission 1997).

Section 101 of the Constitution also provides for "a number of members elected from single-member provincial electorates." Some commentators have argued that provincial electorates serve a useful purpose by forcing candidates "to transcend narrow, localized tribal and clan loyalties in reaching out for support in a larger territorial unit," and point out that a number of PNG's most prominent politicians have been elected from provincial electorates (Wijeweera 1989: 40). There is persuasive evidence for the latter point: of the 1992–1997 Parliament, such prominent figures as Michael Somare (East

Sepik), John Momis (Bougainville), Paias Wingti (Western Highlands), Chris Haiveta (Gulf) and Peter Barter (Madang) were all elected from regional, rather than open, electorates. Although it is impossible to be categorical, it seems likely that the need for candidates to appeal to a much wider cross-section of voters may encourage candidature from those who have more to offer than a clan or tribal support base. The requirement to appeal to a wider political audience than one's own extended kinship network means that judgements about candidates' suitability for public office—their intelligence, tolerance, impartiality or genuine devotion to public service—are likely to play a more important role than questions of their clan affiliations. It also means that people with these relatively rare qualities (which include an ability to put the public interest before their own) are more likely to run for office if they are being judged on their personal characteristics rather than their tribal support base. The reality of PNG politics is that it is almost impossible for even a genuinely outstanding candidate to be elected in many open seats without a substantial clan support base.

Prior to independence, a coherent sense of national identity had not emerged under the Australian colonial administration, and most political activity was regional and parochial. The devolution of power to provincial governments following independence was a tacit acknowledgment of heterogeneity. The quasi-federal nature of this arrangement was also an acceptance of the special needs and interests of PNG's provinces. One consequence of this was the effective introduction of a regional weighting in favour of the smaller provinces, particularly the island provinces, into PNG politics, which remains today. While such arrangements are not uncommon in other diverse federal societies (Australia and the United States use their senate to weight representation in favour of smaller, less populous states), the incorporation of this weighting in a unicameral legislature is relatively unusual.

The Constitution's provision for the third type of member has never been utilised by the National Parliament, though members have been appointed to provincial assemblies under a similar provision. Under section 101, up to three members may be nominated to office by a two-thirds majority of Parliament, rather than elected to it. There is a history of official and non-appointed members in PNG legislative bodies, going back to the colonial legislative councils of the 1950s, and this provision reflects this history, being intended to give the PNG Parliament the opportunity to include expertise from outside the legislature within its ranks. Although this provision has never been used, it has been proposed as one means to increase the proportion of women in the PNG Parliament, which is very low by international standards.

Taken together, this arrangement of overlapping "open" and "provincial" electorates reflects PNG's geographic and ethnic diversity. However, it has not kept pace with PNG's rapid economic growth or its changing demographics. The role of recommending the number and boundaries of open electorates belongs to an independent Boundaries Commission, whose recommendations Parliament can accept or reject but not amend. However, while agreeing to the establishment of two new provinces, the National Parliament has consistently rejected proposals for revised electoral boundaries for open seats. As a consequence, the boundaries delimited for the first post-independence elections in 1977, based on census data from 1971, have been used ever since. The

high growth rate and mobility of PNG's population means that most electorates today are almost certainly malapportioned, which has a direct impact on service delivery in the many over-populated electorates.

Table 1 outlines the changing composition of the PNG legislature since the first national elections in 1964, consisting of a series of rapid changes in the period prior to independence followed by a period of stability and in some ways sclerosis since then.

Table 1: Composition of House of Assembly and National Parliament, 1964–2014

Year	Open electorates	Regional electorates	Other	Total membership
1964	44 members	10 members from special electorates, reserved for non-indigenous candidates	10 senior administration officials	64 members 54 elected, 10 appointed
1968	69 members	15 members from regional electorates, reserved for candidates holding Intermediate Certificate or equivalent	10 senior administration officials	94 members 84 elected, 10 appointed
1972	82 members	18 members from regional electorates, reserved for candidates holding Intermediate Certificate or equivalent	4 senior administration officials	104 members 100 elected, 4 appointed
1977–2012	89 members	20 members from provincial electorates demarcated on the 19 provinces and the National Capital District	None	109 members all elected
2012–2014	89 members	22 members from provincial electorates demarcated on the 21 provinces and the National Capital District	None	111 members all elected

Does PNG need a presidential system?

The combination of PNG's fluid multi-party system and its majoritarian political institutions provides a dramatic illustration of a parliament which actually behaves in accordance with the oft-cited but rarely observed doctrine of "parliamentary supremacy." This doctrine holds that, in a system of parliamentary government, the executive is responsible to the legislature and is dependent on the legislature's support for its continuation in office. In PNG the weakness of political parties and the willingness of elected members to switch from one party to another means that the executive really is beholden to the back bench. The National Parliament is elected for a five-year term, but the government may be removed by a "constructive" vote of no-confidence (one in which an alternative prime minister is nominated) and replaced without the need for an election. While in theory early elections can be called by a majority vote of the Parliament (or automatically following a successful no-confidence vote in the final year

before a scheduled election), in practice PNG parliamentary terms are fixed, as the National Parliament is unlikely to ever voluntarily dissolve itself.

In 1974 the Constitutional Planning Committee (1974: 7/6) contemplated a presidential system but opted against it because members saw a parliamentary executive as more participatory and accountable. Instead, they recommended that "constructive" votes of no-confidence should be constitutionally guaranteed. No-confidence motions have since become a feature of PNG parliamentary politics, and executive instability is often cited as a key reason for PNG's problems with inconsistent policymaking.

One solution to this problem is to move to a presidential system of government. This possibility has been raised by several observers of and participants in PNG politics over the years. In 2010, National Capital District Governor Powes Parkop argued that a presidential system would be better for PNG than the parliamentary model (Parkop 2010). Some have argued that a culturally incompatible Westminster system was foisted on PNG in 1975 … and if a more direct form of government was in place, people would directly elect a president and hold this person accountable.

Ben Scott's Lowy Institute paper *Re-imagining PNG* (Scott 2005) was one of the more considered of these proposals. Noting that four of PNG's provinces had a separately elected executive before provincial government was effectively abolished, while Bougainville today has opted for a directly elected president, he argued that a better balance between stability and accountability could be produced by separating the legislature and the executive and introducing a directly elected president:

> Some argue that a presidential system could provide PNG with its long-sought-after stability. Ideally, this system would provide a better balance between stability and accountability, replacing the current split of half-a-term's complete immunity and half-a-term's precarious vulnerability with ongoing, but less crippling, checks and balances. It is usually assumed that this reform would increase stability at the cost of accountability. However, removing the executive from the legislature could also improve accountability simply by eliminating the alluring possibility—ever-present under the current system—of legislators joining the executive. (*ibid.:*66)

One objection to a presidential system in a nation as diverse as PNG is that it would concentrate power and remove the safety valve of a no-confidence vote. Scott proposed considering a larger executive of say, 20, who would have to negotiate the allocation of portfolios among themselves. The lack of an international precedent for such a system should give caution, but PNG's governance problems demand original solutions. The converse, and arguably more likely problem, however, is that a detached executive could find it even more difficult to govern. (*ibid.*: 67)

Breaking the symbiotic relationship between the legislature and the executive could also produce a more obstructionist legislature. Something like this occurred when Israel began directly electing its prime minister in 1996 in a bid to increase stability.

Bicameralism

Another issue that some observers have raised is the possibility of PNG adopting a bicameral system of government. This could be consistent with either a parliamentary or a presidential system, although most recommendations appear to be based on the idea that the regional seats in the PNG Parliament would be abolished and a second chamber established to represent the provinces directly, along the lines of many fully federal systems in other world regions.

Bicameral parliaments are relatively common throughout the world, so this kind of change would not in itself be a radical move. However, there is considerable debate in both academic and policy circles about their effectiveness. Large countries often incorporate second chambers to provide an alternative basis of representation for second-tier jurisdictional units, particularly in a federal system. In some of these countries, such as Canada and the United Kingdom, there is ongoing debate about the relevance and indeed future of their second chambers. Several jurisdictions (including Queensland in Australia and Nebraska in the United States) have chosen to abolish extant second chambers. Others, such as Indonesia and Thailand, introduced review-style upper houses, only to find them marginalised by the realities of political power concentrated elsewhere.

Around the world, although there are wide variations in the type of second chamber (also often known as an upper house or a senate), five generalizations about them can be made:

1. Second chambers are generally less powerful than lower houses; only occasionally are the two houses equally powerful. This is because second chambers often act as houses of review rather than houses of government. Matters affecting the budget, national security and sovereignty of the country are thus sometimes given separate status. Many second chambers have less power than the lower house to initiate legislation (for example, in Australia, the second chamber cannot initiate money bills). Strong upper houses, by contrast, have powers that are nearly congruent with those of the lower house.

2. Because of their common review functions, second chambers tend to be smaller than first chambers. One reason for this is the fact that disputes between the two houses are often settled by a joint sitting of the legislature in which both houses vote together. In such circumstances, it is important that the upper house cannot dominate outcomes. So, decisions on the size, composition and relationship between the two houses are crucial in creating a workable model of bicameralism. In particular, clarity on how to handle disputes between houses (for example, when legislation passed in one house is blocked in the other) must be clear at the outset.

3. International practice suggests that second chambers are often designed to represent territorial units, while in the first chamber, equality of representation for voters is the norm. A common use of second chambers is to represent

constituent geographic units of a federation. For example, states in the United States and Australia, *Länder* in Germany and provinces in South Africa are all separately represented in an upper house. Typically, this involves a weighting in favour of the smaller states or provinces, as there tends to be an assumption of equality of representation**.**

4. Second chambers are often designed to encompass different types of representation than the first chamber. For instance, a common form of alternative representation is the deliberate use of the second chamber to represent particular ethnic, linguistic, religious or cultural groups. Second chambers may also deliberately contain representatives of civil society. In Malawi, for instance, the constitution provides for 32 of the 80 senators to be chosen by elected senators from a list of candidates nominated by social interest groups identified as organizations for women, the disabled, health and education interests, and the business and farming sectors, as well as trade unions, eminent members of society, and religious leaders. The British House of Lords is occasionally defended on the grounds that it contains individuals with specific policy expertise, who can check the government legislation drawn up by generalist politicians.

5. Because of these variations, many second chambers are either partly elected, indirectly elected or unelected. Most countries in which the second chamber is elected have chosen to reflect the different roles of the two houses by using different electoral systems for their upper and lower house. In Australia, for example, the lower house is elected by a majoritarian system, while the upper house, which represents the states, is elected using a form of proportional representation. This has meant that minority interests which would normally be unable to win election to the lower house still have a chance of being elected, in the context of state representation, in the upper house. (However, this ability to facilitate minority representation can also be a problem. In Australia, senators elected with miniscule primary vote shares now hold important balance-of-power positions in the Senate. Because these "micro-party" representatives were elected on narrow or single-issue agendas, with unclear policy positions, there is now a great deal of uncertainty about the extent to which the government will be able to pursue its budgetary agenda and pass relevant legislation through the Senate.)

In the PNG context, all of this suggests that adding an upper house to the existing unicameral parliament needs to be approached with caution. In particular, unless its role is purely advisory, adding an additional chamber will almost inevitably mean that greater political "horse-trading" and side deals will be necessary to govern effectively. In the PNG context, of course, this uncertainty on policy settings and fluidity of party allegiances is already part of the existing political system. Notwithstanding any advantages in terms of representation that may accrue, any reforms that further contribute to this situation would be a regressive development for efficient governing and policymaking in PNG.

Sub-national governance in PNG: Devolution, decentralisation, federalism and regional nationalism from an international perspective

The theory and practice of decentralised political governance and its relationship with service delivery have attracted widespread and contentious debate among politicians and the general public in PNG since independence 1975. Indeed, the importance of decentralised governance and intergovernmental relations between national and provincial governments in PNG has generated a considerable number of publications by academics and policy practitioners that explore the minutiae of the PNG case (Gelu 2008).

Decentralisation is rooted in the principle of subsidiarity, or concerns that local issues be dealt with at the level of government closest to the grassroots, which is often colloquially referred to in PNG. Theoretically, political competition among local officials to deliver services and perform their roles should increase if decentralisation leads to increased political accountability and transparency. Yet the history of decentralisation efforts in PNG reveals a number of practical challenges that appear to have worked against the effective operation of both past and current devolution approaches.

Numerous detailed analyses of decentralisation, sub-national governance and service delivery in PNG exist (Gelu 2008; Gelu and Axline 2008). Recent contributions to the topic by Standish (2013) and Ketan (2013) provide highly granular analyses of how the system of political governance in PNG is directly contributing to poor service delivery.

These and other studies have found that ongoing efforts to decentralise in PNG appear to be failing, with persistently poor service delivery as the result. For example, the PNG government's provincial performance improvement initiative, which focused on strengthening the capacity of provincial administrations and commenced in 2004, has failed to improve service delivery in its areas of education, infrastructure, health and law and order. It is not yet clear whether the plans of current Prime Minister Peter O'Neill to change sub-national arrangements by replacing the JDPBPC with a District Development Authority model will offer any improvement.

The track record is not good when one considers that infrastructure and service delivery in most districts have declined over the last decade despite approximately 40 million kina being disbursed to each district through the DSIP (Ketan 2013). Studies have identified only a handful of provinces that have the fiscal resources to deliver services, yet even these provinces have failed to meet service delivery goals in the areas of law and justice, education, health, infrastructure and agriculture (NEFC 2010).

Sub-national governance and federalism: International observations

Twenty-four of the world's 195 states have federal systems of political governance. Whilst these federal states include some of the largest countries (India, Russia and the United States) and account for almost 40 per cent of the world's population, some of the world's smallest states are also organized as federations (Comoros and St. Kitts and Nevis). Federal states do not easily lend themselves to comparisons, as they differ in

the nature of regional units, economic and social diversity, degree of centralization, role of the constitution and technical matters involving the powers of taxation.

The dominant view expressed in the literature is that the management of diversity (ethnic, cultural and linguistic) is a prime virtue of federalism (Burgess 2006; Elazar 1994), and that federalism is one of the more common frameworks for dealing with issues of territorial autonomy and ethnic cleavages and in some cases might provide a foundation for decentralisation and effective sub-national governance (Amoretti and Bermeo 2004; Burgess and Pinder 2007).

Research on federalism often draws a distinction between federalism and federation that is useful for understanding its management possibilities (Watts 1999). *Federalism* is typically defined as a principle of government whose crux is the idea of combining self-rule and shared rule. Hence, it attempts to maintain a delicate balance between the federal government's tendency to favour centralization and the will of the units to preserve and/or expand their own powers. From this perspective, states that provide territorial autonomy to selected regions or communities are shaped by federal principles, although they fall short of being federations. *Federation* is a descriptive concept referring to types of political systems and to the way territory is structured politically. In this context, federation is defined as a state in which two or more levels of government are sovereign (autonomous) within their own set jurisdiction as provided for in a constitution.

There is no single answer to the question of whether federalism can help secure stability and democracy in multiethnic and multinational countries. Federal systems of governance present unique challenges by virtue of the fact that federations (as sets of institutions) come in many unique forms and the concept of federalism is understood in very different ways across countries. The consequence of this diversity or multiplicity of structures is that it is difficult to formulate straightforward conclusions about sub-national governance, territorial autonomy and regional nationalism. However, four major aspects of federal and autonomous arrangements discussed in the literature are relevant to the PNG case.

1. Regarding the distribution of powers between the national (federal) and regional governments, if there is a broad agreement that culture and language should be decentralized, it follows that other policy areas should go with them (Béland and Lecours 2005; Moreno 2001). Given PNG's enormous linguistic diversity, this would in principle suggest a greater degree of decentralization than has occurred to date.

2. Money matters. At least in advanced industrialized societies, central state governments typically have the greatest revenues, while regional governments often run expensive programs such as health care (Watts 1999). Some scholars have found that leaving the federal government with greater financial capacity allows for the effective promotion of national unity through, for example, the setting of national programs and standards (Telford 2003). Control over natural

resources (such as water and oil) is also a central focus of the literature on managing regional nationalism, especially in developing countries.

3. Specialists on federalism and autonomy also focus on intergovernmental relations in exploring how regional nationalism can be successfully managed. In this context, the literature has highlighted that centre and regions most often cannot live in isolation from one another and that there need to be mechanisms for information sharing and coordination between levels of government. Some scholars have shown a preference for intergovernmental models in which the central government is a dominant presence that more or less directs regional governments, while others have argued that this type of intergovernmental relationship only serves to sustain the grievances of provincial or local-level movements (Gagnon and Iacovino 2007).

4. Some scholars suggest that federalism and autonomy are the most effective governance arrangements for managing regional nationalism when the structures establishing the territorial division of power reflect the country's ethnic cleavages through some type of asymmetrical or differentiated arrangement. The argument is, in other words, that recognition of distinctiveness should be built into the structures. As an extreme example, scholars point to Ethiopian federalism, which has constitutionalized a right to secession (Habtu 2005). In PNG, the ABG is an example of an asymmetrical form of autonomy.

V. Local Governance and Service Delivery

Some have argued that in traditional PNG there were customary practices that incentivised local leaders to deliver good governance and collective decision-making with respect to the management of wealth and resources (McLeod 2008). Arguments have also been made that the pre-1995 system of provincial government incentivised service delivery to a greater extent than the post-1995 system (Pokawin 2014). While there is limited evidence of a link between the broad overarching system of government (parliamentary vs. presidential, unicameral vs. bicameral) and quality of service delivery, it may well be the case that different models of local and customary governance are more conducive to high-quality service delivery. This analysis of systems of government and service follows the distinction drawn by Wild *et al.* (2012) between symptoms of poor delivery (for example, inadequate staffing, poor staff quality, presence of political appointees and bad behaviour by them, and poor financial management, record keeping and allocation of services or resources) and drivers of poor service delivery. Drivers are political-economy constraints. Summarised below are the main constraints identified by Wild et al. (2012: 1) in their multi-country study of service provision quality:

- *Political market imperfections,* in terms of disruptions in the relationships between politicians and citizens. These include a lack of credibility in the political promises politicians make to citizens, a lack of information among voters about politicians' performance, and forms of social fragmentation among voters (often manifested as identity politics).

- *Policy incoherence,* or contradictions (both within and across sectors) in policy design, structure and roles, causing part or all of policy design to become unimplementable or unimplemented. This can be horizontal, with overlapping mandates and confused responsibilities among co-providers and other public bodies, or vertical, where policies do not have clear implementation plans or funding.

- *Lack of effective performance oversight,* where formal processes for monitoring and supervision are not followed or enforced and informal processes are insufficient. This includes cases in which monitoring and supervision processes are not clearly defined or understood. Crucially, this includes both top-down and bottom-up forms of monitoring or supervision.

- *Collective action challenges*, which result in groups failing to act in their collective self-interest, even when individual members stand to benefit if the group achieves its objectives. This is particularly relevant for the effective delivery of public services, which often requires contributions from multiple actors, including frontline providers, service users, local and central government authorities, non-state actors and others.

- *Moral hazard,* in which actors are protected in some way from the risks associated with their actions or inaction. The study findings suggest it is necessary to pay particular attention to cases in which the availability of aid or

other resources (for example, derived from natural resources) reduces incentives to develop service delivery systems over the long term.

This study has identified areas in which improvements can deliver measurable benefits in terms of service delivery on the ground. It focuses on outcomes (changes as experienced by citizens) rather than inputs (changes to institutional structures, policies, procedures and so on). Four types of action have been shown elsewhere to offer potential: (1) improving the political relationship between government and the people; (2) decentralising governmental decision-making and activity; (3) improving transparency and monitoring of government by citizens and non-state actors, such as the media; and (4) across the whole effort, establishing positive goals and creating positive incentives for moving towards them.

Improving the political relationship between government and the people

People generally understand their relationship with government as a form of social contract. In a democratic state, citizens give away certain rights but in return are able to influence government action through the electoral process. Political parties pursue differing visions of the good society through the policies they propose to voters and, when in government, through their implementation of those policy promises. Most governments either deliver services to citizens directly or tightly control the market in areas of key services, such as provision of water, sanitation, education and health care.

The relationship between government and the people breaks down when the goals of citizens and civil society begin to diverge from government and the political classes who form it. Two main areas of breakdown have been identified with respect to service provision. First, service provision suffers when citizens are unable to shape or influence government behaviour at the ballot box. This has been found to occur particularly in states with weak political parties, meaning that parties tend to exist to support private ambitions for power rather than as vehicles for implementation of differing and distinct political visions. Appendix 2 offers some tentative observations on this problem. Second, service provision suffers when government is highly centralised but lacks the "reach" (active presence in the everyday lives of citizens) or incentive to drive policy implementation to the local level. Here, citizens have little say in centralised policy decision-making around service provision, have little capacity to monitor financial flows as they move from the centre to the periphery of government, and frequently experience poor-quality services due to policy incoherence, lost monies and the flow-on effects of poor resourcing.

The breakdown of relations between government and the people can occur not only through diverging priorities. It can also develop simply by dint of the distance between centralised government and a dispersed and remote population. In some countries this tyranny of distance is solved through development of a federalised structure of government, as is the case in Australia. Yet federalisation is not the only solution.

The problem to be solved is public perception that people's needs are not adequately understood by a distant government or reflected in government priorities and spending

decisions. Further, members of the public often feel that such a distant government produces one-size-fits-all visions of service delivery, meaning that particular local issues are neither recognised nor catered for. There is now a large and long-standing international literature on decentralisation as a solution to the many problems that, cumulatively, result in poor service delivery at the local level. This literature makes a strong case that some form of decentralisation of decision-making and activity around service delivery could produce improved outcomes for PNG.

Decentralising governmental decision-making and activity

The literature on decentralization is strong and empirically robust. Greater decentralization is associated with more effective monitoring of financial flows, more citizen participation in policy formation and planning, and better service delivery. Faguet (2013: 2) neatly summarised the case for decentralisation:

> The strongest theoretical argument in favor of decentralization is that (a) it will improve the accountability and responsiveness of government by altering its structure so as to increase citizen voice and change the deep incentives that public officials face. Other arguments in favor are that it can: (b) reduce abuses of power by transferring certain central government functions and resources to lower levels, (c) improve political stability by giving aggrieved minorities control over subnational governments with limited power over issues that affect them directly, and (d) increase political competition by creating many smaller arenas that politicians vie to control.

Decentralisation is not something foisted on poor countries by their rich counterparts. Rather, it is being undertaken everywhere and reflects a strong current of belief that the most effective forms of government are those close to the people:

> At least in their intention, many decentralizations aim to reconstitute government—from a hierarchical, bureaucratic mechanism of top-down management to a system of nested self-governments characterized by participation and cooperation, where transparency is high and accountability to the governed acts as a binding constraint on public servants' behavior. (*ibid.*:2)

Important in these descriptions of decentralization is the emphasis on citizen participation, cooperation and oversight. This can be termed "second generation" decentralization, based on its focus on citizen engagement rather than on the formal structure of governmental mechanisms. The latter was the primary concern of "first generation" efforts at decentralization, which attempted to replicate democratic structures at lower levels, from central to provincial and then local government. Decentralization in this context refers to direct citizen participation in government and efforts to ensure that the wishes and demands of those citizens are not co-opted, stymied or punished by vested interests in the wider political structure. A later section of this paper presents case studies of successful second-generation decentralization and shows how one key element of success appears to be the capacity to "design out"

points of leverage (such as disbursement of development funds) that give politicians and other vested interests the capacity to influence the wishes and priorities of citizens and communities.

While decentralization of this sort offers great potential, many studies note that where government at the local level is weak, the presumed benefits of decentralization can be undermined through capture by big men, ethnic clans, crime groups or corporations. Measures exist to mitigate that risk, perhaps the most important of which is to introduce decentralisation in a staged fashion, improving rule of law and citizen empowerment prior to the devolution of political power and financial management (Shah 2006). The rule of law need not follow a state-centric vision but can also accommodate customary indigenous mechanisms.

The next section focuses on oversight, an important element of decentralisation. It focuses first on the relationship between decentralisation and improved financial management and then on two case studies of effective decentralisation resulting in measurable improvements in service delivery on the ground, illustrating how greater citizen participation in planning and budgeting of service delivery can deliver improvements in meta-indicators of development, such as child mortality rates.

Decentralisation and financial probity

Research have shown that decentralisation is strongly associated with improved financial probity, and this effect is strengthened when local governments spend resources gathered locally rather than spending (often profligately) centrally delivered resources (Collier 2000). In other words, there are fiscal risks associated with decentralisation, but also ways in which they can be managed. All of these revolve around restructuring incentives and increasing disincentives for poor performance. Examples of the research include the following:

- Altunbas and Thornton (2012), in a study of 64 developed and developing countries, linked larger shares of fiscal revenues and expenditures at the sub-national level with better financial management. They found the effect to be mitigated, however, unless central government maintained some level of control over expenditure, suggesting the need for a balanced model of local and central oversight.

- Fisman and Gatti (2002a, 2002b) found robust effects for decentralization on financial probity after controlling for other factors that might have explained the improvements. They looked at whether revenue decentralisation and expenditure decentralisation had different effects on financial management, and found that the strength of the decentralisation effect relied heavily on both.

- Weingast (2009) explored certain possibilities for decentralizing revenue generation. He outlined the way fiscal transfers and taxation systems could be set up to incentivise good fiscal behaviour and encourage local decision-makers to fulfilling basic service delivery goals. Weingast also noted the risks of a

predatory central government and players therein who may be threatened by local government success.

- Finally, in a study of 145 countries, Dell' Anno and Teobaldelli (2014) showed that corruption and informal/shadow economies were associated with centralized state forms and that decentralization reduced the size of the shadow economy and the extent of corruption. Connecting with some of the tools described by Weingast, they noted that the literature shows that local tax collection helps reduce the size of the informal sector, thus boosting tax revenues and bringing more economic activity into the formal economy.

Case studies of decentralisation and improved service quality

Although trends towards decentralization can be observed across a range of high- and low-income countries, it is important to look at the experiences of developing nations to get a sense of the potential of decentralisation for PNG. Fortunately, decentralisation has been widely studied. There are large-scale multi-year panel data sets on decentralization initiatives in Brazil, Mexico and other countries that show that participatory citizen engagement in local resource allocation and budget decision-making produces significant oversight benefits and major improvements in key development indicators like health and sanitation service delivery and in meta-indicators like infant mortality.

Goncalves (2013) studied the proliferation from the late 1980s onward of Brazil's so-called Porto Alegre model of local citizen participation in budgeting. This model provides citizen input to local, non-trivial expenditures at the municipality level and oversight over the planning and execution of citizens' chosen public service initiatives. Goncalves (2013: 96) described the Porto Alegre model thus:

> First, municipalities are subdivided into "different administrative regions." Once these are defined, the participatory process formally begins with a set of parallel neighbourhood assemblies, open to all residents, where an update of the previous year's' approved works is given, local needs are discussed, desired investments are listed, and neighbourhood representatives are elected by the attendants.

> It is worth noting that in many municipalities, such as Porto Alegre … this representation is made up of two tiers due to reasons of scale and the degree of technicality involved in the decisions at later stages. These two tiers are comprised of "councillors" and "delegates" and both are elected through popular assemblies. The councillors ("conselheiros") form the "participatory council" which together with elected municipal officials are responsible for defining the criteria used to rank demands and allocate funds, and vote on the investment plan presented by the mayor and her executive team. These councillors are the elected citizen representatives who interact directly with the elected bodies. The delegates ("delegados") function as intermediaries between the citizens and the participatory council (which are

comprised of councillors and elected municipal officials) and supervise the implementation of the budget.

Following the round of neighbourhood assemblies and the election of the respective representatives, the elected delegates take part in municipality-wide coordinating meetings, whose purpose is to draw up a final draft for the different regions' investment priorities, which is then passed to the executive and the participatory council.

Summarising the Brazilian approach, Goncalves (2013: 97) observed:

Compared to the ordinary budgetary process, differences can occur mainly at two stages: (i) the direct input of citizens' demands and the direct interaction between popular representatives and executive in the elaboration of the budget proposal; (ii) oversight of the approved works by the (elected) popular representatives (delegates and councillors) once the investment plans become public.

Over the period 1990–2004, Goncalves found that participating municipalities increased spending on health and sanitation significantly, by as much as 20%–30% in a budget-neutral shift that had the longer-term impacts of reductions in infant mortality of 5%–10%. Yet the study also provided some caveats. Citizen participation is not a "magic bullet." Rather, the Brazilian experience shows that local government investment in public services demanded by citizens must be adequately financed and that LLGs themselves must support the entry of citizens into what has previously been an exclusive realm of the political and administrative classes.

A similar study in Mexico by Diaz-Cayeros, Magaloni and Ruiz-Euler (2013) looked at differences between two decentralized forms: traditional locally elected urban authorities combined with recourse to the justice system to sanction poor behaviour, and *usos*, an indigenous local governance model. The *usos* model included customary-law-based elections, participatory decision-making and monitoring via a traditional law enforcement and sanction system. Diaz-Cayeros, *et al.* hypothesised:

Municipalities governed by *usos* would show different overall levels and rates of convergence in the provision of public goods because of (a) the political processes that lead to the allocation of municipal funds to collective projects through direct democracy, and (b) because municipalities receive federal funds (bypassing the state coffers) specifically aimed at social infrastructure, that depend on a formula and that cannot be withdrawn for electoral purposes (World Development 2013: 80–93).

They found that *usos*-governed municipalities had better provision of electricity, education and sewage services and greater reductions in extreme poverty than municipalities governed under mainstream arrangements. Importantly, the *usos* form of local governance also resisted capture by local elites (*caciques*).

Both of these case studies involve the insertion of citizens into the very heart of politics and the prioritizing and delivery of public goods. This in itself is a laudable goal, but it is also a matter of effectiveness. This was recognised in the World Bank's ground-breaking 2004 *World Development Report: Making Services Work for Poor People*. In this analysis of service provision for the world's poor, the case for citizen participation was described in the following way:

> Too often, services fail poor people—in access, in quantity, in quality. But the fact that there are strong examples where services do work indicates that governments and citizens can do better. How? By putting poor people at the centre of service provision: by enabling them to monitor and discipline service providers, by amplifying their voice in policymaking, and by strengthening the incentives for providers to serve the poor. (World Bank 2004: 1)

These case studies reinforce the World Bank's argument that citizen participation can reap the reward of higher quality service delivery. But the key to successful decentralization in support of better service delivery—of capitalizing on the benefits of driving government down to the local level—appears to be the capacity to link it with adequate oversight and monitoring. Both case studies provide examples of how that can be done.

Improving transparency and monitoring of government by citizens and non-state actors

Citizens, the media and other non-state actors such as civil society organisations play an important role in increasing transparency of governance and financial arrangements, such as public procurement. This is particularly the case in a country like PNG, where public procurement represents a large driver of overall economic activity. For example, while in 2008 OECD public procurement as a proportion of GDP averaged 12% and ranged from a high of 21% to just 5% (OECD 2011), in PNG public procurement represents approximately 30 percent of GDP (IMF 2012).

In a 2010 report on the role of civil society in transparency arrangements, the United Nations Development Programme (UNDP) observed:

> Even in a system with low levels of corruption, public and civic oversight can help identify inefficiencies, thereby increasing procurement efficiency and effectiveness for the benefit of improved service delivery and ultimately citizens. (UNDP 2010:1)

UNDP emphasised the importance of "local or citizen efforts (which include civil society and media oversight)" (*ibid.:*2) as a means of ensuring that public officials use public funds for civic rather than private purposes. Internationally, UNDP has been active in supporting such mechanisms, a number of which provide models of potential utility to PNG. At least three models of civil society involvement in transparency and monitoring exist.

1. Civil society can serve as a conduit and human capital resource for the often time-consuming task of overseeing governance mechanisms. In a recent meeting in Kampala, Uganda, for example, UNDP hosted a variety of civil society organisations engaged in its Social Accountability Platform, a partnership with Uganda's national NGO forum. The forum is an umbrella group for more than 50 civil society organisations that seek to monitor and distribute information on government performance across five work areas: anti-corruption, health, education, gender and livelihoods (UNDP 2014a).

2. Civil society organisations can seek to exploit existing but complex information channels, such as freedom-of-information requests, as a way of making what are often opaque decision-making points and discretionary judgements visible. For example, UNDP Pakistan is currently working with civil society in the state of Punjab on development of a Citizens' Information and Accountability Forum that will review local budgets and development priorities and track compliance, using recently passed freedom-of-information legislation as a tool (UNDP 2014b). These are now referred to as second-generation transparency tools and include other new methods for inspecting budgets, developing asset registers and carrying out other initiatives (Hoppe 2014).

3. Civil society groups and individual citizens can be drawn into government procurement and decision-making processes as independent observers. One example is the Philippines, where 2003 public procurement legislation provided for civil society oversight of this critical process. A 2005 review by the Asian Development Bank and the OECD reported that "civil society organizations are permitted to monitor all stages of the procurement process," that "alleys for involvement of civil society in the monitoring of project implementation" were being investigated and that "special training is conducted for these civil society representatives to strengthen their capability to monitor public procurement activities" (ADB/OECD 2006: 69).

One proxy for visibility has been the presence and extent of a free media at the local level. Lessmann and Markwardt (2010) used data from 64 countries to show that the effectiveness of decentralization in reducing poor financial management and the transfer of public funds to private purposes is mitigated by lack of effective media scrutiny. While other oversight options, such as audits, provide opportunities for corruption and rent seeking, competition between journalists appears to be a protective factor and is significantly associated with successful decentralization. That is to say, where a strong media is not present, decentralization does not produce the positive effects it otherwise would.

More broadly, there is evidence that quality of governance and probity in public office are improved where more women are drawn in to the process. PNG has a particular problem with low participation by women in politics: there are just three female MPs in the current (2012) Parliament, and there was just one in the previous Parliament (UNDP n.d.).

PNG's Equity and Participation Bill reserved 22 seats for women and was passed in November 2011 by a vote of 72–2. However, to give effect to the bill, an amendment to the Organic Law on Elections was needed. The amendment vote in February 2012 was scuttled when 21 members walked out prior to the vote, leaving a 58–1 majority that was not the absolute majority required for the amendment (IFES 2012). It should be hoped that under decentralisation arrangements for a greater place and role for women could be created, with the evidence suggesting that improved service delivery outcomes might follow, although the specific mechanism by which this occurs is rather less well understood than the effect itself (Kis-Katos and Schulze 2013).

Establishing positive goals and creating positive incentives for moving towards them

When faced with examples of poor service provision and the diversion of public funds for private interest, there are inevitably questions about why a more effective way can't be found of punishing the offenders. Holding public office, either as an elected politician or as an official in the public service, brings with it the responsibility to work exclusively in the public interest and to eschew demands to favour particular groups, whether they are ethnic or local affiliations or corporate relationships. Much poor service provision can be traced to the failure of public office holders to do so. This is a breach of trust, and it is natural that citizens should wish to see people held accountable.

However, the international literature suggests that efforts to improve service delivery through a focus on mechanisms of governance are not best advanced by increasing the punitive response to those who behave badly. Rather, it supports an approach to service delivery improvement that focuses on setting out a positive vision of the future and working to shift the structure of positive incentives to behave well and provide improved and effective services. The next two sections review both approaches, punishment and positive incentives.

Punishment and deterrence: A failed paradigm

In one view, the problem of poor service delivery might be solved by rooting out officials who are corrupt, have inappropriate relationships that conflict with their public duties or were simply behaving badly—to make the courts work more effectively and punish law breakers. This is the idea of deterrence by raising the cost of bad behaviour. Unfortunately, a large literature on deterrence in criminal justice and other areas has shown that on the whole deterrence does not work. Indeed, research in the United States has shown that even introducing the death penalty does not change the rate at which serious offences occur (Fagan, Geller and Zimring 2012).

In fact the deterrence concept is based on assumptions about human behaviour that for the most part have been proven wrong—including that (1) people actually know what the law is (in other words, what they should not be doing), what their chances are of being caught are and what punishments exist; (2) given knowledge of the risks of committing a crime, a person will act rationally in response to it; and (3) other intervening factors, such as impulsivity, poor pay or group or clan affiliation, will not

impinge on the rational choice process. A few conclusions about the usefulness of deterrence measures can be made:

1. Despite both popular and theoretical belief in the effectiveness of deterrence, most potential offenders are in fact not very sensitive to deterrents, and the reduction in crime produced by such strategies is thus modest at best.

2. For deterrence to work, it must change not only the risks potential offenders face (such as arrest and prosecution) but also their perceptions of the costs and benefits of bad behaviours. One of the most effective methods of doing this has been to communicate directly with target individuals to inform them they are under surveillance and the full weight of the law will be directed at them. This approach may have some potential for dealing with public officials who are suspected of breaking the law but for whom inadequate evidence of wrongdoing exists.

3. Strategies that focus on increasing the risk of apprehension and perceptions of the certainty of punishment are more powerful than those that increase the punishment itself, which has no real useful effect. However, in the context of service delivery and where the cost and complexity of gathering evidence by traditional top-down methods of investigation are high, increasing those risks might best be achieved not by a deterrence focus but simply by the added visibility and transparency that greater citizen participation and oversight will produce.

Thus, the international literature arguably does not sustain a case for greater punishment, and it seems likely that other, more successful aspects of deterrence can be achieved as a side effect of the positive integration of citizens into the governmental process.

Improving service delivery by setting positive goals and incentives

The PNG pattern of poor service delivery fits into what has been called an "oligarch and clan" scenario wherein weak political and economic institutions are fought over by fragmented, competitive elites. Broadly, the challenge is to encourage these groups to move from short-term clientelist politics to longer-term investments that develop and support institutions and policy initiatives (Zaum 2013). The international literature on quality of political institutions and processes reviewed earlier, considering factors such as party credibility and distinctiveness, is one element of the solution.

However, scholars are now beginning to look at the problem as a collective-action problem—the classic scenario in which nobody can risk a move lest they disadvantage themselves. Partly, this is because participation in practices that undermine high-quality service provision (from public officials rigging a building project to citizens paying for a hospital bed) is, in the short term, the most efficient and therefore rational option for those individuals (Persson, Rothstein and Teorell 2013). There is some debate on how to change the incentive structures for political elites and public officials, but it will

inevitably involve both formal and informal changes to culture, practice and rules at both high and low (community) levels.

One of the virtues of decentralisation as discussed above is its capacity to provide a number of new incentives for good behaviour in service provision (flowing from increased citizen pressure and oversight). At the same time, decentralisation bypasses many of the traditional and often failed channels through which political power and public finances have moved. It will be recalled from the case study of decentralization and use of indigenous community participation mechanisms in Mexico, for example, that the success of the measure, in terms of improved service delivery and reduced poverty, was tied to its being shielded from the political manipulation of fiscal transfers from the central government.

Thus, the international literature identifies a range of measures that can be instituted as positive improvements, at levels ranging from national politics (for example, improving political party distinctiveness) to local-level community participation, all of which should promote service delivery improvements (albeit on differing time lines) without the need to focus on bad behaviour and sanctions.

A related issue: Corruption

> Another issue often associated with service delivery is corruption. When the authors presented their draft results to a workshop in Port Moresby on 7 August 2014, they consciously avoided what some might call this elephant in the room. A number of participants, among them high public officials, observed that this study had not unmasked corruption as the "real" problem affecting service delivery in PNG. Approaching this from a slightly different angle, other participants observed that the problems with service delivery in PNG stemmed not from the structure of government so much as from the relationships and behaviours of those in the system, which perverted the work of government from a focus on the people to one of self-interest among the political and bureaucratic classes. These participants' observations are important. Corruption is also widely recognised in the international literature and in the work of international bodies and multilateral organisations (such as the United Nations) as one, if not the, key factor driving poor service delivery. As one World Bank report stated, "Efforts to improve service delivery usually force the authorities to address corruption and its causes" (Shah 2006: i).

These are important concerns, but the authors of this report believe that corruption is not the best lens for understanding service delivery problems in PNG. Appendix 1 discusses this issue further and lays out the arguments for this point of view.

Summary

Sub-national governance is very important yet immensely complicated, as demonstrated by its numerous variations internationally. The available evidence suggests that improvements in service delivery are more likely if the focus is on sub-national governance rather than sub-national government. Attempting to draw out the lessons of PNG's recent experiences with sub-national governance and decentralization, and then to combine those lessons with knowledge gleaned from the international literature on linkages between decentralization, democracy and service delivery, is a complex task. Nevertheless, a few tentative observations can be made.

First, the distinction between first- and second-generation decentralization is important. First-generation decentralization involved devolution of democratic structures to provincial and local levels and was primarily technical in focus. Most of PNG's recent experience with sub-national governance in the OLPGLLG era fits into this category. Problems in that experience reflect the broader problems associated with first-generation models of decentralization. For example, the siting of LLGs, which has produced the often-noted disconnect between LLG centres and nodes of local service delivery, reflects two problems with this technical vision of decentralization. The technical and top-down character of first-generation decentralization in general, and of the LLGs in particular, made them easily captured by vested interests and political elites at the centre. This significantly undermined the capacity of the OLPGLLG model to deliver benefits to the people, while at the same time, strengthened the hand of existing political elites.

Second-generation decentralization is much less technical in focus and can usefully be thought of as a kind of direct democracy. It is the insertion of citizens into the heart of government activities and decision-making, and it severely undermines the capacity of corrupt players, spoilers and others whose ends do not align with the needs of citizens to undermine the decentralization process. This study's investigation of international models of second-generation decentralization and their link with improved service delivery suggests that it is the power of citizen engagement and the oversight created by citizens, civil society organisations and a strong and free media that are key to solving many of the problems plaguing first-generation efforts at technical decentralization.

Second, because of the under-resourcing of basic service delivery mechanisms in PNG, there is a need to rethink, redesign and streamline fiscal transfers from centre to periphery and the delegation of revenue raising and spending to the local level. For example, there is the distorting and unhelpful influence of monies intended for communities via the essentially unaccountable mechanism of EDFs (Electoral Development Funds). Effective second-generation decentralization models seek to eliminate EDF-like fiscal transfers, since they offer another lever by which central government figures and local big men can influence discretionary spending at the local level. The international work on decentralization also points to the importance of revenue generation at the local level. Decentralization of expenditure produces clear moral hazard risks (those who might waste the funds are not those who generate them,

meaning they bear little of the cost of waste). This risk has been found to be reduced when mechanisms of local revenue generation (for example, local tax gathering) mean that local-level administrators are spending their own hard-earned money, not simply turning on the central government money tap.

Third (and strongly reinforced by the authors' public consultations in Port Moresby), improved service delivery should be achievable in a budget-neutral fashion. The problems with service delivery stem not from a lack of funds per se, but from ineffective or inefficient mechanisms for developing policy, setting priorities, delivering funds and monitoring performance. One of the great advantages PNG has in this respect is that there are so many holes through which service quality leakages occur, simply stopping the holes and setting in place better and more citizen-focused methods should be capable of producing major improvements in a short time and in a budget-neutral fashion.

Finally (and also driven home during the public consultations for this study), PNG is a multi-ethnic society with a highly dispersed population. Citizen-led participatory budgeting, decision-making, oversight and other forms of second-generation decentralization should provide greater control over service delivery to all of these groups. Although it was beyond the scope of this study, there would be merit in further examining the potential for integration of indigenous collective action and decision-making mechanisms (beyond the nominal inclusion of paramount chiefs under OLPGLLG) within a citizen-focused model of decentralization. There is international evidence that where indigenous structures exist they can provide a more satisfactory and effective means of citizen participation than technical democratic instruments based on a western model. Currently in PNG, local behaviour and customary governance are the fundamental determinants of service delivery, rather than macro-institutional factors.

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Appendix 1: Democracy, service delivery and corruption

Papua New Guineans have substantial concerns about corrupt activity among public office holders and its impacts on service delivery. The issue of corruption is a well worn one in PNG and, for reasons discussed above, not a primary focus of this report. However, in order to recognise the concerns shared with the authors on this subject, this appendix draws together some data on the influence of corruption on different political systems and explains why this report does not focus on corruption as the key to solving service delivery problems in PNG.

Corruption and democracy

Internationally, there is strong empirical evidence that democracy and corruption are negatively correlated: that is, higher levels of democracy are associated with lower levels of corruption (Holmes 2013). However, while democratisation reduces corruption in high-income countries, greater democracy does not seem to reduce corruption in low-income states, such as PNG. The reasons are not well understood, but overall, corruption has been found to have a greater negative effect on democracy than vice versa (Fjelde and Hegre 2008). Thus, strategies to improve the democratic process cannot be the first line of attack on corruption and then, as a flow-on effect, poor service delivery.

Corruption and systems of government

Corruption seems to be more likely to occur in presidential than parliamentary systems of government (Keefer 2002). One reason may be that parliamentary systems are able to provide better oversight of the executive than either presidential or semi-presidential systems (Pelizzo and Stapenhurst 2004). The credibility of political parties will be discussed in more detail in the next section. However, broadly speaking, where political parties are non-credible (that is, where they cannot be relied on to deliver on policy promises, as is arguably the case in PNG) then corruption is higher under a system of plurality voting than in a proportional representation voting system (Keefer 2002). This appears to be because plurality voting best supports delivery into power of individual candidates supportive of corruption (also known as clientelism). At the level of political parties themselves, lack of political credibility is the key driver of corruption. Parties do not compete on policy (or implement policy or deliver policy outcomes) but compete to achieve power and distribute its spoils (Schneier 2004). The issues of political policy credibility and delivery are clearly associated with quality of service delivery, and for that reason are discussed in greater detail below.

Corruption, crime and the economy

A large body of cross-national empirical evidence associates corruption with significantly poorer economic performance and service delivery (Kis-Katos and Schulze 2013). Moreover, bribes paid for public services that ought to be free do not improve the quality of that service (Hunt and Laszlo 2006).

Corruption is facilitated by and reciprocally increases money laundering. Lack of control of money laundering and of the use of legitimate (if dubious) financial instruments such as shell companies (Sharman 2012b) increases corruption. These environments are green pastures for transnational organised crime syndicates (Wickberg 2013). Moreover, organised crime inevitably brings with it additional problems associated with drugs, guns, prostitution, trafficking in women and children, and the like. Pervasive corruption typically leads to state capture, in which parliamentarians and bureaucrats become proxies for crime groups and transnational corporations, working not in the interest of the nation but of these shadow economy actors (Midgley, Briscoe and Bertoli 2014).

The limitations of corruption as a lens for viewing problems of service delivery

There are two main reasons not to approach the problems of poor service delivery in PNG via a broader assault on corruption. One reason is practical, the other philosophical; they are equally important.

On the practical side, it is now widely accepted that fifteen years or more of anti-corruption efforts driven by the international community have delivered little benefit. Corruption has increased consistently over time despite in many places tacit compliance with anti-corruption efforts (Mungiu-Pippidi 2011).

The same can probably be said of PNG, despite its anti-corruption task forces, financial law enforcement unit and so on. Some brief examples will suffice. PNG's compliance with its obligations under the United Nations Convention Against Corruption has been evaluated as less than satisfactory (TI-PNG 2012). In 2011, a World Bank review of PNG's progress on combatting money laundering revealed multiple failures and a clear lack of political will, most evident in chronic under-resourcing (APGML-WB 2011). An International Monetary Fund review in 2013 found substantial inadequacies in financial monitoring, risking PNG being grey-listed by the Financial Action Task Force on its anti-money-laundering and counter-terrorism-financing compliance efforts (IMF 2013). Only in February 2014 did PNG agree to work with the Financial Action Task Force on these two issues to avoid this kind of listing (FATF 2014). Similarly, it was not until March 2014 that PNG indicated a willingness to join the Extractive Industries Transparency Initiative's work to combat corruption in the extractive resources sector (EITI 2014). Many of the proceeds of corruption and illegally laundered money end up in Australia. So it is perhaps unsurprising that U4 (the Anti Corruption Resource Centre in Norway) and Transparency International recently selected the PNG–Australia relationship as a case study of kleptocracy and corruption (Sharman 2012a).

The international literature on anti-corruption efforts provides numerous examples of programs that set up anti-corruption agencies, financial investigation units, and the like. Typically, as the evaluations of PNG above indicate, they don't work. Generally this is because they are starved of resources, given only limited jurisdiction, and hampered by policy conflict and overlap, jurisdictional rivalry and so on. Overall, it has been concluded that initiatives like anti-corruption agencies have been ineffective in reducing levels of corruption (ODI 2006, OECD 2011, as have political finance regulations

(Boneo and Dahl 2006), both of which require levels of capacity, effort and incentive that can seldom be marshalled.

This approach to the problem of corruption is now described as the "principal agents" approach, the idea that there are "principled principals" at the top who can drive change through their personal commitment and clean status. The international community has attempted to incentivise this with technical reform assistance (for example, new laws and auditing tools) and aid conditionality. They have not been successful. Arguably, approaches that focus mainly on suppressing corruption are not the best way to improve quality of service provision in PNG. That is the practical case.

The philosophical case concerns what behavioural scientists term approach or avoidance goals. Participants at the Port Moresby meeting were correct in identifying inappropriate relationships and bad behaviour by politicians and bureaucrats as being at the heart of the problem of poor service delivery. But telling people they are bad and trying to punish behaviour has a poor track record of success in achieving positive change. Instead of presenting avoidance goals (telling people what they shouldn't do) this report supports approach goals—laying out a positive vision of the future, and a new way of thinking and being, across the whole system of government. It is better to offer a vision of what people want, and a map for how to move towards it, rather than a "don't do" list.

Countering the influence of corrupt players

Nevertheless, there are strong vested interests in PNG. This review of the international literature has sought to identify options for PNG that cannot easily be undermined by corrupt government officials or the poor performance of inadequately resourced state agencies.

Appendix 2: Improving service delivery through more effective political parties

Efforts to improve the effectiveness and quality of political parties can help improve service delivery in two ways. First, citizens will have clearer choices between parties, and parties will have clearer mandates to shape distinctive policies and clearer demands to deliver on them. Second, more effective parties will improve political stability and reduce levels of political turmoil, thus increasing government's capacity to govern effectively and deliver promised services.

A number of features of political party effectiveness have been identified. The authors' consultations in Port Moresby revealed that work was already underway in a number of the areas identified in this study; many workshop participants said that these findings from the international literature resonated with their experiences of the PNG political scene.

Keefer (2002) provided a useful synopsis of factors that allow political parties and their members to pursue self interest ahead of the public interest and to provide poor levels of essential services to citizens with little risk of suffering electoral disadvantage (being voted out). They include the following:

- low credibility of parties (low likelihood that parties can deliver on promises);

- low political distinctiveness (parties that cannot be distinguished on policies, only on promises of different gifts to constituency blocs, and that are not strongly motivated to create oversight over incumbents);

- frequent coalition building (which reduces incentives to create oversight mechanisms and monitor incumbents); and

- frequent party swapping (which similarly reduces incentives).

Improving the effectiveness of political parties is likely to improve the quality and distinctiveness of policymaking and increase the incentives for policy implementation. By making parties more distinctive and by raising the costs of credibility-reducing behaviour, such as party swapping and use of procedures like no-confidence votes, the incentives to monitor other political figures' behaviour and government expenditures will be increased. Since quality of oversight is a key determinant of service quality, improvements in service provision should inevitably follow.

While these measures have significant potential, the process to achieve them is likely to stretch into the medium to long term. As participants at the Port Moresby meeting made clear, work is already underway on some elements of this program, but progress has been slow, and cultures and practices are often difficult to change. Improvements in this area offer great potential, but should not necessarily be the first or front-line strategy for improving relationships between government and the people.