

The challenges of the provincial governments system in PNG: the need for strengthening decentralization

Patrick Matbob

Abstract

Papua New Guinea is currently a unitary state with some decentralising features. Despite the shortcomings of the Provincial Governments System in PNG, this discussion paper will make an argument that decentralisation needs to be strengthened until provinces develop to their full potential and become economically and administratively independent.

Introduction

We are faced with the task of creating national unity where there is no natural unity. We are asked to accept the end product of a series of colonial accidents as a fait accompli, and to transform it into an independent nation. Frankly, I am not optimistic about our chances of success. But I do believe that we have a somewhat better chance if we adopt a decentralised governmental structure . . . than if we persist in our present policy of centralism. [...] Centralist government based on Port Moresby has no hope of success at all (Chatterton 1970 in Conyers, 1976).

There have been debates in the media recently for and against the abolishment of provincial government system in Papua New Guinea. After 25 years of independence it is good that such debate is occurring about the pros and cons of the provincial government system we have inherited since independence. The provincial government system was introduced with much thought and consultation by our leaders and its birth goes back well before independence.

In fact, the concept of decentralisation, which gave birth to provincial governments, was introduced as early as the 1960s by the administration, not because of political pressure, but out of necessity because it seemed to be the best way to plan and implement development strategies throughout the country. Right from the start the administration experienced difficulties as it tried to decentralise functions. It tried various ways to ensure that the decentralisation of functions worked and as will be seen, many of the current government development strategies such as the Rural Development Office (RDO) have links that go back to the 60s (Conyers, 1976).

The aim of this paper is to show that:

- the provincial government system was established because the Australian administration and later the PNG government realised that decentralisation was the best way of governing PNG after independence and not a centralised system

- abolishing the provincial government system and returning to a centralised government system may not be a wise thing to do
- the best thing for the government is to review the provincial government system and improve it. The provincial government reforms have done that and there needs to be time to ensure that the reforms are made to work.

History

In the past the Papua New Guinea society was a fragmented collection of small groups of people living in clans or tribes and scattered throughout the country, divided by harsh terrains and speaking distinct languages and dialects. Within these groups of people leadership was provided by clan elders through means of consultation and consensus. The social, political and economic relationships in these communities were well defined. Generally, leadership positions were not hereditary, and no one leader ever had a significant influence over a large number of people or area (Conyers 1976).

This was the state of the country when missionaries and European explorers first made contact. Later the colonial powers were to find that it was not easy to govern Papua New Guinea and were content to carve up their little empires and did their best to exert their influences in the areas they ruled.

After World Wars I and II, the territories of Papua and New Guinea came under Australia which through a central administration with the headquarters in Canberra, governed the territory up to independence (Waiko, 1993).

Experience of war

The experience of the Second World War helped Papua New Guineans to learn many new things. The war:

- revealed the vulnerability of the colonial regime (Australians fled the Japanese)
- diminished status, inequalities between colonisers and colonised (Papua New Guineans and Australians fought side by side)
- brought Papua New Guineans of two territories together creating a vague sense of national unity (See Waiko, 1993, pp.120-125).

Australian administration

This early experience of being administered by a centralised system of government was new to Papua New Guineans. In this instance, decisions that affected their lives were being made in far away places such as *Konedobu* and Canberra. A new form of authority was imposed by the *kiaps* and *luluais* that totally undermined the traditional leadership roles. Many of the *luluais* appointed were not necessarily the village elders, but people chosen by *kiaps* mostly because they were supportive of the administration and were judged to be the best man regardless of what the villagers thought. The missions, traders,

and colonisers also brought Papua New Guineans into contact with things like employment, cash cropping, local enterprise, and wage earning.

The relationship between the natives and the colonisers was best described as exploitive with the traditional villagers on the periphery of colonial society where they couldn't bridge the gap between their own situation and that enjoyed by the colonial masters. This of course created a sense of deprivation and frustration and encouraged the birth of local movements basically to remove blockages to the people's enjoyment of material wealth and power.

The administration was to regard these movements as 'cargo cults' and was suspicious and hostile to them and repressed them under various regulations prescribed for illegal cults, illegal *singsings*, and spreading of false reports. Some of these movements such as the Napidakoe Navitu, the Bougainville Secessionists, and Mataungen Association became influential in convincing both the Australian Administration and the founding fathers of PNG to opt for decentralisation after independence (May, 1982).

Centralised or decentralised system?

The colonial powers that governed diverse countries such as Papua New Guinea had to grapple with the problem of what sort of government they should leave behind when granting independence to their colonies. Australia also faced such a dilemma. The advantages of decentralisation were immediately apparent stemming from the problems created by the centralised system that was in operation.

According to Conyers (1976, p.1), decentralisation would:

- increase popular participation in the decision-making process, encourage a sense of involvement, and ensure commitment to local development programs
- restore the basic human rights denied under colonial rule
- help the government consider and address individual needs and problems of each area because of the great diversity, which has led to pressure for greater autonomy
- hope to improve the quality of regional development planning and implementation by reducing communication between centres and regions
- improve co-ordination between departments at regional levels.

On the other hand maintaining a centralised structure had its advantages. If decision-making remained centralised then it would be easier to introduce rapid social and economic changes, and enable economic use of scarce manpower and resources. Decentralisation by itself was not enough to counteract the defects of the colonial system especially with a lack of money and skilled manpower. An inefficient decentralised system may be no more democratic (popular participation) or effective as a means of executing development programs than centralised system. Too much power could lead to secession (Conyers 1976, p.2).

Preparation for independence

As PNG was being prepared for independence, the local government councils were introduced as a means of ensuring local participation in governance and decision-making in the development of council areas throughout the country. The local governments were also meant to train Papua New Guineans in leadership roles in preparation for independence.

However, the local governments had mixed results. In some areas they worked well, while in others they did not. Many areas were hostile to the administration, such as Bougainville, and viewed the local governments as a mere arm of the administration with no power to make decisions and rule at local level. In fact the rise of the Napidakoe Navitu, the Mataungen Association, the Hahalis Welfare Association and other nationalistic movements were directly inflamed by the establishment of the local government councils (See May, 1982).

In the 1960s, the administration was already trying out ways of decentralising some of its functions not only because it wanted local participation in decision-making, but also because it realised that the diverse needs of each districts meant that it would be better to plan for developments within each districts. In fact, a report prepared by a team of consultants which became known as PNG's Eight Point Plan had advised the Administration to decentralise some of its responsibilities. The third part of the eight point plan advised that there should be:

Decentralisation of economic activity, planning and government spending, with emphasis on agriculture developments, village industry, better internal trade and more spending channelled through local and area bodies (Conyers, 1976, p.10).

As a result in 1964 the District Coordinating Committees (DCCs) were set up which brought together representatives from the administration, councils, industries and government departments in each district to discuss and plan development needs. The DCCs were later replaced by the Area Authorities in 1970. Funding was also decentralised with untied grants being made available for districts under the Minor New Works and later the Rural Improvement Program (RIP) which was commonly known as the Rural Development Fund (Conyers, 1976).

Bureaucracy

While the administration saw the need to decentralise, a major stumbling block was the huge bureaucracy inherited from the Australians. The system of bureaucracy operated in the way that all departments in the districts were controlled from their headquarters. This meant that out in the districts there was no cooperation between the different departments and officers could not work with the decentralised bodies such as the Area Authorities because their orders came from Port Moresby. This was contributing to the difficulties of

decentralisation. Over centralisation of the bureaucracy was discouraging project initiatives in the districts.

In 1973 to address that problem, two confidential reports were independently prepared on how to reorganise the public service structure. The reports were by Fr Ignatius Kilage and Normal Rolfe. The government deliberated at length over the two reports and rejected the Rolfe Report because it would be too disruptive if implemented and adopted part of the Kilage Report (Conyers 1976, pp.23-24).

In June 1972 the Constitutional Planning Committee (CPC) was set up. Its task was to develop a 'home grown' constitution for the newly independent state of Papua New Guinea. The question of decentralisation was one of the major tasks the committee had to deal with. It had immediate support from PNG political leaders such as Dr John Guise and Reverend Percy Chatterton. Chatterton said:

We are faced with the task of creating national unity where there is no natural unity. We are asked to accept the end product of a series of colonial accidents as a *fait accompli*, and to transform it into an independent nation. Frankly, I am not optimistic about our chances of success. But I do believe that we have a somewhat better chance if we adopt a decentralised governmental structure . . . than if we persist in our present policy of centralism. In Niugini, centralist government has little hope of success. Centralist government based on Port Moresby has no hope of success at all (In Conyers, 1976, p.40).

Decentralisation: provincial governments

While the government was considering decentralisation up to independence, it was the nationalistic movements that finally convinced the government to go for decentralisation. The loudest regional voice was that of Bougainville, which had made a unilateral declaration of independence on 1 September 1975. Bougainville had reasons for demanding secession. The main one was that Bougainville was not geographically a part of PNG, but of the Solomon Islands. It became part of PNG under a colonial deal negotiated between the United Kingdom and Germany when they were dividing up their colonies. The other reason was that the Bougainville people wanted the profits from Bougainville copper to remain on the island instead of sharing it with the rest of the country. Other reasons given such as Bougainvilleans being culturally and ethnically related to the Solomon Islands were factually untrue (May, 1982).

These pressures led, immediately after Independence, to a commitment by the national government to a policy of devolution of power through the establishment of nineteen provincial governments.

The creation of provincial governments saw them adopting the same Westminster form of parliamentary government that had been adopted at the

national level, with a provincial premier and cabinet being responsible to the provincial legislative assembly. The decentralisation of a unified public service meant that public servants who were involved entirely or mainly in provincial functions would receive policy direction and control from the provincial level rather than from their national department. Department headquarters were now placed in provinces rather than Waigani. The result of the decision relating to the creation of these institutions was the replication in each of the 19 provinces of the same political and administrative structure that exists at the national level (Crocombe, 2001). The arrangement was often referred to as 19 'mini-Waiganis.'

But the creation of provincial governments did not work well in many provinces. Many services simply did not get to the rural areas of the country despite the existence of provincial governments. Disputes were created between the provincial and national politicians over matters such as the appointment of provincial secretaries who were a key link between the public service and the provincial governments. Before national members were confident of their political base in delivery of benefits such as public works and government service. Many of these functions have become responsibility of provincial governments. These deprived the national politicians (backbenchers) of an important base of legitimacy and in most cases contributed to a resentment of and opposition to the very existence of provincial government. This led to Parliament amending the Organic Law on Provincial Governments thus allowing the National Executive Council to suspend a provincial government without prior approval of Parliament. There were many suspensions.

There was obviously a serious need to reform the provincial government system in order to make it work effectively. When Chan came into power towards the mid 90s, he set up the Constitutional Development Commission to review and reform the Organic Law on Provincial Governments. There was a major outcry from the provinces where the provincial government system was working well, e.g. New Guinea islands, which threatened to breakaway in 1994. However, that threat was snuffed out by the Rabaul volcanic eruption later in that year (Hiambohn, 1995).

Present provincial government reform system

On July 19, 1995, the reforms were certified and took full effect on October 16, 1997. The reforms were introduced in order to improve the delivery of services to the rural areas and to increase participation in Government at community and local levels.

The reforms have done away with the old system of provincial governments and the new provincial governments under the Organic Law on Provincial Governments (OLPG) and Local Level Governments (LLG) constitutes a provincial assembly which is made up of Members of Parliament, the Regional Member who automatically becomes the Governor, the head of LLGs, a women's representative and other appointed members. The reforms have

increased the powers of LLGs. The newly elected LLGs will receive guaranteed funding each year, will have powers to raise funds and can pass a variety of laws. They must make sure basic services - especially health, education and infrastructure - are provided to the people in the LLG area. They are also responsible for developing a five-year plan and annual budget (See Organic Law on Provincial Governments and Local-Level Governments, 1998). There are other reforms that are also being slowly implemented in many of the provinces. While it is too early to measure the overall success of the reform system, there are obviously many problems being encountered which is being closely monitored by the Ministry of Planning and Implementation and its associated monitoring bodies such as the National Monitoring Authority.

Case study of reform system

It is obvious the reform system has had teething problems. Some of these problems were highlighted at the 2000 Mamose Forum held in Madang (attended by the author). The forum was organised with the National Planning Office and was part of a series being held in all regions to review the implementation of the system. From the response at the Forum it is obvious many of the provinces still have a long way to go. For instance, all local level governments and provincial governments are required by law to draw up their five-year plans. At the forum only Morobe Province was praised for developing five-year plans for all its LLGs and had a sample to present as well.

The Administrator of Morobe, Aneo Sengero, was however critical about the new system under the reforms that directs provinces to get their budgets approved by the Minister for Provincial Affairs. Sengero argued that 'there is no decentralisation, only re-centralisation of government functions. It is an insult to get the budget to Waigani for the Minister's approval.'

Quite apart from his concern about feeling insulted, administrators generally agree that the requirement in which the minister has to approve provincial budgets is also a delaying factor. Under the reform, budgets are put together from the local level up and usually only after the national budget is handed down which is in November. It means the local government, districts and provinces have limited time to draw up their budget. Then the provincial team must travel to Port Moresby to get the minister to approve it. This was frustrating, especially, if there was a delay, or worse still, if the minister doesn't approve it. It does not allow the provinces much time to implement the budget.

The present structure set up under the reform is promising because it involves the local level governments unlike before and planning for development is done from the local level. Like most systems however, the problem always lies with the implementation process. The LLGs are now guaranteed funding each year and have powers to raise funds. They are also directly responsible for providing health, education and infrastructure to their council and ward areas. At the same time MPs are also members of the Provincial Assembly, and will sit in Joint District Priority and Budget Priority Committees which will be

coordinating the planning and budgeting process and approving the LLG plans (Organic Law on Provincial governments and Local-level Governments, 1998). It is obvious many Provincial Administrators are encountering conflicts over decentralising and re-centralising of powers.

The district and provincial treasuries (as well as the local level treasuries) are responsible to the Secretary for Finance at the national level. This creates a clash between the provincial administrations and the treasuries, which although they are under the provincial administrators, are not answerable to them. The Morobe Administrator has already complained about this at the Mamose Forum saying it is ridiculous. Will the Provincial, District, and Local Level Treasuries have the capacity to control these treasuries and also to submit a financial statement every year? The penalty for failing to do so could be the withholding of 50 per cent of the funds appropriated to that government.

These are just some of the many difficulties being experienced as the reform is being adjusted to suit the provinces, districts and local-level governments.

Conclusion

It is obvious that the provincial government reform is going through a period of trial and needs time before it can be ascertained whether the reforms will work or not. As yet the reforms are not fully implemented in most provincial governments so more work has yet to be done. Training is also being carried out to build the capacity of the local level government area so that they can implement the reforms effectively. It is too early to judge yet. However, some provinces, especially in the New Guinea Islands region, are proving that the reforms and decentralisation, in general, can and are working. Obviously, like any system, it needs good leaders, motivated and dedicated staff, and political, administrative and financial support as well.

To return to a centralised system would be to wind back the clock all over again. No doubt it will be a very unpopular move in disempowering the provinces and hence the people. Papua New Guinea's strength lies in its diversity, which is not a divisive factor but a uniting one. The early Australian administration recognised this when it moved towards decentralising powers and functions. No matter whatever the cost, the provinces themselves must be involved in planning their own future. They know their own needs best and must decide for themselves. They must go through the process of planning and implementing their own development policies and learn from the experience.

The provincial government reform adequately provides for provinces to plan and fund development right down to local government level. If the problem is lack of capacity to implement reforms at that level then that must be identified and addressed through training programs. This is being done at the moment. In fact the national government should concentrate on strengthening the administrative structures and build the capacities within the provinces to ensure that provincial governments work and deliver services to the people.

The arguments about returning to the archaic centralised system is longing for the past of being patronised by kiaps and spoon-fed by over-generous Australian Development Aid. It has dangers of refocusing on Port Moresby (which is already being unequally developed!) where the central government is going to be located and all planning will be done. Proverbially, Waigani will again be catching fish to feed the rest of PNG.

However, the real danger is that a strong centralised system may again trigger the rise of provincial or regional-based movements that have the potential to threaten this country's unity. It has, I believe, the potential to create what is now being witnessed in neighbouring Indonesia where the local people are fighting for identity and autonomy. Papua New Guinea is currently a unitary state with some decentralising features. Instead of returning to a centralised system, decentralisation must be pursued until provinces develop to their full potential and become economically and administratively independent. Strong, independent provinces will add to a strong nation. This must be our national vision, the ultimate goal that we should plan for and pursue in attaining.

References

- Conyers, D. 1976, *The Provincial Government Debate: Central Control versus Local Participation in Papua New Guinea*, Institute of Applied Social and Economic Research.
- Crocombe, R. 2001, *The South Pacific*, University of South Pacific, USP Press. Excerpts from papers presented at the Momase Regional Conference, (2000).
- Gupta, D & Ivarature, H. 1996, *Restructuring Decentralisation: Political and Economic Issues*, paper presented at the seminar organised by the National Centre for Development Studies, Australian National University and the National Research Institute at the Islander Travelodge, August.
- Hiambohn, W. 1995, *Nius Bilong Pasifik*, Ed. Robie, D., UPNG Press.
- May, R. J. 1982, *Micronationalist Movements in Papua New Guinea*, Department of Political and Social Change Research School of Pacific Studies, ANU, Canberra.
- Department of Provincial Affairs 1998, *Organic Law on Provincial Governments and Local-level Governments*.
- Waiko, J. D. 1993, *A Short History of Papua New Guinea*, Oxford, Australia.

Author

Patrick Matbob is a lecturer in Journalism at Divine Word University in Madang, Papua New Guinea. He has a Masters Degree in Journalism Studies from University of Wales, Cardiff, UK and a BA in Journalism from Divine Word University. He has worked as a journalist for 15 years with *The Times of Papua New Guinea* and the *Post-Courier* newspapers where he held the positions of Chief Sub-Editor, Supplements Editor, and Editor for the Papua New Guinea Magazine. His previous research studied the role of objectivity in journalism and the role of the media in a developing democratic PNG. He is the team leader for a media monitoring of elections in PNG research project. pmatbob@dwu.ac.pg .