Political corruption in PNG has been manifest in the National government’s drive to both eviscerate the civil service and government institutions together with its unbridled attempt to seize funding which should be properly administered by a competent civil service.

The readily available literature on attempts at public service reform states that political decisions (constitutional and legislative changes in 1986) effectively removed the previous Public Service Commission’s central quality controls over personnel and training. All staffing management was taken up by departmental heads who are beholden to their politician ministers. This has facilitated what can be called patrimonial politics, often called clientelism in PNG, increasing wantokism and the politicization of whole units not only among their senior management.

The first obvious consequent of this politicization is inconsistent leadership and underperformance. A recent study of PNG Power noted that constant changes and instability in top management due to political interference have created inconsistent leadership and governance. Moreover politicization has undermined the merit based system characteristic of a successful bureaucracy.. The same study notes that “Performance evaluation has been oversighted by top management such that performance is not associated with reward or recognition13.[[1]](#endnote-1)

Aside from undermining the efficiency of the organization, the 1986 legislation open the path for financial opportunism. The legislation which licensed political interference allowed the politicians to push through questionable deals in which they could gain a beneficial interest. For example in March 2019 Mr Patrick Pruaitch, member of the opposition in Parliament, alleged that the ongoing troubles faced by PPL in expanding electicity at competitive rates, can be traced to political manoeuvering connected to the Ramu 2 hydroelectric project, the Yonki to Hagen transmission project and the proposed coal-fired project in Morobe. “Government Interference the root of PNG Power Limited’s Troubles says Pruaitch” Post Courier March 4 2019.“The O’Neill government has approved the US$800 million Ramu-2 project, but PPL board and management have not endorsed Ramu-2, “Building Ramu-2 at a cost of K3 billion will be a burden for the next generation especially since there are many better alternatives for provision of electricity at affordable prices.   
  
Other constitutional changes by politicians occurred in 1995. The 1977 creation of elected provincial governments, was abandoned in 1995 by placing provincial (and more recently the district) staff under the effective control of politicians. There has been open slather for patronage politics ever since. Cause and effect. Extreme localism has resulted, in a form of what has long been called bureaucratic empire building and ‘feudalism. 

The National Economic and Fiscal Commission has documented how ‘administration’ uses up the largest slice of the provincial cakes, reducing operational funding, and declining services in the outer areas.

In the public sector reform in 1995, the Organic Law on the Provincial and Local - level Government (OOLPGLLGs)) was enacted to replace the Organic Law on Provincial Government (OOLPGs)) Effectively this allowed the MPs to become central players in the whole government machinery. As well as being the lawmaker, this allowed them to become the deliverer of services, thus assuming the responsibilities of the public servants. The reason for reform was allegedly based on the gradual decline in the performance of the public service since independence.. It introduced a three - tier system of government where the provincial government level (the second tier)) was phased out with significant authority brought back to the national government.. The Provincial Assembly ceased to be an elected body, giving national MPs freedom to push their agendas.. The business of the LLG by default became the business of the national MPs.. Premiers under the OLPG were replaced by Governors and periphery governments were overwhelmed by politics of survival and self - preservation of the national MPs..

These national MPs acquired the resources, which allowed them a controlling influence over three - tier government machinery, the national, provincial and local levels. The ex ecutive uses the Electoral Development Fund to maintain the MPs in the government coalition and discipline opposing MPs.. The MPs are in turn supportive of the executive,, and specifically the Prime Minister, whether they are part of the governing coalition or in the middle bench. They are less critical and committed to the stability of the coalition.. The 1995 reform had an unintended consequence of consolidating the executive. It went from the noble intention of improving the ‘ gradual decline in the performance of service delivery’’ to stabilising the executive.. As Turner and Kavarnamur,, (22009,, p..220)) argues , public sector reform,, which produces good governance,, is actually a major threat to the political elite.. The executive has used the position of power created by the 1995 reform to further consolidate their existence and is content with the current system that insulates their existence..

One of the things that the 1995 reform did was leave the District Administrators in control of the financial resources as chairpersons of the Joint District Planning Budget Planning committees, ensuring that the bureaucracy control led the funds. The amendment to the Organic Law on the Provincial and Local Level Government in 2013 would change this..

**From Joint District Planning Budget Committee to District Development Authority**

In 2013,, the government reformed the Joint District Planning Budget Committee (JDPBP ) and transferred the control of the Services Improvement Programs (SIPs)) fund to the MPs.. The SIPs,, which constitutes of District Services Improvement Program,, Provincial Services Improvement Program,, and Local Level Government Services Improvement Program funds,, are components of the Electoral Discretionary Funds.. The Administrative Guidelines (2012) of the SIP funds states that these funds are required under section 95A of the Organic Law on Provincial & Local Level Government (OLPGLLG)) to be remitted directly to the District & Provincial Treasury.. The Joint District Planning Budget Committee (JDPBP)) chaired by the District Administrator is responsible for the administration of these funds. The MPs would be part of the panel.. These funds were initiated as Electoral Development Funds in the 1984 to fund district improvement programs for roads, transport infrastructure,, education,, health,, law and justice,, and water supply.. Fifty percent of the EDF know as district support grants were spent at the MP’s discretion on any project,, while the Joint Planning and Budget Priorities committees for each electorate were responsible for the disbursement of the other fifty percent non - discretionary component (K Ketan,, 2007)).

The Prime Minister made extensive amendments to section 95A of the OLPGLLG pertaining to the procurement,, allocation and receipt of the DSIP,, PSIP and LLGSIP funds.. The amendments required the funds to be paid directly to the MPs, sidelining the provincial administrators ( The National , 3rd of July 2015)).. Furthermore, in 2013, the parliament replaced the Joint District Planning Budget Priorities Committee (JJDPBPC)) with the District Development Authority (DDDA)). All public servants in the district, including police, teachers and health workers were brought under the District Authority. The Members of Parliament that represent open district electorates and hold 89 of the 111 seats in the National Parliament became the Chair of their respective District Authorities, giving them greater influence over funding allocations and human resources (Wiltshire,, 2014)) . District Authorities now gives Open MPs greater control in deciding what gets spent and where in their districts. And the Prime Minister and the executive in turn decide which MPs gets what and how much. The reform seems to have been engineered to consolidate the government faction and discipline MPs from the opposition by either delaying or dispensing partial funds when they are critical of the government decisions.

T

Much is due to corrupt practices that are related to access to development funding. In Papua New Guinea, electorates are heavily reliant upon development grants from the national government. These grants vary in scope, size and purpose. The most notable one, which has drawn a lot of attention lately, is the District Services Improvement Program Funds (DSIP), which is integral if not the backbone of development in electorates

Most significant is the politicisation of development grants as tools for political support. It is worthwhile to note how the recent governments of Somare and O’Neill use development grants as an enticement for or threat against politicians to consolidate political power. Accordingly, those in the opposition have found difficulty in accessing development grants. This predicament is strongly associated with the release of grants to coalition members whilst using delay tactics for opposition. It is therefore in members’ best interest to remain where they are in coalition regardless of  the consequences to their party, electorate or the nation as a whole.

Such a scenario calls for urgent redress of how development grants are designated and sourced by each respective MP from the finance department. Failure to do this will have two negative impacts upon electoral development and effective democracy in the country.

Firstly, when  linked to political alignment, grants become tools of political manoeuvring. This is in turn creates less vocal MPs who will often be less willing to oppose the dominant party due to the threat that essential funding may be withheld or blocked.  Such a scenario may result in unfavourable decisions and practices being undertaken by the dominant party without opposition, which may affect the nation as a whole

Not only is government financing politically manipulated in order to suppress political opposition internally within parliament, but government funds are also misused to influence voting patterns. In the lead up to the 2002 election, just prior to the introduction of limited preferential voting, the Morauta government spent so liberally in its attempt to ensure re-election that there was very little left in the annual budget when the Somare government assumed power in mid 2002. The outgoing government of Sir Mekere Morauta left behind the biggest deficit in Papua New Guinea history, despite a reputation for fiscal responsibility. Foreign reserves fell by US 16 million during the first half of 2002 to US 409 million. The situation had been worsened by unbudgeted expenditures the highest of which was 103 million for roads and 73 million kina for the election itself (Curtin 2002: 141-144).

1. P. Manohar, *The impacts of Human Resource Management Initiative on the desired (HRD) Outcomes : the Case of PNG Power Limited*, Thesis presented to the School of Business and Public Policy, University of Papua New Guinea December 2018. [↑](#endnote-ref-1)