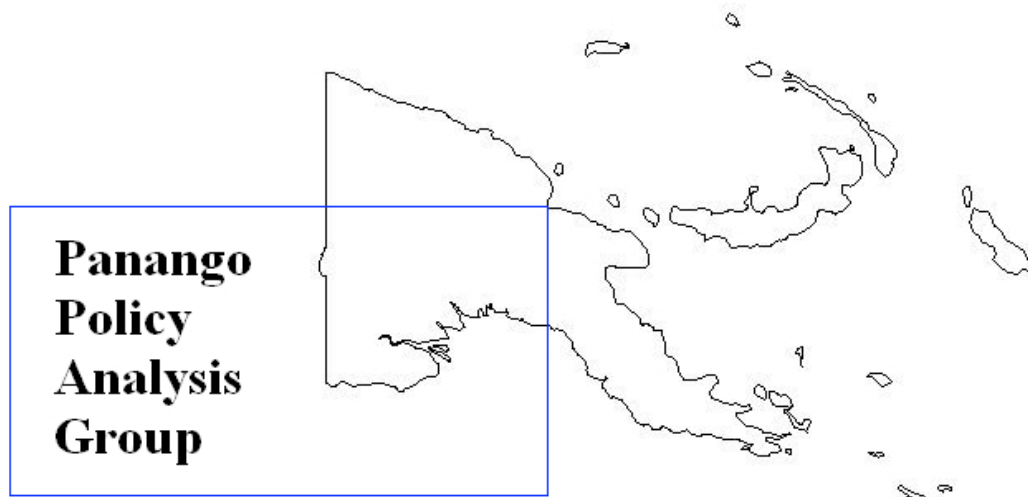


THE PANANGO POLICY ANALYSIS GROUP

**Report on Issues of Development
in Papua New Guinea 2008**

October 2008



Report on Issues of Development in Papua New Guinea 2008

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Executive Summary

The Panango Policy Analysis Group (PPAG) is an independent, non-partisan arm of the nongovernmental organization Panango™ specializing in the investigation, examination, and analysis of government policy and strategy. The PPAG team is composed of members of the Panango™ team with a background and/or interest in international relations and international policy studies. By combining two months of on-location experience living in Papua New Guinea with each member's academic knowledge and background, the PPAG seeks to provide innovative, measured policy recommendations regarding the development of Papua New Guinea.

Each year, the PPAG will seek to bring students with international relations backgrounds and interests onto the Panango™ team. Throughout the term of stay, team members will stay conscious of matters of development surrounding them, striving to interact with as many people as possible and familiarizing themselves with the everyday impact of issues facing the country. The team will meet regularly throughout the stay to discuss observations and ideas, and attempt to develop cohesive identifications of problems and potential policy solutions.

At the end of the stay, the PPAG team will produce its own *Report on Issues of Development in Papua New Guinea*. In this report, team members select a set of issues facing the nation of Papua New Guinea they deem to be of paramount importance to its development. The PPAG intends for the *Report* to provide both a sober evaluation of the issues posing a challenge to Papua New Guinea's development and practical recommendations to effectively address them. In short, the *Report* aims to be the synthesis of the PPAG team's academic knowledge and abilities with its on-ground experience in Papua New Guinea.

The PPAG team finds it important to note the limitations of the *Report*. The PPAG team by no means believes itself to be experienced experts on Papua New Guinea. Accordingly, the *Report* is not meant to be an exhaustive or authoritative analysis of Papua New Guinea. Additionally, while certainly meaningful, two months stay in Papua New Guinea is not enough time to provide truly in-depth knowledge of the issues facing Papua New Guinea.

The PPAG team is self-conscious of its limitations, and accordingly is mindful not to attempt to overextend its abilities or authority. The PPAG team sees itself as students who have committed time, energy, and academic capital into the study of international relations, and who gain two months of on-ground experience in Papua New Guinea. The PPAG team intends solely to combine this background with its experience as pragmatically as possible. Accordingly, the *Report* is meant only to be the employment of its members' abilities and experience into a measured analysis of issues of development

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facing Papua New Guinea. The PPAG team seeks to reflect this intention by deliberately avoiding any sweeping, large-scale recommendations for reform. Instead, the PPAG team endeavors to introduce carefully thought out recommendations that it intends to be specific, applicable, and perhaps most importantly, employable.

This year marks the inaugural production of the Panango Policy Analysis Group's *Report on Issues in Development in Papua New Guinea*. This paper is the result of lectures, readings, and exams at Stanford University and experiences, discussions, and observations in Papua New Guinea. The team believes it has succeeded in combining its members' academic backgrounds with their two-month in-country stay to produce a cogent analysis of the challenges facing Papua New Guinea and pragmatic recommendations to address them.

It is sincerely hoped by all members that the *Report* succeeds in providing a useful tool for addressing challenges to the development of Papua New Guinea.

Best,

Andy Schneider – Lead Writer

Dani Uribe - Contributor

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I. Introduction

The Panango Policy Analysis Group has identified political corruption, education, and transport infrastructure as three issues in Papua New Guinea in need of significant reform. This paper is intended to help the Papua New Guinean government, NGO's, or any other interested party develop practical initiatives aimed at reforming these pressing issues. It draws on policy papers, speeches, initiatives, indices, and first-hand experiences from team members to provide analysis of and recommendations regarding corruption, education, and infrastructure in Papua New Guinea.

The *Report* contains four sections. In the latter three sections, the *Report* discusses corruption, education, and transport infrastructure in Papua New Guinea, respectively. It divides each issue into a Background section, an Evaluation section, and finally a Recommendations section. As the *Report* is intended to be primarily a policy paper intended to catalyze actual action, it intentionally emphasizes the Recommendations section of each area while keeping the Background and Evaluation sections relatively concise. Indeed, the PPAG team feels that the problem areas have already been identified relatively well; it is the solutions to these problems that have not.

Section II concentrates on corruption in Papua New Guinea. It utilizes the framework of solutions laid out in the U.S. Agency for International Development and Center for Democracy and Governance's "A Handbook On Fighting Corruption," selecting from a set of generalized proposals to fit best the nature of corruption in Papua New Guinea. The *Report* supplements the framework provided by "A Handbook On Fighting Corruption" with indices and reports from Transparency International and the U.S. State Department, among others. Section II breaks corruption reform into institutional reform and societal reform. It further breaks down its recommendations within institutional reform to combating overly wide political authority through policies of competitive procurement and competition in public services; increasing accountability through an emphasis on transparency, oversight, and sanctions; and realigning incentives through policies emphasizing active human resource management.

Section III concentrates on education in Papua New Guinea. The PPAG team relied exclusively on two months in-classroom experience teaching in Papua New Guinea - supplemented by discussion with teachers, administrators, and municipal officials - in developing an analysis of and recommendations for education reform in the country. The PPAG team unanimously agreed that the preeminent action to take in education reform is eliminating the presence of the vernacular and Pidgin in the classroom as introduced through 1995 Education (Amendment) Act. Accordingly, eliminating the vernacular and Pidgin from the classroom is the team's main recommendation, accompanied by

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eliminating the outcome-based education model, prioritizing funding for books and literature, and introducing a government-mandated initiative encouraging creativity in the classroom.

Section IV concentrates on transport infrastructure in Papua New Guinea. The *Report* uses a publication entitled “Roads in Developing Countries,” published jointly by Cambridge University’s The Centre for Sustainable Development and The Royal Academy of Engineering, for the technical recommendations on roadway improvement. The *Report* draws mainly from the Asian Development Bank-sponsored workshop entitled “Transport Infrastructure and Poverty Reduction Workshop” in its discussion of the civic link with transport infrastructure and the consideration of that link in funding transport infrastructure projects. The PPAG team presents technical recommendations consisting of erosion control, sustainable transport infrastructure funding, and an emphasis of maintenance expenditures. Additionally, the team provides recommendations relating to transport infrastructure’s analogous relationship with poverty reduction. These recommendations consist of encouraging local employment and concentrating explicitly on poverty reduction through rural roadway integration.

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II. Political Corruption

I. Background

Political corruption is a major problem in Papua New Guinea. Practically every Papua New Guinean citizen the PPAG team encountered identified political corruption as the issue that stands most in the way of the country's development. Be it faculty at Divine Word University, fisherman on Karkar Island, businessmen in Madang, or farmers in the Western Highlands, the PPAG team found political corruption was the most oft-cited grievance among the populace in Papua New Guinea.

Statistics verify citizens' sentiments. Defining corruption as "the abuse of public office for private gain," Transparency International ranks Papua New Guinea at number 162 of 180 on its 2007 International Corruption Perceptions Index, giving it a CPI score of 2.0 out of a possible 10. Transparency International considers a score of 5.0 as the benchmark for distinguishing between countries that do and do not have a significant corruption problem, which means that Papua New Guinea faces a considerable challenge in political corruption. Transparency International also notes that Papua New Guinea is one of several countries that have "a significantly worse rating since 2006," suggesting that while Papua New Guinea's corruption problem is presently significant, it may yet become worse.¹

A culture of corruption has seemingly been with Papua New Guinea from the time of its conception. Many citizens the PPAG interviewed pointed out that Australia gave Papua New Guinea its independence in 1975. There were no major national calls for independence at the time or any national struggle for it; rather, an Australian policy decision, and not any kind of struggle, seemed to precipitate Papua New Guinea's independence. This lack of struggle has been suggested to the PPAG team as a possible reason for the relative complacency in the face of this widespread political corruption.

The Wantok System also appears to be a unique cultural attribute of Papua New Guinea that has inadvertently contributed to its high level of corruption. The PPAG team's understanding of the Wantok System is that one is obligated to help his wantoks (friends, family, fellow tribesman or villagers) if they are in need. By all accounts, the Wantok System has translated into elected officials' appointments of close friends to important governmental positions and the abuse of funds in the direction of the officials' friend, clan, tribe, or village contacts. Essentially, by prioritizing personal and village relationships over civil appointments, the Wantok System supplants national integrity in government.

¹ "The 2007 Transparency International Corruption Perceptions Index." Transparency International. 2007. Transparency International. 4 Sept. 2008
<http://www.transparency.org/policy_research/surveys_indices/cpi/2007>.

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II. Evaluation

The PPAG team has gathered that Papua New Guinea suffers from a dual problem of large-scale corruption among elected officials and petty/administrative corruption among civil servants. Furthermore, corruption thrives in Papua New Guinea from a combination of institutional abuses and societal attitudes. Hence, the PPAG team believes that an anti-corruption strategy for Papua New Guinea must be composed of both institutional and societal reforms.

The PPAG Team believes that corruption thrives in Papua New Guinea from such institutional causes as overly wide authority, minimal accountability, and perverse incentives. Elected officials simply have too little restrictions on their actions, and as a result too much clout in office. Similarly, there is not a strong system of accountability – government officials do not have the institutional mechanisms needed to dissuade them from corrupt actions. Officials enter into corruption after conducting some kind of cost-benefit analysis. If they feel the benefits outweigh the costs of engaging in corruption, they will do so. As a result, the incentive system in the government must be restructured to create an environment in which the costs of engaging in corruption outweigh the benefits.

To combat these institutional sources of corruption, the PPAG team recommends policies that emphasize limiting authority through competitive procurement and competition in public services; improving accountability through methods of transparency, oversight, and sanctions; and realigning incentives through policies of active human resource management.

Additionally, the PPAG team believes that corruption thrives in Papua New Guinea through both entrenched anti-system attitudes stemming from the Wantok system and a lack of political awareness education. Entrenched societal attitudes are difficult to change, yet sustained and well-ordered awareness initiatives can help to turn the tide. The PPAG team does not believe that more people necessarily need to become aware of the presence of corruption – enough appear to know – but rather need to be educated on how they can reduce it themselves. Whether a civilian or government official, it is integral to anti-corruption efforts that citizens of Papua New Guinea be educated on ways each and every one of them can personally combat corruption.

To combat these societal contributors to political corruption, PPAG advocates raising awareness about the costs of corruption and mobilizing political will for reform through improvements in media performance, civic advocacy organizations, awareness campaigns, and workshops.

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III. Recommendations

Institutional Recommendations

- In order to combat overly wide political authority in Papua New Guinea, the PPAG team recommends policies of competitive procurement and competition in public services.

Competitive Procurement

Competitive procurement offers a relatively safe and efficient way to limit the authority of government and reduce levels of bribery in government contracts. Competitive procurement is essentially “the process of removing personal discretion from the selection of government suppliers and contractors by prescribing an open bidding process and laying out clear procedures and criteria for selection.”² PPAG believes that Papua New Guinea should require as best it can potential government suppliers and contractors to adopt anti-bribery pacts among themselves. Such anti-bribery pacts as Transparency International’s Integrity Pact serve as a good framework for competitive procurement. The Integrity Pact:

Consists of a process that includes an agreement between a government or a government department (at the federal, national or local level) and all bidders for a public contract. It contains rights and obligations to the effect that neither side will: pay, offer, demand or accept bribes; collude with competitors to obtain the contract; or engage in such abuses while carrying out the contract. The IP [Integrity Pact] also introduces a monitoring system that provides for independent oversight and accountability.³

Because such a pact provides assurances that companies and their competitors will abstain from bribery, it provides a way to reduce corruption, in the form of bribery, that is in alignment with the economic interests of bidding companies. In this way, such pacts remove the onus of reducing corruption from the government and place it on the foreign contractors, doing so in an economically favorable way. As a result, competitive procurement serves as a sound method of reducing corruption; the Integrity Pact has seen success on projects in India and Pakistan. The PPAG consequently recommends that Papua New Guinean provincial governments incorporate and utilize similar pacts when engaging in foreign contracting, and as a long-term goal, the national government incorporates similar ideas of competitive procurement into possible legislation.

² Dininio, Phyllis, and Sahr John Kpundeh. [A Handbook on Fighting Corruption](#). United States of America. U.S. Agency for International Development. Washington, D.C.: Center for Democracy and Governance, 1999. 8.

³ "Contracting." [Transparency International - Tools](#). 25 May 2007. Transparency International. 4 Sept. 2008 <<http://www.transparency.org/tools/contracting>>.

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Competition in Public Service

The PPAG team believes that much of the corruption in Papua New Guinea stems from certain government offices holding monopoly power over a public service. For example, the team has heard of the excessive difficulty in procuring a passport or visa. Removing monopoly power of any one government office deters corruption in the form of extortion as customers are able to take their business to a competing governmental office when met with unjust demands or service. Two ways of introducing competition in public service are: overlapping jurisdictions of governmental offices - such as passport issuance through motor vehicle bureaus or passport agencies – and private and public provision of service.

The PPAG team believes that introducing overlapping jurisdictions in Papua New Guinea carries too many risks, such as overwhelming governmental offices with tasks they are not capable of performing, for one. Consequently, the PPAG team recommends licensing provision of services to demonstrably capable private entities to create a competing arena of private and public offering of services. Adding a private offering of a service to a public one will immediately give citizens a potentially more palatable service vehicle and could potentially serve to improve the public sector through forced competition.

- In order to increase accountability, the PPAG team recommends policies emphasizing transparency, oversight, and sanctions.

Transparency Policies:

Financial Disclosure

Financial disclosure laws offer a straightforward way to improve accountability through transparency by requiring public officials to declare their assets and incomes. This declaration acts as a deterrent to profiting off of corruption. While public officials in Papua New Guinea are subject to financial disclosure laws, these laws are generally minimally enforced. In addition, there is no law that permits public access to government information. The U.S. State Department notes that while:

The government published frequent public notices in national newspapers and occasional reports on specific topics facing the government ... it generally was not responsive to individual requests, including media requests, for access to governments.⁴

Hence, enforcement and the widening of financial disclosure is imperative to increasing the transparency of public officials' actions. While declarations of financial disclosure are

⁴ Bureau of Democracy, Human Rights, and Labor. "Papua New Guinea." 11 Mar. 2008. U.S. Department of State. 4 Sept. 2008 <<http://www.state.gov/g/drl/rls/hrrpt/2007/100534.htm>>.

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important, the obvious problems of public access and verification of accuracy arise. As will be discussed later in this paper, increasing the number of anti-corruption institutions, strengthening legislative enforcement, and improving media reporting can act as methods of improving financial disclosure. At this juncture it will suffice to say that the area of financial disclosure is a key arena for concentration in order to help curb corruption through transparency.

Open Budget Process

Relatively speaking, Papua New Guinea is far from being one of the worst offenders in the world in terms of its open budget processes. In the Open Budget Index 2006, the International Budget Project gave the country a score of 51 out of a possible 100 points, placing it squarely in the middle of the pack.⁵ According to the International Budget Project, Papua New Guinea achieves moderate successes in providing a significant quantity of information to citizens of its executive's budget proposal and pre-budget statement, providing partial information to citizens on in-year reports on execution and its year-end report, and does not allow for the independent auditor to be removed by the executive.⁶

However, Papua New Guinea simultaneously possesses significant deficiencies in terms of its open budget process. Papua New Guinea does not make mid-year reports, auditor's report, and highly disaggregated non-financial information available to the public. It does not hold public hearings on ministry or agency budgets or on the budget's macroeconomic and fiscal framework. Final audited accounts of the budget are not completed within 24 months after the end of the fiscal year. And while the independent auditor may not be removed by the executive, the funding level accorded to him is not consistent with the resources needed to fulfill his mandate.⁷

Thus, the picture painted by Papua New Guinea's open budget process is one of relatively superficial disclosure and accountability, which impedes true transparency and responsibility. The PPAG team believes that in order to present a true picture of budget processes and encourage increased scrutiny, Papua New Guinea must make auditor's reports available to the public and hold public hearings on the budget and its fiscal framework. Finally, the independent auditor must receive better funding, as one that cannot sufficiently perform his job makes the position as good as powerless. Additionally, the PPAG team recommends a special effort to be made to extend the open budget process to rural areas with local level budgets, as "the immediacy of local

⁵ Open Budget Initiative 2006. Center on Budget and Policy Priorities. The International Budget Project. Washington, D.C.: Center on Budget and Policy Priorities, 2006.

⁶ Ibid.

⁷ Ibid.

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government provides an impetus and entrée for citizens to participate in the process that are often missing at the national level.”⁸ These simple steps of open budget processes will serve to increase transparency and accountability, and hence curb corruption.

Oversight Policies:

Ombudsmen/Anti-Corruption Agency

Put simply, these government offices improve accountability by overseeing government operations. Papua New Guinea possesses an Ombudsman Office that has improbably survived throughout the years. From all accounts, it seems that the Papua New Guinean Ombudsman Office does a commendable job in investigating charges of corruption. However, consistent with its definition, the Ombudsman Office is a passive oversight tool in that it can only receive charges of corruption before it can investigate them. As a result, the Ombudsman Office is only one component needed in a comprehensive oversight apparatus.

The PPAG team recommends the formation of an anti-corruption agency to be the focus of any improvement of oversight strategy to fight corruption. The Ombudsman Office needs to be supplemented by other agencies. While there have been discussions about the formation of an anti-corruption committee based perhaps on those found in Singapore or Hong Kong, nothing substantive has arisen as of yet. A good model for the formation of an anti-corruption agency is found in the ADB OECD Anti-Corruption Initiative for Asia-Pacific’s Action Plan Implementation Projects 2002-2003 for Papua New Guinea. The initiative proposed the formation of a National Anti-Corruption Agency (NACA) that would serve as an anti-corruption investigation, prosecution and prevention body for the whole country.⁹ In order to be effective if formed, this agency must be accorded great discretion and independence, and sufficient funding. In order to ensure efficiency, an anti-corruption agency for Papua New Guinea should stress monitoring corruption, thereby delegating the task of processing corruption cases to the Ombudsman Office.

⁸ A Handbook on Fighting Corruption. 9.

⁹ The Secretariat. "Action Plan Implementation Projects 2002-2003 Papua New Guinea." ADB OECD Anti-Corruption Initiative for Asia-Pacific: Combating Corruption In the New Millennium. 2002. Organisation for Economic Co-operation and Development. 5 Sept. 2008 <<http://www.oecd.org/dataoecd/35/9/35328543.pdf>>.

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Hot Lines

While strengthening the Ombudsman Office and creating an effective anti-corruption agency will certainly help in creating horizontal institutions to check the corruption of government officials, individual persons are the most numerous and effective means of reporting instances of corruption at any level of government. The PPAG team believes that leveraging these individuals should be an indispensable component of anti-corruption efforts in Papua New Guinea. As a result, establishing hot lines and providing whistleblower protection is imperative to increasing political accountability through oversight.

Hot lines bolster accountability by enlisting co-workers, businesses, citizens, and even government officials themselves – essentially a wealth of agents – to report corrupt actions. Hot lines are usually located in government office responsible for investigating such corrupt acts – hence, in Papua New Guinea’s case the Ombudsman Office would be a reasonable agency to allocate the responsibility of operating a hot line. In order to be effective, the hot line operation network would need significant funding and manpower, as every claim of corruption should be investigated. Additionally, the office must be sufficiently independent, reliable and principled to ensure the safety of those who report corruption. A good example of a successful hot line operation network is the Independent Commission Against Corruption in Hong Kong. This agency “runs a hot line and guarantees that every allegation is investigated. It also protects those who make reports by granting file access to officers on a “need to know” basis only.”¹⁰

The establishment of a hot line network and office would therefore leverage thousands of potential informants of corruption, most of who are in exclusive positions to report such acts. Perhaps more importantly than overt reporting, the specter of being anonymously reported for corruption would loom over every government official. This prospect of being reported itself could restrain officials from engaging in corruption. A significant, operative hot line network would consequently give the Ombudsman’s Office both a functional weapon and omnipresent threat in fighting political corruption.

Whistleblower Protection

When anonymity cannot be guaranteed, whistleblower protection is needed to safeguard those brave enough to report acts of corruption. Indeed, whistleblowers are often a rare and valuable asset because in reporting instances of corruption, they inevitably place themselves at some sort of risk. Whistleblowers risk being fired, harassed, or even exposed to violence. The U.S. State Department reported that in Papua New Guinea, “there were reported instances of politicians directing or bribing police officials to arrest or intimidate individuals seen as political enemies or as possible

¹⁰ A Handbook on Fighting Corruption. 11.

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whistle-blowers on corruption.”¹¹ Consequently, it is crucial for Papua New Guinea to properly protect whistleblowers through both legislation and enforcement.

In order to maximize whistleblower encouragement, the PPAG team recommends materially rewarding those whistleblowers whose information leads to definite instances of government corruption. The U.S. Agency for International Development notes, “Uganda, in fact, is now considering a recommendation to reward officials who provide information leading to the successful recovery of embezzled funds.”¹² Providing a reward to reporting authentic cases of corruption would serve to encourage, as opposed to just protecting, the reporting of cases of corruption. The PPAG team understands that it is perilous to become a whistleblower. As a result, reporting cases of corruption purely out of principle may not be enough motivation. These sweeteners in the form of material rewards may serve as enough of an impetus to motivate government workers to take the risk and become a whistleblower.

Sanctions:

Sanctions

Employing sanctions to corrupt acts is a necessary measure to ensure accountability. Papua New Guinea does have legislatively stipulated sanctions against corruption. The problem lies in the enforcement of these sanctions. In order to properly enforce sanctions, horizontal accountability bodies such as the Ombudsman Office and the theoretical anti-corruption agency must be accorded significant independence and power. There is at present a culture of political “heavies” and “big shots,” who for all practical purposes are immune to legislatively stipulated sanctions and punishments. While working to create a different political culture (see: Societal Reform) is a large part of eliminating those immune to sanctions, strengthening the power of the sanctions themselves is a meaningful step to take in combating political corruption.

While it is undoubtedly important to preserve the principle of the presumption of innocence, the high level of observed corruption of government officials in Papua New Guinea suggests that moderately radical measures can be reasonably considered. For example, the U.S. Agency for International Development notes that “in some countries, penal codes allow prosecution not only for direct evidence of bribery, but also for possessing wealth and income that cannot be traced to lawful activities.”¹³ Since many cases of corruption in Papua New Guinea center on government officials’ misappropriation of public funds for personal use and other wontok-related actions,

¹¹ Bureau of Democracy, Human Rights and Labor, “Papua New Guinea.”

¹² A Handbook on Fighting Corruption. 11

¹³ Ibid. 11.

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increasing the scope of prosecution in this way could, when employed appropriately, serve as an effective tool in identifying cases of corruption. U.S.A.I.D. also points out that “in addition to criminalizing corruption, governments can establish sanctions for smaller cases of corruption outside the formal legal system.”¹⁴ Such sanctions could entail the ability to fire officials engaged in corrupt deals and even penalties involving pensions and future employment. Such a threat to future welfare could go great lengths to restricting petty corruption among lower-level government officials.

Judicial Reform

As the U.S. Agency for International Development states, “Accountability requires not just establishing sanctions, but enforcing them on an impartial basis ... Yet to hold public officials accountable to anti-corruption laws, judiciaries need independence from the executive branch as well as institutional capacity.”¹⁵ As a result, Papua New Guinea inevitably needs significant judicial reform to combat corruption. Unfortunately, the Papuan New Guinea judiciary has been inundated with so many cases of corruption and other issues that it has fallen into a precarious state of losing its very legitimacy as a government organ. Transparency International counts “the judiciary as one [government] pillar that does still function despite enormous odds [but feels that] the pressure brought to bear on the court system has pushed it to the tipping point of dysfunction.”¹⁶

The most significant corruption problems in the judicial system appear to be threefold. First, there is corruption in the attorney general’s office as a result of political maneuvering. Transparency International, in its Global Corruption Report 2007, states, “The appointment of this post is a matter of intense jockeying since it is seen as a means to capture legal outcomes for private interests.” In fact, Transparency International notes that at the time of writing (2006), the attorney general’s office had “been vacant for more than two years due to the inability of competing political interests to install their own candidate, or to agree on a compromise appointee.”¹⁷ Second, there are weak systemic controls that are vulnerable to exploitation, resulting in cases simply dropping out of the system. Third, there has been the development of an out-of-court settlement ‘scheme,’ which is essentially “officials in the finance department allegedly collud[ing] with officials in courts, private law firms and others to defraud the state.”¹⁸ In 2006, claims against the state since 1995 exceeded K500 million, and the solicitor general’s office –

¹⁴ Ibid. 11.

¹⁵ Ibid. 12-13.

¹⁶ Transparency International. Global Corruption Report 2007: Corruption in Judicial Systems. Cambridge: Cambridge UP, 2007. 263-67.

¹⁷ Ibid.

¹⁸ Ibid.

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composed of just 11 lawyers – was bogged down, managing 8,905 live files. This scheme defrauding the state has become so serious that there have even been reported death threats against senior lawyers who have delayed settlement of such claims.¹⁹

The judicial system is supposed to be a watchdog of political corruption, yet the judicial system in Papua New Guinea appears to be a victim of political corruption. While there have been several policies implemented to aid the judicial system, such as creating court user forums to reduce case backlog, an Indictable Case stream database and examinations by the public accounts committee, real progress within the system requires systemic changes. First, while it may seem illogical, it could conceivably make sense to legislate the position of attorney general into a neutral post carrying similar appointment procedures as supreme justices. As the office has become simply an installation of interests, the traditional appointment of the office cannot be trusted to government officials, even if it means a sacrifice of its traditional electoral nature. Second, it is necessary to examine and fix those gaps in the system that allow cases to stall and then drop out so easily, and to do so legislatively. Last, there should be parallel investigations of corruption of each case pending against the state; while these cases do cost the judicial system in time and resources, they can serve as means for addressing greater corruption in the system. As for prevention of such cases in the future, it is imperative that the media expounds on this act of defrauding the state and public awareness campaigns arise. Public awareness of funds withdrawn corruptly directly from the state will surely help stigmatize it, which needs to be, at the least, the first step in its resolution.

- In order to realign incentives, the PPAG team recommends policies emphasizing active human resource management, accomplished through the employment of personnel and compensation systems.

Active Human Resource Management

Just as there are presently incentives to choose corruption in Papua New Guinea, incentives that promote ethical public service behavior can be introduced as well. Specifically, personnel systems and compensation systems can combine to at least begin to reverse the incentive alignments of most government officials, resulting in a reduction of at least petty corruption. These systems can gradually be applied to more powerful government officials, provided there is the political will.

Personnel systems can perform a myriad of functions to realign government officials' incentives. They can:

¹⁹ Ibid.

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Eliminate unnecessary positions and reduce the number of employees through hiring freezes and attrition, retirement packages, dismissals, and removal of ghost workers from payrolls. Personnel systems can also tighten job requirements, establish anti-nepotism regulations, develop codes of ethics, and provide training where needed.²⁰

Evidently, personnel systems, when holistically introduced, present a large specter of retribution to government officials. This presence would ideally serve to dissuade any official from engaging in corruption based on job security. Beyond establishing such fear-based incentives, effective personnel systems serve to forcefully remove corruption from the government, thereby moving beyond just establishing incentives while simultaneously reinforcing their creation.

Compensation systems generally serve to realign incentives away from engaging in corrupt acts and towards ethical public service. Rewarding ethical work with increased pay creates a situation in which it is immediately worth more for a government official to refrain from corruption than it is to engage in it, possibly without even a consideration of its costs. Beyond striving to create such a simple yet powerful situation, “performance-based incentives can bolster morale, professionalism, and productivity,” thereby increasing the efficiency of government officials in addition to lowering their corrupt activity.²¹ Indeed, using compensation systems to link performance to pay can simultaneously accomplish both diminishing corruption and increasing efficiency in governmental agencies.

Societal Recommendations

Surveys

Surveys help define the problem of corruption, and derive information from the populace that can focus efforts to address it effectively. Surveys can aid in helping to get citizens and government officials on more of the same page by synthesizing civilian sentiments in relation to corruption and analyzing how they fit into the big picture of political corruption in the country. If conducted well, surveys can be accurate providers of public interest, and can therefore help government officials tailor anti-corruption efforts to meet the public interest. The public will is crucial in fighting government corruption; focusing those issues of corruption specifically important to the public can help garner this will and utilize it as a tool in anti-corruption efforts. Surveys present a necessary mechanism in measuring this public interest, and consequently serve as the first step in exercising the public will in anti-corruption campaigns.

²⁰ [A Handbook on Fighting Corruption](#). 13.

²¹ *Ibid.* 13.

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Public Relations Campaigns

Public relations campaigns ideally serve to increase knowledge of the costs levied by corruption and provide information on ways to fight it individually. A Public Relations Campaign in Papua New Guinea should link to the prior recommendation of hot line callers and whistleblowers by encouraging people to engage in such activities if they encounter corruption. Informing people of their actual anti-corruption abilities and prescribed anti-corruption procedures lets citizens know what they can do - something absolutely imperative to any effective anti-corruption effort.

During the Panango Policy Analysis Group's stay in Papua New Guinea, it found that a large number of people from different places, and of different education levels and economic positions, were all aware of government corruption yet had no ideas on how to combat it. Educating these already well-aware citizens is vital, and would serve as a tremendous boost to anti-corruption efforts in the country.

Papua New Guinea should utilize the mass media, community activities, and school programs to emphasize corruption and its costs, and inform citizens of what they can do to combat it. An effective public relations campaign in Papua New Guinea should verbalize possible actions for reporting corruption and promoting reform. The U.S. Agency for International Development notes, "Once people feel they have a stake in eliminating corruption and the means to do something about it, they can demand more action from their representatives and strengthen political will."²² Indeed, a successful public relations campaign will accord a sense of empowerment to citizens by equipping them with the valuable knowledge of actions they are able to personally take to combat corruption. This feeling of empowerment can result in a more powerful demand for significant anti-corruption efforts among elected officials.

The PPAG team genuinely believes an effective public relations campaign could be one of the most important components of fighting corruption in Papua New Guinea, if executed properly. If linked with a hot line system and whistleblower protection and equipped with effective information on possible citizen anti-corruption procedures, an anti-corruption public relations campaign could build an effective, citizen-based anti-corruption apparatus.

Investigative Journalism

Investigative Journalism fosters anti-corruption attitudes by mobilizing political will for reform. It can accomplish such mobilization through exposing corrupt acts, thereby eliciting popular indignation about corruption, which in turn would put pressure on the government to reform. The importance of harnessing political will when fighting corruption cannot be underestimated. When discussing the legal system of Papua New

²² A Handbook on Fighting Corruption. 14.

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Guinea, Transparency International in its Global Corruption Report states:

What the legal system needs most desperately, however, is political will. When ministers, MPs, public servants, lawyers, police and the public are united in their will to see a functioning legal system put before the vested interests of the few, reform and change may become possible.²³

While investigative journalism can play a crucial role in fighting governmental corruption, investigative journalists are not a common commodity. Good investigative journalists require proper education, training, and attitudes. As a result, Papua New Guinea would have to take hands-on actions to attempt to stimulate an infusion of and improvement on investigative journalism in the country.

A possible mechanism for stimulating an improvement in investigative journalism in Papua New Guinea could be the introduction of workshops to train investigative journalists, if it becomes clear that the task cannot be left alone to the press of the state. The U.S. Agency for International Development mentions EDI as an organization that offers workshops “designed to raise the skills and confidence of journalists and to cultivate the media’s commitment to fight corruption.”²⁴ One story can change the press of a nation, much like Bob Woodward and Carl Bernstein’s exposure of the Watergate Scandal in the United States in 1974. Endowing the press with as much skill and knowledge as possible increases the odds of New Guinea benefiting from investigative journalism rooting out corruption.

Civic Advocacy Organizations

As mentioned in discussing a public relations campaign, civil society can become a crucial partner in developing and strengthening ethical practices in the public sector when it is free to speak and organize. While Papua New Guinea does not accord absolute free speech and rights to organize to its citizens, it nevertheless provides enough rights for its citizens to support the development of Civic Advocacy Organizations (CAOs). CAOs are best suited to utilize civil society as such an important ally in fighting political corruption.

However, that is not to say that other groups in Papua New Guinea cannot be leveraged for their civic influence. Groups from the private sector, such as bar and accounting associations, can establish task forces on corruption and add the topic to their own agendas. Churches and other religious groups, especially in Papua New Guinea, can be powerfully engaged to become champions of an anti-corruption agenda and spread such a message throughout the populace. Such groups can be extremely effective in

²³ Transparency International, 2007 Global Corruption Report.

²⁴ A Handbook on Fighting Corruption. 14.

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exhorting their members and government officials to resist corruption. The end goal is to create as much of an anti-corruption culture as possible in Papua New Guinea.

Workshops

Workshops can be an effective setting for both altering attitudes about corruption and rallying political will for reform. Workshops can serve as an arena to increase understanding and knowledge of governmental corruption. Perhaps more importantly, they can stimulate thinking and discussion on the issue, and result in producing participant-based strategies to combat it.

Workshops have the added benefit of not having to be restricted to any certain level of society. There can be national integrity workshops with participants from the highest level of government, subnational workshops with participants made up of local political, economic and social leaders, and workshops targeting a particular ministry or agency.²⁵ Workshops can also involve academia, and the PPAG strongly encourages the inclusion of universities in any such workshops.

Transparency International and EDI have helped organize national integrity workshops in Uganda, Tanzania, Malawi, Mauritius, the Ukraine, and Nicaragua. The PPAG is not sure of the process of procuring these organizations to help in establishing workshops, but believes that Papua New Guinea would unequivocally benefit from holding them. Securing some type of assistance in establishing a system of workshops would be highly advantageous in such a multifaceted anti-corruption campaign as espoused in this paper.

²⁵ Ibid. 14-15.

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III. Education Reform

I. Background

In 1995, Papua New Guinea launched a reform of its English-only education system following an informal, community-based vernacular language movement that had spread throughout much of the country.²⁶ The reform both mandated the national formal education system to include the vernacular in the early years of a child's education and put into practice a policy of gradually phasing in the use of English through a mixed use of it with Pidgin (né, Neo-Melanesian) in elementary school. While the reform included other elements, such as the inclusion of a culturally relevant curriculum and materials, the *Report* focuses primarily on the use of the vernacular in primary school and Pidgin to phase in English in elementary school.

The 1995 Education (Amendment) Act did not lack sound justification. From 1870 until the 1950s, most of the schools in Papua New Guinea were established by missions and employed the vernacular; it was only in the 1950s that an English-only policy was adopted.²⁷ Perhaps more important is the notorious linguistic diversity of Papua New Guinea. Despite a population of approximately 6 million, there are 823 different languages spoken, and of these 6 million people, only approximately 50,000 speak English as their first language.²⁸ As a result, using the vernacular in a child's early education was intended to encourage enrollment and allow students to effectively express themselves in the classroom.

Additionally, using Pidgin as a bridge to English in elementary school was seen as a logical means to maintain students' ability to express themselves in the classroom and eventually learn English as a second language. The thinking was that it was unfair to teach exclusively in English when Pidgin is the lingua franca of Papua New Guinea. As a result, the government prescribed a system of English/Pidgin ratios to gradually ease students into using English. In Grade 3, the prescribed language ratio is 60% Pidgin to 40% English. In Grade 4 it is a 50%-50% split, and for Grade 5 it is 30% Pidgin and 70% English.

Because of a lack of vernacular materials and in order to give teachers more flexibility in teaching, an outcome-based education model was adopted as part of the recent education reform. This model delineates certain "outcomes" that will be tested on state education tests. While these outcomes are clearly outlined, the state gives teachers

²⁶ Wroge, Diane. "Papua New Guinea's Vernacular Language Preschool Programme." UNESCO Policy Brief on Early Childhood (2002).

²⁷ Ibid.

²⁸ Ibid.

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significant leeway in achieving them, essentially allowing them to help students reach these outcomes in whatever way they see fit.

II. Evaluation

While the 1995 Education (Amendment) Act appeared to have good intentions supported by sound logic, the PPAG team believes it has drastically backfired and regressed the education levels of the present generation of students from previous ones. The notion that a school can teach its students in the vernacular in early grades, and then adhere to a nebulous model of proportionality between Pidgin and English in elementary school to gradually phase in a coherent understanding of the English language has proven to be wildly unrealistic and practically ineffective. Indeed, those members of the group teaching in Grades 3, 4, or 5 reported that the ratios were essentially meaningless, and Pidgin was frequently used or reverted to in every grade. Those members of the group teaching in Grades 6, 7, 8 and beyond reported that the students' understanding and use of English was severely limited. Put bluntly, based on the collective experiences of the PPAG team teaching in schools on Karkar Island, students' command of English, classroom participation, and abstract thinking abilities are extremely lacking.

The ousting of English as the sole language of instruction in schools was meant to improve students' ability to express themselves and, as a consequence, their ability to participate in the classroom and think abstractly. The PPAG team has found no evidence of the reform accomplishing these goals. To the contrary, the PPAG team unanimously reported that students were reluctant to speak and afraid of being wrong. As a result, the team believes that the 1995 Education (Amendment) Act has served solely to deprive the current generation of Papua New Guinean students from learning the English language. Indeed, the PPAG team felt that there was strong observational evidence on Karkar Island in the present generation of students being noticeably worse in their written, verbal, and conceptual command of English than older citizens who matriculated through the older educational model. As an unfortunate corollary, because of the dearth of vernacular and Pidgin learning materials, this inability to speak and understand English has contributed to a deficiency that has prevented further learning in all areas of education.

As a result of the shortcomings of the 1995 Education (Amendment) Act, the PPAG team endorses an essential repeal of it. The PPAG team believes that English may only be learned effectively if the vernacular and Pidgin are removed from the classroom, and consequently supports reverting to an English-only curriculum. Additionally, the team believes the outcome-based educational model is appropriate for such organizations as well-funded private schools, which can assure that students will learn from an appropriate curriculum. However, a federal education system is simply too large to be afforded such leeway, especially in a developing country such as Papua New Guinea. The

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outcome-based model consequently must be replaced with a concrete curriculum for teachers to follow.

Furthermore, the PPAG team was struck by both a lack of material resources in the schools and student's inability to think creatively or abstractly. The PPAG team believes that for Papua New Guinea to achieve a functioning education system that produces citizens capable of propelling Papua New Guinea in its development, it must consider these additional two deficiencies in any reform efforts.

III. Recommendations

Eliminating Vernacular and Pidgin from Schools

Eliminating the Vernacular in Primary School

First, the PPAG team believes it to be advantageous to students' chances at learning English if the use of vernacular is eliminated from primary schools. While children in primary schools may speak the vernacular at home, using it in the classroom serves mainly to delay the process of learning English. Further, all modern research suggests that a new language is most easily and successfully learned during the formative years of childhood. Thus, teaching in the vernacular not only delays the process of learning English, but does so at a time in which it would be most advantageous for a child to learn it as well. As a result, it is especially detrimental depriving children of the opportunity to learn English at this age.

The PPAG team believes that children must be taught in English instead of the vernacular in primary school grades in order to increase their odds of learning English by taking advantage of this adept age to learn a new language. While students may theoretically be more active in the classroom using the vernacular, they are unquestionably missing out on extremely valuable opportunities to begin learning and solidifying the command of the English language. And while it may certainly be more difficult to try to teach English to lower primary school children than to use the vernacular, choosing not to do so has the guaranteed result of their continued ignorance of the English language. Thus, taking advantage of the students' formative years to learn English seems a logical step in improving the knowledge of the English language among Papua New Guinean students. Learning English at this age will also absolutely serve to heighten the ceiling of the students' English language capabilities.

Eliminating Phasing In English Through Pidgin

While the PPAG team understands the rationale for easing students into learning English through employing a combination of it with Pidgin, it believes that doing so is

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ultimately counterproductive to successfully teaching students English. Instead, using Pidgin in the classroom serves mainly to solidify students' predominant use of it, and results in a marginalization of English in daily classroom interactions.

Three realities define the PPAG team's belief in eliminating Pidgin from the classroom. First, there is the reality that the only arena that English could possibly be successfully taught in is the classroom. The PPAG team never observed any citizen, of any age, using English in any context. While supporters of the 1995 Education (Amendment) Reform Act may point to this fact as a rationale for incorporating Pidgin into the classroom, the PPAG team agrees that this reality only demonstrates the truth that schools are the only conceivable location in Papua New Guinea where children have any chance of learning English. As a result, English must be taught exclusively in schools, as teaching in tandem with Pidgin serves only to hamper its chances of being taught successfully.

Second, there is the reality that entering grade six with a poor understanding of English and being expected to patently know it is a far more daunting task than facing it in primary school. Indeed, the argument that Pidgin provides for a less intimidating transition and experience for Papua New Guinean students seems fundamentally flawed, as it is unquestionably more intimidating facing the prospect of arriving at grade eight with little or no command of English than needing to learn it in grade three.

Lastly, there is the third reality that Pidgin is far too vague to accurately describe the nuances of the physical sciences, mathematics, the social sciences, history, business and practically any other academic or cognitive subject. There is an indisputable wealth of academic texts in English, while only a select few in Pidgin. English is simply necessary to attain the full potential of academic (or the like) material. Additionally, the PPAG team believes the lack of specificity in the Pidgin language prevents students from discovering their full potential for creative and abstract thinking. Incorporating Pidgin in grades 3-5 runs the risk of accomplishing the opposite of students learning English – it threatens to create a collective dependency upon it. If the Papua New Guinean government truly believes in endowing every Papua New Guinean student with the chance to reach the full potential of education and their conceptual ability, Pidgin simply must be eliminated from the classroom.

Eliminating the Outcome-Based Model

While an outcome-based education model may be appropriate for elite private schools, it is not for a state-mandated education system. Simply delineating desired outcomes does extremely little to help teachers in their lesson plans and leaves too much room for extraneous, ineffective, and inefficient teaching. As a result, the PPAG team

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believes that the outcome-based model must be ousted from the Papua New Guinean education system, and replaced with a structured curriculum.

The PPAG team believes that ousting this education model will not be as drastic as it potentially sounds. Papua New Guinea has pre-1995 curriculums from which it can draw, or it could identify foreign curriculums and incorporate them into one that fits the Papua New Guinean educational system. Additionally, eliminating the outcome-based model does not have to dismiss necessarily the theme of more cultural integration into the curriculum. A new curriculum can incorporate as much culture as deemed appropriate. The PPAG team was actually struck by the comprehensiveness and innovativeness of the outcomes of the current model; there only lacked a concrete bridge to achieve them. The PPAG team believes that delineating a day-by-day method to achieve these outcomes will serve as such a bridge to attain these already well-thought outcomes.

The main point in ending the use of an outcome-based model of education is to normalize the education program throughout the country and guarantee that all children will benefit from state-approved steps of learning every day they go to school. Perhaps one day further in the country's development, a state-mandated outcome-based model will serve as an innovative way to introduce flexibility in order to further the educational system. However, at the present time Papua New Guinea needs a detailed, stringent curriculum that will serve as a guide to teachers in ensuring that students receive the best chance of achieving educational goals as possible.

Funding for Textbooks and Literature

Presently, many Papua New Guinean schools suffer from an overwhelming shortage of educational reading materials. While there is certainly a need for physical infrastructure in schools – buildings, desks, chairs, chalkboards, etc. – the PPAG team believes that prioritizing textbooks and other learning literature for state funding will maximize the educational benefit for the nation's students.

Whether it is due to a dearth of culturally oriented learning materials or simple funding, students in Papua New Guinean schools suffer from a scarcity of educational literature. A PPAG team member recalls one of his grade six students reading a book entitled Nine Steps to Becoming a Good Parent, not because of educational interest, but rather because that which made him an excellent student – his voracious appetite for knowledge – drove him to this version of a self-initiated curriculum of extra-curricular reading. Unfortunately for this student, most of the reading materials he had access to had minimal academic worth. The PPAG team believes that textbooks available in schools should provide such driven students with material that will substantively help further their education instead of merely serving to provide little more than reading practice.

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The PPAG team firmly believes that there must be access to relevant, informative, and interesting reading materials as part of a truly effective educational system. Additionally, possessing these materials would inevitably increase exposure to the English language. Simply having these materials available and the resultant reading that will come from them will assuredly generate such exposure, and will consequently serve the additional purpose of aiding children in effectively learning the English language.

It is imperative for the state to prioritize funding for reading materials for Papua New Guinea schools. Before the infrastructure of any school is improved, it is absolutely necessary to strive to achieve a situation in which a motivated student may satiate her ambition with access to quality educational reading materials.

Emphasizing Creativity

Lastly, in order for Papua New Guinea to fully improve its education system, the PPAG team believes an emphasis must be placed on innovation and creativity in the classroom. Papua New Guinea needs an influx of smart, educated, and perhaps most importantly, innovative students to aid in its development. The education system is failing in this department.

From its experience in the classroom, the PPAG team feels that the current educational model produces mechanical learning habits and abilities. Students may be able to form the present continuous tense yet at the same time have no conception of its meaning nor regard for context. The students' memorization skills were impressive, yet their ability to see the big picture or put what they learn in the context of any situation proved dismal. A new paradigm in the classroom must be established.

Teachers must tolerate wrong answers in order to foster confidence, leadership, and creativity in their students. Students seemed afraid to be wrong in any circumstance, and consequently rarely took any risks in answering a question or attempting to solve a problem. Indeed, if a student got an answer wrong, they appeared ashamed that they had even tried. The PPAG team, after extensive discussions and interviews, gathered that students are taught to raise their hand only if they are absolutely positive they know the right answer. Wrong answers are often chastised and punished, instilling a sense of fear and shame in the minds of young students. The cornerstone adage of any functioning academic environment is: It is all right to be wrong. This maxim must be internalized into the Papua New Guinean educational system.

Education is not about the retention of facts, but about the synthesis and analysis of large amounts of information. Without these skills, educated students will effectively be unable to address the many imminent obstacles and challenges that face Papua New Guinea. Papua New Guinean students' lack of creativity and abstract thinking skills

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should consequently be of great alarm to the government and the nation. It is essential that, in introducing any kind of educational reform, the Papua New Guinean government devote great effort to reworking the present paradigm in order to encourage true creativity and dynamism in Papua New Guinean students.

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IV. Transport Infrastructure Development

I. Background

Transport infrastructure improvement has been and remains an indispensable area of development concern in Papua New Guinea. The combination of a lack of present infrastructure and rugged geography results in a need for improved transport infrastructure.

According to the World Bank, “Papua New Guinea’s population of 5.2 million is one of the most isolated in the world. Four out of five live in rugged mountainous or coastal terrain, many without even rudimentary access [to transport infrastructure].”²⁹ Maritime, road, and air transportation all possess great restrictions. The majority of the 6,500 km of coastline in the coastal provinces is accessible almost exclusively by sea. Roads are notoriously poorly maintained and “provide unreliable, infrequent, high-cost road transport services.”³⁰ While Papua New Guinea possesses 19,600 kilometers (12,179 miles) of roads, only 686 kilometers (426 miles) are paved (approximately 3.5 percent of the total). Major highways such as the Highlands Highway were once well maintained and efficient, but are currently in poor condition, susceptible to frequent closure in wet weather and causing regular vehicle breakdowns. Air services are able to counter the restrictive terrain best, but are “prohibitively expensive for the rural population,” and only 19 of Papua New Guinea’s 492 airstrips are even paved.³¹

As previously alluded to, the primary limiting factor in developing Papua New Guinea’s intrastate transportation capacity is geography. The rugged, mountainous region that inhabits the center of the country poses an obvious problem, as major coastal cities such as Port Moresby and Lae need to be efficiently connected to the Northwest region of the country, which is the major producer of natural resources and agricultural products.

The government of Papua New Guinea has acknowledged the urgency of developing an efficient intrastate transport infrastructure, listing transport infrastructure as a high priority policy area in its “Medium Term Development Strategy 1997-2002.”³² The government has devoted considerable resources to the infrastructure sector as part of this strategy:

²⁹ "Transport in Papua New Guinea." Transport in East Asia and Pacific. The World Bank. 2 Sept. 2008 <<http://go.worldbank.org/i8q4ban640>>.

³⁰ Ibid.

³¹ Ibid, World Bank. World Development Indicators. Chicago: World Bank Publications, 2007.

³² Ibid.

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From 1998 to 2002, the infrastructure sector accounted for over 40% of the entire public investment program of PNG, making it the largest component of public investment. Additionally, in terms of PNG's public expenditure forecast and funding from 1998 to 2002, loans and grants from foreign governments and international organization accounted for around 70% of direct financing.³³

Evidently, Papua New Guinea has appeared to appropriately prioritize and fund improvements to its intrastate transportation infrastructure. Nevertheless, as the numbers currently demonstrate, intrastate transportation in Papua New Guinea is still sub par. Paraphrasing the U.S. State Department, there are currently no countrywide road network, roads are in generally poor repair, flat tires occur routinely as a result of potholes and debris on roadways, and during the rainy season landslides are a problem on stretches of the Highlands Highway between Lae and Mount Hagen.³⁴ Thus, despite apparent governmental efforts, transport infrastructure in Papua New Guinea is still significantly underdeveloped.

II. Evaluation

The PPAG team feels that intrastate transport infrastructure is an indispensable element in Papua New Guinea's development. A sound intrastate infrastructure is a vital component in promoting improvements in commerce, health, education, and general civilian livelihood. Papua New Guinea's dual geographic conditions of "dispersion and isolation" necessitate the establishment of an efficient intrastate transport infrastructure in order to link the major cities and production centers to the rural areas housing over eighty percent of the country's population.³⁵ It is absolutely essential to any true development that there exist functioning linkages between the eighty percent rural population and twenty percent urban.

The PPAG team has chosen to concentrate exclusively on roadways in its recommendations for improvements in intrastate transportation infrastructure. The PPAG team believes that because maritime transport can serve only specific parts of the country and air transport can only be relied upon to serve the upper strata of the country, roads and highways are the most important components to developing an effective intrastate transport infrastructure in Papua New Guinea.

³³ Ibid.

³⁴ "Papua New Guinea Country Specific Information." Travel.State.Gov Bureau of Consular Affairs. U.S. Department of State. 3 Sept. 2008 <http://travel.state.gov/travel/cis_pa_tw/cis/cis_996.html>.

³⁵ Program Evaluation of Official Development Assistance in Infrastructure Related Fields for Papua New Guinea. Research and Programming Division, Economic Cooperation Bureau, Ministry of Foreign Affairs of Japan, Mitsubishi Research Institute, Inc. 2004.

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The PPAG team does not identify a quantitative problem in funding as the main inhibitor to the development of roadways in Papua New Guinea; historical numbers demonstrate that the government has allocated large amounts of funding to road improvement. However, the dearth of paved roadways and dismal present condition of those roadways that are paved suggests areas in need of improvement. The PPAG team believes that the dismal conditions of the roads are a result of insufficient organization and an inability to properly maintain them.

In order to combat what the PPAG team views as a problem of roadway upkeep, the team puts forth a set of technical recommendations emphasizing erosion control, sustainable funding, and maintenance expenditures. For important roadways such as the Highlands Highway, increased protection from environmental attrition is necessary to preserve their good condition and avoid continual reconstruction efforts. The PPAG team also realizes that road maintenance is a highly time-sensitive infrastructural entity; the conditions of roadways directly affects the level of enabled commerce. As a result, it believes that there exists a need for the creation of a fund from which provincial governments – under independent supervision – may extract capital in order to deliver timely repairs to major roadways under their jurisdiction. Lastly, the PPAG team highlights the importance of maintenance expenditures in order to emphasize that insufficient maintenance expenditures will ultimately be much more costly than ample ones.

The PPAG team also realizes that the improvement of transport infrastructure would not be successful if it did not provide analogous improvement to the conditions of citizens below the poverty line. Transport infrastructure improvement provides unique opportunities to reduce poverty and encourage greater commerce among the rural population. The PPAG team believes it would be imprudent to disregard poverty reduction when considering transport infrastructure improvements. As a result, the PPAG team has attached two corresponding recommendations to transport infrastructure emphasizing the need to incorporate local employment and the achievable goal of poverty reduction through rural roadway integration in any effort to improve the country's transport infrastructure.

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III. Recommendations

Technical Recommendations

Erosion Control

The present condition of the Highlands Highway and recent devastation of the Chimbu section due to rainfall and landslides is just one example as to why there must be an emphasis on erosion control when attempting to improve Papua New Guinea's road network. The heavy rainfall and steep slopes in Papua New Guinea make major erosion a major problem facing efficient roadways.

There needs to be an emphasis on erosion control first and foremost along the Highlands Highway. There are relatively easy, cost-effective methods of doing so. The PPAG team believes that on the uphill sides of the road, the provincial governments must conduct up-to-date surveys on which spots on the mountainsides are vulnerable to landslide. Essentially, those places that attract liquid tend to be vulnerable to landslides. Drainage must be installed in these locations. A simple drain and attached piping that can carry the water away from the vulnerable location is a necessary first step in preventing landslides.

On the downhill side of the road, the PPAG team encourages digging a series of narrow, deep holes close together parallel to the road, and filling them with steel beams, and if possible, subsequently with concrete. This is a cost-effective technique for reinforcing the downhill side of the road. Digging this series of side-by-side holes and filling them with steel beams essentially creates a retaining wall for the ground without having to construct an actual wall.

These two drainage mechanisms are inexpensive and not technically difficult to implement, yet are effective in helping to prevent landslides around the road. Incorporating them into a transport infrastructure maintenance plan has two primary benefits. First, their cost-effectiveness and ease of implementation means that they can be employed in numerous places along the Highlands Highway. Second, there is an added bonus in the basic nature of their construction creating a number of low-skill jobs for Papua New Guinean citizens. There appears to be a dearth of low-skill job opportunities in Papua New Guinea, yet an increasing presence of citizens without a secondary school or university education. As a result, creating these erosion control projects will help meet the employment need of these citizens.

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Sustainable Funding Resources

While it appears that the Papua New Guinean government commits considerable funds to transport infrastructure, the PPAG team believes that one potential reason the roadways remain in dismal condition is that funds allocated for maintenance or repairs cannot be implemented in an efficient manner. Transport infrastructure requires perhaps the most efficient transition from fund allocation to actual implementation, as roads' functionality must remain constant.

In order to encourage efficient maintenance and repair, the PPAG team believes Papua New Guinean transport infrastructure would benefit immensely from two particular sustainable funding means. First, the PPAG team recommends the creation of a transport infrastructure fund from which provincial governments can withdraw approved amounts of funding to repair or maintain an accordingly approved section of road of national importance, such as the Highlands Highway. India has established such a fund with generally successful results.³⁶

Second, the PPAG team believes the government should proceed – with caution – in invoking private sector involvement in Papua New Guinea's transport infrastructure, particular in funding road maintenance. The PPAG team believes that funding for the creation of new roadways seems to be provided sufficiently by state and institutional donors. However, existing roadways – even ones as important as the Highlands Highway – are in dire need of consistent maintenance, as they have fallen into a state of disrepair. Private sector involvement will help provide a fast and consistent source of funding. In addition to potentially more efficient implementation of funds, encouraging private sector funding also may serve as another means of localized involvement in roadways. However, the PPAG team makes this recommendation with the caveat that great discretion needs to be employed if the private sector is involved, as its involvement poses a risk of corruption.

Maintenance Expenditures

Proper levels of and commitments to maintenance expenditures are crucial in preserving functioning intrastate transport infrastructure networks. Beyond the obvious point of maintenance being necessary to maintain the condition of roads, new research has suggested that maintenance expenditures have even more importance than might be initially thought. In the World Bank paper "Infrastructure and Growth in Developing Countries," Stéphane Straub finds that "growth models imply that lower than optimal

³⁶ Rahman, Faizur, B.N. Puri, Xia Hong, Cynthia Cook, Peter McCawley, and John Weiss. "Highlights of the Panel Discussion." Asian Development Bank Institute, Workshop on Transport Infrastructure and Poverty Reduction, 22 July 2005, Manila.

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levels of maintenance expenditures will generate higher operational costs.”³⁷ Essentially, this finding demonstrates that devaluing maintenance duties will invariably result in higher costs at a later time.

While it is difficult to provide any standardized figure of maintenance costs, “Fay and Morrison (2007) mention standards of 2% of the replacement cost of capital for electricity, roads and rail.”³⁸ This research reinforces the PPAG team’s belief that quick, efficient, and sufficient maintenance expenditures are absolutely necessary in improving Papua New Guinea’s transport infrastructure. High quality road maintenance will prevent future repair costs, resulting in net savings, and therefore must be prioritized in any transport infrastructure improvement policy.

Corresponding Recommendations

Local Employment

In the same vein as the creation of employment through such projects as erosion control, the PPAG team believes that encouraging local employment in intrastate infrastructure projects will serve not only to help meet low-skill labor demand, but help maintain the quality of the roads as well. Contractors usually like to bring in their own teams to construct roads. The PPAG team recommends that contractors should still be allowed to choose their team at their own discretion, yet should be required to employ a minimum number of local people from the community surrounding the area of road construction. Requiring the employment of local people serves a dual purpose.

First, it will serve to encourage employment of rural citizens. Any employment opportunities that can include the rural eighty percent of the population are relatively rare and should be seized. Second, local people likely feel a more personal stake in the road being built than hired workers, as they make their livelihood by and through it. Developing local responsibility for portions of new roads will serve to augment regular maintenance and care. Additionally, “the employment of local women for work such as the establishment of native vegetation to reduce erosion should also be considered.”³⁹ While there has always been a debate between the potential tradeoff of quality versus employment creation, the PPAG team believes that involving local peoples along main

³⁷ Straub, Stéphane. Infrastructure and Growth in Developing Countries: Recent Advances and Research Challenges. Working Paper No. 4460. Development Research Department, The World Bank. Chicago: World Bank Publications, 2008.

³⁸ Ibid.

³⁹ "Roads in Developing Countries." 2004. The Centre for Sustainable Development, The University of Cambridge. 3 Sept. 2008 <http://www7.caret.cam.ac.uk/guide_roads_in_dev_countries.htm>.

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roadways in Papua New Guinea will ultimately be beneficial, as they present a relatively untapped yet committed force in maintaining the health of roadways.

Poverty Reduction Through Rural Roadway Integration

In order to truly achieve poverty reduction, Papua New Guinea must at least begin to implement a policy to embark on improving transport infrastructure in rural areas. The PPAG team believes that transnational roadways such as the Highlands Highway should be prioritized – however, the lack of rural transport infrastructure is obvious and its absence should no longer be ignored. In order to achieve a win-win result of an improved national transport infrastructure and a reduction in poverty, the Papua New Guinean government must begin to catalyze rural transport infrastructure projects.

There have been numerous studies that have supported the link between transport infrastructure projects and poverty reduction. Indeed, even Adam Smith in 1776 recognized that:

Good roads, canals and navigable rivers, by diminishing the expense of carriage, put the remote parts of country more nearly on a level with those in the neighbourhood of the town. They are upon that account the greatest of all improvements.⁴⁰

When properly implemented, transport infrastructure projects can have significant impacts on social development and poverty reduction. Increased transport infrastructure improvement corresponded directly with poverty reduction in Japan, South Korea, and Bangladesh.⁴¹ Improved transport helps reduce costs of goods needed by the rural poor, helps rural poor get higher prices for their produce, and gives better access to service such as health, education, and agricultural extension.⁴² Thus, there is a substantive, direct link between improving transport infrastructure and reducing poverty.

Faizur Rahman, the chief engineer of the Roads and Highways Department of the Ministry of Communications of Bangladesh, corroborates this notion in his conclusions of Bangladesh's transport infrastructure projects. Transport infrastructure projects in Bangladesh successfully created employment opportunities both in farm and non-farm sectors, reduced upper-level poverty by more than the stipulated 1.2 percentage points (it achieved a 1.5% reduction), and made the remarkable achievement of reducing rates of hardcore (lower-level) poverty at a faster rate than the upper-level.⁴³ These figures

⁴⁰ Smith, Adam. *Wealth of Nations*. New York: Bantam Classics, 2003.

⁴¹ Rayner, Nigel. "The Importance of Transport Services for Poverty Reduction." www.adbi.org/files/2005.07.18.cpp.importance.transport.services.pdf

⁴² Ibid.

⁴³ Rahman, Faizur. "Transport Infrastructure and Poverty Reduction: Experiences of Bangladesh." Asian Development Bank Institute, Transport Infrastructure and Poverty Reduction Workshop, July 2005, Manila.

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suggest that government improvements in transport infrastructure indeed can have a powerful effect on even dire poverty.

However, in order for the poor to benefit, savings in operating costs need to be passed on through lower fares on public transportation.⁴⁴ Because the main benefit of investment in transport infrastructure is measured in terms of savings in operating costs, those who directly receive these benefits tend to be owners and operators of vehicles using that infrastructure. Consequently, the Papua New Guinea government must pass on these savings in operating costs to the poor in some way; the PPAG team believes a mandated decrease in fares to be just one practical solution.

⁴⁴ Rayner, Nigel.

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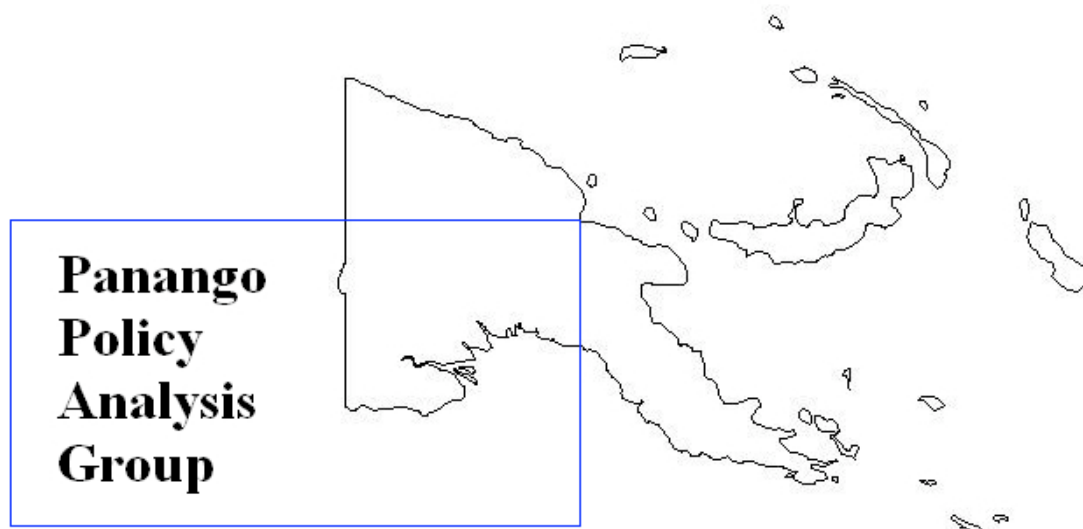
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