

Address by Paul Barker, INA – Holiday Inn, August 2012

How Corruption affects Communities in PNG

Corruption – from the Latin word *corruptus* – or to break, so corruption is a system which is broken.

Widely defined as ‘abuse of public office for private gain’ ...entailing a ‘breach of trust’ or ‘behaviour of public or private office holders who illegally enrich themselves at the public’s (or their community’s) expense’. People often don’t see it directly impacting themselves and so are surprisingly tolerant of it. In PNG people and even journalists constantly make reference to MPs donating vehicles, or whatever, at election times, oblivious to the reality that these are public funds...and what happens to the rest of which they are unaware? Greater awareness of what are PUBLIC assets and Public funds, and some sense of ownership of them (e.g. from paying taxes, financial literacy and awareness of laws and responsibilities and freedom of information etc) is crucial to holding government to task and step one to addressing corruption.

Corruption is certainly universal – but that’s sometimes used as a cop-out, or excuse for allowing it to exist, and in some counties- including PNG- allowing to occur in a grand scale, undermining the nation’s integrity and harming, even destroying lives, through the diversion of funds from ensuring critical access to health, education or markets

The argument that various actions aren’t corruption but merely culture or customary practice is also a cop out. Corruption is corruption, that’s all...it certainly comes in different forms and different degrees, and embraces a wide range of mal-practice...

Different societies certainly have different traditions, practices and pressures and what maybe seen as corrupt in one may be viewed more lightly, acceptably or even a social obligation in another, but the core features of corruption are the same... e.g. some Asian societies have gift exchanging custom; PNG has strong reciprocal expectations or obligations

TIPNG undertook a fascinating study of PNG perceptions of corruption –what was deemed to entail a Corrupt Action and what was not, by different segments of the community – some groups seemed rather tolerant of certain behaviour, but surprisingly intolerant or suspicious of what to some might have seemed relatively innocuous (e.g of the teacher seemingly innocently providing notebooks to the local community centre – deemed to be currying favour, – it certainly highlighted though a very low opinion of the general behaviour of some walks of life: notably various representatives of the State, including MPs, members of govt and police, mixed view of the private sector, a generally higher opinion of many members of media and higher yet for church and civil society members, who in PNG often provide the key services, work on a relative shoestring and don’t largely seem to be enriching themselves (at the community’s expense)

Yet, PNG society seems to be highly pragmatic; widely upset but often remarkably tolerant of poor public goods and services and when elections arrive quite ready to ignore the deficiencies and abuses, accept blood money and vote back in the same fellow who'd been absent for the past five years, failed to deliver local services despite control over substantial funds, yet enriched himself and gained new properties in Cairns, Singapore or wherever.

Maybe blood or clan ties run thicker than all else, or an odd/distorted sense of honour to vote for someone in exchange for electoral rewards, or recognition that maybe this will be the only opportunity to succour benefits, or simply low expectations and a major discord between what eth State should provide and how public office holders should behave.

Many leaders say that pressures on them from wantoks/communities are excessive...e.g. on candidates, those with good jobs etc...to provide direct rewards, provide jobs, school fees, funeral expenses and the list goes on, and this is seen with MPs and political parties joining coalitions etc upon payment of rewards – it's a two way and spiralling system of abuse, with neither side necessarily wanting it, but seemingly unable to escape when others practice it, and when the penalties or other disincentives are few

The cost of corruption to the community is not just the waste of public money –
It's also:-

- Unsuitable people gaining political or other public sector high office
- Good students missing out, whilst others gain places or subsequent jobs
- Funds unavailable for real priorities –providing public goods and services
- Substandard or lack of goods and services being provided (even though often paid for) – from buildings or bridges which collapse during earthquakes, to teachers who don't bother to turn up and deprive kids of quality education, to lack of genuine or even any essential drugs/medication
- Trading/supply monopolies being granted, pushing up prices and lowering choice against the public interest
- Environmentally unsuitable or disastrous projects being approved
- Public, customary or other private Land being given away to favoured friends and businesses
- High costs, long delays and risk for genuine investors, who are put off, and don't create jobs, income, competitive goods and services etc
- Society's moral fibre being undermined, with loss of clarity over right/wrong, so everyone traim tasol, claiming bogus compensation, skipping work, distorting major or claims – often with the genuine or disadvantaged missing out

So corruption undermines human dignity and drives poverty, through deprivation of households to land and land/marine resources upon which depend and by undermining household access to broad-based quality public goods and services (from well funded law and order and health services, to quality education and training, right through to potable water/sewage, power etc), affordable private goods services, employment and income earning opportunities, as well as continued access to customary or even private land,

food security and a healthy environment, as all these community or public assets have been appropriated to some private gain, and sometimes the benefits then being shipped out of the country. Accidents at sea and air can partly be ascribed to corruption, with often unsuitable vessels approved to carry excessive loads, and funds diverted from essential maintenance and safety requirements for roads, airstrips, etc..

Mafia style fixing of prices and establishment of exclusive monopolies which push up prices of essential staples ..

PNG going from relatively equitable society, with Constitutional obligation for equality in services, opportunity between regions, men/women, now and into future generations, etc... to one of most distorted/ unequal societies in Asian-Pacific region, with amongst lowest social indicators /MDGs, esp low education/literacy, high maternal/child mortality rates etc

Resource rich country, with major successive extractive projects in mining, oil/gas, forests, marine – but ‘PNG’s paradox’...

Yet, communities in some of richest provinces have least to show for it...after false invoice paid, logging concessions , SABLs (perhaps one of the largest administrative thefts of community/private assets) and other prime land areas granted for lucrative favours

Corruption is nurtured in a state with weak institutions and systems of governance, and where the leaders and public are indifferent and/or unaware or feel disempowered...where there is considerable temptation, and it hasn’t addressed before when the lure was less, and where the penalties are light and the law enforcement agencies weak or corrupted themselves, from police to Courts etc..

A deterioration...

1980s – sectoral programmes, S& L societies (loss of savings), prov devlt corps, Pelair inquiry, and by end Forestry Inquiry etc

1990s – at start private sector still thought corruption a minor impediment to business, but, esp with forecast wealth from new oil and mining projects and forestry...major succession of doubtful projects – Defence/police housing (Exim bank), fish licensing for little gain to PNG, attempts with multi-mill radar (when unneeded), road contracts to mates/self, more political slush funds, breakdown of PAC/failure to submit audits, growing abuse of lands (with files less available etc), superannuation funds abused, appointments, TAs, Central City/consultancies etc, coffee extortion

2000s – DSIP, NADP, Lands/TAs & SABLs, tax exemptions, passports/visas, carbon cowboys, compo, etc...police and private use, drug/pharmaceutical supplies, ghost teachers etc.. Parlt/Public curators, international borrowing/resource projects, SOEs, Finance Inquiry, etc...widespread tax avoidance

Sometimes seems too unsurmountable...

- Yet various countries have turned around in short period (HK, Uganda education)
 - PNG must – not more money that fixed problem – but address it now or more money (even in SWF) just wasted – Uganda 80% of education budget wasted
- Community driven social auditing (e.g. in Kenya with network..at local level – with groups like Muslims for Human Rights/Film ‘It’s our Money’ etc..
- Corruption moved right up agenda in India, Nigeria, some strong new leaders in Liberia (tackling logging etc) etc, as seeing how destroying societies and wasting countries prospects ...

How address: short and longer term efforts?

Shorter term

- Apply the National Anticorruption strategy and utilise the recommendations of the Barnett report: “**FIGHTING CORRUPTION AND PROMOTING INTEGRITY IN PUBLIC LIFE** and ideas contained in the ADB’s recent report “**PNG Critical Development Constraints**”
- Minimise the opportunities/temptations for corruption: eliminating/minimising sole discretionary powers (as with Lands, Environment etc)
- More transparent/automatic/electronic processes etc..(as with Asycuda in customs)
- Ensure a system of checks and balances against abuses of power
- Require immediate posting of applications/decision-making
- Ensure adequate funding and human resources for anti-corruption institutions, and adequate powers and independence (avoid duplication)..reinforce Parlt’s authority over the Executive (e.g. PAC etc)
- Counter politicisation of public office holders (including police etc)..if necessary with independent outsiders
- Table and release all CoIs and act on recommendations – financial ones and land ones (convert Lands into a more transparent body etc)
- Freedom of Info and Whistleblowers Legislation (in US now pay rewards for whistleblowers), sign up to EITI

Longer term

- Public education awareness (including on laws, roles of MPs, institutions etc), empowerment to ask questions and hold accountable , information provision and standards..learning from better models and service delivery, social auditing
- revise penalties etc
- reinforce Leadership code (with lower evidential requirements to enable quick interventions) and extend aspects of code to some non-leaders

Much wider aspects to improving governance and reducing the pressure to participate in corrupt practices, e.g. changing the role of MPs from implementers handling large

- combined effort (govt and Parlt champions, press, civil society churches, but also from watchdogs, and private sector etc

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