

Restoring Social Contract between the People and the State

The “Social Contract” is central to the concept of the modern State. 17th and 18th Century Philosophers, notably Thomas Hobbes, John Lock and Jean-Jacques Rousseau were notable in developing the principle. Hobbes recognised benefits from ceding some personal freedom to gain protection and formal ‘civil rights’ but subjecting oneself to civil law. Locke developed the notion that the State’s legitimacy secured from providing a ‘common good’. Rousseau, in the ‘Social Contract’ (1762) emphasised the State’s legitimacy deriving from the consent of the governed, i.e. notions of democracy.

In PNG communities have voluntarily forfeited land, conditional upon the State providing schools, health services, government charters and law and order. Understandably, they feel the social contract is broken when the State ceases to provide these public goods; (now many misguidedly clamour for compensation, undermining public goods, although reflecting similar rent-seeking behaviour pursued by many leaders).

The view is widely expressed that government no longer exists in PNG. Despite many dedicated public servants and some institutions performing better, away from main centres the State has virtually ceased, and where core functions occur they’re largely through facilities run by churches and other civil society or private organisations. In towns the State is too often represented negatively, by corrupt or indifferent officials, including police intimidating the population and demanding bribes, or anti-buai enforcers with big batons grabbing informal sector sellers’ roadside produce, overshadowing more positive efforts. PNG society continues functioning through community self-help, but in spite, rather than thanks to, government effort.

Different societies have adopted varied systems of government, particularly Presidential or Parliamentary. It’s easy to blame problems on the system, and maybe the Westminster system and political parties are ill-adapted to PNG conditions, for example restricting Ministerial selection to elected MPs, rather selecting suitable professionals from the wider community, as under the US system (although also posing problems under PNG’s prevalent patronage). Nevertheless, whatever system is selected, there must be adequate commitment to make it work effectively. PNG is certainly not a basket case, like Somalia, but its systems have substantially broken down, and the State’s social contract with the population is tenuous, and needs restoring, including through the Long Term Development Plan (being prepared by the National Planning Committee, in consultation with the public, including private sector).

A principal foundation of the State is the separation of powers between Legislature (i.e. Parliament in PNG), Executive (Government), and Judiciary (Courts). The legislature is there to approve laws and oversee the Executive. Sadly, particularly in recent years, Parliament seems to have become a rubber stamp for Government, with the committees moribund and even the revived Public Accounts Committee barely funded, less operational and substantially ignored by the Executive, with many Ministers and senior public servants appearing to consider themselves unaccountable to Parliament, Inquiries or public alike. The Parliamentary Speaker’s integrity and impartiality, from Government and its internal factions, is critical to an effective

Parliament, as is an effective Opposition, able to raise questions and secure answers and enough untainted Members.

Despite some positive institutional initiatives, like improved Budget reporting (though not at District level), overall the social contract, which justifies the State's existence and its institutions, is failing to be honoured. Government seems to exist to service its own needs, and consolidate control of funds under an exclusive elite. Over many years public funds have been drained from provinces and Districts to Waigani, initially in a feud for control between National Government and MPs versus Provincial Governments, despite Provinces being responsible for most essential services. The 1995 Organic Law on Provincial and Local Level Government, whatever its intentions, shifted power and funds further to the centre and National MPs, with ever larger allocations channelled through inoperative systems (latterly DSIP) designed to reinforce political patronage, rather than systematically deliver infrastructure and services (although used relatively effectively in a few 'model' Districts).

The latest reports from NEFC (an independent Constitutional Office examining Provincial funding and seeking to rectify deficiencies) show how from 2005-2007 totally inadequate funding continues to be provided to Provinces for delivery of basic public goods (infrastructure and services), excepting a few provinces with major mining/oil revenues. The reports also show how Provinces themselves fail to spend on stated National and Provincial priorities, such as MDGs of basic health and education. In fact the reports show the situation deteriorating over these three years since its first exposure (for 2005), with already inadequate expenditure for basic health declining further, whilst expenditure for administration grew further, despite already being considered excessive in 2005.

So, despite stated policies in the MTDS, (and obligations under the Constitution), expenditure is being sucked away from priority services within provinces, and in turn drained over many years from provinces towards Waigani's burgeoning political and public sector offices (and massive leakage). As the NEFC Chairman, Nao Badu, indicated if policy is reflected in how money is actually spent rather than policy statements, clearly policy is for more administration and overheads and less public health and education!

Of course there have been some positive adjustments, including the 2008 Amendment to the Organic Law on Provincial and local financing, providing a modest but valuable increase in funding for poorer provinces, like Sandaun. There are also grand commitments to provinces whenever Cabinet visits, or upon patching long political hostilities, particularly when no confidence votes potentially loom. However, it is not ad-hoc commitments which this country needs, but the restoration and strengthening of reliable systems of government, geared to providing reliable infrastructure and services and ensuring constant maintenance, rather than merely responding to crises. This will take great effort, as capacity to prepare and implement realistic plans (e.g. operating a network of health facilities within walking distance of all communities) have been progressively undermined, largely from the politicisation of the Public Service.

Political patronage and, a stifling public service system, over many years, undermining merit and performance, have destroyed the public sector (including many Statutory bodies and State-owned enterprises), despite individual efforts, with public sector managers (even in SOEs) seeing their social contract as being exclusively with their Minister, or even just to themselves, rather than ultimately to the public. Sadly the public has also been widely duped into thinking that public funds (and jobs) are their MPs' (or some officials') largesse, rather than holding their elected leaders and public servants to account for use of funds and ensuring public institutions deliver required services. PNG's public service could function as well as anywhere, with suitable planning, oversight and effective management.

Whilst the Morauta Government, despite weaknesses, did have some clear vision and readiness for needed reform, since 2002 there has been an absence of overall direction and willingness to make tough measures. Political expediency has ruled instead. Some positive initiatives have come from individual Ministries, but where they have occurred, as with mobile phone competition's introduction, it has often been a reaction, rather than planned. The new ICT policy (phase 2), however, is finally a positive response to opportunity, and, if implemented transparently, should provide opportunities long denied Papua New Guineans. PPP policy has potential, but requires adequate impartial oversight.

By contrast the Office of Climate Change (and Carbon Trading, or ES) seems another example of extravagant expenditure in NCD. It's merely an adjunct to an existing Department, with a fancy office and fleet of gas-guzzling vehicles. It claims powers it does not hold, as they've not been legislated by Parliament, whilst the carbon in the forests already belongs to the landowners, to trade if they wish, or through the PNG Forest Authority, which already has legal rights to manage timber rights (including carbon), with consent from the landowners, and has a field presence, unlike OCC. You'd think building capacity to address climate issues would be developed from a small professional core, rather than establishing a whole bureaucracy of beginners, and, whilst there is some experience in the proposed advisory bodies, one wonders whether all nominees have been consulted! There is also a widespread distrust that this is not about PNG's contribution to climate change or forest conservation, or even developing opportunities for rural landowners, but about developing a long term income stream for a privileged elite, through a mandated trading monopoly, as used by Russian oligarchs to build fortunes! The forest carbon market will only function under clear rules, and credible processes and landowner consent.

It's time to start the necessary reforms geared to tailoring the whole public sector to the country's evolving needs, widely strengthening, but pruning where necessary, especially the excessive overheads at National and Provincial levels, (and attacking the massive waste from corruption). The LTDS (under its Ministerial Committee) is a vehicle to drive this reform process, requiring necessary government and community (including private sector) participation and support, including from the Planning Department, which currently is launching a parallel exercise. Let's restore that social contract (and legitimacy to government), too long forgotten, prioritising decisively, whether the LNG project proceeds, or not, with tough economic times ahead.