

The inexorable rise of private security in Papua New Guinea

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The growth of private security is a global phenomenon, with the fastest expansion in recent years taking place in the developing world. Worth around US\$165 billion worldwide in 2009, the industry is set to reach an estimated US\$267 billion in 2018 (WSS 2016). While there is limited data available, Pacific Island countries appear to be conforming to the larger international pattern of private security vehicles, uniformed personnel, guard dogs and company logos. The industry has become a significant source of employment and favoured form of investment in many countries. As elsewhere, this reflects both an increase in demand for private security and a growth in the supply of such services.

This paper examines the dramatic growth of private security in Papua New Guinea (PNG), the Pacific region's most populous and insecure country and the one with the largest urban population. As well as looking at the dimensions and character of the commercial sector, the paper will examine the critical issue of industry regulation and the relationship between private security and the national police force, the Royal Papua New Guinea Constabulary (RPNGC). The concluding section considers the political economy of this expanding sector and its potential implications for security governance in PNG in the years ahead.

Reasons for the growth of private security

The rise of private security in PNG reflects three broad intersecting trends: exceptionally high levels of insecurity experienced, particularly, though not exclusively, in the fast growing urban centres; declining confidence in the capabilities and integrity of the small and increasingly dysfunctional RPNGC; and increasing rates of foreign and local investment in private security in the context of PNG's prolonged natural resources boom.

Concerns with crime and violence have a long history in PNG. They acquired prominence during the decolonisation process as the old colonial administrative system was gradually dismantled. When restrictions on movement were lifted in the 1960s, young rural migrants flocked to town in search of improved social and economic opportunities (Strathern 1972). Levels of recorded crime in the national capital, Port Moresby, increased, and the spectre of urban crime emerged as a key source of public and private anxiety (Clifford 1976). These concerns have grown exponentially in the decades since, following broader patterns of urban growth. Although PNG has the lowest urbanisation rate (at 13 per cent) among Pacific Island countries, its substantially larger scale means that it has the biggest urban population in the region, estimated at between 800,000 and one million people (ABD 2016). Well over half this number live in Port Moresby, which is by far the Pacific's largest city.

PNG's towns have acquired notoriety as violent and crime ridden places. Port Moresby and Lae were identified in a 2010 report as two of the world's most dangerous cities, with homicide rates of 33 and 66 per 100,000 persons respectively (Lakhani and Wilman 2014a). Much urban crime has been attributed to the activities of *raskol* gangs, comprised of disaffected young men from the burgeoning informal settlements found in all the main towns. The evolution of these gangs has been depicted as one of progressive organisational sophistication with the spread of criminal activities from socially disadvantaged communities to more respectable suburbs, the recruitment of better educated members, increasing use of firearms in response to reactive policing tactics, and growing connections to more powerful political and business actors in an expanding urban milieu where criminal opportunities are continuously expanding (Harris 1988; Dinnen 2001). Firearms are widely available and regularly used in criminal activity.

While the poor quality of available data makes it difficult to measure the scale of crime, surveys and anecdotal evidence suggest that violence and victimisation

rates in PNG are among the highest in the world. Levels of unreported crime are extremely high, particularly in respect of sexual offences. One recent report claimed that family violence had reached 'emergency' levels (HRW 2015), with more than two thirds of PNG women having experienced some form of gender based or domestic violence, and in some parts of the country, 80 per cent of men have admitted to committing sexual violence against their partners. Women and girls are also vulnerable in public spaces, with survey data indicating that 55 per cent of females surveyed had experienced violence in Port Moresby's markets (UNW 2012). There are significant variations in victimisation patterns between places, as well as over time. Shifting crime 'hot-spots' exist in the larger towns (NCD 2008).

Faced with escalating 'law and order' problems, the RPNGC has been severely handicapped by limited resources and increasing organisational dysfunction (Peake and Dinnen 2014). Lack of responsiveness to reported incidents, perceptions of corruption, criminality and routine brutality (HRW 2006) have undermined already low levels of public confidence. Household victimisation surveys confirm that lack of trust in the police is a major contributor to high levels of insecurity in urban areas (Guthrie 2013).¹ The integrity of the force has been further eroded by the penetration of extensive patronage networks that have affected senior appointments, how investigations have been conducted, and accentuated growing factionalisation within the police. The high turnover of police commissioners, as well as the suspension, sacking or marginalisation of officers investigating serious allegations of corruption, are indicative of an alarming trend that has profoundly damaged the organisation.

The relatively small size of the RPNGC set against rapid population growth is another major challenge. While the overall population has more than tripled since 1975 to its current estimate of 7.8 million people, the police have only increased by around 30 per cent (Dorney 2016). According to a 2010 report, PNG had approximately one police officer for every 1,406 head of population, compared to an average of 1:359 for all Pacific Island states (COA 2010). A 2012 report stated that there were around 105 officers for every 100,000 people, well below the UN recommended minimum police strength of 222 officers per 100,000 people (Project Gutenberg 2012). More recent estimates put the size of the force at between 7,000-8,000 officers.² In 2013, the Governor of the National Capital District complained that there were less than 1,000 officers in Port Moresby with an estimated population of 700,000 (ABC News 2013).

Private security has emerged, in large part, as a way of filling the security gap. The corporate and business sector has been a major force behind the development of the private security sector, both as a consumer and supplier of security services. PNG's crime problems have long been viewed as a major additional cost of doing business there. For example, a 2012 business survey found that 80 per cent of respondents reported that crime had affected their business and investment decisions, and there was little

confidence in the police and judicial system (INA and ADB 2012). As well as providing extra security for employees and property, businesses pay high insurance premiums and have difficulty in attracting international staff. World Bank research shows that concerns with crime and violence among the PNG business community are more than four times the regional average in East Asia and the Pacific, and comparable with countries like El Salvador, Venezuela and the Democratic Republic of Congo (Lakhani and Wilman 2014b). The same research indicates that business investment in security personnel and infrastructure, at around 84 per cent of all companies surveyed, is significantly higher than the average for East Asia and the Pacific, Sub-Saharan Africa and Latin American regions.

Private security providers

According to PNG's Security Industries Authority (SIA), which issues licences to security companies, the number of licensed companies grew from 173 in 2006 to 462 in 2014, with a workforce of around 30,000 security guards (Isari 2016). Though these figures do not include the large number of unlicensed security companies and personnel, they nevertheless represent over three times the number of serving police officers and is more than the combined strength of PNG's three 'disciplined' services (police, military and correctional service). According to some observers, private security is now the country's third largest employer, after agriculture and the public service. Companies vary in size, services offered, areas of operation, as well as national origins. They include transnational security corporations and large locally owned firms, through to numerous smaller operators. The three largest companies are Guard Dog Security (around 3,622 guards), G4S Secure Solutions Ltd (around 3,390) and Black Swan International (around 780). Security at the controversial Australian funded refugee processing centre on Manus is provided by an Australian owned company, Wilsons Security, which has around 622 employees on the island and sub-contracts with a local landowner company that employs a further 280 guards.

Security companies are concentrated in PNG's urban centres, although also operate in rural areas where major resource developments are located, including Southern Highlands, Western Highlands, Hela and Enga. Static asset protection is provided to extractive projects, agricultural plantations, government offices, shopping centres, airports, hospitals, schools, banks, embassies and private residences. Other services include close personal protection, escorting mobile assets, security training, security assessments, emergency evacuations, rapid response capabilities, as well as the supply, installation and monitoring of electronic surveillance systems.

The SIA has conservatively estimated the value of the industry in PNG as between PNGK833 million and PNGK1 billion³. Although not registered as security companies, the large mining corporations operating in remote parts of the country are another significant employer of security personnel. For example, the Porgera gold mine in Enga has an asset protection department of around 300 employees to provide security within the special mining lease.

Regulation

PNG is one of only two Pacific Island countries (the other being Tonga) that have legislation covering the regulation of the private security industry. The Security (Protection) Industry Act 2004 established the SIA and vests it with a number of functions, including the issuing and revocation of operating licences. The SIA is chaired by the RPNGC Commissioner and includes representatives from the security, insurance, mining, agriculture and manufacturing industries, as well as representatives from the trade unions and churches. Its effectiveness is hampered by limited resources (around 12 staff all based in Port Moresby) and rapid industry growth. There are still no clear guidelines for the issuing and cancelling of licenses and other challenges include the large number of unlicensed operators, discipline problems, underpayment of security guards by some companies and the provision of unapproved training courses. With strong industry input, the SIA has drafted 88 recommendations to clarify ambiguities in the 2004 Act and improve its effectiveness. These are currently awaiting approval by the National Parliament.

At a regional level, the Pacific Islands Forum Secretariat has recently resumed discussions around the growth and weak regulations surrounding private security in the Pacific islands, raising the possibility of a regional regulatory framework (ABC News 2016).

Relationship between private and public security providers

A close and increasingly interdependent relationship exists between the private and public security sectors. Both sectors share the same challenging operating environment and, in the case of the larger companies, undertake many of the same activities. The RPNGC Commissioner chairs the SIA, and many senior industry employees have previous police or military experience in PNG or overseas. Bigger operators, such as Guard Dog Security, regularly assist their under resourced RPNGC colleagues by, for example, providing fuel and tyres for vehicles. Superior resources available to the high end of the private market include sophisticated communications, surveillance and tracking systems that are unavailable to the RPNGC. Informal networks have also led to intelligence sharing between the two groups.

Collaboration between the police and business community has a long history in PNG. This includes special policing services provided to logging and mining projects operating in remote rural locations. Such arrangements are often covered by formal agreements or MoUs between the parties and might include the payment of allowances, transport costs, and provision of meals and accommodation. Some private security employees also serve as part time reserve constables, exercising the same powers as regular officers. There have also been frequent allegations of serving officers moonlighting as security officers for private clients, often while wearing uniforms and using police equipment. Such unofficial arrangements have been condemned by senior police officials.

Although extensive interaction between police and private security occurs in practice, concerns are regularly raised about the potentially negative impacts of the burgeoning private sector on the performance and standing of the police. These include sensitivities about private providers encroaching on areas that police regard as their exclusive preserve, concerns that the growing prominence of private providers diverts attention away from the need to adequately resource the police, as well as perceptions that public-private security collaborations might entail privileging powerful business interests over police responsibilities to ordinary citizens.

Some of these issues were highlighted in PNG's 2013 National Security Policy (NSP), which warned of foreign-owned companies engaging 'in areas designed for PNG state agencies'. According to the NSP, the involvement of these companies 'undermines the state's ability and authority to deliver public safety and security' and 'is compounded by the growing negative public sentiments against their presence which is viewed as undermining and denying local participation in the industry'.

Political economy

While the growth in private security parallels the declining capabilities of the police, it is also connected to broader changes in PNG's political economy. Economic growth has generated rising demands for security services among corporate clients, domestic and international organisations, as well as among wealthy individuals living in secure urban enclaves. As well as providing significant numbers of low paid jobs to Papua New Guineans, the demand for private security presents an attractive opportunity for both foreign and local investors.

It is widely believed that there is significant domestic investment in private security companies, ranging from landowner groups that are recipients of resource rents to wealthy members of PNG's political and business elite who have established or bought into some of the larger companies. In this respect, the 'proliferation' of private security companies highlighted in the NSP is not just a result of foreign companies entering the market but also the growth of domestic investment and entrepreneurship. The NSP nevertheless identifies a likely growing trend as influential domestic interests seek to dominate this lucrative and dynamic sector by restricting the role of international players. The recent activism of the SIA, as indicated by its proposed reforms to strengthen the regulatory provisions in the 2004 Act, also suggest attempts by the larger companies to consolidate their dominance by driving out smaller competitors.

In relation to political elites, it would be worth examining whether any of the off-budget constituency development funds available to MPs are being spent on private security provision at constituency levels. Broader concerns about the potential for conflict of interests and corruption among the political actors controlling such funds also apply. Growing levels of elite investment in private security also

raises the issue of the disincentive for political decision makers to invest in supporting and strengthening the struggling public security agencies, notably the police. While investing in building effective law enforcement capabilities might be viewed cynically as not in the interests of predatory members of the political elite, the rising investment in, and reliance upon, private security providers might be an additional factor in explaining government neglect.

For a major donor like Australia that has invested millions of dollars into capacity building engagements with the PNG police over many years, the massive expansion of private security and its impact on public policing has attracted surprisingly little interest. While there are many potential risks involved, there are also opportunities presented by the growth of private security including serious consideration of how more deliberate and transparent engagement between the two sectors might contribute to improving the quality and reach of security provision for all Papua New Guineans, including its most vulnerable groups.

PNG's national security landscape is multi-layered and dynamic. It comprises diverse, though often overlapping, sets of providers – state, private, as well as many community-based actors – existing in different configurations in different parts of the country. Among the many gaps in our knowledge about security governance in PNG are the politics and power relations that will shape the future of both security and insecurity in this Melanesian nation and its rapidly growing cities.

Notes

i The O'Neill government has committed to increasing the size of the RPNGC to more than 13,000 by 2020 and 24,000 by 2030, though most commentators consider such aspirations as highly unrealistic (Conery and Claxton 2014). Recruitment was suspended in 2017 ostensibly to review the recruitment system after alleged allegations of and bias in police recruitment.

ii Unclear whether this figure includes both sworn and non-sworn personnel. (Interview with senior RPNGC officer, Port Moresby, 20 March 2017)

¹\$AU1.85 to \$AU2.2 million

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