

Boom and bust? Political will and anti-corruption in Papua New Guinea

Grant W. Walton  | Husnia Hushang 

Development Policy Centre, Crawford School of Public Policy, ANU College of Asia and the Pacific, Australian National University, Acton, ACT, Australia

Correspondence

Grant W. Walton, Fellow, Development Policy Centre, Crawford School of Public Policy, ANU College of Asia and the Pacific, Australian National University, 7 Liversidge Street, Acton, ACT 2601, Australia.

Email: grant.walton@anu.edu.au

Funding information

Department of Foreign Affairs and Trade, Australian Government

Abstract

When new governments come to power they often claim they will address corruption better than their predecessors. While policymakers and scholars recognise that interrogating these claims is important, few studies have analysed how anti-corruption commitments made by incoming governments change over time. This article addresses this gap in the literature by comparing anti-corruption allocations and spending—key indicators of political will—from two of Papua New Guinea's most recent governments: the Peter O'Neill-led government (2011–2019) and the government led by James Marape (2019 to present). Drawing on this analysis, we argue that policymakers need to monitor and respond to an anti-corruption funding cycle whereby new governments initially increase budgetary allocations but then, over time, reduce allocations and underpay and undermine anti-corruption organisations as accusations of corruption and frustration with anti-corruption efforts intensify.

KEYWORDS

anti-corruption, budget, corruption, Papua New Guinea, political will

This is an open access article under the terms of the Creative Commons Attribution-NonCommercial-NoDerivs License, which permits use and distribution in any medium, provided the original work is properly cited, the use is non-commercial and no modifications or adaptations are made.

© 2020 The Authors. Asia & the Pacific Policy Studies published by Crawford School of Public Policy of the Australian National University and John Wiley & Sons Australia, Ltd

1 | INTRODUCTION

In her book *It's Our Turn to Eat: The Story of a Kenyan Whistle-Blower*, journalist Michela Wrong (2009) documents the great optimism accompanying the 2002 election of then first-time Kenyan president, Mwai Kibaki. Civil society leaders, citizens, government officials and donors believed Kibaki's promise to clean up corruption, and to root out the patronage politics that had plagued the previous administration led by President Daniel arap Moi. Initially, it appeared that Kibaki's government was seriously committed to the task; it appointed a new anti-corruption czar, John Githongo, who was promptly inundated with evidence of fraud and corruption by government workers. However, over time the optimism expressed by citizens and foreign observers dissolved as corruption scandals implicated senior government politicians, including, allegedly, the president himself. Wrong (2009) documents how the promises to support anti-corruption organisations and address corruption made at the beginning of Kibaki's reign were undermined by the very politicians promising transparent and accountable government.

This story is familiar to anyone with an interest in the promises and failures of anti-corruption reform. New governments often promise to address corruption and then wind back reforms and defund anti-corruption organisations (Batory, 2012; Quah, 2017; Schnell, 2018). This cycle of anti-corruption boom and bust raises significant challenges for policymakers. First, how are policymakers to assess the degree to which new governments keep their promises? Second, how does the relationship between anti-corruption promises and meaningful reform change over time? To answer these questions we compare the budgetary allocations from two governments in the Pacific nation of Papua New Guinea (PNG).

For many, corruption is a key threat to development in PNG. It is often associated with poor environmental, social and political outcomes. In turn, many prominent commentators bemoan the lack of political will to meaningfully tackle corruption in PNG (see, for example, Taule, 2017; Walton, 2018). At the same time, successive governments continue to claim they take corruption seriously and are adequately responding to national and international concerns (ACT NOW, 2018; Isaac, 2012; Murray, Grigg, & Shapiro, 2019). Assessing these claims requires examining the degree to which governments are willing to put their money where their mouth is; that is, does their anti-corruption rhetoric match their budgetary allocations and spending?

The PNG state funds a number of organisations on a yearly basis to address government corruption and mismanagement. While these organisations are in the business of improving and monitoring accountability and transparency within government institutions, they can struggle to provide the public with basic information about their operations. Given the resource and political constraints facing anti-corruption organisations in PNG, this absence of information is perhaps understandable; however, it does mean that policymakers and others have little information about the health of state-based anti-corruption organisations. Given the paucity of information from anti-corruption organisations, the national budget is a key resource to evaluate the changing fortunes of these organisations.

In this article, we track government allocations and spending between 2008 and 2020. In doing so, we show the impact that the Peter O'Neill-led government (2011–2019) and the government led by James Marape (2019 to present) have had on the resources anti-corruption organisations can draw on to fight corruption. We acknowledge that tracking funding allocations and spending is not the only way to assess a government's commitment to reducing corruption. While our analysis provides important and compelling insights, we note that understanding the degree to which political will shapes allocations and spending compared to other potential factors will require further empirical research. However, we argue that tracking government

allocations and spending is an important, and often overlooked (Quah, 2017), aspect of the political will required to ensure anti-corruption efforts are effective.

This article examines more than a decade of funding allocations for and spending on PNG's key state-based anti-corruption organisations: the Ombudsman Commission, the National Fraud and Anti-Corruption Directorate and the Auditor-General's Office. It also reports on funding over a shorter period—the years funding information is available—for Investigation Taskforce Sweep, the Extractive Industries Transparency Initiative, the Financial Analysis and Supervision Unit and an anti-corruption program under the Department of Finance. For a point of comparison, the analysis includes trends for two organisations that help fight corruption but have a broader mandate than the organisations mentioned above: the Royal PNG Constabulary (RPNGC) and the Attorney General's department.

We draw on the national budget (particularly volumes one and two) and the Final Budget Outcome as the primary source for our analysis. In addition, we have consulted key stakeholders in PNG to verify figures. We convert spending and allocations into constant 2019 prices to ensure meaningful comparisons over time. At the time of writing (January 2020), K1 is equivalent to approximately A\$0.44, or US\$0.30.

It is important to note that this article presents *national* trends. Subnational governments in PNG, particularly the provinces, do contribute their own funds to law and justice and may fund anti-corruption measures; this is not captured in our analysis. In addition, our analysis focuses on what we consider key anti-corruption organisations—those whose primary purpose is to investigate corrupt practices and wrongdoing—where funding information has been provided in the national budget. There are other organisations conducting anti-corruption work, including non-governmental organisations and donors that are not captured in budgetary figures. In turn, this article shows how national governments have prioritised the funding they control for state anti-corruption organisations; it does not examine spending on all types of anti-corruption efforts in PNG.

The article proceeds as follows. First, it provides a brief review of the relevant literature. Section 3 introduces PNG and highlights the political narratives associated with corruption and responses to it. Section 4 shows how funding allocations for and spending on anti-corruption has changed over time. In Section 5, we examine anti-corruption allocations and spending relative to the overall budget and compare anti-corruption funding with two key law and justice organisations: the RPNGC and the Attorney General's department. The final section concludes, highlighting key implications for policymakers, anti-corruption activists and scholars.

2 | POLITICAL WILL AND ANTI-CORRUPTION

Many scholars acknowledge that political elites play a critical role in addressing corruption (Batory, 2012; Quah, 2017; Schnell, 2018). Drawing on Senior (2006), Quah (2017) notes that political leaders have the power to address corruption if they wish as they can enact laws and allocate funds to enforce them. In turn, many scholars consider political elites an essential, but by no means only, part of the 'political will' required to address corruption (Batory, 2012; Brinkerhoff, 2000; Doig, Watt, & Williams, 2005; Quah, 2017; Schnell, 2018). This is particularly the case in poor countries where, due to the weakness of state institutions and civil society, political elites can play a strong role in shaping policy.

Many acknowledge that it is crucial that governments adequately fund existing anti-corruption organisations if the fight against corruption is to be effective (Quah, 2017;

Wrong, 2009). In her assessment of Kibaki's anti-corruption reforms in Kenya, Wrong (2009) argues that it would have been better if the regime had better funded existing anti-corruption organisations rather than creating a new organisation that reported directly to the president. Yet, with some exceptions (see Quah, 2008, 2017), analysis of budgetary spending and allocations often gets lost in the excitement that comes along with new governments promising to change laws and introduce new anti-corruption strategies. Brinkerhoff (2010) argues that while the political will to address corruption requires more than adopting laws and ratifying treaties, this is a common response from both governments and the international community. Indeed, Mungiu-Pippidi (2011) argues that most anti-corruption strategies fail because reformers focus on increasing legal constraints in countries that lack the rule of law. In turn, Ristei (2010) calls for policymakers and researchers to differentiate between 'demonstrated political will' and anti-corruption rhetoric. In this article, we attempt to answer this call by examining the way PNG's political elites have demonstrated their political will through funding key state anti-corruption organisations.

3 | PAPUA NEW GUINEA: CORRUPTION AND ANTI-CORRUPTION

Papua New Guinea is a Pacific nation of more than 8.5 million citizens. The country is a parliamentary democracy with a unicameral legislature consisting of 111 Members of Parliament (MPs) representing 89 districts (or 'open' electorates) and 22 provincial electorates. Corruption is a key concern for those within and outside the country. While the extent of the problem is difficult to accurately assess given the challenges with measurement, available international indicators suggest PNG suffers from high levels of corruption (Kaufmann & Kraay, 2019; Transparency International, 2019).

Given both international and local concerns, corruption has become a hot political issue in PNG. While governments since independence have promised to address corruption, efforts and rhetoric around fighting corruption ramped up in 2011 when Peter O'Neill controversially replaced the elected prime minister, Michael Somare. To differentiate himself from his predecessor, O'Neill established Investigation Taskforce Sweep (ITFS), an anti-corruption agency with an eventual mandate to investigate corruption throughout the government. Led by lawyer Sam Koim, ITFS was initially successful, securing convictions of high-profile politicians and bureaucrats and recovering millions of kina in stolen funds. However, the government subsequently defunded and abolished ITFS after it unsuccessfully helped the RPNGC serve Prime Minister O'Neill with an arrest warrant. ITFS and the police raised the warrant in response to O'Neill's alleged involvement in inappropriately approving payments totalling K72 million to a local law firm (May, 2017).

The longer the O'Neill government stayed in power, the more scandals came to light, which undermined its early promises to address corruption. The most controversial scandal related to a K3 billion government loan from UBS, a Swiss financial services company, which enabled the PNG government to buy a 10% share in Oil Search, a partner in the country's liquefied natural gas (LNG) project. The deal was accompanied by accusations of serious abuses of power and corruption, resulting in a report by the Ombudsman Commission that found wrongdoing by senior government ministers—including O'Neill and subsequent Prime Minister James Marape (Ombudsman Commission, 2018). Concern about corruption under the O'Neill government resulted in social instability; most notably, in 2016 students across the country shut down major

universities as they protested the O'Neill government's alleged corruption and its undermining of anti-corruption organisations, particularly the Fraud Squad (see May, 2017).

In May 2019, MPs voted to replace O'Neill with his one-time Minister for Finance, James Marape. Like O'Neill, Marape began his term as prime minister with assurances to address corruption. Marape promised to pass legislation to establish an Independent Commission Against Corruption and whistle-blower protection by the end of 2019 (Murray et al., 2019). He also commissioned an inquiry into the UBS loan scandal, and appointed anti-corruption activist MP Bryan Kramer as minister of the country's police force. Stressing his commitment, two months after being appointed prime minister, Marape said: 'Our people have had enough and now is the time to tackle the cancer of corruption that has taken hold using the power of prosecution and all other means that we have at our disposal' (Murray et al., 2019).

In the following analysis, we show the degree to which Marape has kept this promise.

4 | ALLOCATIONS FOR AND SPENDING ON KEY PNG ANTI-CORRUPTION ORGANISATIONS

This section first examines budgetary allocations for and spending on five key anti-corruption organisations separately. It provides a brief introduction on each organisation and highlights how funding allocations differ between budgets in 2012, the O'Neill government's first budget, and 2020, the first budget under the Marape government. It then compares these organisations and analyses anti-corruption funding trends.

4.1 | The Ombudsman Commission of Papua New Guinea

The Ombudsman Commission is one of PNG's longest-running state-based anti-corruption bodies; it was mandated through the nation's constitution at independence in 1975. The organisation has long suffered from a lack of resources and an inadequate mandate to hold state officials to account (Walton, 2016, 2018). The past 12 years have been particularly tough for the Ombudsman Commission. Chief Ombudsman Chronox Manek was shot in the arm in 2009 in what many suspect was an attack by those he was investigating. After suffering from poor health, he died in 2012. This left a vacuum within the commission until Rigo Lua was appointed as head in mid-2013; Lua reinvigorated the Ombudsman Commission by publicly leading investigations into prominent politicians and public servants. This reinvigoration was met with resistance, with politicians attacking the organisation and its mandate. In May 2015, it was revealed that Lua's appointment would not be renewed by a committee including prominent politicians. After Phoebe Sangetari served as acting Ombudsman Commissioner, Michael Dick was appointed in 2017. Richard Pagen was subsequently appointed acting Chief Ombudsman in October 2019 after Dick retired.

Figure 1 shows that between 2008 and 2014 the PNG government's budgeted and actual spending for the Ombudsman Commission incrementally increased. In 2008, K21 million was both allocated and spent on the Ombudsman Commission, and by 2015 allocated funding rose to just over K27 million. However, in the same year the government allocated more money than it spent on the organisation, with actual spending falling to K23.6 million. In 2016, actual spending further reduced. In 2017, spending increased slightly from K21 million to K22.8 million before declining to K22.2 million in 2018. In the 2019 budget, the O'Neill

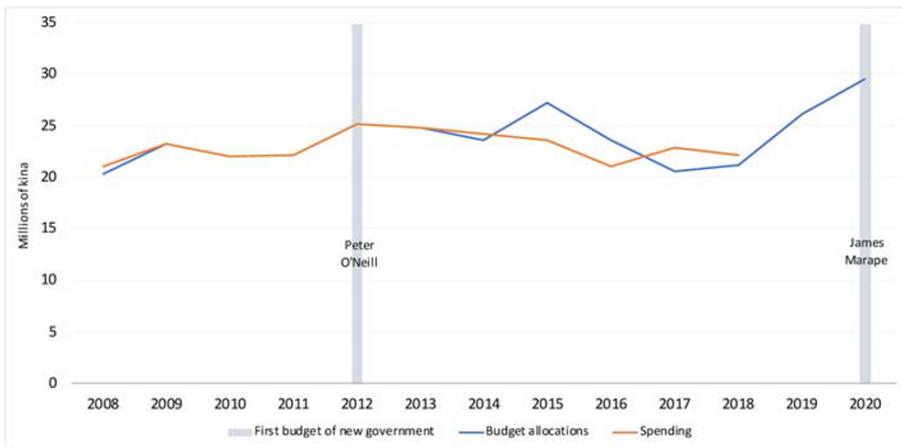


FIGURE 1 Ombudsman Commission allocations and spending (2019 prices)

government allocated K26.1 million for the Ombudsman Commission; under the Marape government's first budget, promised funding rose to K29.5 million, an increase of 13% compared to 2019, and the most amount of funding promised to the Ombudsman Commission since 2008. Comparatively, in O'Neill's first budget in 2012, allocated funding to the organisation increased by K3 million, a growth of 13.7% over the previous year—in percentage terms slightly higher than the Marape government's effort.

4.2 | The Fraud Squad

PNG's police force, the RPNGC, plays a critical role in addressing corruption—it is often the first port of call for citizens who want to report it. However, because its scope is much broader than specifically investigating and prosecuting corruption and wrongdoing, it is not classified as an anti-corruption organisation for the sake of this article (for comparison, we report on funding allocations and spending for the RPNGC in the following section). Nevertheless, the National Fraud and Anti-Corruption Directorate (referred to as the 'Fraud Squad' in this article), which sits within the RPNGC, does directly respond to corruption and its budget is separately reported. The organisation was at the forefront of an attempt to arrest the then prime minister, Peter O'Neill, in 2014 (AAP, 2014). It also has a controversial history, and on a number of occasions has had to close its office. For example, in 2016 the O'Neill-led government effectively shut down the Fraud Squad for three weeks, allegedly due to its efforts to arrest senior government ministers and preparing to arrest the prime minister (Hill & Tlozek, 2016). It was only reopened after former Police Commissioner Gari Baki was ordered to reinstate the agency by the nation's Supreme Court (Tlozek, 2016).

Figure 2 demonstrates that, despite its role in attempting to arrest O'Neill and other senior ministers, spending on the Fraud Squad increased between 2008 and 2015. Between 2011 and 2015 there were large gaps between allocations and spending, although the gap has closed in recent years. The spending reductions between 2011 and 2013 are likely due to resources being reallocated to ITFS, which was established in 2011. More recently, the Fraud Squad has faced large-scale funding cuts. Between 2016 and 2018, actual spending reduced from K1.98 million

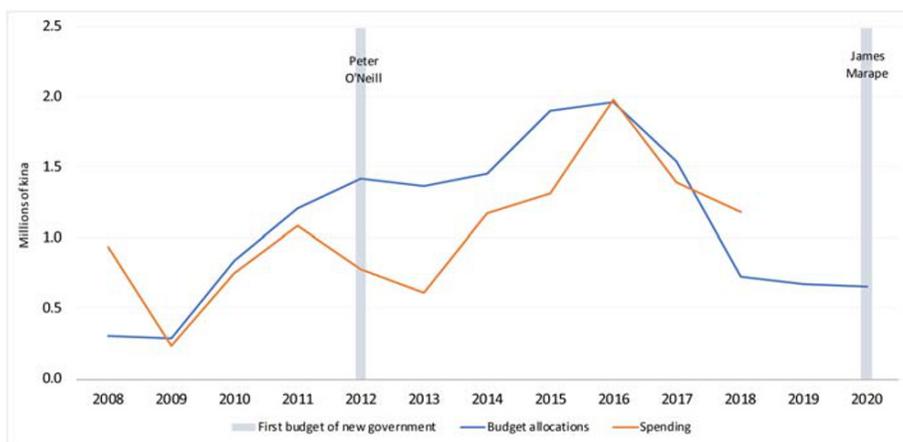


FIGURE 2 Fraud Squad allocations and spending (2019 prices)

to K1.18 million, a reduction of 40.3%. Since 2016, the government cut allocated funding by a massive 66.4%. In the O'Neill government's final budget only K0.67 million was allocated to the organisation. The Marape government further cut the Fraud Squad's funding by 2.3%. Comparatively, in the O'Neill government's first budget in 2012, funding allocated to the Fraud Squad increased by K210,000, a rise of 17.7% over the previous year (although it only received just over half of its allocation).

4.3 | Financial Analysis and Supervision Unit

The Financial Analysis and Supervision Unit (FASU) was created through the *Anti-Money Laundering and Counter Terrorist Financing Act 2015*. The organisation operates within the Bank of Papua New Guinea, and has a mandate to detect, deter and disrupt money laundering and terrorist financing activities (Financial Analysis and Supervision Unit, 2018). The FASU replaced the Financial Intelligence Unit (FIU), which was established in 2007 and operated within the RPNGC.

Figure 3 shows the available allocations and spending on the FASU and the FIU that preceded it. For the years available (2014–2020)¹ allocations reduced significantly: from just over K845,000 to K276,000. When the 2015 budget was announced, the media made much of the fact that the FASU/FIU was allocated less than the police band's budget (Cochrane, 2015). Since 2015, the FASU has continued to receive less allocated funding than the RPNGC's musicians. To add insult to injury, for the 5 years data is available (2014–2018), spending on the organisation was significantly less than allocations. The Marape government further cut the organisation's budget by 7.7%.

¹While allocation and spending on this organisation is not available in previous budgets, reports suggest that the FASU/FIU was constrained by few resources and a small budget while it was located within the RPNGC (Chevis & Barrum, 2012).

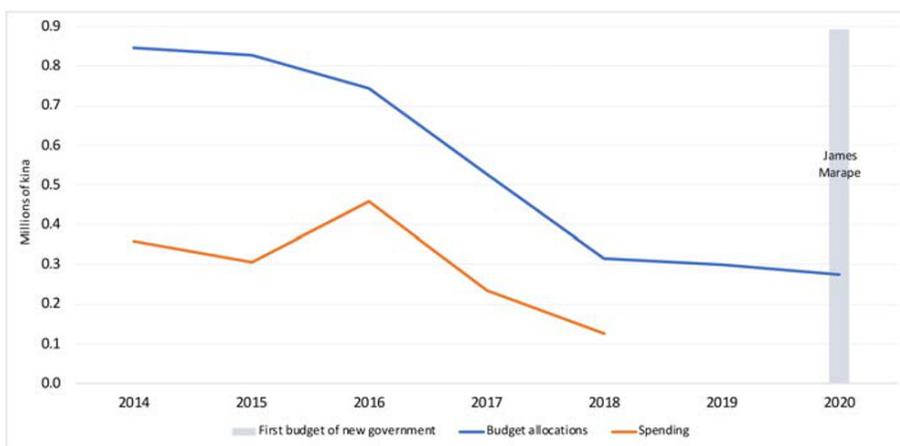


FIGURE 3 Financial Analysis and Supervision Unit and Financial Intelligence Unit allocations and spending (2019 prices)

4.4 | The Auditor-General's Office

The Auditor-General of Papua New Guinea (referred to as the Auditor-General's Office in this article) commenced operations in 1973 and was established as the country's supreme audit institution under section 213 of the Constitution in 1975. The organisation inspects, audits and reports on accounts, finances and properties of government departments, agencies, and public corporations. Over the past decade, the Auditor-General's Office has suffered from challenges to its leadership. In 2011, then Auditor-General, George Sulliman, stepped down amid controversial circumstances (PNG Post-Courier, 2011). While the organisation tries to remain non-partisan, it has been caught up in the complexities of PNG politics—for example, in 2015 Don Polye, then leader of the Opposition, accused it of becoming overly politicised (PNG Post-Courier, 2015). Despite this, the Auditor-General's Office continues to operate and shed light on mismanagement and potential corruption within government.

Many have argued that the Auditor-General's Office needs more resources. The International Budget Partnership's Open Budget Survey found the organisation provides 'weak' budget oversight. The 2019 survey called for the organisation to have 'adequate funding to perform its duties, as determined by an independent body' (International Budget Partnership, 2019). Some within PNG have also called for the government to better fund the organisation (Kaiok, 2008). The Auditor-General's Office 2018 Annual Report noted that it required and had requested K32 million to fund one year of its operations (Auditor-General's Office PNG, 2018, p. 7). Have these calls been heard?

Under the O'Neill government, allocations and spending for the Auditor-General's Office varied significantly (Figure 4). A 2012 underspend was followed by overspends in 2013 and 2014. In 2015, the government promised K35.6 million to the organisation but only spent K24 million. By 2019, the O'Neil government had allocated K19.8 million to the Auditor-General Office; under Marape's first budget, this increased to K24.1 million, a rise of 21.5% but less than what the organisation had requested two years earlier. Comparatively, in its first budget the O'Neill government increased budgeted funding for the Auditor-General's Office by 35%, although its commitment to the organisation reduced over time.

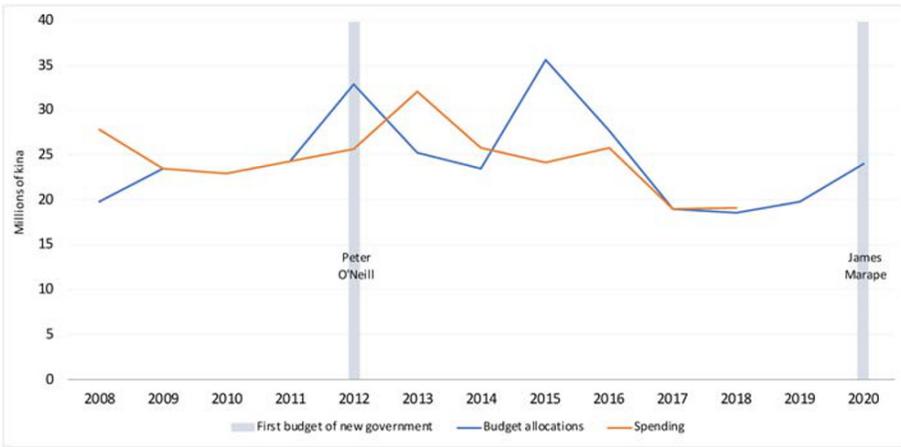


FIGURE 4 Auditor-General's Office allocations and spending (2019 prices)

4.5 | Investigation Taskforce Sweep

In 2011, Peter O'Neill promised to establish an Independent Commission Against Corruption (ICAC). While the ICAC bill has yet to pass into law, draft legislation suggests it would have powers to investigate and prosecute corruption (Organic Law on the Independent Commission Against Corruption 2018, unpublished). Given the length of time required to establish an ICAC, the O'Neill government set up ITFS to investigate corruption in the interim. Figure 5 shows the PNG governments' budget allocations and actual spending on ITFS and the yet to be established ICAC.

In 2011 and 2012, the O'Neill government spent a total of over K13 million to establish ITFS. Budget allocations for ITFS rose significantly between 2013 and 2014, peaking at K27.4 million. However, the amounts spent were far lower than these allocations. Spending on the organisation peaked at K9 million in 2013, which was K18.4 million less than allocated. After ITFS's role

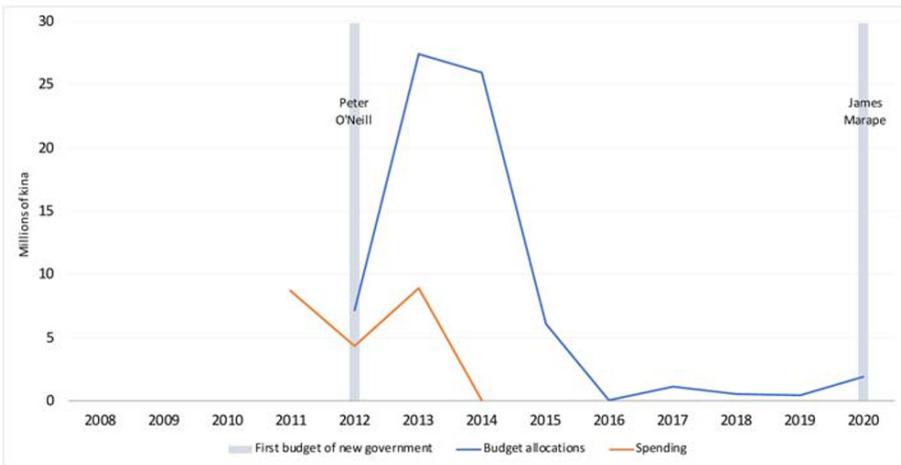


FIGURE 5 Investigation Taskforce Sweep and Independent Commission Against Corruption allocations and spending (2019 prices)

in attempting to arrest O'Neill, allocations slumped sharply to K6.1 million, and zero in 2015 and 2016, respectively. Overall, Figure 5 shows that the meteoric rise and fall of ITFS was accompanied by unfulfilled spending promises.

While, at the time of writing, a new ICAC has yet to be established, governments have been allocating funding to this proposed new body since 2017. Although Marape promised to establish an ICAC by the end of 2019, in 2020 his government only allocated K1.9 million for its operation. Although this represents a 376% increase compared to the 2019 allocation, it is not enough to ensure a functioning organisation (in comparison, the Ombudsman Commission was allocated K30 million in the 2020 budget). This commitment also pales in comparison to the O'Neill government's K7 million commitment to ITFS in its first budget.

4.6 | Overall trends

Figure 6 compares the amounts of spending on and, from 2018, allocations for each organisation. It shows that of the organisations we examine, the Ombudsman Commission and Auditor-General's Office are by far the most heavily funded. Funding for both organisations are set to rise under the Marape government. Continuing a trend set in 2017, the Marape government is set to spend more on the Ombudsman Commission than the Auditor-General's Office. In comparison, other organisations receive paltry sums.

Figure 6 also suggests that the funds that the O'Neill government stripped from ITFS were not channelled into other anti-corruption organisations. Almost all organisations received less funding in 2015 compared to 2014. As we shall see below, other law and justice organisations mostly failed to benefit from ITFS's defunding. The police received less funding in 2015 compared to the previous year (for further details see Data S1). In addition, while the O'Neill government allocated the Department of Justice and Attorney General more funding in 2015, it received significantly less money than its allocation. The less than K4 million increase in

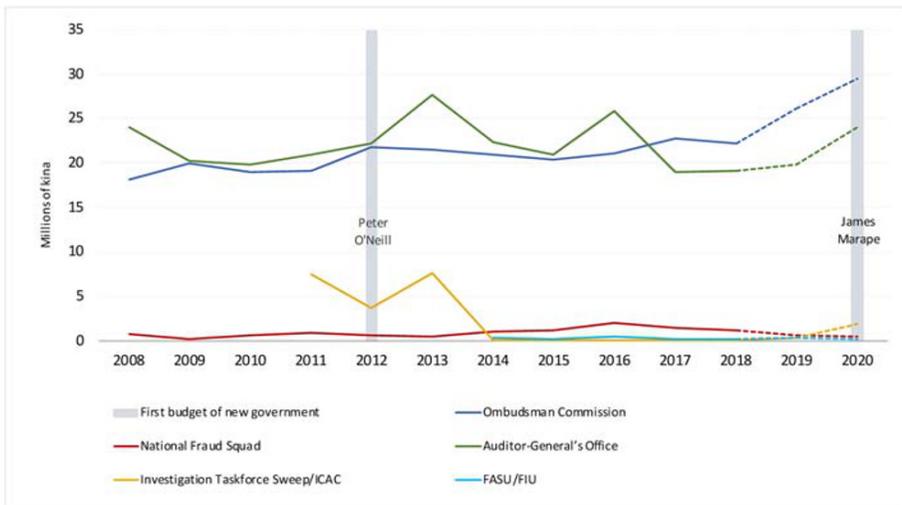


FIGURE 6 Spending on five anti-corruption organisations, 2008–2018 (2019 prices). Actual spending solid lines, budgeted dashed lines; ICAC, Independent Commission Against Corruption; FASU, Financial Analysis and Supervision Unit; FIU, Financial Intelligence Unit

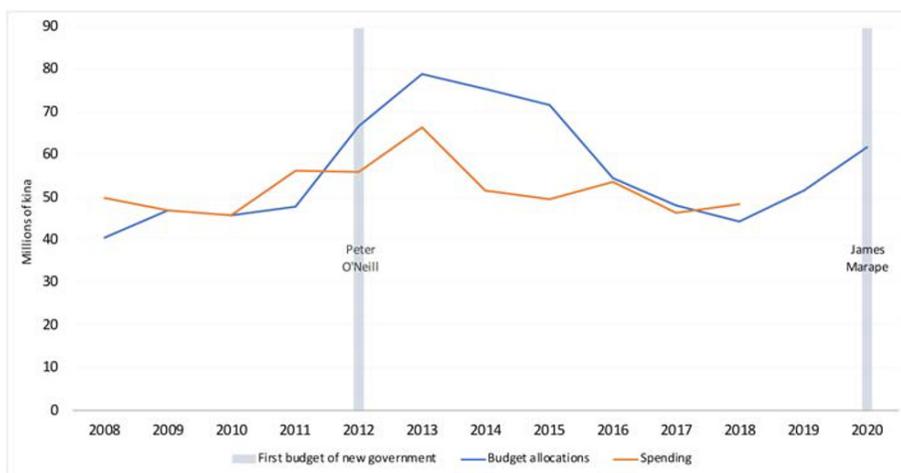


FIGURE 7 Total anti-corruption allocations and spending (2019 prices). Total spending on the following anti-corruption organisations: Ombudsman Commission; National Fraud Squad; Auditor-General's Office; Investigation Taskforce Sweep; Financial Analysis and Supervision Unit and Financial Intelligence Unit; Extractive Industries Transparency Initiative; and the Combating Corruption Program under the Department of Finance

spending on this organisation between 2014 and 2015 is far less than the underspend on ITFS over the same period (for further details see Data S1).

To get a sense of overall anti-corruption funding trends, Figure 7 shows combined funding for all five anti-corruption organisations along with an allocation for two extra government anti-corruption programs. The first is a program to combat corruption under the Department of Finance, which has seen its budget increase from K600,000 in 2016 to K2.5 million in 2019 (for further details see Data S1).

The second, the Extractive Industries Transparency Initiative (EITI), is a program designed to improve transparency and accountability within the extractive industries sector. The government allocated this organisation K3 million in 2017 and K2.86 million in 2020 (for further details see Data S1).

Figure 7 shows that overall, budgets for and spending on anti-corruption organisations rose during the first two years of the O'Neill government before they suffered a series of funding cuts from 2014 to 2018. This decline started in 2014 even though this budget was, at the time, PNG's largest ever, coming in at K15 billion (Price Waterhouse Coopers, 2014). Due to quick spending on the ITFS, actual spending outstripped allocations in 2011. However, thereafter promised funds did not match actual spending. The K8.9 million real reduction in funding for ITFS made up almost half of the overall reduction in anti-corruption spending between 2013 and 2014.

Between 2018 and 2019, allocations for anti-corruption organisations increased from K44.2 to K51.5 million. The Marape government increased funding even further to K61.7 million, an increase of 20%. Despite this funding increase, the Marape government has not been as committed to anti-corruption organisations as its predecessors were in their first year of office. In 2012, the O'Neill government allocated anti-corruption organisations K18.9 million, or 39.7%, more than the previous year (although they received K11 million less than they were promised).

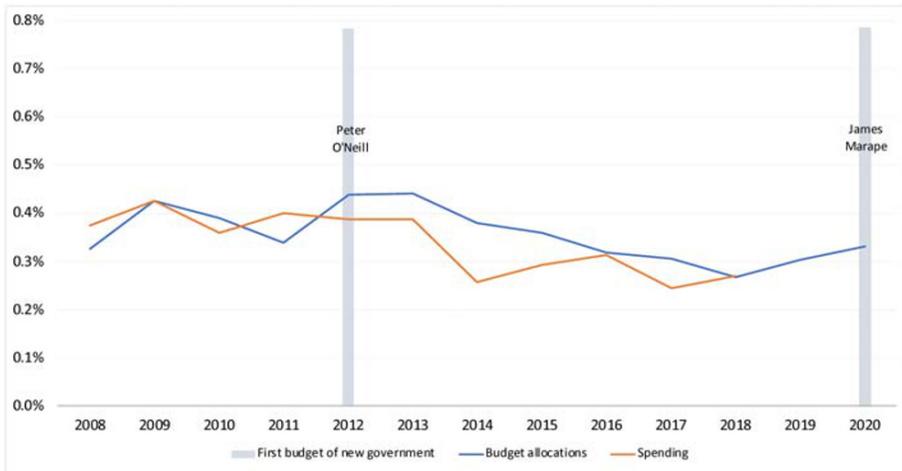


FIGURE 8 Anti-corruption allocations and spending as proportion of national budget. Total spending on the following anti-corruption organisations: Ombudsman Commission; National Fraud Squad; Auditor-General's Office; Investigation Taskforce Sweep; Financial Analysis and Supervision Unit and Financial Intelligence Unit; Extractive Industries Transparency Initiative; and the Combating Corruption Program under the Department of Finance

5 | RELATIVE SPENDING AND POINTS OF COMPARISON

Figure 8 illustrates total anti-corruption spending and budgetary allocations as a proportion of PNG's national budget.² The first thing to note is that budgetary allocations make up a very small proportion of the budget: between 2008 and 2020 allocations varied from a high of 0.44% to a low of 0.27% of the overall budget. In most years, anti-corruption *spending* was even lower. Thus, through most of the O'Neill government's tenure, reductions in anti-corruption allocations and spending were not simply a function of smaller budgets; both reduced relative to other areas of government spending. However, budgeted allocations increased significantly in O'Neill's first budget, rising from 0.34% to 0.44%. Allocations also improved in the Marape government's first budget, although not as significantly: the proportion of funds allocated to anti-corruption organisations only rose from 0.30% of the total budget in 2019 to 0.33% in 2020.

Further analysis strengthens the likelihood that political will is the reason for the gap between budgetary allocations for and spending on anti-corruption organisations. Analysis included in Data S1 examines the percentage of actual spending to budgeted allocations for the whole budget compared to PNG's anti-corruption organisations (see Data S1 and refer to Figure S3 Actual spending vs budgeted for whole budget and anti-corruption organisations). It shows that between 2012 and 2018 other areas of government *received* more funds than

²Note that Figure 8 does not account for the role subnational governments play in addressing corruption. PNG has undergone a process of increasing decentralisation and has increasingly allocated funding to subnational administrations for a range of activities, including anti-corruption. When we repeated this analysis with provincial expenses taken out we saw a similar trend across time. In other words, the increased decentralisation has not significantly impacted on funds allocated and spent on national anti-corruption organisations.

anti-corruption organisations. In other words, the underspending that we note in our analysis of anti-corruption agencies does not apply to other government departments and organisations.

There are a variety of reasons for government underspends. For example, the PNG government, like all governments, must navigate the boom and bust cycle of income that is beyond their control, and underspending might be a way of responding to revenue projections not materialising. It is also possible that policymakers view allocations as symbolic signals more than real commitments, which could inflate allocations. Finally, underspends might be due to capacity constraints such as unrealised projects and unfilled positions. While understanding the variety of causes for these underspends requires further empirical research, our analysis suggests that political will (or the lack of it) plays some—if not a major—role in driving underspending on PNG's anti-corruption organisations.

5.1 | Comparing other law and justice organisations

Are other law and justice organisations experiencing a rise in financial support at the expense of anti-corruption organisations? While the RPNGC saw large increases in allocations and spending in the first three years of the O'Neill government, from 2014 spending and allocations on the RPNGC reduced significantly. Indeed, in 2008 more money (K367.4 million in real terms) was *spent* on the RPNGC than was allocated to it in 2017 and 2018 (K348.9 million and K271.4 million in real terms, respectively). By 2019 the O'Neill government had promised the RPNGC K308.6 million. In the Marape government's first budget, allocated funding for the RPNGC increased to K362.6 million, a boost of 17.5%. Comparatively, in the O'Neill government's first budget, funding increased by K33.5 million, or 8.5% (for further details see Data S1 and refer to Figure S6 RPNGC compared to anti-corruption spending/allocation).

The Department of Justice and Attorney General (referred to as the Attorney General's department in this paper) is another key law and justice organisation in PNG. It is the 'central agency responsible for the administration of legal services to the State and its instrumentalities, and the provision of law and justice services' (Department of Justice and Attorney General, 2020). The organisation has a wide range of functions, including policing, corrections, overseeing the judiciary and courts, prosecutions, and investigating corruption and abuses of leadership. Under the O'Neill government the organisation's funding fluctuated significantly. While its allocation rose to K203 million in 2012, it received less than half that amount (K98 million). The gap between allocations and spending continued until 2018. Between 2015 and 2018 the department suffered significant cuts to budgetary allocations. In the 2019 budget, the O'Neill government allocated K161.3 million to this department; the Marape government further reduced its funding to K158.9 million (in real terms), a reduction of 1.5%. Comparatively, in O'Neill's first budget, in 2012, allocations for the Attorney General's department increased by K38.1 million, a rise of 23% (for further details see Data S1 and refer to Figure S8 Attorney General's department compared to anti-corruption spending/allocation).

In sum, like other anti-corruption organisations, between 2015 and 2018 funding for both the RPNGC and the Attorney General's department declined. While the Marape government provided more funding to the RPNGC than O'Neill's government did in its first year, in 2020 Marape cut funding to the Attorney General's department.

6 | CONCLUSION

In the Introduction of this article, we noted that the anti-corruption literature points to a boom and bust cycle of anti-corruption reform. New governments promise great reform only to wind back their efforts over time. We suggested this cycle raises two significant questions for policymakers. First, how are policymakers to assess the degree to which new governments keep their promises? In this article we have demonstrated the importance of tracking budgetary allocations and spending. We suggest this approach provides an important tool for tracking the political will of political elites, particularly over the course of a government's tenure. Given that new governments often seek to prove they are better at fighting corruption than their predecessors, it is particularly important to compare different governments' spending and allocations over time, as we have done in the case of PNG. We note, however, that further empirical research is required to more fully understand the role political will plays in shaping anti-corruption allocations and, in particular, spending.

This anti-corruption cycle raises a second question for policymakers: how does the relationship between anti-corruption promises and meaningful reform change over time? Through examining budgetary allocations between 2008 and 2020, we have shown that the O'Neill government reflected the boom and bust cycle of anti-corruption reform others have noted in different contexts (see, for example, Wrong, 2009). Budgetary allocations and spending on anti-corruption organisations rose significantly in 2012 as O'Neill sought to differentiate his government from his predecessor's. However, as time wore on and accusations of corruption increased, his government reduced funding to anti-corruption organisations, in both absolute and relative terms.

In a case of history repeating itself, James Marape promised to do what O'Neill could not: effectively fight corruption. Like O'Neill, early in his government's tenure, Marape's anti-corruption rhetoric was strong. However, although an inquiry into the UBS scandal is underway and whistle-blower legislation has passed into law, our analysis shows that Marape has failed to improve upon his predecessor's initial support for key anti-corruption organisations. While, relative to 2019, Marape has allocated more funding for a number of key anti-corruption organisations, in percentage terms he committed less to these organisations than O'Neill did in his government's first year in office. The exception to this trend is the large-scale funding increase the Marape government has promised to the RPNGC. While boosting funds to PNG's under-resourced police force is to be welcomed, in and of itself it does not make up for continued underfunding of the state's key anti-corruption organisations.

The findings suggest that if Marape continues to be prime minister beyond the 2022 national election, policymakers will need to respond to the tendency of the government to cut funding to anti-corruption organisations. Responses might include civic and diplomatic campaigns aimed at increasing government spending on these organisations. If PNG elects another prime minister, policymakers should work to ensure the government boosts resources to key anti-corruption organisations more than Marape and O'Neill did in their first terms. Either way, monitoring funding allocations and spending on anti-corruption organisations will be crucial, not least because if the new ICAC is established it will likely take much attention and resources away from existing anti-corruption organisations.

Regardless of the political outcomes, governments, donors and others will need to continuously work towards reversing the boom and bust tendencies of anti-corruption funding. This could include advocating for legislation that requires anti-corruption organisations to be allocated a minimum percentage of the overall budget. Such legislation could be overseen by an

independent body as suggested by the International Budget Partnership in relation to PNG's Auditor-General's office (International Budget Partnership, 2019).

Legislation could also direct governments to provide anti-corruption organisations with a percentage of funds recovered from prosecutions. In the United States this approach to 'civil asset forfeiture' has helped law enforcement agencies fund their battle against illegal activity (although the US example suggests care needs to be taken not to allow agencies to become overly reliant on these proceeds and the need for quality oversight mechanisms). In PNG, the state has the power to recover and seize assets acquired through the proceeds of crime through the *Proceeds of Crime Act 2005* and its 2015 amendment. Part of these recovered assets could be redeployed to anti-corruption organisations. Anti-corruption organisations would still require direct state funding; however, being able to access some of the funds they help recover could provide them with income when governments reduce their budgets.

ACKNOWLEDGEMENTS

The Australian Aid Program through the Department of Foreign Affairs and Trade, Australian Government provided funding for this research. The authors would like to thank Rohan Fox and Paul Flanagan for their insights.

DATA AVAILABILITY STATEMENT

The data that supports the findings of this study are available in the supplementary material of this article.

ORCID

Grant W. Walton  <https://orcid.org/0000-0003-2813-2753>

Husnia Hushang  <https://orcid.org/0000-0001-8277-4031>

REFERENCES

- AAP. (2014, June 16). PNG Prime Minister Peter O'Neill served with warrant by corruption watchdog. *The Australian*. Retrieved from <http://www.theaustralian.com.au/news/world/png-prime-minister-peter-oneill-served-with-warrant-by-corruption-watchdog/news-story/89ba77fa40d998324515b689db42e825>
- ACT NOW. (2018, January 15). Corruption is O'Neill's biggest failure says NGO. ACT NOW. Retrieved from <http://actnowpng.org/media/media-release-corruption-o%E2%80%99neill%E2%80%99s-biggest-failing-says-ngo>
- Auditor-General's Office PNG. (2018). *Annual report*. Port Moresby: Auditor-General's Office PNG. Retrieved from <http://www.ago.gov.pg/index.php/22-annualreports>
- Batory, A. (2012). Political cycles and organizational life cycles: Delegation to anticorruption agencies in Central Europe. *Governance*, 25(4), 639–660. <https://doi.org/10.1111/j.1468-0491.2012.01599.x>
- Brinkerhoff, D. W. (2000). Assessing political will for anti-corruption efforts: An analytic framework. *Public Administration and Development*, 20(3), 239–252. [https://doi.org/10.1002/1099-162X\(200008\)20:3<239::AID-PAD138>3.0.CO;2-3](https://doi.org/10.1002/1099-162X(200008)20:3<239::AID-PAD138>3.0.CO;2-3)
- Brinkerhoff, D. W. (2010). Unpacking the concept of political will to confront corruption. *U4 Brief 2010:1*. Bergen: U4 Anti-Corruption Resource Centre, Chr. Michelsen Institute. Retrieved from <https://www.u4.no/publications/unpacking-the-concept-of-political-will-to-confront-corruption/>
- Chevis, J., & Barrum, B. (2012). Applied forensic accounting: Experiences from the Papua New Guinea Financial Intelligence Unit. Paper presented at the National Forensic Accounting Teaching and Research Symposium, 12–14 February 2012, University of Wollongong, Wollongong. Retrieved from <https://ro.uow.edu.au/nfatrs2012/2012/papers/2/>
- Cochrane, L. (2015, February 4). PNG anti-corruption taskforce broke after making allegations against Prime Minister Peter O'Neill. ABC News. Retrieved from <http://www.abc.net.au/news/2015-02-04/png-anti-corruption-taskforce-starved-of-funding/6070170>

- Department of Justice and Attorney General. (2020). About Department of Justice and Attorney General: Overview. Retrieved from <http://www.justice.gov.pg/index.php/about-us#overview>
- Doig, A., Watt, D., & Williams, R. (2005). Measuring 'success' in five African anti-corruption commissions: The Cases of Ghana, Malawi, Tanzania, Uganda and Zambia. *U4 Report 2005:1*. Bergen: U4 Anti-Corruption Resource Centre, Chr. Michelsen Institute. Retrieved from <https://www.u4.no/publications/measuring-success-in-five-african-anti-corruption-commissions/pdf>
- Financial Analysis and Supervision Unit. (2018). *2018 Annual report, financial analysis and supervision unit*. Port Moresby: Bank of Papua New Guinea. Retrieved from <https://www.bankpng.gov.pg/wp-content/uploads/2019/04/Annual-Report-2018.pdf>
- Hill, B., & Tlozek, E. (2016, May 9). PNG fraud squad office reopens. *Pacific Beat*. Retrieved from <http://www.abc.net.au/news/2016-05-09/png-fraud-squad-office-reopens/7397260>
- International Budget Partnership. (2019). *Open Budget Survey 2019: Papua New Guinea*. Retrieved from <https://www.internationalbudget.org/open-budget-survey/country-results/2019/papua-new-guinea>
- Isaac, N. (2012, October 5). PNG—Aust agree to fight corruption. *PNG Post-Courier*.
- Kaiok, M. (2008, June 17). Beef up AG to fight corruption: Buskens. *PNG Post-Courier*, p. 27.
- Kaufmann, D., & Kraay, A. (2019). Worldwide Governance Indicators. World Bank. Retrieved from <https://info.worldbank.org/governance/wgi/>
- May, R. J. (2017). Papua New Guinea under the O'Neill government: Has there been a shift in political style?. SSGM Discussion Paper 2017/6. State, Society & Governance in Melanesia, The Australian National University. Retrieved from http://ssgm.bellschool.anu.edu.au/sites/default/files/publications/attachments/2017-08/dp_2017_6_may.pdf
- Mungiu-Pippidi, A. (2011). *Contextual choices in fighting corruption: Lessons learned*. Oslo: Norwegian Agency for Development Cooperation. Retrieved from <https://ssrn.com/abstract=2042021>
- Murray, L., Grigg, A., & Shapiro, J. (2019, July 25). PNG PM James Marape put foreign companies on notice. *Financial Review*. Retrieved from <https://www.afr.com/policy/foreign-affairs/png-pm-james-marape-puts-foreign-compavows-to-stamp-out-corruption-20190725-p52amn>
- Ombudsman Commission. (2018). An investigation into the alleged improper borrowing of AU\$1.239 billion from the Union Bank of Switzerland, Aktiengesellschaft (Australia Branch) to purchase 149,390,244 shares in Oil Search limited and improper tender and procurement of consultants in relation to the borrowing. Final report: December 2018. Retrieved from <https://asopa.typepad.com/files/alleged-improper-borrowing-of-au1-239-billion-loan-from-the-union-bank-of-switzerland-ubs-report.pdf>
- PNG Post-Courier. (2011). Appoint Auditor General based on merit: TIPNG. *PNG Post-Courier*, p. 16.
- PNG Post-Courier. (2015, December 24). Polye: Investigate LNG money. *PNG Post-Courier*, p. 13.
- Price Waterhouse Coopers. (2014). *2014 National budget: Papua New Guinea—PwC budget summary*. Port Moresby: Price Waterhouse Coopers PNG. Retrieved from <https://www.pwc.com/pg/en/publications/assets/2014-png-budget-commentary.pdf>
- Quah, J. S. T. (2008). Curbing corruption in India: An impossible dream? *Asian Journal of Political Science*, 16(3), 240–259. <https://doi.org/10.1080/02185370802504266>
- Quah, J. S. T. (2017). Five success stories in combating corruption: Lessons for policy makers. *Asian Education and Development Studies*, 6(3), 275–289. <https://doi.org/10.1108/AEDS-03-2017-0031>
- Ristei, M. (2010). The politics of corruption: Political will and the rule of law in post-communist Romania. *Journal of Communist Studies and Transition Politics*, 26(3), 341–362. <https://doi.org/10.1080/13523279.2010.496324>
- Schnell, S. (2018). Cheap talk or incredible commitment? (Mis)calculating transparency and anti-corruption. *Governance*, 31(1), 415–430. <https://doi.org/10.1111/gove.12298>
- Senior, I. (2006). *Corruption—The world's big C cases, causes, consequences, cures*. London: Institute of Economic Affairs.
- Taule, T. (2017, January 25). 2016 corruption perceptions index ranks PNG 136/176. *Loop PNG*. Retrieved from <http://www.looppng.com/png-news/2016-corruption-perceptions-index-ranks-png-136176-50893>
- Tlozek, E. (2016, May 3). PNG's Supreme Court tells Police Commissioner Gari Baki to reopen anti-corruption unit. ABC News. Retrieved from <http://www.abc.net.au/news/2016-05-03/png-supreme-court-says-to-reopen-corruption-unit/7378262>
- Transparency International. (2019). Papua New Guinea. Retrieved from <https://www.transparency.org/country/PNG>

- Walton, G. W. (2016). Silent screams and muffled cries: The (in)effectiveness of anti-corruption measures in Papua New Guinea. *Asian Education and Development Studies Journal*, 5(2), 211–226. <https://doi.org/10.1108/AEDS-01-2016-0005>
- Walton, G. W. (2018). *Anti-corruption and its discontents: Local, national and international perspectives on corruption in Papua New Guinea*. Oxon: Routledge.
- Wrong, M. (2009). *It's our turn to eat: The story of a Kenyan whistle-blower*. New York: HarperCollins.

SUPPORTING INFORMATION

Additional supporting information may be found online in the Supporting Information section at the end of this article.

How to cite this article: Walton GW, Hushang H. Boom and bust? Political will and anti-corruption in Papua New Guinea. *Asia Pac Policy Stud*. 2020;7:187–203. <https://doi.org/10.1002/app5.306>