

Transparency International and policy transfer in Papua New Guinea

Peter Larmour

Asia Pacific School of Economics and Government,
The Australian National University

Transparency International is an international non-government organisation dedicated to fighting corruption. It ranks countries in an annual, and controversial, Corruption Perceptions Index, and has been influential in persuading the OECD to adopt a convention against the bribery of public officials in foreign countries. Transparency International focuses on corruption prevention, rather than prosecution. It does not name names, or investigate individual cases. It has assembled an influential body of anti-corruption doctrine, the *Transparency International Source Book*.¹ Its funding (about 5 million euro in 2001) comes from a range of sources, including charitable foundations, big corporations and government aid agencies. It is a symptom and agent of globalisation. Transparency International started internationally before establishing local chapters. Its earliest targets were international payments of bribes, and international organisations, like the World Bank and the OECD. Established in Berlin in 1993, it has since spawned or franchised over 80 independent national chapters, which campaign in different ways against corruption in their own countries.²

Transparency International is an instrument of 'policy transfer', defined by Dolowitz and Marsh as

the process by which knowledge about policies, administrative arrangements, institutions and ideas in one political system (past or present) is used in the development of policies, administrative arrangements, institutions and ideas in another political system (Dolowitz and Marsh 2000:5).

Other international organisations, and national departments delivering foreign aid, are also involved in policy transfer, typically in 'technical assistance' or 'institutional strengthening' projects. Often these started as a supplement to or by-product condition of loans and grants. Now the transfer of ideas has become central to their activities, and the World Bank has tried to rebrand itself as a Knowledge Bank. Transparency International, by contrast, transfers little but ideas, and is a sophisticated user of the media and public relations.

Dolowitz and Marsh (2000) have devised a simple framework to analyse the process of policy transfer: they ask when it took place, how, who was involved, what

was transferred, from where, about the degree of transfer that took place, and about the factors that determined it. This paper uses this framework to analyse the activities of Transparency International in Papua New Guinea. Papua New Guinea is not yet ranked in Transparency International's Corruption Perceptions Index, as the necessary data does not exist, but has had an active national chapter since 1997. The preliminary evidence comes from documents produced by Transparency International, supplemented by interviews with key players. The research is part of a wider Australia Research Council-funded global study of 'Transparency International and the Problem of Corruption'.

When

Transparency International (PNG) was formally established in January 1997. Its immediate origins lay in the forum on 'Ethics in Business' convened by the Business Council of Papua New Guinea and the Institute of National Affairs in July 1996. It quickly gained prominence against a backdrop of private deals and questionable activities involving senior public officials that ultimately came to be known as the Sandline Affair (Siaguru 2001). Sandline was a British company of mercenary soldiers secretly contracted by the PNG government to bring an end to the long-running Bougainville rebellion. There were suspicions of corruption in the award of the contract, and (ironically) the PNG officer who raised the alarm was himself found to have received payments from another overseas arms company. The Sandline revelations precipitated a profound political crisis, in which some of the founders of Transparency International (PNG) were closely involved in the role of mediators—though not the organisation itself. It tested personal, military and national loyalties, particularly when Australia, the former colonial power,

criticised Papua New Guinea's decision to hire Sandline. The crisis ended with public demonstrations outside the parliament (at the time protected by parts of the army) that forced the Prime Minister Sir Julius Chan to step aside, and created an impression of the power of 'civil society' to bring about non-violent political change.

However, concerns with corruption in Papua New Guinea did not begin with Transparency International, or Sandline. The country's Constitutional Planning Committee, worried about foreign influence and conflicts of interest among 'politician-businessmen' had recommended the implementation of a strong Leadership Code, modelled on Tanzania's. Then Prime Minister Sir Julius Chan and others had opposed it, and a compromise version was included in the National Constitution of 1975, to be implemented by the Ombudsman Commission. Several years after independence, Prime Minister Somare had tried to introduce a stronger code, but failed to get support.

Transparency International (PNG)'s activities have also been influenced by the rhythm of national elections. The PNG chapter was founded only months before the general election in July 1997, and campaigned to have candidates sign a National Integrity Pledge in which they promised to declare their interests, declare expenditure, and eschew political interference in public administration. Bill Skate replaced Sir Julius Chan as Prime Minister in 1997, and introduced a regime of more overt corruption, and eventual conflict with the World Bank. A vote of no-confidence in July 1999 brought to power a reformist government headed by Sir Mekere Morauta, and provided Transparency International with a new opportunity to press its agenda, particularly in relation to Morauta's plans for privatisation.

Policy dialogue

How

Transparency International's preferred technique is the mobilisation of national coalitions of government, business and civil society. Transparency International (PNG) drew on its founders' personal networks among business leaders, in government and in the private sector. These were institutionalised in the Institute of National Affairs (founded in 1976), in professional associations like the Institute of Accountants and in peak bodies like the National Council of Women. Its founders lobbied officials, gave lectures and held and attended workshops. They tried to reach out beyond the Port Moresby elite, through regional visits, a newsletter and a website, but they were fighting against the limits of high costs of transport and low levels of literacy, newspaper readership and internet usage.

Transparency International (PNG) has also developed anti-corruption material for use by teachers, distributed through teachers' colleges, potentially multiplying its influence beyond the limits of face-to-face lectures and lobbying. The most sophisticated campaign, drawing on public relations expertise, was the Electoral Reform Project, carried out with two government bodies, the Constitutional Development Commission and the Electoral Commission during 2001/2002. It was intended to convince MPs to amend the constitution and electoral legislation to strengthen political parties, and to replace a 'first-past-the-post' system with a limited preferential system. The campaign would then move to educating voters about the new system that would come into affect after the 2002 general election. The first part of the campaign included radio talk shows, Television, newspaper advertisements and posters and flyers such as one setting out 'The Ten Commandments of PNG Democracy', including 'Thou Shall Not Vote for Self Interest'. It was funded largely by the European Union.

Who

Transparency International (PNG)'s founder and chairman is Sir Anthony Siaguru, a foundation member of PNG's nationalist elite, and a commentator on political affairs in the national press. He had extended his international networks during a placement with the Commonwealth Secretariat in London. So he was well placed to knit domestic and international coalitions together in an energetic, somewhat patrician, style. Transparency International (PNG) is housed in the offices of the Institute of National Affairs, a business-oriented think tank run by Mike Manning, a similarly energetic and patrician naturalised citizen. Its expenditure in 2001 was about 163,000 kina, mainly funded by subscriptions and donations.

Transparency International (PNG) works through various fronts and coalitions, with overlapping memberships drawn mainly from the political and business elite. Its council represents the big end of town: two members from mining companies, two from banks, three from law firms, plus the National Council of Women, a radio station, and the University of Papua New Guinea. Its coalition extends its reach into government agencies dealing with corruption and the Trade Union Congress.

The Electoral Reform Project is separately constituted, although Transparency International (PNG) gets a management fee. It is staffed by younger professionals—some related to founding members—and is currently housed in the office of a mining company in central Port Moresby.

What

Transparency International (PNG) has promoted a wide range of ideas. In 1997, as we saw, it promoted a National Integrity Pledge, and legislation setting up an Independent Commission Against Corruption. It has developed curricula for teachers. In

1998 it organised its activities into four program areas: promoting legislation designed to increase transparency and accountability in government; education and community awareness; codes and integrity pacts in the private sector; and monitoring corruption itself (Siaguru 2001:3–4). In 1999 it worked to get the Electoral Reform Project funded, and after the election of the Morauta government, tried to get the new Privatisation Commission to adopt the idea of Integrity Pacts.

What was Transparency International (PNG) fighting against? Anti-corruption campaigners are sometimes impatient of definitions, perhaps wary that wrangling about them may only provide an excuse for inaction. However, Transparency International (PNG) has tended to be concerned with what is called ‘grand corruption’, or offences by leaders—consistent with the focus on leadership in the PNG constitution. It has also been concerned about corruption associated with elections. It has been less concerned with petty corruption, in which low-level officials routinely extract small payments simply to do their job. Until recently this was not regarded as a problem in Papua New Guinea, although there are stories of it growing, for example among police at road blocks. Nor, beyond some discussion of codes of conduct, has it shown much interest in corruption within the private sector when, for example, employees use their position in a company to gain unauthorised personal advantages—a major concern of Hong Kong’s Independent Commission Against Corruption (ICAC), for example, though of few other anti-corruption agencies. Transparency International (PNG)’s close ties to the private sector may make these uncomfortable questions to raise. Equally, as insiders its leaders may be in a better position to clean up their own firms than to clean up the government.

Where

In some cases, the national origins of particular ideas can be identified. The National Integrity Pledge (like the original leadership code) comes from Tanzania (Siaguru 2001). The ICAC comes from Hong Kong, by way of Sydney. Other ideas, such as whistleblowing or freedom of information, are ‘best practice’ ideas circulating internationally. Two of Transparency International’s ideas, however, are rather different.

The first, preferential or alternative voting, is an idea recovered from Papua New Guinea’s past, as much as imported from Australia. Until 1972, voters in Papua New Guinea listed candidates in order of preference, ensuring that—after the preferences of low scoring candidates were distributed—the winner would have a majority. It was replaced with a first-past-the-post system, for reasons of simplicity, at independence. With large numbers of candidates, first-past-the-post could deliver victory to a candidate with a very small percentage of the total vote. It also gave little incentive for candidates to reach out beyond their core support. Sir Anthony Siaguru had been a long-time supporter of the revival of alternative voting, but it came back on the agenda in the 1990s as part of a broader international campaign, and with elaborate theoretical justification. It had been promoted in South Africa and then Fiji as an instrument of ethnic reconciliation, allowing (it was argued) candidates to reach out beyond primordial loyalties to secure the preferences of voters for whom they were not the first choice.

The second, Integrity Pacts, had a less clear provenance, and seems to have been invented by Transparency International’s founders. The competitors agreed not to offer bribes to avoid a ‘prisoners dilemma’ in which companies feel compelled to act

Policy dialogue

against their own best interest because of fears that their competitors would gain advantage by doing so. These pacts could be introduced *ad hoc*, without national legislation, and enforced as conditions in tender documents. In 2000 Transparency International (PNG) held a workshop with the Institute of National Affairs looking at privatisation and at ways of introducing Integrity Pacts into the process, which was otherwise vulnerable to corruption. It offered a model set of procedures, designed by Transparency International. Case studies were also given of efforts to apply Integrity Pacts and more transparent forms of public contracting and privatisation in Ecuador, Panama, Brazil and Colombia. Papua New Guinea's National Capital District Commission, notorious for corruption in its contracting and hiring, claimed then to have introduced Integrity Pacts (Transparency International PNG and The Institute of National Affairs 2000), but it did not succeed, for reasons that are unclear from the documents.

Results

The results of anti-corruption campaigns are difficult to assess, as corruption tends to take place in secret, without witnesses, and the effects of campaigns are hard to disentangle from other factors that may have caused corruption, like other forms of crime, to rise and fall.

Evaluations

Sir Anthony Siaguru's review of the first five years of Transparency International (PNG)'s operations identified several successes, particularly in curriculum development. It has also worked with the Media Council to raise awareness of the damage corruption

causes. But there was also lack of success in the National Integrity Pledge, the introduction of an ICAC, the introduction of professional codes of conduct, and in efforts to persuade the Privatisation Commission to adopt Integrity Pacts. The first phase of the Electoral Reform Project had clearly been a success, as the constitutional amendments and integrity of Political Parties legislation had been passed, while preferential voting would be introduced at the next election after 2002 (although it was not clear how much the Electoral Reform Projects campaign had influenced MPs in their voting). Any kind of reform is difficult in Papua New Guinea and elsewhere. Reform depends on seizing opportunities—such as setting up a Privatisation Commission—when they present themselves. Repeated initiatives, even if individually unsuccessful, may amount to a shift in the climate of opinion that makes future initiatives more likely to succeed. Projects like the ICAC may yet succeed under the new Somare government.

Explanations

Why did so many of Transparency International (PNG)'s well thought-out initiatives not succeed? Some seemed to drift into a kind of 'fog of war'. The ICAC proposal 'was not presented to Parliament for reasons we could not quite fathom' (Siaguru 2001). The Privatisation Commission rejected the advice for 'technical reasons which we could not fully understand or accept'. But behind these obscurities, Siaguru clearly identifies 'fundamental self interests' and 'vested interests' in the part of many political leaders' in the parliament's failure to proceed with an ICAC. He also worried that the successful integrity legislation might yet be subverted for 'Machiavellian purposes'. Behind the absence of political will, Transparency International (PNG)

recognises that voters must become more demanding of their leaders, and directs its publicity campaigns to this end. This shifts the question one step back: why are voters not more demanding? It would be interesting to know what voters are thinking about when they vote. Where candidates win with small pluralities, every vote counts towards the outcome in ways that are rarer in Europe or the United States. Are voters involved in some kind of collective 'prisoners dilemma': voting for candidates they know to be corrupt, in the hope of short-term benefits, and in the absence of trust that others would join them in doing the right thing?

Transparency International PNG and Institute of National Affairs, 2000. *Proceedings from the Forum Privatisation and the Integrity Pact*, Discussion Paper No. 79, Institute of National Affairs, Port Moresby.

Notes

- ¹ Available at www.transparency.org/sourcebook.
- ² The author is a member of the Australian chapter of Transparency International and is grateful for comments by Peter Rooke, though responsibility for errors remains his own.

References

- Dolowitz, D. and Marsh, D. 2000. 'Learning from abroad: the role of policy transfer in contemporary policy-making', *Governance*, 13(1):5-24.
- Electoral Reform Project, 2002. *Preferential Voting: popular participation in elections and representative government: interim report 2002*, Electoral Reform Project, Port Moresby.
- Siaguru, Sir Anthony, 2001. The Chairman's Address to the 5th Annual General Meeting of Transparency International (PNG) Inc., Port Moresby.