

Making public sector reform work in Papua New Guinea

Mark Turner

What is public sector reform?

Programs of public sector reform can be found in countries throughout the developing world. While there is a variety of definitions they contain common elements (Turner and Hulme 1997). First, public sector reform is deliberate, planned change to public bureaucracies. Second, it is mostly aimed at improving the efficiency and effectiveness of these organisations. Third, in order to achieve these goals, it is concerned with innovation. Finally, it is likely to run into resistance from groups in the state and society that feel threatened by the reforms.

In recent years, the agenda for public sector reform has lengthened because of the rise of the New Public Management (NPM) and the promotion of 'good governance' initiatives by the donor community. Good governance incorporates improvements in public sector management as an essential element, while NPM seeks to bring private sector management practices and market discipline to the public sector (World Bank 1992; Asian Development Bank 1999; Manning 2002; Minogue 1998). Thus, the menu for public sector reform ranges from privatisation and deregulation to downsizing and delayering, and from performance management to strategic human resource management. There is a very long list of reforms from which countries can choose. Particular countries' programs of public sector reform vary in scope but generally include some initiatives which are system-wide and others which are institution-specific. Many of the NPM-style reforms

originated in Western countries and have been exported to the very different organisational environments and state structures of developing countries. Success has often been elusive.

What is the record of public sector reform in Papua New Guinea?

In Papua New Guinea there has been continuous public sector reform activity since independence. Many policies have been designed to change the public service but the results have been disappointing. A persistent theme has been that implementation is to blame for this policy failure, although in some instances the policies were unrealistic from the outset.

The history of post-independence public sector reform in Papua New Guinea can be divided into three periods

- 1975–1984, when government tinkered with bureaucracy
- 1984–1994, when a creeping crisis characterised public sector management
- 1995–present, when public sector management has been engulfed with an acute crisis (Turner and Kavanamur 2002).

During the first period there was one radical initiative—the introduction of provincial government—but the other reform strategies were typically safe and popular. They included localisation of expatriate positions, public sector growth, training public servants and superficial restructuring of government bureaucracies.

At the end of the period the World Bank (1983) declared public sector management to be ‘generally well-functioning’. But the World Bank and others did identify matters which needed attention. Unfortunately, the recommended remedies were either inappropriate or ignored and the quality of public sector management declined. The public service became politicised following the sidelining of the Public Services Commission. There was unsatisfactory implementation of initiatives designed by the World Bank-funded Program Management Unit (PMU). Training continued to be favoured by everybody although produced questionable results. Supervision, monitoring and evaluation of reforms were inadequate and in some instances non-existent.

Alarm spread as various reports identified severe problems in public sector management (World Bank 1995; AusAID 1994, 1996). Service delivery

had declined across all sectors while administration was becoming increasingly inefficient. Public servants were demotivated and lacked necessary skills. The situation was grim and the future looked grimmer. This prompted a succession of efforts to reinvigorate public sector management. A questionable start was made with the revised Organic Law on Provincial and Local-level Government. A number of downsizing initiatives followed and enjoyed varying degrees of modest success or total failure. In 1999, a new prime minister, Mekere Morauta, put public sector reform high on his priorities and announced a 'Structural Reform Program' to tackle the numerous problems besetting the public sector. He enlisted the support of the leading multilateral and bilateral financial agencies in his quest for vast improvements in public sector management. And the money flowed in and has continued to flow into a range of projects designed to enhance efficiency, effectiveness and accountability in the public service.

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To declare a commitment to public sector reform is one thing, to transform this into a reality is an entirely different matter. Certainly, there are reasons to be optimistic about the current reform activities but recent history records a succession of failures. Thus, optimism must be tempered by the sobering reality that public sector reform is not easy, and has proved elusive for PNG governments. To be successful, public sector reform must consider and take action on many things at once.

An oversight institution. It is desirable, although not essential, for public sector reform to be guided and monitored by a central institution created for the purpose. In the 1980s, the PMU adopted such a role and, although ultimately unsuccessful, the experience can be used to provide lessons to the new oversight institutions—the Public Sector Reform Unit (PSRU) and the Central Agencies Coordination Committee (CACC). They appear to have started well but must be given the appropriate authority and resources to work well. They must also be owned by the government and not seen as outposts of donor agencies. They also need the consistent support of the prime minister and other top decision makers.

System-wide or institution specific. There needs to be a clear vision of what combinations of system-wide and institution-specific initiatives are required to improve public sector performance. The vision need not be static.

Indeed, it is desirable that it is constantly revisited to ensure that it is what the country wants and needs and is in line with environmental conditions and resource constraints.

Clear designation of missions and tasks. In a public sector where missions and tasks of component organisations and their internal divisions are often poorly defined it is important to clarify who is responsible for what. This avoids overlap, competition and inaction, all of which hamper public service efficiency and effectiveness.

Organisational structures. Organisational structures are the means by which work gets done. They should be designed with this in mind, unlike the unproductive restructuring initiatives which have characterised past efforts. Structure is not about boxes on charts. It is about how organisations divide up their work and then coordinate its implementation.

Qualified personnel. Getting good structures will not be much use unless there are the appropriately skilled and motivated personnel to operate them. Thus, human resource management needs to fit with structural reforms. A strategic view is essential.

Relevant training system. The training system has fallen into disrepair. The key question is how to provide public servants with the appropriate skills required to perform their duties. Resource constraints mean that achieving this objective must be undertaken with considerations of efficiency and prioritisation. Staff should not simply be sent on courses because they exist. Courses need to be designed in response to need. Training must be taken seriously.

Policy analysis. Policy analysis provides the foundation on which governments make decisions about what courses of action to take. The capacity to identify and evaluate alternative policy options has often been lacking in Papua New Guinea. Thus, building policy analysis capability in government agencies is essential to avoid the production of policies which are divorced from the realities of implementation and resource availability.

Central-local relations. There are reports that the linkages between central, provincial and local governments are weak. The revamped system of decentralisation has not improved matters yet. If Papua New Guinea is to secure the best returns from its public sector investment then it is vital that the different layers of government complement each other. Cooperation and

consultation rather than conflict and competition should characterise central–local relations to ensure that service delivery improves rather than continues to decline.

Orientation to performance. The bureaucratic agencies of government in Papua New Guinea have been traditionally oriented to inputs and much less concerned with outputs. They now need to show considerably more interest in results. This will necessitate fundamental organisational change which places value on performance, seeks to set targets, and takes monitoring and evaluation seriously. This does not mean abandoning concern with inputs but requires organisations to make effectiveness a priority objective.

Accountability and transparency. Institutions for accountability are essential to fight corruption and improve management performance. They are leading elements of good governance and without effective instruments of accountability other reforms are likely to produce meagre results. Accountability institutions in Papua New Guinea have not been particularly effective and require strengthening. Innovations in accountability involving popular participation are also desirable to keep government honest, efficient and effective.

Looking for replicability. There are organisations or parts of organisations which have worked well in Papua New Guinea. However, little attention has been paid to such success stories. It would be extremely worthwhile if government and civil society spent time and effort identifying and investigating what works and why. Understanding the dynamics of successful organisations through research is vital. Informed choices and actions can then be taken to replicate organisational forms and processes which work in the Papua New Guinea context.

Popularising public sector reform. If public sector reform is to work, people in government and society must be informed about it. They must understand its relevance for improving welfare and addressing the many problems which beset the country. News of public sector reform needs to be communicated in government and society so that it is seen to be important. When people care about public sector reform, government is more likely to take it seriously and have more concern about ensuring that public sector reform initiatives are successful.

Role of donors and ownership of reforms. Public sector reform costs money, and the PNG government has little to spare. Thus, there will be a reliance on donors to finance programs and projects in public sector reform. This does not mean that public sector reform should be seen as a donor-driven activity. The PNG government needs to own the reforms and the donors should be viewed as partners in public sector reform. If this does not happen, domestic commitment to reforms may be weak and the reforms are likely to fail.

Political commitment. For public sector reform to succeed, sustained political commitment is necessary. Leading political and bureaucratic decisionmakers must maintain interest and activity in public sector reform over a long period. In the past, initial enthusiasm has quickly been replaced by a lack of interest. This has contributed to the pattern of reform failure which has characterised so much public sector reform in Papua New Guinea.

Conclusion

An efficient and effective public sector is essential for the future development of Papua New Guinea. While there has been much reform activity since independence, there has also been much disappointment, failure and wastage of scarce resources. There is hope that the government now appreciates the importance of public sector reform in national development, and concerted actions have been initiated to address a multitude of problems besetting the public service. However, if government does not learn from past mistakes and international experience, then the latest round of expensive donor-funded public sector reform initiatives will repeat the disappointments of previous decades. And once again it will be the citizens of Papua New Guinea who will suffer the consequences of poor services and bad governance.

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