Policy dialogue

Explaining institutional failure in Melanesia

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> The Westminster system of government didn't work in New Guinea. Unfortunately it was irresponsibly grafted on to an already sophisticated society that worked in a completely different way to our own (*Canberra Times*, 14 March 2000).

Institutions in Melanesia are often said to have failed to perform. Institutional explanations for performance are not new. 'Land tenure', for example, has often been blamed for poor performance in agriculture. 'Provincial government' is blamed for failure to deliver services. The absence of political parties is blamed for government instability. And so on. The fact that institutions have been borrowed, transplanted or transferred from outside is often cited as an explanation, for example by the journalist quoted above.

Institutions are things like families, clans or the state. They are 'stable, valued and recurring' (Goodin 1996:21). They seem to have an existence independent of the individuals who occupy them. There is a moral quality to them, so that criticism sometimes seems impertinent or irresponsible.

There is a growing consensus among donors and multilateral banks that 'institutions matter'. The study of 'development administration' grew out of the recognition that Western management principles might not be relevant in developing countries. The promotion of 'good governance' is sometimes criticised for similar reasons.

Here I want to talk generally about issues of performance and failure, and how they might apply in Melanesia. I will do so by asking a series of questions: why do we require 'performance'; how we might assess it; and how we might explain good, and bad, institutional performance. Then I want to look at the argument, frequently heard in Melanesia, that poor performance is a result of inconsistency between introduced and indigenous institutions. The main aim of this paper is conceptual rather than empirical—it is part of a longer study of institutional transfer. I want to raise and clarify the issues, rather than settle them.

Requiring performance

The first question is should we require 'performance' from institutions? One of their defining characteristics may be that they do not require practical justification. Institutions are simply there, to be respected, but not questioned. In nineteenth-century constitutional language, their 'institutional' quality depends on their being 'dignified' (like the monarchy) rather than 'efficient'

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(like parliament). In the language of 1950s sociology

> To institutionalise is to infuse with value beyond the technical requirements of the task at hand (Selznick 1957:16–17, quoted in Scott 1995:18).

In a similar vein, the influential economic historian Douglass North (1990) distinguishes rational, purposive 'organisations' from less rational 'institutions'. Using a familiar sporting metaphor, organisations are the team, while institutions are the rules of the game. It makes sense to ask if the team has performed well, and how its performance might be improved. In soccer, it exists to score goals, and it is easy to see when it fails. Better training, selection or tactics may improve its performance. We can easily judge the performance of a team. It is less easy to judge the performance of a game or 'code'. A team wins or loses. But does 'football' win or lose? The subject is difficult, and touchy—questions quickly lead to accusations of impertinence, disloyalty or lack of respect.

It may be difficult, but not impossible to judge the performance of the rules. We might ask if they allowed the game to proceed more safely, efficiently, or spectacularly. We might also ask how well the rules did, compared to others, in some wider competition, against other games or codes, for spectators or sponsorship.

If so, to subject institutions to performance assessment may be a first step towards de-institutionalising them. Discussions of the 'purpose' of the monarchy, or its costs may be the first steps to ending it (and criticism is actually against the law, in Thailand). A similar sense of impertinence and irresponsibility surrounds discussion of the purpose of other respectable institutions like the family or the state. A willingness to subject inherited institutions to criticism is one of the restless features of modernity.

> The reflexivity of modern social life consists in the fact that social practices are constantly reexamined and reformed in the light of incoming information about those very practices, thus constitutively altering their character (Giddens 1990:38, quoted in Pollitt and Bouckaert 2000:18).

These days, sporting codes have to justify their existence, as well as teams. Rather than more institutions failing, it may be that we are just demanding more of the institutions we have.

Assessing performance

Yash Ghai's evaluation of Papua New Guinea's 1975 constitution, written for its twentieth anniversary, concluded with a balance sheet. On the one hand, the constitution and the political system had survived: there were regular elections, and changes of government. There was a free press, and the rule of law more or less maintained. On the other hand, 'almost none of the national goals has been achieved': there was persistent gender inequality, limited participation, low levels of accountability, high levels of corruption and a 'horrendous breakdown in law and order'. There was a paradox: 'The constitution works, but its primary goals are subverted' (Ghai 1997:325). Ghai blames the political and economic system in which the constitution is embedded

> At best a constitution can set up institutions and give them resources and competencies, but it can seldom infuse them with particular values (Ghai 1997:329).

There are a number of dimensions along which we could test the performance of transferred institutions. As Ghai suggests, the first, minimal test of institutional performance might simply be survival. Fiji's 1970 and 1998 constitutions failed that simple test of performance. Thus, Papua New Guinea can congratulate itself on achieving

25 years of independence under the same constitution.

Sometimes survival is taken for fitness, as if existing institutions have survived some evolutionary struggle. This is comforting to their incumbents, who may feel they have gained legitimacy through surviving the 'test of time'. But 'evolution' remains metaphorical, until we can specify a mechanism equivalent to natural selection in biology. (There is no known organisational process that generates random changes and then selects survivors.) And as North (1990) has shown, there are often groups who benefit from the survival of inefficient institutions, and act firmly to conserve them: 'rent seekers', who get paid more than a competitive market would offer them; or corrupt officials who benefit from the existence of regulations they can use to extract bribes.

How can organisations fail and still survive? Sociologists Meyer and Zucker (1989) found the reason in the disjunction of interests between the owners of organisations and those dependent on them. When organisations are succeeding, the interests of both are congruent. When they begin to fail, their interests diverge. Owners may want reform, or termination. Dependents want things to continue as they always have been. In any case, there is likely to be disagreement about which reforms are needed to regain success. This internal political tussle can become permanent. Owners can increase their political power over dependents by privatisation, which allows—indeed requires—bankruptcy, or the segmentation of an organisation into parts that can be more easily dropped if they fail.

The most pervasive assessment of performance in economic discussions is 'efficiency', which links inputs and outputs: an efficient outcome is one that gets the most out of a given set of inputs.

Yet there is an even simpler, and earlier, dimension often applied by parliamentary accounts committees, auditors and the IMF who ask if an institution is 'economical', in the sense of minimising expenditure and reducing waste. 'Economy' is often the first step in a structural adjustment program: reduce expenditure, sack staff, and so on. This first step may prejudice later attempts to increase government efficiency and effectiveness.

In social and public policy there is also concern with outcomes and impacts. Finally, public organisations, because they are coercive monopolies and responsible to public opinion, are often subject to tests of justice and fairness.

The results of these separate tests of performance do not necessarily 'add up', and there are likely to be tradeoffs between them. A single institution, say a university, could be tested and judged differently on each of these different dimensions of performance. It might be wasteful, and expensive. It might be more or less efficient in turning its inputs into outputs: lessons taught per teacher, students graduated per annum, and so on. It might be more or less effective—the lessons might change the students, and the graduates might get jobs. In turn these improved skills and levels of unemployment might affect economic growth. Finally, the university might operate more or less justly and fairly, in the way it treats highly able, or disabled students, men rather than women, or ethnic minorities. Similar internally contradictory assessments could be made of larger-scale institutions such as 'the government'. It could fail some tests, while passing others.

Explaining performance

If we can assess performance, how can we go on to explain it, and its opposite, failure? In his influential long-term study of decentralisation to regional government in Italy, the political scientist Robert Putnam (1993) identified three types of explanation for government performance: institutional

design, socioeconomic factors, and sociocultural factors. The first is the stuff of constitution-makers and public-sector reformers, but it did not apply in the Italian case, as all the new regional governments had the same design.

Putnam found a general association between performance and level of economic development. (There was little link between performance and resources available to the government, which came as grants from the central government, and which compensated poorer regions.) However, the causal flow was not clear: did economic development encourage performance, or vice versa? Or was a third factor driving both? In any case, there was considerable variation in performance not explainable by levels of economic development. Some governments in rich areas performed badly, and some governments in poor areas performed well (a similar pattern might be found among Papua New Guinea's provinces).

Putnam's originality was to show the significance of sociocultural factors, particularly 'norms and networks of civic engagement' in explaining differences in government performance, and then showing how deeply rooted in history they were. He found membership in sports clubs, cooperatives, mutual aid societies, cultural associations and voluntary unions to be strongly correlated with government performance.

He went on to show that this dense network of civic associations is 'path dependent', or determined by history, and can be traced back to a split in Italian government between self-governing communes in the North, and feudal autocracy in the South. By disaggregating the influence of economic development and 'civic-ness' he also shows that civic-ness drives modernity, rather than the other way round.

Putnam did not show that a good constitution did not matter. It might be a necessary, but not sufficient, condition for performance. Instead, his work suggests attention to sociocultural factors in achieving performance from well-designed institutions, while his 'path dependent' explanation suggests that the roots of poor performance may be quite deep. Putnam's work has stimulated interest in the role of civil society, non-governmental organisations and 'social capital' in development, particularly in Papua New Guinea (de Renzio and Kavanamur 1999).

Consistency as an explanation for performance

Many people in Melanesia believe that performance relates to consistency between introduced and indigenous institutions (and hence failure with inconsistency). So, increasingly, do people in institutions such as AusAID and the World Bank, and journalists like the one quoted at the start of this paper. Hilda Lini, an influential leader in Vanuatu, for example argues the 'natural principles' of indigenous constitutions are in conflict with the 'foreign concepts' of the introduced constitution, which drew on both French and British models. The latter, she says, are not well understood. The adversarial system of party politics divides communities, she says, while a first-past-the-post electoral system allows minorities to govern (Lini 2000).

Research also suggests the importance of consistency with indigenous or preconstitutional systems of government.[1] Cornell and Kalt (1995) looked at the constitutions imposed on Native Americans by the US Department of the Interior in the 1930s. Their hypothesis is that

> extra constitutional agreement must underlie successful constitutional rule (Cornell and Kalt 1995:403).

They found big differences in levels of economic performance on Apache compared

to Sioux reservations. As in Putnam's Italy, these cannot be explained by differences in resource endowments. Instead they look to traditional political organisation and its consistency with imposed constitutions.

Sioux traditional organisation was a council of elders, who empowered a leader or leaders. Apache organisation was more centred on a single chief. Apache organisation was thus more consistent with the directly elected, strong chief executive, system imposed by the US government. Present-day Apache leaders can thus draw on traditional norms and expectations about leaders in ways that the Sioux, with their more parliamentary traditions, cannot. For example, in relation to managing the tribal-owned ski resort

> if Apache cultural norms locate legitimate authority in the office of the tribal chairman such that otherwise defecting supporters are constrained by those norms to side with him when it is necessary to fire an incompetent worker at the tribal ski resort, the efficiency of labor at the site and the ski resort have better chances of being sustained (Cornell and Kalt 1995:407).

Similar ideas about consistency between preconstitutional and constitutional forms have permeated discussions about constitution making in the South Pacific (Ghai 1983). The South Pacific also provides a kind of 'natural laboratory' for testing these arguments. Similar 'Westminster' constitutions, for example, were imposed over a variety of traditional institutions—hierarchical in Polynesia and more egalitarian in Melanesia. Have governments performed better when their constitutions were consistent with traditional institutions?

One initial difficulty is deciding whether or not Westminster is consistent with hierarchy or egalitarianism: the strong role it gives to the prime minister is 'Polynesian', while the countervailing role of parliament is 'Melanesian'. Another is that Westminster was adapted to be more consistent with local conditions, particularly in Samoa which (until 1991) restricted the franchise to chiefs.

Appendix 1, compiled by Manuhuia Barcham, shows a generally higher rate of turnover among prime ministers in Melanesia compared to Polynesia. This is certainly consistent with differing indigenous traditions. However, it does not seem to flow through to economic performance. First, if we take GDP growth as a measure of government performance, then there seems to be little difference in the performance of countries where Westminster was imposed on Melanesian political institutions (for example, Solomon Islands) and where it was imposed on Polynesian institutions (as in Samoa) (World Bank 1998:2).

Second, the most thoroughgoing adaptation to make Westminster consistent with Polynesia was in Tonga, which is a below average economic performer.

Third, there is a cross-over case in the central Pacific, where Kiribati and Marshall Islands, with very similar traditional systems, adopted opposite forms of constitution. Kiribati broke with its Westminister colonial inheritance and adopted a form of Presidentialism. Marshall Islands broke with its 'Washington' colonial inheritance, and adopted a Westminster system. Each argued that the new system was more appropriate to its circumstances—which were much the same. And there is little obvious difference in their economic performance—Marshall Islands did better than Kiribati between 1987–91, and they swapped places between 1992–97 (World Bank 1998:2).

So comparison between South Pacific countries suggests that consistency between indigenous and introduced institutions does not have a direct bearing on economic performance.

Note

[1] Ghai (1997:314) makes a more complex, almost Marxist, point: that consistency between political and economic systems is a condition for the success of the constitution, which is after all only a kind of superstructure. Politicians use their position to accumulate wealth and keep in power by giving favours.

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Appendix Table 1 **Pacific islands' prime ministers' tenure** (compiled by Manuhuia Barcham)

Vanuatu

1979	election	Father Walter Lini	
1983	election	Father Walter Lini	
1987	election (Nov)	Father Walter Lini	dissolution of parliament (Dec)
1988	(provisional government)	Barak Sope	collapse of parliament[1]
1989		Father Walter Lini	internal leadership change (Sep)
1991		Donald Kalpokas	
1991	election (Dec)	Maxime Carlot Korman[2]	
1995	election	Serge Vohor (for two months)	
1995		Maxime Carlot Korman	
1996		Serge Vohor	
1998	(6 Mar)	Donald Kalpokas	resigned[3]
1999	(Nov)	Barak Sope	

Notes: 1. Francophone leader Barak Sope and his followers were expelled from parliament for allegedly fomenting riots in Port Villa. Sope formed a new party—the Melanesian Progressive Party—was reinstated by the Court of Appeal, then resigned. President Sokomanu dissolved parliament, dismissed Lini, and appointed Sope interim Prime Minister. Lini's government, backed by the police and recognised by Papua New Guinea, New Zealand and Australia arrested Sope and Sokomanu and charged them with treason. In early 1989, Sope and Sokomanu had their convictions overturned on appeal. 2. First francophone prime minister. 3. Facing the threat of a no-confidence vote, Donald Kalpokas resigned and Barak Sope was elected prime minister and a coalition government was formed.

Papua New Guinea

1972	election	Michael Somare	
1977	election	Michael Somare	no confidence vote[1]
1979/80		Julius Chan	
1982	election	Michael Somare	no confidence vote[2]
1985		Paias Wingti	
1987	election	Paias Wingti	no confidence vote (July)[3]
1988		Rabbie Namaliu	
1992	election (June/July)	Paias Wingti	forced resignation
1994		Julius Chan	
1997	election	Bill Skate	resigned
1999	(Aug)	Mekere Morauta	

Notes: 1. The Pangu Pati's coalition party—the People's Progressive Party—deserted the coalition, and their leader Julius Chan formed a new government. 2. Pangu Pati split and defector's backed Paias Wingti for prime minister. 3. Rabbi Namaliu became compromise prime minister at the head of a six-party coalition.

Solomon Islands

1970		Peter Kenilorea	no confidence vote[1]
1981		Solomon Mamaloni	
1984	election	Peter Kenilorea	resigned[2]
1986		Ezekiel Alebua	
1989	election (Dec/Mar)	Solomon Mamaloni[3]	
1993	election (May/June)	Billy Hilly	internal leadership change
1994	(Nov)	Solomon Mamaloni	
1997	election (Aug)	Bartholomew Ulufa'alu	resigned
2000		Manasseh Sogavare	

continued…

Policy dialogue

Notes: 1. Peter Kenilorea, leader of the United Party, lost the support of his coalition partners and was replaced by Solomon Mamaloni leading a coalition of the People's Alliance Party and other opposition members. 2. A scandal over the misuse of French aid funds obliged Kenilorea to step aside. 3. One-party government consisting of the People's Alliance Party for the first year until Mamaloni re-shuffled the Cabinet to include a number of prominent politicians from other parties.

Fiji

1966	election (20 Sep)	Ratu Sir Kamasese Mara (Chief Minister)	
1970	independence (10 Oct)	Ratu Sir Kamasese Mara	
1987	election (13 Apr)	Dr Timoci Bavadra	coup
1987	(14 May)	Ratu Sir Kamisese Mara	
1992	election (2 Jun)	Sitiveni Rabuka	
1994	election	Sitiveni Rabuka	
1999	election (19 May)	Mahendra Choudry	attempted coup*
2000	interim (4 July)	Laisenia Qarase	

Note: *Mahendra Chaudry was taken captive by a group of terrorists led by George Speight on 19 May 2000.

Samoa

1982		Tofilau Eti Alesana	
1985	election	Vaai Kolone	
1988	election	Tofilau Eti Alesana	
1991	election	Tofilau Eti Alesana	
1994	election	Tofilau Eti Alesana	
1997	election	Tofilau Eti Alesana	resigned due to ill health
1998	(24 Nov)	Tuilaepa Sailele Malielegaoi	

Tonga

1940	appointed (July)	Salomone Ata	
1949	appointed (12 Dec)	Prince Taufa'ahau Tungi	
1965	appointed (16 Dec)	Prince Fatafehi Tu'ipelehake	
1991	appointed (21 Aug)	Baron Vaea of Houma	resigned
2000	appointed (3 Jan)	Prince Lavaka Ata'ulukalala	

Cook Islands

1965	election (4 Aug)	Albert Henry	
1968	election	Albert Henry	
1971	election	Albert Henry	
1974	election	Sir Albert Henry	
1978	election (25 July)	Sir Albert Henry	voting malpractice
1978		Sir Thomas Davis	
1983	election (13 Apr)	Sir Geoffrey Henry	resigned (15 Nov)
1983	(16 Nov)	Sir Thomas Davis	no confidence vote
1987	election (29 July)	Dr Pupuku Robati	
1989	election (1 Feb)	Sir Geoffrey Henry	
1994	election	Sir Geoffrey Henry	
1999	election	Sir Geoffrey Henry	
1999	(29 July)	Dr Joe Williams	
1999	(18 Nov)	Terepai Maoate	

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Policy dialogue

Tuvalu

1975	election (2 Oct)	Toaripi Lauti	
1978	election	Toaripi Lauti	
1981	election (8 Sep)	Dr Tomasi Puapua	
1985	election	Dr Tomasi Puapua	
1989	election (16 Oct)	Bikenibeu Paeniu	
1993	election (10 Dec)	Kamuta Latasi	no confidence vote
1996	election (24 Dec)	Bikenibeu Paeniu	
1998	election	Bikenibeu Paeniu	no confidence vote
1999	election (27 Apr)	Ionatana Ionatana	

Niue

1974	election	Sir Robert Rex	
1990	election (Apr)	Sir Robert Rex	died in office (December 1992)
1992		Young Vivian	
1993	election (Feb)	Frank Lui	
1996	election	Frank Lui	
1999	election (Mar)	Sani Kalatani	

Marshall Islands

1979	election	Amata Kabua	
1984	election	Amata Kabua	
1988	election	Amata Kabua	
1991	election	Amata Kabua	
1995	election	Amata Kabua	died in office (December 1996)
2000	election (3 Jan)	Kessai Hesa	

Kiribati

1979	election	Ieremia Tabai	
1982	election	Ieremia Tabai	
1985	election	Ieremia Tabai	
1988	election	Ieremia Tabai (served the maximum four terms allowed by the constitution)	
1991	election	Teato Teannaki	no confidence vote
1994		Teburoro Tito	

Nauru

1968	election	Hammer de Roburt	
1976	election	Bernard Dowiyogo	
1979	election	Hammer de Roburt	
1989	election	Bernard Dowiyogo	
1997	election	Kinza Clodumar	no confidence
1998		Bernard Dowiyogo	defeated: censure motion
1999		René Harris	

Note: Three changes of president in 1996—a caretaker government took over pending a new election in February 1997.