

Helpdesk Research Report: Public sector provision of services in PNG

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Query: Please identify literature on the performance, management and administration of the public sector in Papua New Guinea, with particular attention to public service provision (health and education).

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1. Overview

Despite the initiation of a series of public sector reform policies in Papua New Guinea (PNG) since the late 1990s, service delivery and accountability remain weak. There has been a disconnect between the adoption of sound policy making and actual implementation at all levels of government. This has resulted in variation in performance between sectors and over time. Specific issues contributing to poor implementation emphasised in the literature include:

- Political economy: Ministers and senior public officials play an unusually influential role in policy implementation in PNG (May, 2010b). Leading officials have not treated reforms as a priority as they are often sceptical of change and see little benefit to themselves or their supporters from such reforms (Turner and Kavanamur, 2010).
- Decentralisation: Political and administrative decentralisation policies have resulted in the transfer of some functions to provincial and local governments without the necessary funding. There has been frequent breakdown of funding arrangements and communication between the capital and the provinces (May, 2010b).
- Technical capacity: Policies are often announced without properly assessing and ensuring the capacity to implement them. Officials in charge of implementation may resist change and lack

the capacity to design and implement changes that would contribute to improved performance (Turner and Kavanamur, 2010). The decline in capacity in many parts of the bureaucracy is partly attributed to the deterioration of training programmes and the migration of more capable public servants to the private sector (May, 2010b).

The focus of this helpdesk report is literature and research on the performance, management and administration of the public sector in Papua New Guinea. The literature has been divided into the following sections:

- Local governance and decentralisation
- Service delivery – health and education
- Non-state service providers and partnerships
- Diversity and women
- Foreign aid and resource revenues
- Leadership and executive development
- Information and communication technologies

Resources

May, R. J., 2010a, 'Public Sector Reform Since 2001', Chapter 3 in Policy Making and Implementation: Studies from Papua New Guinea, ed. R. J. May, The Australian National University, Canberra, pp. 27-38

http://epress.anu.edu.au/ssgm/policy_making/pdf/ch03.pdf

May, R. J., 2010b, 'Introduction', Chapter 1 in, Policy Making and Implementation: Studies from Papua New Guinea, ed. R. J. May, The Australian National University, Canberra, pp. 1-8

http://epress.anu.edu.au/ssgm/policy_making/pdf/whole_book.pdf

Turner, M. and Kavanamur, D., 2010, 'Explaining Public Sector Reform Failure: Papua New Guinea 1975–2001', Chapter 2 in Policy Making and Implementation: Studies From Papua New Guinea, ed. R. J. May, The Australian National University, Canberra, pp. 9-25

http://epress.anu.edu.au/ssgm/policy_making/pdf/whole_book.pdf

2. Local governance and decentralisation

The passage of the Organic Law on Provincial Governments and Local Level Governments (1995) introduced a new decentralisation arrangement in PNG, with division of government responsibilities between three levels of government: provincial, district and local-level. The intention was to 'bring government closer to the people', particularly with regard to access to public services. Allen and Hasnain (2010) argue, however, that the final form of the Law has not strengthened the role of local-level governments, but rather has marginalised them from decision-making processes at both the provincial and district levels. Funding at this level has also been insufficient for local government to perform basic service delivery functions (Allen and Hasnain, 2010).

Additional decentralisation initiatives have been launched in the context of public sector reform; however, as in the case of reforms more generally, implementation has been weak. Confusion about functional (who does what) and financial (who pays for what) responsibilities across the different

levels of government has contributed to deteriorating service delivery (May, 2006). Gouy (2009) finds that later reforms have addressed some of the earlier problems with decentralisation: there is now more comprehensive and systemic treatment of transfers, and more certainty and predictability of transfers. Goudsmit (2008/9) argues instead that local-level governments receive insufficient funds, that are unable to cover legally sanctioned functions, and that financial resources often come in late. Another key challenge is how central government can ensure that any additional resources given to lower-level governments are spent on national priorities. According to Gouy (2009), however, there is little research on issues of fiscal decentralisation in PNG.

Politicisation of provincial, district and local-level administration; mismanagement and corruption; and lawlessness have contributed to poor service delivery throughout the country, particularly in more remote areas (May, 2006). Hegarty (2009) notes that local level government councils have proliferated without consideration for cost effectiveness. Many have failed to engage in proper planning or financial discipline, resulting in a waste of public funds. Village Courts are the one institution of local-level government that have been conducted effectively, have achieved legitimacy, and become embedded at the local-level throughout the country. These are dispute-resolution mechanisms that operate under state authority but with local assessors as adjudicators (Hegarty, 2009; Goudsmit, 2008/9).

The performance of district governments, while poor, has been better than local-level governments. District Administrations have been able to initiate policies, provide education and health services and facilities, establish community projects and provide training; whereas, local-level governments do not seem to have the capacity to coordinate service delivery (Goudsmit, 2008/9). There are also variations in performance within district levels and within local-level governments across the country based on issues of funding, infrastructure, human resources and the roles played by MPs (Hegarty, 2009). Recent research on patronage politics at the local and district level of government has found considerable geographic and regional variation, countering existing views of widespread and chronic dysfunctionality. It finds that in areas with higher levels of patronage and money politics, there is also a greater likelihood that MPs will marginalise district and local-level processes governing the allocation of development funds (Allen and Hasnain, 2010).

The absence of effective, formal local government has resulted in the persistence and emergence of other actors to fulfil service delivery needs. Most villages and communities have governed their affairs based on customary rules and localised practices that have adapted over time. Church missions, mining companies and other non-state actors have filled the role of providing infrastructure and services such as schools and health clinics (see the following section on 'non-state service providers and PPPs'). Service coverage, however, is not evenly spread across the country and often reaches only a minority of the population (Hegarty, 2009).

Resources

Allen, M. and Hasnain, Z., 2010, 'Power, Pork and Patronage: Decentralisation and the Politicisation of the Development Budget in Papua New Guinea', *Commonwealth Journal of Local Governance*, no. 6

<http://epress.lib.uts.edu.au/journals/index.php/cjlg/article/viewArticle/1617>

Goudsmit, I. A., 2008/9, 'National Building in Papua New Guinea: A Local Alternative', Discussion Paper, State Society and Governance in Melanesia Project, The Australian National University, Canberra

http://ips.cap.anu.edu.au/ssgm/papers/discussion_papers/2008_09_goudsmit.pdf

Gouy, J., 2009, 'Papua New Guinea's Intergovernmental Financing Reforms: An Assessment', Pacific Economic Bulletin, vol. 24, no. 1, pp. 113-129

http://peb.anu.edu.au/pdf/PEB24_1_GOUY.pdf

Hegarty, D., 2009, 'Governance at the Local Level in Melanesia – Absent the State', Commonwealth Journal of Local Governance, no. 3

http://www.gdn-oceania.org/Portals/83/david_hegarty_paper.pdf

May, R. J., 2006, 'The Public Sector Reform Process in Papua New Guinea', The National Research Institute and the State, Society and Governance in Melanesia Program, Research School of Pacific and Asian Studies, Australian National University, Canberra

http://ips.cap.anu.edu.au/ssgm/publications/discussion_papers/png/06_04may.pdf

3. Service delivery – health and education

A range of health and education policies have been developed in PNG aimed at overcoming problems with the delivery of these services. Following the general trend of public sector performance in PNG, however, implementation has been weak and improvements have been minimal. A recent study finds that the general quality of services provided to citizens in PNG is 'poor and not satisfactory' (Singh et al., 2010, p. 187).

In the education sector, some policies have been problematic and others have not been implemented (Guy, 2010). Key challenges in education include: poor school facilities; problems with school finances; teacher absences due to poor salaries and delays in payment; ineffective roles played by provincial and district-level education administration; and inadequate inspection systems (World Bank, 2004). Poor accountability systems and a system of patronage have made it difficult to ensure that successful delivery of funds (for example, through direct subsidy payments to schools) will translate into responsible use of funds at schools. There is some evidence that parent and community participation can contribute to better service delivery by promoting lower teacher absence, higher student attendance and less leakages (World Bank, 2004).

In the health sector, despite sound policies, implementation has been weak and health services have been on the decline (Bolger et al., 2005; Thomason and Kase, 2010). This has been attributed to inadequate funds; poor capacity; and division of responsibility (stemming from decentralisation) without sufficient coordination and communication between government agencies. While health financing, plans and policies are agreed nationally, the National Department of Health cannot require individual provincial governments to spend funds from central government on health care or to deploy and manage health staff in a particular way (Thomason and Kase, 2010; Bolger et al., 2005; Cammack, 2008/9).

Cammack argues that in addition to working on technical solutions aimed at improving decentralisation practices and accounting and management systems; local communities also need to be empowered to demand their services and to hold their government to account (Cammack, 2008/9). Bolger et al. (2005) argue that capacity issues are key; these however should not be viewed solely as technical skills constraints, but should also include intangible assets such as leadership, commitment and community support (see section on 'leadership and executive development'). They point to these

intangible assets, in particular the attitudes and skills of managers, as having contributed to the ability of organisations or particular units in the health sector to isolate themselves from 'dysfunctions' in the broader system and to achieve successes (Bolger et al., 2005).

Singh et al. (2010) conclude in their recent study that there is a need for developing customer service standards in the public sector in order to promote effective, efficient and equitable service delivery. The quality that the citizen/consumer perceives of the services influences his or her satisfaction of public service delivery significantly. In order to improve quality, they argue that financial and institutional constraints need to be addressed. Private service delivery and public participation could contribute to alleviating such constraints (Singh et al., 2010).

Resources

Bolger, J., Mandie-Filer, A. and Hauck, V., 2005, 'Papua New Guinea's Health Sector: A Review of Capacity, Change and Performance Issues', Discussion Paper No. 57F, European Centre for Development Policy Management (ECDPM), Maastricht
[http://spiderman.ecdpm.org/Web_Capacity/Web/UK_Content/Download.nsf/0/29B64FA6A0D23680C1256FF60028243C/\\$FILE/Bolger,mandie-Filer,hauck_health%20study_2005.pdf](http://spiderman.ecdpm.org/Web_Capacity/Web/UK_Content/Download.nsf/0/29B64FA6A0D23680C1256FF60028243C/$FILE/Bolger,mandie-Filer,hauck_health%20study_2005.pdf)

Cammack, D., 2008/9, 'Chronic Poverty in Papua New Guinea', Background Paper for the Chronic Poverty Report 2008-09, Chronic Poverty Research Centre, Manchester
http://www.chronicpoverty.org/uploads/publication_files/CPR2%20Background%20Papers%20Cammack%20New.pdf

Guy, R., 2010, 'Formulating and Implementing Education Policy' Chapter 8, in Policy Making and Implementation: Studies From Papua New Guinea, ed. R. J. May, The Australian National University, Canberra, pp. 131-154
http://epress.anu.edu.au/ssgm/policy_making/pdf/whole_book.pdf

Singh, G., Pathak, R. D., and Naz, R., 2010, 'Public Service Delivery in Fiji, Solomon Islands and Papua New Guinea: Analysing Quality in Public Services', International Journal of Services and Standards, vol. 6, no. 2, pp. 170-193
<http://inderscience.metapress.com/app/home/contribution.asp?referrer=parent&backto=issue,6,6;journal,3,24;linkingpublicationresults,1:112385,1>

Thomason, J. and Kase, P., 2010, 'Policy Making in Health', Chapter 7 in Policy Making and Implementation: Studies From Papua New Guinea, ed. R. J. May, The Australian National University, Canberra, pp. 117-130
http://epress.anu.edu.au/ssgm/policy_making/pdf/whole_book.pdf

World Bank, 2004, 'Papua New Guinea: Public Expenditure and Service Delivery (PESD)', World Bank, Washington, DC
<http://siteresources.worldbank.org/INTPUBSERV/Resources/PNG.PESD.Education.Final%28G%29jun.2004.pdf>

4. Non-state service providers and partnerships

As noted, non-state organisations in PNG have stepped in to provide services, in particular health and education. A recent report by the World Health Organisation (2010) advocates for stronger health partnerships between the government and non-state actors. This would require the National Department of Health to differentiate its role in service provision from its role in leading the entire sector, and to improve its stewardship of the latter. Such a stewardship role would allow for greater purpose and direction of partnerships, moving them away from *ad hoc* arrangements (WHO, 2010).

Christian churches are key actors in service delivery in the country: 'they provide about half of the country's health services and – in partnership with government – co-manage some 40% of the primary and secondary education facilities' (Hauck et al., 2005, p. v). The state and church have also successfully collaborated in the training of health workers (Bolger et al., 2005). A stronger partnership with churches would require setting out ground rules on the ways in which the two actors will work together; pushing for greater transparency of the use by churches of government funds; and allocating greater funding to the church sector where necessary (WHO, 2010).

The extractive sector in PNG has also been increasing its role in health service delivery, particularly in the remote areas in which they operate. These are often areas with poor health and living conditions, where government struggles to provide services; thus, improving access in these areas can contribute to improving universal coverage (Thomason and Hancock, 2011; WHO, 2010). Thomason and Hancock (2011) emphasise that there is no evidence that public expenditure on health produces better outcomes than private outcomes. As such they welcome the contributions of the extractive sector, while stressing that the government continues to have a key role to play as regulator, funder or provider. There are concerns, however, about the sustainability of services once extraction activities terminate; and that access to services may differ based on whether one is directly employed by the particular industry. These risks could be managed through partnership arrangements (WHO, 2010).

Partnerships between non-state actors and government in service delivery cannot improve the effectiveness and efficiency of services on their own, however. Attention also needs to be paid to the entire system, including various elements such as sufficient funding; acceptance among health providers and the workforce of the government's vision for health – in the case of health care; workforce development; and improved monitoring and regulatory arrangements (WHO, 2010). Thomason and Hancock (2011) argue that the PNG government currently does not have the capacity to monitor and regulate a widely subcontracted health service model. The development of an appropriate policy and regulatory environment and learning of various expertise are first required.

Resources

Hauck, V., Mandie-Filer, A. and Bolger, J., 2005, 'Ringling the Church Bell: The Role of Churches in Governance and Public Performance in Papua New Guinea', The European Centre for Development Policy Management (ECDPM), Maastricht
[http://domino.ecdpm.org/Web_ECDPM/Web/Content/Download.nsf/0/53A39BC74470AD22C1256FB1005B7CBD/\\$FILE/05-57E-e_VH_AMandie_JBolger.pdf](http://domino.ecdpm.org/Web_ECDPM/Web/Content/Download.nsf/0/53A39BC74470AD22C1256FB1005B7CBD/$FILE/05-57E-e_VH_AMandie_JBolger.pdf)

Thomason, J. and Hancock, M., 2011, 'PNG Mineral Boom: Harnessing the Extractive Sector to Deliver Better Health Outcomes', Discussion Paper, no. 2, Development Policy Centre, Crawford School of Economics and Government, The Australian National University, Canberra
http://devpolicy.anu.edu.au/pdf/papers/DP2_Making_PNG_Mineral_Boom_Count.pdf

WHO, 2010, 'Papua New Guinea Health Partnerships', Final Report Prepared for the Papua New Guinea National Department of Health, World Health Organisation, Western Pacific Region
<http://www.wpro.who.int/NR/rdonlyres/C58D94C0-0117-43C7-8359-963DFafa90B8/0/PNGHealthPartnershipsFinalReport.pdf>

5. Diversity and women

The ethnically fragmented society of Papua New Guinea could contribute to difficulties in the government and management of inequality in public sector institutions. There is, however, no ethnic group in the country that is large enough to dominate any of the public sector institutions (there are 817 plus groups, and none constitutes more than 4 percent of the population). The public service sector is thus representative of the diversity of PNG. Problems with the public sector have less to do with ethnic fragmentation and more to do with various other key issues, such as political interference; financial constraints; and management deficiencies (Anere, 2004).

The representation and experiences of women in the public sector, however, has been problematic. A study conducted by Zubrinich and Haley (2009) found that female public sector employees are exposed to various abuses in the workplace, including verbal abuse; threats of violence and sexual harassment; and political interference. The study recommends that women should have greater access to information about educational and career development opportunities; women's educational and employment pathways in the public sector should be explored; women's networks should be encouraged; and political interference in the day to day running of the professional public sector should be discouraged (Zubrinich and Haley, 2009).

Resources

Anere, R., 2004, 'Ethnic Structure, Inequality and Governance of the Public Sector in Papua New Guinea', United Nations Research Institute for Social Development (UNRISD)
[http://www.unrisd.org/80256B3C005BCCF9/%28httpAuxPages%29/8F3694968DBEBFE9C1256ED90042620B/\\$file/Anere2.pdf](http://www.unrisd.org/80256B3C005BCCF9/%28httpAuxPages%29/8F3694968DBEBFE9C1256ED90042620B/$file/Anere2.pdf)

Zubrinich, K. and Haley, N., 2009, 'Experiencing the Public Sector: Pacific Women's Perspectives', State, Society and Governance in Melanesia Project, The Australian National University, Canberra
http://ips.cap.anu.edu.au/ssgm/papers/research/SSGM_Public_Sector.pdf

6. Foreign aid and resource revenues

Recent research has sought to explore the relationship between foreign aid and public sector fiscal behaviour. Studies have generally found that aid flows have not contributed to greater spending on key social service delivery sectors - health, education and infrastructure (Batten, 2010; Feeny and McGillivray, 2010). Batten (2010) finds that donor funds have been used largely for debt reduction. He also finds that the PNG government has preferred to draw on foreign resources rather than tax its own constituents. Feeny and McGillivray (2010) find that donor funds had been used mainly for consumption expenditures and to finance unanticipated shortfalls in the recurrent budget. Batten (2010) recommends that donors should aim to develop a cooperative dialogue on government's budgetary priorities in order to influence the financing of additional service delivery.

Resource revenues in PNG have been critiqued in the past for encouraging undisciplined and irresponsible government expenditures (Faal in Batten, 2011); and also for weakening efforts for tax collection. Some positive steps have been made in improving the impact of resource revenues on service delivery. These include the government creation of a sovereign wealth fund that aims to promote accountability over fund usage and to smooth expenditure over time. This is especially important for health and education service expenditures, which are largely recurrent (Batten, 2011).

Resources

Batten, A., 2011, 'Aid and Oil in Papua New Guinea', Discussion Paper, no. 5, Development Policy Centre, Crawford School of Economics and Government, The Australian National University, Canberra

http://devpolicy.anu.edu.au/pdf/papers/DP4_Aid_and_Oil_in_PNG.pdf

Batten, A., 2010, 'Foreign Aid, Government Behaviour, and Fiscal Policy in Papua New Guinea', Asian-Pacific Economic Literature, vol. 24, no. 2, pp. 142-160

<http://onlinelibrary.wiley.com/doi/10.1111/j.1467-8411.2010.01264.x/full>

Feeny, S. and McGillivray, M., 2010, 'Aid and Public Sector Fiscal Behaviour in Failing States', Economic Modelling, vol. 27, no. 5, pp. 1006-1016

<http://www.sciencedirect.com/science/article/pii/S0264999310000726>

Feeny, S. and Rogers, M., 2008, 'Public Sector Efficiency, Foreign Aid and Small Island Developing States', Journal of International Development, vol. 20, pp. 526-546

<http://onlinelibrary.wiley.com/doi/10.1002/jid.1475/pdf>

7. Leadership and executive development

The public sector reform process requires not only structural changes and training in technical skills, but also the development of effective leadership strategies and the capacity of the public sector to 'embrace cultural, behavioural and attitudinal change' (Berry and Harris, 2002, p. 23). While studies of the sector have found progress in strategic planning and the use of technology, challenges persisted in developing various attributes and attitudes considered essential to organizational quality (Berry and Harris, 2002).

Recent research looks at Executive Development interventions in the PNG public service. It finds that the development of executives is essential for retaining potential leaders in the public sector; and for the efficient and effective delivery of government services (Polum and Wallace, 2009). Time and resources should be allocated to developing public servants and providing management development opportunities for managers and aspiring managers (Polum and Wallace, 2009; Berry, 2006). Polum and Wallace (2009) caution, however, that developing executive competence is insufficient on its own; enabling structures and systems, together with a supportive political and socio-economic environment are also required to support it.

Resources

Berry, G., 2006, 'An Evaluation of a Management Development Programme to Support Quality Implementation in Papua New Guinea', *Labour and Management in Development Journal*, vol. 7, no. 1 2

<http://www.nla.gov.au/openpublish/index.php/lmd/article/viewFile/1292/1579>

Berry, G. and Harris, B., 2002, 'Leadership for Quality in the Papua New Guinea Public Service Reforms', *Labour and Management in Development Journal*, vol. 2, no. 8

<http://www.nla.gov.au/openpublish/index.php/lmd/article/viewFile/1190/1469>

Polum, N. and Wallace, M., 2009, 'Executive Development: Learning from Effective Practices in the Papua New Guinea Public Service', *Sustainable Management and Marketing: Australian and New Zealand Academy of Management (ANZAM) conference*, 1-4 December, Melbourne

http://epubs.scu.edu.au/cgi/viewcontent.cgi?article=1339&context=gcm_pubs&sei-redirect=1#search=%22public%20sector%20papua%20new%20guinea%20service%20provision%22

8. Information and communication technologies

A recent study finds that e-governance has the potential to improve service delivery in PNG and citizen satisfaction (Pathak et al., 2010). The use of information and communication technologies (ICTs) in government can contribute to improving efficiency, effectiveness and responsiveness; they can, for example, more readily inform decision makers; allow for alignment of health resources with client needs; and allow for sharing of lessons learned and know-how (Cibulskis and Hiawalyer, 2002; Pathak et al., 2010).

Pathak et al. (2010) stress that e-governance is also essential to empower citizens by improving access to and use of information. This, in turn, can contribute to greater accountability and commitment on the part of government to improving services.

Resources

Cibulskis, R.E. and Hiawalyer, G., 2002, 'Information Systems for Health Sector Monitoring in Papua New Guinea', *Bulletin of the World Health Organization*, vol. 80, no. 9, pp. 752-758

<http://www.scielosp.org/pdf/bwho/v80n9/v80n9a13.pdf>

Pathak, R.D., Naz, R. Singh, G. and Smith, R.F., 2010, 'ICT for Improved Public Service Delivery in Papua New Guinea Governance', *JOAAG*, vol. 5, no. 1

http://joaag.com/uploads/5_1_Article_4_Pathak_et_al.pdf

9. Additional information

Experts consulted:

Aaron Batten (Asian Development Bank)

Gurmeet Singh (University of the South Pacific)

About Helpdesk research reports: Helpdesk reports are based on two days of desk-based research. They are designed to provide a brief overview of the key issues; and a summary of some of the best literature available. Experts are contacted during the course of the research, and those able to provide input within the short time-frame are acknowledged.