



Ethical and Effective Governance

Speech of Dr Thomas Webster to the first NRI Public Sector Seminar Series for 2010 on Ethical and Effective Governance.

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Welcome to the NRI and the first Public Sector Seminar for 2010. This year, the Public Sector Seminar Series will focus on a growing issue of concern to many of us; Ethical and Effective Governance.

PNG faces a wide range of challenges, each requiring multiple and often complex policy responses in the march towards social, economic and human development.

“Ethical governance should be the demand of every Papua New Guinean who wants their child to go to school, who wants to keep their families healthy, see our people employed in fairly paid working conditions, and who wants to access reliable water and electricity.”

Of these challenges, Ethical and Effective governance stands out as Papua New Guinea's number one development priority today.

Our human development indicators are some of the lowest by global comparison. We cannot turn our backs on the fact that poverty levels, in terms of incomes and socio economic conditions, are some of the poorest in our region. Many mothers and babies die during child birth because of limited health care coverage. Of those that live, according to the 2006 Demographic Health Survey, between seven and eight out of 100 children die before they reach age five due to a lack of immunization and health care facilities.

Of those children that survive past age five, less than half will get a basic primary school education. While many will not have access to a school at all, others may start school, but will never complete primary education - because there are no teachers, no textbooks or even no school buildings.

The lack of funds is often cited as a major reason for the current state of things, but on closer analysis, it is evident that the lack of funding is not the main reason. There are billions of kina allocated by Governments in annual budgets every year to maintain and expand government services. In 2008, the Treasurer's report indicated that nearly seven billion kina was spent on salaries, goods and services by both national and provincial governments. A similar level of funding was expended in 2009.

These are substantial amounts of money spent each year by Government. Yet we continue to hear stories about lack of funds to implement key service delivery activities. There is a lack of drugs in major hospitals, let alone in health centers and aid posts in remote areas. There is a lack of fuel for Police to attend to emergency calls, poor road conditions, a lack of teachers and a lack of classrooms. The stories keep coming.

It is how funds are managed and expended and the quality of these programs and activities that will determine whether we move forward or regress.

Programs have not been implemented because the funds allocated have been stolen outright. Payments are made for projects even before the project has been started. In other cases, the funds have been expended but weak systems and processes have seen funds misused and maximum benefits not gained.

Yet in other instances, the systems are fine, but it is the people who manage these systems who lack proper ethical and moral attitudes and manipulate the systems to steal public funds.

I see a trend emerging where officials are designing public programs on the basis of how they will personally benefit from it rather than the common good.

We have allowed our governance and management systems to be eroded to a situation where funds are now disappearing into a black hole.

Poor governance will mean that the large anticipated revenues from the planned LNG project will not enrich the country but continue to disappear into this black hole. These revenues will instead enrich a few powerful people at the expense of the rest of the population.

To continue the story of our young people, the future generation – many of our young people who get an opportunity to complete school will remain unemployed due to a lack of jobs. Jobs can be created by increases in investments, both from foreign and domestic sources. However, we are not seeing the large scale investments that should happen, because of the inefficiencies and corrupt behavior of officials in various state entities. The World Bank's annual survey on the "Ease of Doing Business" places PNG among the bottom fifty percent. Land is difficult to access. Property rights are difficult to enforce. Skilled labor is not available and skilled foreigners cannot be brought in because of bureaucratic procedures that we create.

Ethical and Effective Governance can translate resource revenues into genuine improvements to services and to the lives of all Papua New Guineans, especially the vast majority of our population living in rural areas. It is the single most important development obstacle of our time – it must be addressed NOW.

Governance is no longer an issue that donors and development partners talk about in terms of their allocation of aid. It should no longer be a demand that is coming from outside the country.

Ethical governance should be the demand of every Papua New Guinean who wants their child to go to school, who wants to keep their families healthy, see our children and people employed in fairly-paid working conditions, and who wants to access reliable water and electricity.

The end result of poor governance is corruption and fighting corruption is one important part of promoting ethical and effective governance. But the other important aspect to governance is developing the systems across the political system and the Public Sector, which will see money spent transparently and accountably, leaders elected or appointed fairly, and decisions made according to sound policies and sound research.

Poor governance also begets even poorer governance because bad decisions now will breed further democratic decay.

PNG's development problems are not a problem of not having enough money to run the country. We need ethical and effective governance systems that will ensure funds are expended for the benefit of a majority of our people in order to improve on the poor levels of health, education and low income levels.

To talk about education for all, we must talk about governance. We must talk about transparent and accountable funding systems that ensure materials make it into our schools at the beginning of the year, to ensure our teachers are paid and to ensure our children have a learning environment that isn't over-crowded and dilapidated.

To talk about health services for all, we must also talk about governance, because a healthy population can only become a reality with a strong health sector that is managed effectively and delivers results.

To talk about infrastructure development we must talk about governance.

This is why the National Research Institute's Public Sector Seminar Series is focusing specifically on ethical and effective governance in 2010. We want to sensitize stakeholders and the public at large on the issues of effective governance, as the biggest development issue facing PNG today.

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