Papua New Guinea government seeks tight control over political parties

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Under pressure from Australia and international investors, the Papua New Guinea government of Prime Minister Sir Mekere Morauta has introduced legislation that seeks to stabilise the system of rule and impose strict controls over political parties.

The *Organic Law on the Integrity of Political Parties and Candidates Bill* received a 79-0 vote in parliament at the end of August, although 30 MPs absented themselves from parliament on the day. The government obtained the two-thirds majority it needed to secure a constitutional amendment, but Mekere warned of “appropriate disciplinary measures” against ministers in his own party, who attempted to persuade backbenchers to vote against the legislation.

Parliament will meet at the end of October for the third and final reading of the legislation. Despite the progress of the Bill, Mekere is preparing to follow his predecessors in proroguing parliament in November for six months to avoid a no-confidence motion expected to come from previous prime minister Bill Skate and his supporters.

Instability has dogged the PNG political system since formal independence from Australia in 1975. MPs, offered bribes or positions of power, have unashamedly swapped allegiances to opposition parties or different leaders and participated in no-confidence votes against the serving prime minister. As a result, no government has lasted the full five-year term.

The Integrity Bill states that an MP elected as a party member cannot join another party or become an independent during a five-year parliamentary term. Moreover, it dictates that party MPs vote with the party on the appointment of a prime minister, the budget and any constitutional change.

Independent MPs who initially voted for the appointment of a prime minister must maintain this support in a no-confidence vote, and must also vote with the government in constitutional amendments and on the budget. If they reverse their support for the prime minister they must abstain on the above questions, and they are barred from joining any parties until the next election.

The legislation sets far-reaching restrictions on the registration of political parties, and their entitlement to state funding. It states that no party can have “divisive policies that seek to challenge national unity”. Any party that, for example, opposed the destructive impact of mining companies on society or the environment could be barred. In addition, parties wishing to register must gain recognition from the Investment Promotion Authority.

While the government has portrayed the Bill as an anti-corruption measure, the legislation will in fact legitimise the control of political life via corporate donations. A registered party or any of its candidates will be entitled to seek donations of up to K500,000 ($A370,000) in any election. The government's Constitutional Development Commission stated that such practices were already occurring in secret so the legislation should make it public.

An article in the *National* newspaper commented that the legislation would enable foreign companies to buy off politicians and entire governments:

“Applications for visas, business licences, trade deals, and tender for works for foreigners will be held over until after nominations are open for elections, and the mouths that give approvals are buttered while the hands that sign contracts or licences are greased. It will enable easy access to business by simply waving fat K500,000 cheques in front of ministers. It will give large foreign companies monopoly as they will maintain each political party in government and demand to be given preferential treatment. Companies that cannot compete will close down.”

Corruption will abound—but it will be done in such a way as to ensure that investors have relative security. Foreign corporations will have access to the parliamentary parties *as a whole* rather than simply to individual MPs who transfer their political loyalties once they receive a better offer.

These measures are bound up with the government's determination to guarantee to investors, and to a large extent Australian firms, that PNG is a business-friendly environment. Despite celebrating 25 years of independence this month, PNG is virtually an Australian semi-colony. Half of the economy is owned by Australian big business through investment in mining, retail, banking and other areas. PNG is still one of the biggest export markets for Australian companies, worth over $A1 billion per year in 1995. Throughout the 1990s, one copper and gold mine alone, BHP's Ok Tedi project, generated about 20 percent of PNG exports and 10 percent of the country's Gross Domestic Product.

The Australian government made its demand for political changes known publicly in September 1999 with the publication of a Foreign Affairs paper, *Papua New Guinea 1999: Crises of Governance*, written by an Australian National University academic Bill Standish.

According to the paper: "The country's political system has evolved in quite dysfunctional ways including the widespread use of 'money politics', which reduces governmental capacity and undermines the power of parliament and the stability of cabinets to the extent that constitutional reform is again an issue."

Successive Australian governments have attempted to fashion a more stable regime, one that is able to deliver economic restructuring, greater corporate tax concessions and deep cuts to social spending. A 1997 Australian government briefing paper, which was leaked to the media, revealed the hostility in Canberra to the resistance of the government of Sir Julius Chan to the requirements of the International Monetary Fund. It accused Chan and his finance minister Chris Haiveta of trying to "resist implementing structural reform" and of seeking support from Malaysia "to reduce PNG's dependence on Australia".

When Chan signed a secret $36 million deal with the mercenary outfit Sandline International to militarily suppress the secessionist Bougainville Revolutionary Army, the Australian media encouraged PNG military leaders and opposition politicians to oust Chan's government.

But Chan was replaced by Bill Skate, a local businessman who soon sought other means of evading the Canberra-backed strictures of the IMF. In July 1999, with his government on the verge of bankruptcy, Skate sought financial assistance from Taiwan, in return for diplomatic recognition. The Australian media immediately initiated a campaign to undermine Skate, who was denounced as a "petty thief... who grew up to steal his country," and replace him with Mekere, who was promoted as a "friend of Australia."

Upon taking office in July last year, Mekere re-established relations with the global financial markets, implementing an IMF-World Bank Structural Reform Program, and reaffirmed Australia's predominance over PNG affairs. He introduced new consumption taxes, cut business taxes and pledged to privatise every major state-owned enterprise within three years.

Such measures, however, cannot be carried through democratically. They will mean worsening poverty, when 35 percent of people are already living in poverty, an estimated 15 percent of the urban workforce relies on crime for subsistence and more than half the population lacks access to safe drinking water.

No matter how tightly the government seeks to control the system of political patronage, Mekere cannot permanently paper over the basic contradictions produced by more than a century of British and Australian colonial rule. With its artificial boundaries determined by the 19th century race for conquest against Germany and France, PNG has 850 different languages and loyalties remain local.

Moreover, much of the country is still primitive—80 percent of the people survive by subsistence agriculture—with many mountainous regions inaccessible. Under Australian domination, infrastructure was only developed in selected areas in order to serve corporate interests.

Under these conditions, it is almost inevitable that governments have been formed by unstable coalitions whose electoral survival has depended on rewarding small local constituencies with government handouts and personal bribes. If Mekere fails to deliver what is expected of him, the Australian and international financial markets may demand more fundamental intervention by Canberra.