

Bill to stabilise parliament delayed

# Papua New Guinea prime minister staves off leadership challenge

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Papua New Guinea Prime Minister Sir Mekere Morauta has been rebuffed in his efforts to push through the *Organic Law on the Integrity of Political Parties and Candidates Bill*, the purpose of which was to meet the demands of global investors and financial markets for stable political rule.

Having just survived a move from within his own party to oust him, Mekere was last weekend forced to negotiate a formal pact with his five coalition partners to secure the passage of the national budget this month and to then adjourn parliament until mid-2001 to block any no-confidence motion. Mekere conceded that the agreement effectively shelves the Integrity Bill until next year at least.

Explaining his retreat, Mekere said PNG remained “in a very fragile state... One wrong move and we lose the lot.” His remarks, following comments last month about the “breakdown” of the police and military, underscore the instability of the parliamentary order and the entire state apparatus.

For months, acting under direct pressure from Australia and international investors, Mekere has led a campaign for the passage of the Integrity Bill. The legislation, which requires a constitutional amendment, is central to the World Bank and the IMF Structural Adjustment Program. The Bill would prevent parliamentarians from shifting political allegiances between elections and severely restrict the registration of political parties—including prohibiting those with “divisive policies that seek to challenge national unity”.

PNG is notorious for highly complex, unstable coalitions and no-confidence motions that have toppled governments as MPs switched from one party to another looking for the most lucrative offers in return for their support. Since Australia granted formal independence in 1975, not one government has endured a full term in office.

Because of investors' fears of political and social turmoil, investment has begun to dry up, even though PNG hosts huge and highly profitable mining and oil projects. Exploration spending this year is likely to reach only US\$17 million, compared to \$83 million ten years ago. A *Resource Stocks* magazine survey of sovereign risk for mining companies ranks PNG near the bottom.

In the lead up to the October 31 parliamentary session, Mekere had boasted that he had overwhelming support to gain the two-thirds majority needed to change the constitution. He claimed that he had spoken with party leaders in the preceding week and was assured of their backing. In all, Mekere estimated that 82 out of 109 MPs would vote for the Bill. He was all the more confident because when the Bill received its first reading on August 30, it was passed by 79 to nil, after other MPs boycotted the vote.

Just prior to the final vote on the Bill, however, Trade and Industry Minister Michael Nali moved to adjourn Parliament until January 23, 2001. This would not only have delayed the Bill but also made the government vulnerable to a no-confidence motion in the New Year. Under the present constitution, a government is protected from removal for its first 18 months. For Mekere—himself installed by a no-confidence motion in June 1999—this period ends on January 14.

Nali's motion would have thwarted Mekere's plan to prorogue parliament at the end of the year for six months, thus avoiding what is termed the “danger period” until the next elections, scheduled for June 2002. In the event, Nali's motion was defeated 62 to 32, but the narrowness of the vote ended all hope of the Integrity Bill receiving the required numbers.

Indicating the degree of political fracturing that has been brought to the fore, MPs from numerous political parties supported Nali's motion. They included members of the Pangu Pati, United Party, Peoples Progress Party and National Party—all part of the current ruling coalition—as well as the Peoples Action Party, National Party, United Resources Party, Melanesian Alliance and Movement For Greater Autonomy. At the same time, other members of these parties voted with the government to defeat the resolution.

Moreover, according to Mekere, the prime movers for the motion were within his own Peoples Democratic Movement (PDM), including the Deputy Prime Minister Mao Zeming and four fellow ministers. While they voted with the government, Mekere accused them of being the resolution's instigators. In one fell swoop Mekere sacked Zeming and Nali, as well as Land, Petroleum and Energy Minister Fabian Pok, Public Works Minister Alfred Pogo, Police Minister Mathias Karani, Information Minister Peter Waieng, and long-time PDM member Viviso Seravo.

Adding to the crisis, Zeming gave notice that he would challenge for the PDM leadership on November 14. Mekere, countering this, secretly organised a caucus meeting last Sunday that endorsed himself as leader. Nevertheless, Mekere's hold on power remains extremely fragile, even within the PDM. In the first place, fewer MPs attended Mekere's meeting than expected. Secondly, the *Post-Courier* newspaper reported a party leader stating that the six government coalition parties were “cheesed off” with the cabinet reshuffle because the PDM had kept the key ministries for itself.

The volatility of the situation is underlined by the inclusion in the new cabinet of ministers who voted for the Nali resolution. Among them are Chris Haiveta, who was an outspoken critic of Mekere and is now Housing Minister, United Party leader Gabia Gagarimabu, who is

Police Minister and Tommy Tomscoll, now Petroleum and Energy Minister. Key ministries are thus being run by politicians who only a short time ago attempted to oust the government.

To appease the coalition parties, Mekere and the PDM made a pact that promises them greater influence in the government and sets out that the coalition will contest the 2002 elections as a group, with political posts to be allocated according to party size. The biggest partner will gain the prime ministership, the second biggest will name the deputy prime minister and so on. As well, seats held by sitting MPs will not be contested by the other coalition parties.

In return, the coalition parties have pledged to support the budget and vote for the adjournment of parliament until July 23 next year. This pact will remain shaky until parliament is actually shut down, however. The same parties undertook to vote for the Integrity Bill, but their pledges apparently left Mekere with 70 votes—three short of the majority required for a constitutional amendment.

Mekere admitted that the Bill was likely to be dropped until next year. “There has to be a focus on the budget and related legislation,” he said. “This means that the Political Integrity Bill is unlikely to be debated.”

Loosely-aligned factions and coalitions of regional interests have dominated PNG's official political life since 1975, when the Australian government handed over power to a small, carefully-cultivated elite that lacked any strong national base or unifying record of struggle against colonial oppression. A century of Australian colonial rule left PNG as one of the poorest and least developed countries in the world, except for infrastructure to serve the mining, trading, financial and plantation companies that dominated the economy. Twenty-five years on, much of the population still survives by subsistence farming, and most of the country is inaccessible by road, yet major mining companies extract multi-million dollar profits each year.

Moreover, the colonial boundaries encompassed 837 language groups and thousands of clans, whose leaders have sought to profit from deals with mining conglomerates and other investors, as well as from the perks of office at provincial and national levels. The Political Integrity Bill threatens these interests, in so far as it would make it more difficult for locally and regionally based politicians to secure benefits in return for supporting one coalition or another.

The Mekere government has also taken other measures that have brought it into conflict with regional vested interests. Installed last year with the open support of Australia, Mekere, a former central bank governor, has committed his government to implementing a full IMF-World Bank program of refashioning the tax regime to promote investment, privatising all major government assets, and restructuring the military and state forces.

As part of this program, he has moved to tighten up the allocation of the Regional Development Fund, controlled by MPs, which has served as a slush fund to appease local interests. This move, a central demand of the World Bank, has raised heated and protracted discussions within parliament.

In recent months, Mekere's government has suspended two provincial governments—in the Southern Highlands and Western Province—and threatened to suspend the Enga provincial government, on grounds of corruption and mismanagement of funds. He has also initiated ongoing investigations into endemic official corruption, not only antagonising those directly concerned, but further threatening the modus operandi of provincial politicians.

Nali, who spearheaded the move against Mekere, was one of many

MPs disgruntled with the government's actions. Nali is known to be close to suspended Southern Highlands Governor Anderson Agiru, who has accused the government of allowing people to gain financially from the suspensions. Agiru and the other 19 provincial governors sit in the national parliament and have generally supported Mekere but his interventions have sparked intense local opposition.

During a Members' Grievance debate in parliament last month, the Manus province Governor Stephen Pokawin accused the government of trying to take control of major developments in resource-rich provinces. Almost all MPs spoke in opposition to the cabinet's actions. The suspended provinces are the biggest revenue raisers for PNG. Together they contain the PNG oil and gas fields, and the giant Ok Tedi and Porgera gold and copper mines.

Clan-based landowner leaders in the Southern Highlands have sought to strike back against the Mekere government by banning the development of the Moran oilfield until after the 2002 national election. A Kutubu landowner, John Kapi Nato, told a protest meeting in the capital Port Moresby that rich people with political motives were unduly influencing the government. “We will shut down Moran until we have new leaders elected to run PNG,” he declared.

Other landowner groups have threatened to disrupt mining projects and cut power supplies unless the provincial government is reinstated. Two key clan bosses have declared that no new development deals, including a proposed gas pipeline to northern Australia, will be signed until 2002.

In response to these threats, the National Executive Council on October 21 endorsed a callout of the military to back up the police if trouble breaks out at mining projects. Officials said Police Commissioner John Wakon made the callout request to cabinet.

In the financial markets, Mekere is seen as a lynchpin. World Bank vice-president for East Asia and the Pacific, Jemal-ud-din Kassum, said recently: “In many countries, political support is important for reform programs. In our case, we are very impressed by the level of commitment by the Prime Minister and his colleagues, and his leadership has been very, very, key in maintaining the momentum of reforms.”

The rebuff delivered to Mekere and the postponement of the Integrity Bill is likely to see Australia and other capitalist powers demand even tougher action to ensure that their requirements are met.



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