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## Papua New Guinea: weak, failing, failed? : An examination of failed state theory and the usefulness of the Failed States Index

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**Papua New Guinea: Weak, Failing, Failed?**

**An Examination of Failed State Theory and the  
usefulness of the Failed States Index**

**Maria Sussanna Tulkiewicz, BA**

**A thesis submitted in partial fulfilment of the  
requirements for the award of**

**Bachelor of Arts Honours (Politics and  
Government)**

**in the faculty of Community Services, Education and Social  
Sciences, Edith Cowan University**

**Date of Submission: 31 October, 2006**

## USE OF THESIS

The Use of Thesis statement is not included in this version of the thesis.

## ***Abstract***

This thesis examines the problem of failed and failing states set against the ‘theory’ that has accompanied this discourse. It uses a case study of Papua New Guinea (PNG) to examine both the theory and its related application in the Failed States Index (FSI) developed by the Fund for Peace and the Foreign Policy magazine.

Critically examining the methodology used in the FSI, the thesis analysis a wide range of information about the social, economic and political problems facing PNG to highlight shortcomings in the current construction of the Index. These shortcomings are then used to highlight conceptual problems in the construction of categories in failed state ‘theory’: weak, failing failed. Whereas PNG has been designated a weak state, the thesis argues that this categorisation is ambiguous and, possibly, inaccurate.

## **Declaration**

*I certify that this thesis does not, to the best of my knowledge and belief:*

- i. incorporate without acknowledgment any material previously submitted for a degree or diploma in any institution of higher education;*
- ii. contain any material previously published or written by another person except where due reference is made in the text; or*
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*I also grant permission for the Library at Edith Cowan University to make duplicate copies of my thesis as required.*

Maria Sussanna Tulkiewicz

Date

18/12/06

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## ***Glossary***

AusAID – Australian Agency for International Development

BCL – Bougainville Copper Ltd.

BRA – Bougainville Revolutionary Army

CAST – Conflict Assessment System Tool

CPC – Constitutional Planning Committee

CRA – Conzinc Riotinto of Australia Ltd.

ECP – Enhanced Cooperation Program

FSI – Failed States Index

IMF – International Monetary Fund

NPLA – New Panguna Landowners Association

OPM – Organisasi Papua Merdeka (Free Papua Movement)

PNG – Papua New Guinea

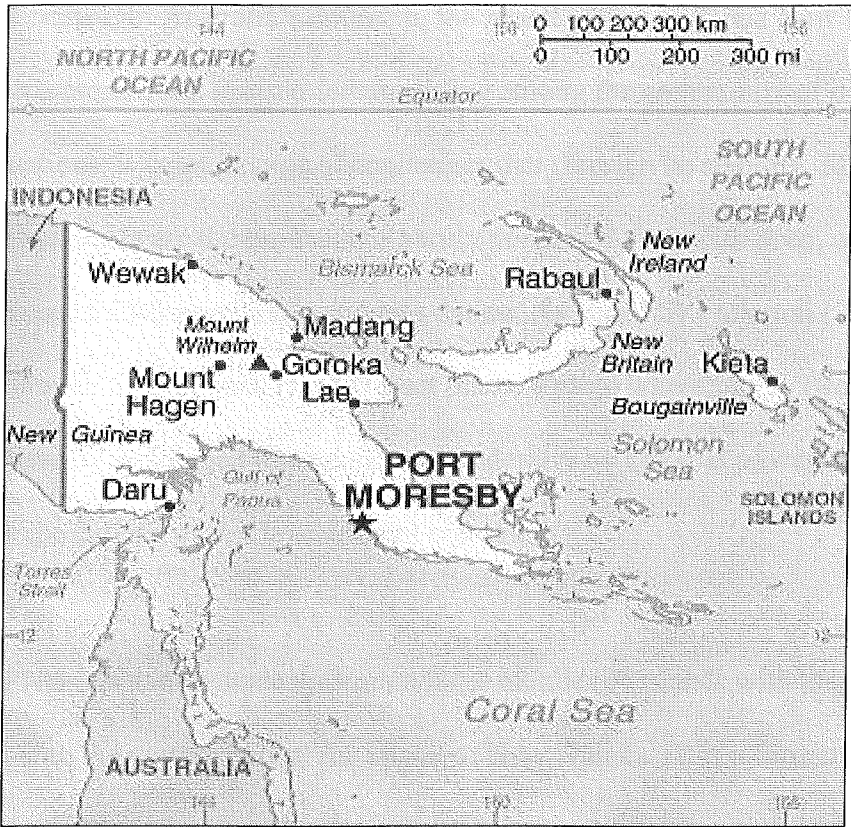
PNGDF – Papua New Guinea Defence Force

UNAIDS – The Joint United Nations Program on HIV and AIDS

WHO – World Health Organisation

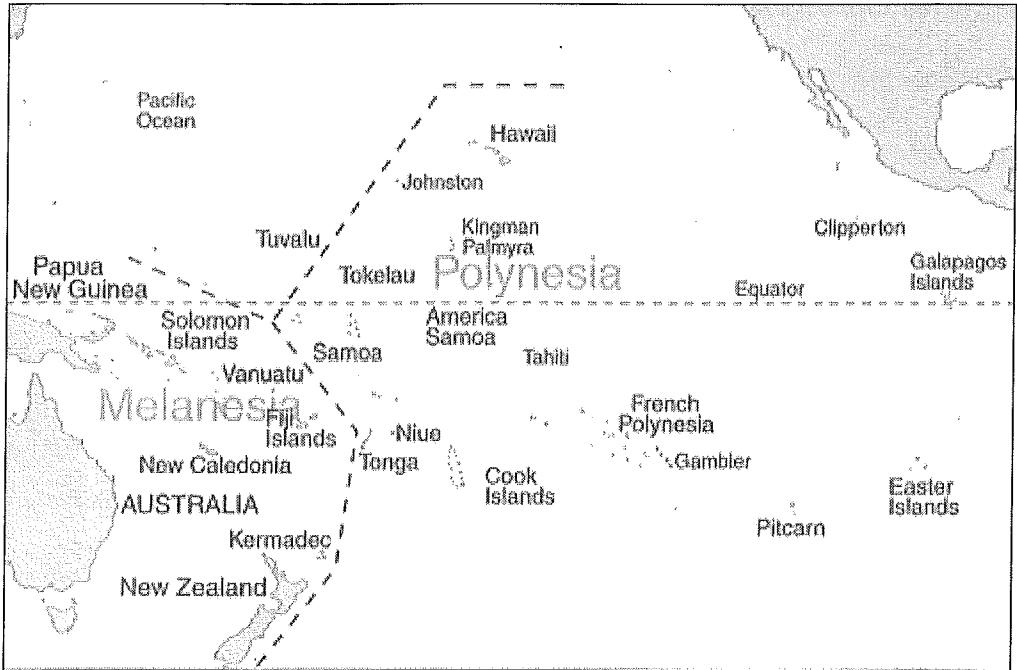
Maps

Papua New Guinea



Source: Australian Federal Police (2006).

Melanesia and Polynesia



Source: Australian Institute of Marine Science (2000).

## ***Introduction***

Located on Australia's doorstep, the island nation of Papua New Guinea (PNG) is at a crossroads. Praised for remaining among the community of democratic nations, it faces a range of challenges that threaten its stability. Many of these challenges are the products of a truly unique country with deep, ongoing traditions being transformed into a modern nation. As stated by Fullerton (2006, p. 515) "Papua New Guinea is a different place, a place where highly evolved societies have been dragged into economic modernity by colonial powers and then by the expectations of the development community".

PNG is a nation made up from a large number of islands with the main land mass being the eastern half of the island of New Guinea<sup>1</sup>. It is a former colony of Australia and it has since its independence in 1975 remained a democratic country, but one where traditional customs have survived (AusAID, 2006, p. 53). The population of PNG has in 2006 reached 5.6 million with a continuously rapid increase rate of around 2.5 percent each year (May, 2006, p. 152; Samana, 1988, p. 61; The World Fact Book, 2006, online). Eighty-five percent of the population live in rural areas where the traditional forms of social organisation into tribes, clans and their sub-groups are still dominant. In these areas local tribe and clan leaders hold the authority, and the influence of the state is weak (AusAID, 2000, p. 20; May, 2006, p. 152).

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<sup>1</sup> See map on p. xi.

PNG is one of the world's most fragmented societies and although there is no exact figure on how many ethnic groups exist, Reilly argues that "informed observers" have estimated the number to be in the region of 5,000 to 7,000 separate groups, often referred to as 'tribes' or 'clans' (Reilly, 2000, p. 175). There are over 800 different languages and thousands of dialects spoken in PNG (Samana, 1988, pp. 61-62) and, due to dramatic geographical terrain made up from mountain ranges and deep valleys, many clans have traditionally lived rather isolated from other clans with inter-clan warfare being the primary point of contact<sup>2</sup> (May, 2006, p. 152; Reilly, 2000, p.175. A high level of social fragmentation and ethnic diversity has often been linked to democratic instability by political scholars and policy makers (Reilly, 2000, pp. 162-163). In PNG, however, the high level of social fragmentation has had both a positive and a negative impact on the nation's political stability.

PNG was colonised in 1884 by Germany and Great Britain<sup>3</sup>. Australia took over the administration of the British part in 1906 and the German part in 1914<sup>4</sup> and the Australian colony was established. PNG gained its independence from Australia on the 16<sup>th</sup> of September 1975 and thereby its new constitution came into effect, through which PNG adopted a Westminster-style parliamentary system. This constitution was a product of extensive research undertaken by the Constitutional Planning Committee (CPC), which had been established by Sir Michael Somare in 1972 after he had become the Chief Minister of the PNG

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<sup>2</sup> According to Lemonnier (1991, pp. 8-9), this type of warfare in PNG has not traditionally been oriented towards total conquest and extermination but can be regarded as a milder form of competitive activity.

<sup>3</sup> PNG was split with Germany colonising the northern half and Great Britain colonising the southern part (Wanek, 1996, p. 29).

<sup>4</sup> Australia conquered the German part of PNG in 1914 and it was formally given to Australia as a Trust Area by the League of Nations after WWI (Wanek, 1996, p. 35).

House of Assembly<sup>5</sup>. The CPC was created to ensure that the constitution that would be adopted by the independent PNG would be as true to Papua New Guinean ideals and values as possible. In the words of Somare : “I urged the establishment of the CPC because I wanted to ensure that independence, when it finally came, would be true independence, approved by our own people and reflected in a constitution of our own making” (Somare, 2001, p. 16). As a result, a variety of political parties were founded with their main differences being the geography and culture of their origins (Moore, 2003, p. 197).

It has been argued that the very nature of its fragmented society has provided PNG with a political climate where democracy can prevail; its society is simply too fragmented to produce any one group that is strong enough to dominate or challenge the political system on a national level<sup>6</sup> (Reilly, 2000, p. 167). The elected members of the PNG Parliament reflect the large number of separate ethnic groups in the country and this has contributed to every government to date being a coalition. No group is strong enough to take over power in a way that would be unconstitutional and PNG can therefore be regarded as a successfully functioning democracy. On the other hand, because of the social fragmentation, factors usually associated with democratic systems have posed severe threats to PNG’s political stability; notably the problems of the weak party system and the first-past-the-post electoral system, both of which has ensured a continuing trend of weak coalition governments.

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<sup>5</sup> The House of Assembly was the forerunner to the PNG parliament. Its members were elected by the people of PNG, but had no real national power under the Australian rule pre-independence.

<sup>6</sup> Reilly uses a study of PNG to argue that social fragmentation is not a factor that will always undermine democracy, but that it can work in the exact opposite way.

PNG then is a 'different' country facing some obvious political, economic and social challenges. It is currently classified as a 'weak' state by some experts, with others discussing the real threat of PNG failing as a state<sup>7</sup> (Denoon, 2005, pp. 178-179). For this to have any meaning, there needs to be an agreement on what is meant when referring to a state as 'weak', 'failing' or 'failed'. The discourse on state failure has been around for some time, evolving over time as the ever-changing international political climate has produced new scenarios of states failing. In recent years, this discourse has been given increased attention.

This honours thesis will examine the problem of failed and failing states; the 'theory' that has developed over recent years and its practical application to PNG. The 'theory' is relatively new and it has the potential to play a large part in international politics. In 2005, the current affairs magazine *Foreign Policy* together with the *Fund for Peace*, a research and educational organisation that works to prevent war, produced the Failed States Index (FSI) based on the ideas of failed state theory. The Index assesses countries, using a set of indicators and rates them accordingly to determine whether or not they are failed states. This thesis will explore the applicability and usefulness of this index by analysing its assessment of PNG.

The main problem to be examined in the thesis is:

- How failed state theory is represented in the FSI and to what extent the Index is relevant to PNG.

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<sup>7</sup> See Denoon, 2005, pp. 178-179 for a discussion on several experts' opinions on PNG's status as a weak or failing state.

This problem will be approached through a set of four research questions:

- 1) What is failed state theory and how is it incorporated in the FSI?
- 2) What is the Index methodology in assessing a specific country?
- 3) What are some of the key shortcomings of the Index and how are these apparent in the Index's assessment of PNG – political, economic and social issues?
- 4) How does a case study of PNG contribute to an evaluation of the usefulness of the Index?

The problem of failed and weak states is a global issue that requires global attention. As it would be much more expensive to restore an already failed state than it would be to 'save' a weak state, it is important to understand the nature of state failure and detect the signs of a weak state in danger of failing (Straw, 2006, online).

The terrorist attacks of September 11, 2001 changed the way in which the western world regarded the problem of failed states (Dunlap, 2004, online; Patrick, 2006a, p. 27). Failed and weak states have now become a key issue in international security politics as they are widely perceived as being perfect hosts for terrorists and other forms of organised crime (Krasner & Pascual, 2005, p. 153; Mallaby, 2002, online). They are also home to a majority of all violent conflicts, producing millions of people living in extremely poor conditions and contributing to a global humanitarian problem (The African Studies Centre et al, 2003, online).



The FSI has the potential to be a useful tool in analysing state failure and identifying countries that are at risk of failing. As the Index is relatively new, having been founded only last year, its effectiveness has yet to be proven. Its assessments of different countries need to be analysed in order to provide conclusions on the usefulness of the Index and this thesis is aimed at reaching some of these conclusions by analysing the FSI's application to PNG.

PNG is geographically Australia's closest neighbour and its stability, or lack thereof, is important to Australia and the South Pacific region. At the moment, PNG is not recognised as a failed state, with the FSI identifying PNG as a weak state (Failed States Index, 2006c, online). However, it seems to share several of the symptoms connected with failed state theory and therefore PNG's status needs to be further analysed.

Australia is PNG's largest aid donor, contributing around \$300 million in aid each year (Morris and Stewart, 2005, online). The aid effort needs to be effective if PNG is to avoid remaining a weak state or, worse, slide into state failure.

According to Hawksley (2006, p. 161), the Australian government fears that the state of PNG may collapse. Therefore, it is crucial for Australia to fully understand the nature and implications of failed state theory as it applies to PNG.

The primary aim of this thesis is to provide a discussion on failed state theory and an assessment of the usefulness of the FSI. Due to the limitations of an honours thesis, the case study of PNG does not aim to provide a full assessment of the

country but rather it uses some key issues in PNG to evaluate the FSI. All conclusions will therefore be primarily related to the failed state theory and the Index, and only secondary to PNG<sup>8</sup>.

The resources used for this thesis can be divided into three groups: those concerning failed states, those concerning PNG, and resources directly provided by the FSI. The aim has been to merge the information from primary sources with that of secondary sources to provide an original analysis of failed state theory, the Index and its application to PNG.

The first two groups of resources include books, journal articles, government reports and reports from international organisations such as the UN and the IMF. The second group also includes articles from the PNG newspaper *The Post Courier*. Some notable authors are Robert I. Rotberg, expert on state failure, and Sinclair Dinnen, Ron J. May and Ben Reilly, experts on various aspects of PNG.

The third group consists of material made available online by the FSI. This may have been published either on the *Foreign Policy* or the *Fund for Peace* website. As both websites contain frequent cross-referencing to each other as well as copies of the same material, all information from these websites will be in-text referenced as 'Failed States Index' with the appropriate web addresses provided in the end-text bibliography. The information on the FSI, its methodology and its assessment of PNG, has been limited to what is currently published on the

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<sup>8</sup> There are several other issues in PNG that would have to be considered for a complete analysis of the country, such as impacts of colonialism, gender inequalities, involvement of TNCs in natural resources industries like mining and timber, and problems related to the under-funding of the police force and the PNGDF.

*Foreign Policy* or the *Fund for Peace* websites as there are yet to emerge secondary sources that critically examine the Index.

As a sound understanding of PNG history and culture was required for this thesis, a number of anthropology as well as history texts have been consulted. As specified by Yin (2003, pp. 59-61) researchers need to have a firm grasp of the issues being studied to be able to correctly collect and analyse relevant data (Yin, 2003, pp. 59-61, 111-112). Therefore, anthropology texts have been used for the understanding of the unique cultures in PNG, the concept of big men and the distribution of social and political authority, as traditional ways are highly relevant to current political, economic and social issues. Extended readings also included history texts to further the understanding of how the cultures in PNG were developed, the influence of western systems through the years of colonisation, and the merger of these influences with traditional ways in the attempt to create the modern, independent state of PNG. However, the focus is necessarily on how these concepts explain the political dynamics of PNG.

This thesis is presented in accordance with a linear-analytic structure which is a standard approach for composing research projects and is recommended for theses (Yin, 2003, pp. 152-153). This thesis is divided into this introduction, five chapters, and a conclusion. The first chapter provides an examination of failed state theory and how it is incorporated in the FSI together with the methodology of the Index. This then provides the tool for the case study of PNG<sup>9</sup>, starting with an analysis in chapter two of how PNG received its rating by the Index. This

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<sup>9</sup> This is in accordance to the guidelines for research using a theory and a case study as presented by Yin (2003, pp. 28, 32-33, 111-112).

analysis will bring to light any potential deficiencies and / or inaccuracies of the Index. These will then be further examined by discussing some of PNG's specific political, economic and social issues in chapters three, four and five, with findings and recommendations presented in the conclusion.

## ***Chapter 1 – Failed State Theory and the Failed States Index***

Failed state theory, like any theory in the social sciences, attempts to explain reality. A theory is a “set of systematically related propositions”, which functions primarily to use facts in order to explain a phenomena and / or the relationship between different phenomenon or concepts (Biesanz & Biesanz, 1973, p. 35). According to Blumer (cited in Biesanz & Biesanz, 1973, p. 35), the aim of a theory is “not to form scientific propositions but to outline and define life situations so that people may have a clearer understanding of their world, its possibilities of development, and the directions along which it may move”. An effective theory should allow a framework for interpreting data as well as purpose and directions for research. Furthermore, it should be useful in identifying similarities between different things, as well as differences between similar things (Biesanz & Biesanz, 1973, p. 36).

It follows that a theory needs to be broad enough to be applicable to different facts and concepts at the same time as it needs to be specific enough to have sufficient explanatory power to be useful. A failed state theory should therefore identify what constitutes failure and explain the phenomena of state failure by exploring a range of data and identifying similarities and differences from cases of failing states to show why and how they failed.

State failure can be defined as “the demise of the practical operation of governmental functions for a particular territory of an internationally recognized state” (Wallensteen, 1998, online). This can be manifested in several different

ways, for example through the government's inability to control its borders and territory and provide basic services to its citizens. States have failed ever since the creation of the nation-state in the 17<sup>th</sup> century, and post World War II the process of de-colonisation and the end of the Cold War has seen a number of new states, mainly in Africa and Asia, struggling to develop into well-functioning, stable entities (Helman & Ratner, 1992, p. 3; Thürer, 1999, online).

As a consequence, failed and failing states have become a topic for international academic discourse. However there is still to emerge a general definition as to what exactly constitutes a failed state and the causes behind state failure (Baker cited in Fowler, 2006, online). This discourse has been loosely referred to as a 'theory' (Khor, cited in Lambach, 2006, p. 410). However, most experts discuss failed states as a broad concept or phenomenon (Dunlap, 2004, online; Helman & Ratner, 1992; Rotberg, 2003; Thürer, 1999). Since President Bush declared the 'war on terror', the attention given to failed states shifted from being concerned with humanitarian issues to international security issues (Dunlap, 2004, online; Patrick, 2006a, p. 27), and, as a result, it has received increased attention.

Failed states emerged as one of the most important issues in international politics after the September 11 attacks on the World Trade Centre and the Pentagon. The presence of failed states as a significant issue on the political agenda was confirmed by the American President George W. Bush who claimed in the National Security Strategy for 2002 that the US was now threatened more by failing states than by conquering ones (Bush, 2002, online). Bush's sentiment was echoed by the British Foreign Secretary Jack Straw (2002, online) who stated that

“turning a blind eye to the breakdown of order in any part of the world, however distant, invites direct threats to our national security wellbeing...preventing states from failing and resuscitating those that fail is one of the strategic imperatives of our times”.

The importance of addressing the issue of failed and failing states has been further stressed by several scholars, with Robert I. Rotberg (2003, p. 1) arguing that nation-states are what constitute the foundation of legitimate world order and that failing and failed states threaten this very system. Jeffrey Record (2000, online) claims that failed states have become the “primary source of instability in the international political system”. Stephen D. Krasner and Carlos Pascual (2005, p.153) agree, stating that weak and failed states acutely threaten global security due to the world’s increasing level of interconnectedness. This threat is identified as taking the form of terrorism, illegal drug trade, weapon proliferation, trafficking of illegal workers and other forms of organised crime (Krasner & Pascual, 2005, p. 153; Mallaby, 2002, online).

However, failed and failing states should not only be regarded as an important issue because they pose a threat to global security; indeed they also produce horrific consequences for their own citizens. A report prepared by The African Studies Centre in Leiden, the Transnational Institute in Amsterdam, The Center of Social Studies at Coimbra University and The Peace Research Center- CIP-FUHEM in Madrid states that a majority of the world’s armed conflicts occur in failing or collapsed states, and that they create situations where millions of people are affected by death and social and economic destruction which further create a

massive number of refugees and internally displaced people (The African Studies Centre et al, 2003, online).

In spite of the increased attention being given to the issue of failed and failing states, the topic of state failure is still under-researched (Rotberg, 2003, p. 2). Therefore, there is yet to emerge a definitive and globally acknowledged definition of what constitutes a failed or failing state and the 'theory' is still developing. Daniel Thürer (1999, p.732) argues that the term "failed", when describing a state, serves as a "broad label of a phenomena" rather than denoting a specific and clearly defined situation. There is still uncertainty about how to define a failed or failing state and how widespread the problem is (The Failed States Index, 2005b, online).

When attempting to define state failure, there needs to be an agreement on what constitutes the functions of a state. According to Rotberg (2003, p. 2) "Nation-states exist to provide a decentralized method of delivering political (public) goods to persons living within designated parameters (borders)". It follows that the success or failure of a state is directly dependent upon its ability to deliver these political goods to its people, as agreed by Patrick (2006a, p. 29), and that by studying the effectiveness of the state in this task, the observer can determine whether the state is strong, weak, failed or collapsed (Rotberg, 2003, p. 2).

Rotberg argues that there exists a hierarchy of political goods (2003, p. 3). At the top of this hierarchy is human security and according to political theory, the state is irreplaceable in guaranteeing this security (Lambach, 2006, p. 208). Therefore,



the most important function of the state is to provide a secure environment in which its citizens can live. For the state to be successful in this, it needs to protect its sovereignty from outside intervention, ensure a secure domestic climate free from attacks on the state's social structure and the national order, to prevent crime, and to allow for its citizens to settle their disputes, whether it be with the state or with fellow citizens, in a peaceful way (Rotberg, 2003, p. 3).

The next political good on the hierarchy is the opportunity for the citizens to actively play a part in the political process of the state (Rotberg, 2003, p.3). This political good can be referred to as the legitimacy of the state (Patrick, 2006a, p. 29). It includes the right to compete for political office, respect and support for political institutions both on a national and regional level, as well as the provision of civil and human rights (Rotberg, 2003, p. 3). Therefore, democracy is a necessity if not always a guarantee of a strong and successful state.

Further down the hierarchy of political goods can be found healthcare, the provision of education, physical and communicational infrastructure, and a beneficial fiscal climate (including a money and banking system) in which the citizens can pursue their economic interests (Patrick, 2006a, p. 29; Rotberg, 2003, p.3-4). Furthermore, the state is also expected to supply methods of controlling the sharing of environmental commons and to promote its civil society (Rotberg, p. 4). If these political goods are considered, roughly ranked in above mentioned order, they provide a set of criteria by which the nature of a state can be determined as being strong, weak, failed or collapsed (Rotberg, p. 4).

Experts have also identified some key indicators, as opposed to criteria, of state failure. These include widespread corruption, increased criminality and violence (The African Studies Centre et al., 2003, p. 4), and declining real national and per capita levels of the state's annual gross domestic product (GDP) (Rotberg, 2003, pp. 6-8). If added to the set of criteria discussed above, these indicators can provide useful information about the health of a nation and contribute to the detection of a failing state.

In addition, Rotberg (2003, p. 9) explains how a nation-state can lose its legitimacy. Once a state loses the capacity to provide its citizens with the expected political goods, and if the small capacity the state retains is devoted to furthering the interests of the ruling elite (or alternatively the ruling ethnic group), the excluded citizens will not remain loyal to the state (Rotberg, 2003, p. 9). This can lead to a situation where people transfer their allegiances and loyalty to the local community and traditional cultural leaders become more powerful and influential than state leaders (Rotberg, 2003, p. 9).

This situation is particularly important when analysing PNG as it has such high levels of social fragmentation and allegiances to traditional leaders, such as a clan's 'Big Men'<sup>10</sup>, have remained strong. It would therefore seem that it is especially important for the government in a country with this type of political culture to have strong presence throughout its territory, and to make every effort possible to ensure its population that it is devoted to furthering the interests of the nation rather than those of individual politicians or small, specific groups.

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<sup>10</sup> See further discussion on big men in chapter 2.

When discussing state failure, experts have introduced terms such as ‘weak’ and ‘failing’ states, referring to states that may share some of the characteristics of failed states, but which are still functioning to various degrees. Furthermore, the expression of ‘collapsed state’ has been used to describe a state that has gone beyond being failed to such a degree that there is no recognisable government left (The African Studies Centre et al., 2003, p. 2). Therefore it can be argued that there is a continuum of state failure, moving from weak through failing and failed to collapsed.

Although failed states are far from a new phenomenon in global politics, the ‘theory’ on failed states is relatively new and there is yet to emerge a definitive agreement on its definitions and key criteria. Indeed, most experts do not refer to the discussion on failed states as a theory but treat it as a broad, and currently under-researched, concept (Rotberg, 2003, pp. 2-3). This poses the question of whether failed state theory is specific enough to be useful when analysing the functioning of a country. On the other hand, is the ‘theory’ broad enough to be applicable to any given country? Does it have the flexibility to take unique circumstances into consideration?

One recent attempt to use the ideas of failed state theory to provide specific country assessments has been the FSI. *Foreign Policy* together with the *Fund for Peace* developed this index in 2005, which had as its primary objective to “present a more precise picture of the scope and the implications” of the problems posed by failed and failing states (Failed States Index, 2005b, online). According

to the *Fund for Peace*, the definition they use for a failing state is a state where the government “is losing physical control of its territory or lacks a monopoly on the legitimate use of force” (Failed States Index, 2005b, online). The Index provides a global ranking of weak and failed states that are being updated on an annual basis. It uses 12 specific indicators grouped along social, political and economic lines, and by analysing an extensive amount of key data related to these 12 indicators the rankings of the Index has been reached. The indicators are<sup>11</sup>:

**Social indicators:**

*Mounting demographic pressure* – Pressures deriving from high population density, group settlement patterns and skewed population distributions.

*Massive movement of refugees or internally displaced persons creating complex humanitarian emergencies* – Forced uprooting of large communities as a result of random or targeted violence and/or repression.

*A legacy of vengeance-seeking group grievance or group paranoia* – History of aggrieved communal groups based on recent or past injustices, specific groups singled out by state authorities, or by dominant groups, for persecution or repression and institutionalised political exclusion.

*Chronic and sustained human flight* – ‘Brain drain’ of professionals, intellectuals and political dissidents fearing persecution or repression, the voluntary emigration

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<sup>11</sup> These are summaries of the indicators’ definitions. See Appendix B for the complete definitions.

of the middle class, such as entrepreneurs, business people, artisans and traders, due to economic deterioration and the growth of exile communities.

**Economic indicators:**

*Uneven economic development along group lines* – Group-based inequality, or perceived inequality, in education, jobs, and economic status.

*Sharp and / or severe economic decline* – A pattern of progressive economic decline of the society as a whole as measured by per capita income, GNP, debt, child mortality rates, poverty levels, business failures, and other economic measures.

**Political indicators:**

*Criminalisation and / or delegitimisation of the state* – Massive and endemic corruption or profiteering by ruling elites and widespread loss of popular confidence in state institutions and processes.

*Progressive deterioration of public services* - Disappearance of basic state functions that serve the people, including failure to protect citizens from terrorism and violence and to provide essential services, such as health, education, sanitation and public transportation.

*The suspension or arbitrary application of the rule of law and widespread violation of human rights* - Emergence of authoritarian, dictatorial or military rule in which constitutional and democratic institutions and processes are suspended

or manipulated, outbreak of politically inspired (as opposed to criminal) violence against innocent civilians and widespread abuse of legal, political and social rights.

*Security apparatus operates as a 'state within a state'* – Emergence of elite or praetorian guards that operate with impunity and emergence of an 'army within an army' that serves the interests of the dominant military or political clique.

*The rise of factionalised elites* – Fragmentation of ruling elites and state institutions along group lines.

*Intervention of other states or external political actors* – Military or Para-military engagement in the internal affairs of the state by outside armies, states, identity groups or entities and intervention by donors, especially if there is a tendency towards over-dependence on foreign aid or peacekeeping missions (Failed States Index, 2006h, online).

When analysing a country, these 12 indicators are each given a number on a scale from 0-10, 10 being the worst, to produce a total for any assessed country. This total then places the country on a list, the Index, where the country with the highest total is the country assessed to be the 'most failed'. The 12 indicators are currently equally weighted, meaning that the Index does not have the ability to consider whether some indicators are of higher importance than others in a certain country. According to the President of the *Fund for Peace*, Pauline Baker, the reason why the indicators are of equal weighting is because of the lack of

empirical analyses. The Index will seek to attach weight to the different indicators in the future as more research is conducted (Baker cited in Fowler, 2006, online).

The ratings of the FSI were produced by the use of the Conflict Assessment System Tool (CAST), which is a methodology developed by the *Fund for Peace* and used for early warning and assessment of internal conflicts (Failed States Index, 2006a, online). According to the FSI (2006a, online), CAST “incorporates a theoretical rationale, a conceptual framework, quantitative and qualitative indicators, indicator measures, and a rating system for trend analysis that can track a conflict over time”. CAST is furthermore described as a tool that can “identify and anticipate failing states” (Failed States Index, 2006a, online), it has been peer reviewed, refined and updated over the last decade, and has been used by the US State Department, the Government of the Netherlands, the US Army Peacekeeping Institute and the US Defense Advanced Research Projects Agency (Failed States Index, 2006a, online).

The CAST methodology employs a four-step analysis (or five steps if the ‘Pre-Assessment Steps’ is counted), however only one step, the one incorporating the use of the 12 indicators, is used for the FSI<sup>12</sup>. The use of the indicators is designed to provide a snapshot of “state vulnerability or risk of violence during a window in time” (Failed States Index, 2006d, online). The data used for each FSI has been collected from May to December of the preceding year and consists of tens of thousands of open-source reports and articles that have been scanned by the CAST software. This software calculates how many positive and negative hits a

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<sup>12</sup> For a definition of all five steps see Appendix C.

country receive on each of the indicators and this produces a score. The score is then reviewed by experts together with relevant articles, when found necessary, to ensure the accuracy of the score (Failed States Index, 2006d, online).

The FSI has been praised for “injecting some much-needed precision into the catchall category of ‘failed state’” (Patrick, 2006b, p. 7). However it has also received various forms of criticism. In the 2006 Index, Pakistan ranked 9<sup>th</sup> above countries such as Afghanistan (which was ranked 10<sup>th</sup>), Liberia (11<sup>th</sup>) and Sierra Leone (16<sup>th</sup>). This attracted strong criticism from the Embassy of Pakistan in Washington referring to the FSI’s ranking of Pakistan as “bizarre” (Shaheedi, 2006, pp. 6-7).

The FSI identified the massive earthquake of 2005 as the primary reason for Pakistan’s high ranking, contributing to the country scoring extremely high on the social indicators of *demographic pressures* and *refugees and displaced persons* (Failed States Index, 2006f, online; Shaheedi, 2006, p. 6). However, the Press Minister of the Pakistani embassy, M. Akram Shaheedi (2006, pp. 6-7), argues that the earthquake should have had the opposite effect on the Index’s ranking of Pakistan as it was followed by global acknowledgement of the well-organised relief and rehabilitation efforts by the government and the Pakistani people. Furthermore, Shaheedi pointed to Pakistan’s growing economy and the representation of women throughout the political system as factors showing that the state of Pakistan should not be considered as being ‘failed’ (Shaheedi, 2006, pp. 6-7).



It may seem obvious that Pakistani state representatives should protest their country's high ranking, but the criticism from M. Akram Shaheedi highlights a potential problem of the FSI. It may be justified to rank Pakistan high on some of the indicators affected by the earthquake but the Index seems to have been insufficient in taking into account the excellent response of the government. This suggests that the 12 indicators of the Index may not always be adequate when evaluating the performance of a state.

The FSI has also been criticised by Charles T. Call, an Assistant Professor of the School of International Service at the American University, Washington, D.C, who described it as a “deeply flawed enterprise” and called for it to be abandoned (Call, 2006, p. 9). Call argues that ‘state failure’ is a concept too broad to be useful and that the Index's limitation to 12 indicators lead to an approach that groups together countries that in reality are more different than alike (Call, 2006, p. 9). This again points to the inadequacy of using the 12 specified indicators when analysing the situation in a country and questions the usefulness of the Index.

To examine the usefulness and also the shortcomings of the FSI, this thesis will now explore its applicability and relevance to PNG. The next chapter will determine how PNG has received its ranking by the Index as well as highlight some potential problems with the Index's analysis of PNG. These problems will then be further explored through discussions on PNG's key political, economic and social issues.

## Chapter 2 – PNG and the Failed States Index

PNG did not appear on the first FSI that was published in 2005<sup>13</sup> (Failed States Index, 2005a). Therefore the FSI of 2006, published in May, is the country's first ranking. PNG received a total score of 84.6, equalling an average score of 7.05 for each of the 12 indicators, ranking it 49<sup>th</sup> in the Index (Failed States Index, 2006g, online).

Table 1  
*Papua New Guinea's Index score*

<i>Category</i>	<i>Indicator</i>	<i>Score</i>
<i>Social Indicators</i>	<i>Demographic Pressures</i>	<i>8.0</i>
	<i>Refugees and Displaced Persons</i>	<i>2.5</i>
	<i>Group Grievances</i>	<i>8.0</i>
	<i>Human Flight</i>	<i>8.0</i>
<i>Economic Indicators</i>	<i>Uneven Development</i>	<i>9.0</i>
	<i>Economic Growth</i>	<i>7.0</i>
<i>Political Indicators</i>	<i>Legitimacy of the State</i>	<i>7.8</i>
	<i>Public Services</i>	<i>8.0</i>
	<i>Human Rights</i>	<i>6.1</i>
	<i>Security Apparatus</i>	<i>7.0</i>
	<i>Factionalised Elites</i>	<i>6.7</i>
	<i>External Influence</i>	<i>6.5</i>
<b><i>TOTAL</i></b>		<b><i>84.6</i></b>

*Source: Failed States Index, 2006g, online.*

<sup>13</sup> The 2005 Index only listed the countries ranked from number one to number 60 (Failed States Index, 2005a, online).

This chapter will analyse how PNG received its FSI score. It will seek to determine whether the scores for the different indicators are justified, and when a score seems to be unjustified the cases of this possible inaccuracy will be identified.

The Index attributed relatively high scores to PNG on all the social indicators except for the *refugees and displaced persons* indicator as there are only a limited number of refugees and internally displaced people living in PNG (Failed States Index, 2006g, online). Of particular interest are the indicators of *demographic pressures* and *group grievances* as these categories have the potential to significantly impact on other areas in PNG.

The *demographic pressure* rated 8.0 because of PNG's population growth rate of 2.21 % (Failed States Index, 2006g, online)<sup>14</sup>. The population growth is particularly high in some of the highlands regions, which has led to an increased number of land disputes between different tribes (Failed States Index, 2006g, online). The population of PNG has nearly doubled, from being 2.9 million at independence in 1975, to being 5.6 million in 2006 (The World Fact handbook, 2006, online). The average population growth over the last decade has remained around a steady 2.5%<sup>15</sup>. This is a relatively high number which can be compared to that of 0.85 % in Australia and 1.41 % in Indonesia. The age distribution is heavily centred on children with 41 % of the population being under the age of 15

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<sup>14</sup> Some of the countries that rated higher than PNG were Congo, which rated 9.5 (Failed States Index, 2006, online) with a population growth of 2.9% (UN, 2005, online) and Chad, which rated 9 (Failed States Index, 2006, online) with a population growth of 2.8% (UN, 2005, online).

<sup>15</sup> Figures on the average population growth varies between sources but is generally cited around 2.5%, see May, (2006, p. 152); Samana, (1988, p. 61); and The World Fact Book, (2006, online).

(Morris & Stewart, 2005, online). Therefore, the Index score of 8.0 appears to be justified.

Similarly, group grievance was rated 8.0 largely because of widespread tribal fighting in the highlands. The FSI (2006, online) claims that much of the tribal fighting stems from the 2002 elections which saw politicians giving automatic weapons to their clansmen and encouraging them to intimidate political rivals and their supporters. Furthermore, the Index argues that tribes have taken up arms because they no longer believe in the ability of their government to mediate their disputes (Failed States Index, 2006g, online).

However, inter-tribal fighting is deeply rooted in the history and traditions of PNG, and although the 2002 elections certainly contributed to an increase in the fighting, the violence must be considered in the wider picture of on-going tribal warfare. Additionally, *group grievances* is not only a highlands problem but has become part of the gang culture of the 'raskols'<sup>16</sup> in some of the larger cities (Ward, 2000). Therefore it could be considered that the justification of the score of 8.0 may be inadequate in representing the wider problems caused by group grievance and it follows that the score could be considered to be too low.

*Human flight* was rated 8.0 as the FSI claims that PNG has seen "a large number of people" seeking "better opportunities" in Australia and other countries (Failed States Index, 2006g, online). However, the relevance of this claim may be questioned as 'brain-drain' is not generally cited as a problem in the literature on

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<sup>16</sup> Criminals often attached to a criminal gang dealing in petty crimes and crimes of violence. (May, 2006, p. 157).

PNG, and there does not seem to be any reliable data that would prove that human flight is indeed a significant problem. The relatively high rating of 8.0 can therefore be considered to be too high.

PNG scored a high 9.0 for uneven development because of its extremely high levels of inequality. According to the FSI (2006, online), the top 10 % of PNG's population controls more than 40 % of the income, with only 1.7 % of the income being controlled by the bottom 10 % of Papua New Guineans. Furthermore, there is a clear division in wealth distribution between the urban and the rural areas with 94.3 % of the poor living in rural PNG (Gibson & Rozelle, 2003, online). The score of the Index corresponds well with PNG's Gini ratio<sup>17</sup> of 51, which is the highest in the Asia-Pacific region (AusAid, 2006, p. 53) and 9.0 can therefore be considered an accurate score.

*Economic growth* received a score of 7.0 due to the economy being stagnant with the GDP growing at a rate only slightly higher than the population growth rate. The last two decades has seen only a limited economic growth outside of the mining sector, and PNG is experiencing problems in other areas, such as infrastructure and education, which contributes to its weak economic performance (Chand, 2003, p. 7; Faal, 2006, p. 18; Failed States Index, 2006g, online). It follows that the score of 7.0 seems to be fairly accurate in reflecting the current situation. The FSI loosely mentions urban unemployment as being "said to be as

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<sup>17</sup> "The Gini ratio (or index of income concentration) is a statistical measure of income equality ranging from 0 to 1. A measure of 1 indicates perfect inequality; one person has all the income and the rest have none. A measure of 0 indicates perfect equality; all people have equal shares of income" (US Census Bureau, 2004, online). The Gini ratio can be expressed as a percentage between 1 and 100, i.e. 0.51 becomes 51 which is PNG's rating.

high as 80 %” (Failed States Index, 2006g, online), but its economic assessment of PNG does not seem to be based on any existing, accurate unemployment data. Therefore, the assessment resulting in the 7.0 score can be argued to be inconclusive.

The *legitimacy of state* indicator was rated 7.8 because of institutional corruption and the lack of popular confidence in state institutions which has led to rising levels of clan fighting (Failed States Index, 2006g, online). Corruption is widely acknowledged as being a widespread problem in PNG (Garap, 2004, p. 2; Pitts, 2002; Reilly, 2002b, p. 323) and clan and tribe warfare is common. Therefore the score of 7.8 seems justified. However, PNG is experiencing other political issues directly linked to the legitimacy of the state, such as border and territorial control, which are not accounted for in this, or any other, indicator.

PNG scored 8.0 for its public services, which are particularly lacking in remote areas. The chief problem is the lack of sufficient infrastructure<sup>18</sup> which then contributes to the difficulty of providing basic public services such as education and healthcare to many rural areas (Failed States Index, 2006g, online). According to the FSI, the indicator of *public services* includes the protection of its citizens from violence but, despite this, the massive problems of crime and violence facing PNG is not mentioned in the Index’s analysis of the public services in the country. Furthermore, the lack in public services such as healthcare and education is not linked to the larger social problem of HIV/AIDS. This taken into consideration, it

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<sup>18</sup> For example, according to 1999 statistics, less than five percent of roadways in PNG were paved (The World Fact Book, 2006, online).

may be suggested that either the indicator, or its score of 8.0, is insufficient in reflecting the real problems in PNG.

According to the FSI (2006, online), human rights in PNG were “generally respected” but due to some instances of human rights abuse the country received a score of 6.1 for this indicator. These incidents included the police firing into a group of students, killing three and injuring at least 20 in October 2005 (Failed States Index, 2006g, online). Furthermore, conditions in prisons were said to be poor and police had been accused of mistreating suspects (Failed States Index, 2006g, online).

PNG scored 7.0 for the *security apparatus* indicator due to tribal militias engaging in armed conflicts (Failed States Index, 2006g, online). The high level of tribal warfare in PNG, and its links to politicians around election times, seems to justify this score of 7.0, while the abstinence of an ‘army within an army’ and state-sponsored militias acting on a national level kept the score from being higher<sup>19</sup>. However, there have been incidents of violent protests within the army, not in support of leading politicians but rather to protect the army’s own interests (Chin, 2002, p. 150; Denoon, 2005, p. 178), and if this is not covered in the security apparatus indicator it may suggest that the indicator is too narrowly defined.

The *factionalised elites* indicator of 6.7 was based on the national government being dominated by local political loyalties, leading to unstable and constantly changing coalition governments (Failed States Index, 2006g, online). The political

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<sup>19</sup> See full explanation of the security apparatus indicator in Appendix B.

loyalties have often been divided along ethnic lines (Moore, 2003, p. 197) and the domination of personal and local political interests have hindered the development of a national consciousness (Failed States Index, 2006g, online). Therefore, the score of 6.7 seems well justified. However, this indicator can be linked to wider political problems in PNG; problems that have their roots in the traditional values and the high level of social fragmentation.

Political and social authority has traditionally been held by persons referred to as 'big men'. According to a well recognised discussion on big men, written by Marshall D. Sahlins (1963), the position and functioning of a political and social leader in PNG (as being part of Melanesia) is significantly different from that of a political and social leader in neighbouring societies in Polynesia<sup>20</sup> (Sahlins, 1963, pp. 203-204). The big man figure has its origins in Melanesia (Strathern, 1991, p. 1) and an understanding of what it entails and how such a position is acquired is essential to the understanding of how PNG functions.

Traditionally, a big man in PNG has achieved this status through his own actions. The power of a big man is personal power; it rests with him as a person rather than with the position<sup>21</sup> (Sahlins, 1963, p. 206). As stated by Sahlins (1963, p. 206):

Big-men do not come to office; they do not succeed to . . . existing positions of leadership over political groups. The attainment of big-man status is rather the outcome of a series of acts which elevate a

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<sup>20</sup> However, as Sahlins (1963, p. 204) points out, differences to Polynesia are the most notable in western Melanesia, with societies located in eastern Melanesia being more similar to those in Polynesia. He defines it as a west-to-east continuum.

<sup>21</sup> This can be considered in contrast with a position such as a king or a president, where the power rests with the position and will be transferred between anyone who holds the position. The power of a big man is not transferable to another big man should the first big man die (or for some other reason cease being a big man).



person above the common herd and attract about him a coterie of loyal, lesser men.

The deference shown a big man is an acknowledgement from the people. A rising big man is dependent on a core of followers, often his family and other close relatives. He will need to show that he possesses skills that command respect, such as magical powers, the mastery of oratorical style and the ability to build wealth (Sahlins, 1963, pp. 206-208). If he is successful, the number of people who follow him will increase and spread beyond family and relatives. The big man's authority grows with the number of his followers, but it continues to be dependent on personal relationships and loyalty. He can decide on the course of action and he dominates events in accordance with the scope of his relationships and wealth (Lemonnier, 1991, p. 10). The big man needs to constantly reinforce the loyalty of these relationships through his personal actions. If the people who acknowledge him as a big man are dissatisfied they can sever their links to the big man, remove their support, and as a result a big man can cease being a big man (Sahlins, 1963, pp. 206-208).

Sahlins' essay has received some criticism, for example from scholars pointing to the existence of other forms of social and political leadership in PNG. John Liep (1991, pp. 28-29) argues that there are tendencies in PNG for hereditary succession to big man status which would suggest that the position of a big man is not acquired solely through his personal actions. Indeed, the Mekeo people in the south-east of PNG have the hereditary positions of 'chief' and 'sorcerer' which, according to Mosko, are similar to positions of power in Polynesia (1991, p. 97). It has been argued that there are significant differences between ethnic and social

groups in PNG (Lederman, 1991, p. 216; Lemonnier, 1991, p. 7) and therefore Sahlins discussion may be seen as too simplistic. However, it is still useful to accept a certain degree of generalisation of the big man concept, as Sahlins broader definitions apply to a number of social groups in PNG, in order to understand the current political, economic and social structure.

The influence of big men and the focus of power in individuals rather than political parties have led to a fragmented party system, weak coalition governments and a political climate where every government to date has failed to serve a full term (May, 2004, p. 4). These problems undermine democratic legitimacy and it can be argued that the indicator score of 6.7 therefore fails to cover the extent of the factionalised elites problem in an accurate way.

The final indicator, *external influence*, had PNG scoring 6.5 because of its close ties with Australia. The FSI explains this rating by pointing to the Enhanced Cooperation Program (ECP) of June 2004<sup>22</sup>, which was later suspended in May 2005, and by referring to the “close involvement of Australia in Papua New Guinea’s internal affairs” (Failed States Index, 2006g, online). However, using the ECP as an example of justification for the score seems inconsistent with the methodology of the Index as each year’s rankings are allegedly based on data collected from “May to December of the preceding year” (Failed States Index, 2006d, online).

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<sup>22</sup> The Enhanced Cooperation Program was designed to help address PNG's development challenges in the areas of law and order, justice, economic management, public sector reform, border control and transport security and safety. The program was agreed upon in December 2003, and a treaty was signed by the Australian and PNG governments in June 2004 (Department of Foreign Affairs and Trade, 2006c, online).

The FSI also points to PNG's dependence on Australian aid which accounted for 20 % of PNG's budget (Failed States Index, 2006g, online; The World Fact Book, 2006, online). Indeed, this seems justified as the definition of the external influence indicator includes the "tendency towards over-dependence on foreign aid" (Failed States Index, 2006h, online). However, it can be suggested that it is insufficient to consider PNG's dependence on foreign aid as a solely political problem without linking it to the economic situation in the country.

Having analysed how PNG received its FSI score, it is obvious that this lack of linking between different indicators, within and across the three categories (social, economic and political), is one of the Index's shortcomings. The economic problems in PNG are clearly linked to its high rate of population growth, falling under the social indicator of *demographic pressure*, and the external influence problem of Australia's involvement in PNG politics is largely due to the aid program, therefore linking it to economic issues.

The FSI also fails in recognising the wider problems caused by issues discussed under the indicators of group grievance and the security apparatus, suggesting that these indicators are too narrowly defined. However, these short-comings could be caused by the lack of accessible information on how the Index justifies its scores, and may have been taken into consideration without it being noticed in the literature. If this is the case, criticism should then rather be directed at the amount of information made available by the Index as to how they calculated their scores.

There are also some clear issues in PNG not covered by the Index, which contribute significantly to the stability and well-functioning of the country. These issues include lack of control over borders and territory, problems posed by a HIV/AIDS<sup>23</sup> epidemic, and crime and violence problems related to a deteriorating law and order situation. Law and order is indeed covered by some of the Index indicators, however, the issues of crime and violence in PNG are so severe they need to be discussed as a separate issue that can then be related to other areas. Furthermore, the indicators do not include an analysis of unemployment figures<sup>24</sup>, which can be argued to be an important economic and social indicator for a country. Therefore, an insufficient number of indicators is another of the Index's shortcomings.

The methodology used in the FSI adds to its overall deficiencies. The time frame for the research, as specified in the methodology, seems to have been inconsistently used when considering the Index's justification for the external influence score. However, the use of information collected outside of the research window may well be justified. For example, it will be argued that the history of the Bougainville conflict is still influencing the stability in PNG and should therefore be considered when analysing the country. This poses the question of whether the use of a research window is insufficient for an accurate evaluation, as events that have taken place before the time frame of the research window can be crucial to the understanding of current issues.

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<sup>23</sup> According to the Failed States Index (2006b, online), HIV/AIDS is a "sub-indicator" but it does not state which indicator it is related to and is not further referred to in the discussion on PNG.

<sup>24</sup> The Failed States Index (2006g, online) refers to an unemployment figure of 80% for urban areas but does not discuss the problem further.

An attempt, such as the FSI, to assess countries based on a specific set of indicators will always receive criticisms. As observers will approach such an attempt in different ways there will always be the issue of whether the 'right' indicators are being used; the 'important' problems discussed. Different observers will inevitably have different opinions. This thesis will now examine issues in PNG that highlight the shortcomings of the Index as identified in this chapter.

### ***Chapter 3 – The Failed States Index and the Political situation in PNG***

Since 1974, the number of democracies worldwide has quadrupled to incorporate 120 nations (Koh, 2000, online). However, the extent to which all these nations abide by the core principles of democracy is open to debate. According to Rotberg (2003, p. 3), a state is required to enable its citizens to “participate freely, openly, and fully in politics” and that democratic states have the ability to respond to popular discontent as well as a political system that accommodates challenges from dissident political groups. Additionally, a democracy can protect its citizens against massive human rights abuse. Therefore, democracies “fail to fail” (Rotberg, 2003, pp. 20-21).

Democracy has been prevalent in PNG since independence in 1975 and, according to Myron Weiner in 1987 (cited in Reilly, 2000, pp. 171-172), this put PNG in a group of only six developing nations with a population of more than one million that had remained democratic since its independence<sup>25</sup>. More recently, PNG was classified by Larry Diamond, Juan Linz and Seymour Martin Lipset as a stable democracy together with only four other developing countries<sup>26</sup> (cited in Reilly, 2000, p. 172).

This survival of a democratic political system in PNG may seem somewhat surprising considering that a high level of social fragmentation has been cited by several scholars as undermining democratic stability (Reilly, 2000, pp. 162-163).

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<sup>25</sup> The other five countries cited by Weiner were India, Sri Lanka, Malaysia, Jamaica and Trinidad and Tobago (Reilly, 2000, pp. 171-172).

<sup>26</sup> The other four countries cited by Diamond, Linz and Lipset were Venezuela, Costa Rica, India and Botswana (Reilly, 2000, p. 172).

However, the unique political culture, which is interconnected with the social fragmentation in PNG, has a clear effect on how the democratic institutions are allowed to function and democracy does not necessarily mean that PNG will 'fail to fail'.

PNG is experiencing severe problems linked to the legitimacy of the state as well as internal and external security issues. This chapter will discuss these problems and analyse how they reflect on the usefulness of the FSI. It will show that there are shortcomings in the way the Index's indicators present the political situation in PNG and that there are clearly political problems that the Index does not account for. To be able to analyse the political situation in PNG, its unique cultural climate (or, indeed, number of cultural climates) must be considered.

Due to its high levels of social fragmentation, PNG has faced a continuous problem of creating a feeling of nationhood among its citizens. The country is now thirty years on from its independence and this problem still persists. Many Papua New Guineans still place their loyalties and allegiances with the local community before the state (May, 2006, p. 152). Apart from having roots in cultural tradition, this problem is also the by product of natural causes, such as the lack of interconnection due to the dramatic geographical terrain. Shortcomings by the state in providing sufficient infrastructure have further hampered its ability to establish its presence across remote areas of the nation.

According to May (2006, p. 161), the public services in PNG have seen an increased level of politicisation over the two previous decades, which has contributed to factions of the population disengaging from the state and a widespread corresponding attitude that the state has little legitimacy. This has led to situations, especially in the highlands, where local community big men have a significantly higher level of influence over the locals, than have the elected state political representatives.

This form of political culture is further sustained by the characteristics of the party system in PNG. It is a weak system where the parties are differentiated mainly by their place of origin instead of political ideologies (Moore, 2003, p. 197). Rather than voting for a candidate of a specific party, the majority of Papua New Guineans let personality determine their vote; they vote for someone from their own clan or tribe, or a person advised by their clan leader, as their social loyalty is significantly stronger than their political loyalty (May, 2006, p. 164; Reilly, 2000, p. 170). As a consequence, although citizens have the opportunity to participate in the political process by voting, they strengthen their bonds with local leaders and become more alienated from state leaders whom they see as having little or no connection to their own community.

The nature of the first-past-the-post electoral system<sup>27</sup> results in a high number of candidates contesting each seat in parliament, which leads to a high turnover of MPs from one election to another. According to May (2006, p. 164), the typical percentage of turnover in all elections since independence has been between 50

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<sup>27</sup> As opposed to a preferential voting system. PNG has passed legislation to move from first-past-the-post to optional preferential voting, and the new electoral system will be used for the first time in next year's national elections.



and 55 %. This high level turnover means that it has been difficult for successive governments to maintain any long-term national policies. Whatever is good for individual MPs on a short-term basis receives more attention than issues important to the long-term national good of PNG (May, 2006, p. 164) and this has played a part in PNG failing to develop into a strong, modern nation.

These problems, which can be typified as a clash between political culture and democratic ideals, are not recognised as such by the FSI. However, they cannot be ignored when analysing the political problems of the legitimacy of the state and the control of its borders and territory.

The FSI (2005, online) identified criminalisation and / or delegitimisation of the state as an indication of state failure and that this can be characterised by widespread corruption of the ruling elites. Corruption has been acknowledged to be a large problem in PNG by several scholars (Denoon, 2005, pp. 172-177; Pitts, 2002; Reilly, 2002b, p. 323). A number of PNG governments and individual governmental officials have been under scrutiny for being corrupt, and this is another significant reason why the country has seen such frequent change in government since independence. To exemplify the country's political volatility: an elected government has yet to serve out a full term as every government to date has been replaced at least once on the floor of the parliament through the use of a no-confidence vote<sup>28</sup> (Dorney, 1990, p. 53; May, 2006, p. 164; Reilly, 2000, p. 180).

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<sup>28</sup> A motion of no-confidence can be directed against the "Prime Minister, the Ministry or a Minister, as the case may be", it needs to give "not less than one week's notice" and be "signed by a number of members of the Parliament being not less than one-tenth of the total number of seats in the Parliament" (PNG Constitution, s 145:1a, s 145:1b). In the constitution a newly elected

This use of the no-confidence vote and frequent change of government has led to the functioning of the executive, as well as the legislative branches of government, being compromised as politicians have become more focused on their own political survival rather than on what is best for the nation (May, 2006, p. 164; Reilly, 1999, pp. 233-234). For example, Prime Minister Bill Skate who had come to power after the 1997 election used the tactic of adjourning the parliament to escape a no-confidence vote.

In 1998, Skate was accused of bribery but was cleared of the allegations due to a lack of “concrete evidence” (Wesley-Smith, 1999, p. 439). Skate then accused his former Deputy Prime Minister, Chris Haiveta, of involvement in the bribery accusations and of conspiring in an attempt to discredit Skate and his government. As a consequence, Haiveta’s party, the Pangu Pati, was dropped from the coalition government and the reshuffling of posts that followed left many parliamentarians dissatisfied as they lost influence and power. After having failed to introduce changes to the constitution, designed to make it much more difficult to remove the elected Prime Minister, Skate faced the possibility of a no-confidence vote against him (Wesley-Smith, 1999, p. 439). Once his ‘safe-period’ was over he therefore chose to adjourn Parliament for eight months to avoid such a vote and, hopefully, to rally support among the MPs<sup>29</sup>.

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government was granted a ‘safe-period’ of six months from the date they were installed, during which no vote of no-confidence could be proposed. Likewise, a vote of no-confidence can not be used against a government during its final year leading up to an election. In 1991, in an attempt to create a more stable working environment for a new government, the ‘safe-period’ after an election was extended to 18 months, leaving a period of two and a half years in the middle of a term when a government can face a no-confidence vote (Saffu, 1998, p. 504).

<sup>29</sup> Skate eventually lost office in July, 1999 (May, 2004, p. 6).

Prime Minister Sir Mekere Morauta used similar tactics to avoid a no-confidence vote the year after Skate (Chin, 2002, p. 150). In late 1999, he adjourned parliament until July 2001 when his 12 months safe-period leading up to the 2002 elections was due to begin. Chin (2002, p. 150) argues that as a result of Morauta's actions, much of the national politics in PNG during the first half of 2001 was focused on trying to get the Prime Minister to recall parliament, however Morauta held out. These two examples show how both the stability and the functionality of the PNG government are undermined when a political tool ultimately designed to ensure the nation's democracy – the no-confidence vote in combination with a fractured party system – is used by a politician in order for him to protect himself<sup>30</sup>.

In addition to political instability, the legitimacy of PNG as a state is undermined by problems in maintaining both internal and external security; an issue that the FSI fails to deal with directly. Although PNG has been largely free from the threat of outside intervention, it has seen security breaches along its borders as well as severe domestic challenges.

PNG has experienced some trouble along its western border with the Indonesian province of Papua (formerly known as Irian Jaya). As Papua has long hosted a separatist movement (the Organisasi Papua Merdeka, OPM, translated to the Free Papua Movement) seeking the province's independence from Indonesia, PNG has at times served as a haven for Papuan separatists fleeing Indonesian authorities.

As a consequence, PNG has been accused by its neighbours of actively aiding the

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<sup>30</sup> Gelu (2006, pp. 413-414) argues that adjourning parliament to avoid a no-confidence vote has become "the norm in Papua New Guinea politics" and discusses similar tactics used by the current PM, Michael Somare.

OPM and this has caused strains in the PNG-Indonesian relationship (May, 2006, p. 155).

The PNG – Papuan border has also been the recent focus of criticism from Papua New Guineans questioning border security. The PNG Defence Force commander Commodore Peter Ilau confirmed that there had been a lapse in security at the Wutung post and the Skou post in West Sepik between 5.10 pm and 7.30 am from the 10<sup>th</sup> to the 11<sup>th</sup> of July, 2006 (“Security Concerns”, 2006, online). He expressed his concerns about the main access route in at the Wutung post not being manned after-hours, stating that “from about 5.10 in the afternoon to 7.30 in the morning we do not know what or who is or who has illegally crossed into our country” (Ilau cited in “Security Concerns”, 2006, online). The problems with the manning of the border posts was explained by Commodore Ilau as being caused by inadequate resources; the Wutung post having only five police officers available. “There is no 24-hour, seven-days-a-week security at our main border post” said Ilau, referring to the problem as a “key issue” in “times of scarce resources” (Ilau cited in “Security Concerns”, 2006, online).

The security on the border with Papua was also criticised by retired Major-General and former commander of the PNGDF, Jerry Singirok, who claimed that it posed a grave threat to Australia (“Australia warned”, 2006, online). Singirok argued that due to Canberra’s push to cut the PNGDF, influencing a downsizing of the force from more than 5,000 to no more than 2,000 troops, border security was being “severely compromised” (“Australia warned”, 2006, online). He further

stated that there were few or no troops in place to patrol the border, leaving it exposed to “illegal and suspicious migrants” (“Australia warned”, 2006, online).

The lack of adequate security on the border has led to claims that the Indonesian terrorist group Jemaah Islamiah has relatively easy access to PNG where they could then attack Australian mining and energy interests:

Any terrorist with intention (to do harm) would obviously strike where there’s no defence, no security systems in place...[i]f they cannot hit Australia on its home soil, they’re going to hit Australia where it hurts...[t]here’s billions of dollars of Australian investment in PNG and there’s a relatively significant population of Australians (Singirok, cited in “Australia warned”, 2006).

Singirok referred to the downsizing of the PNG Defence Force as being “humiliating” and a “security blunder” and that it compromised regional security (Singirok, cited in “Australia warned”, 2006).

The PNG government not only experiences problems in controlling its borders, but it also faces severe domestic security issues. Claxton (2000, p. 263) identified three key internal security challenges facing the country as being crime, tribal fighting and separatism<sup>31</sup>. The most severe separatist movement, leading to civil war, was that on the island of Bougainville.

The violent conflict in Bougainville was ended by a permanent cease-fire in 1998, however, issues regarding the political status of the Bougainville province have yet to be resolved. In addition, the conflict has had a significant impact on the

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<sup>31</sup> The surging violence in both cities and the remote areas of the highlands will be further discussed in chapter 6 as being part of social issues.

political and economic situation in the country and therefore it is relevant to any analysis of current political issues.

The Bougainville conflict was centred on the Panguna copper mine; however the mine has been argued to have been a catalyst for the conflict rather than its cause (Joint Standing Committee on Foreign Affairs, Defence and Trade, 1999, p. 13).

The conflict was the consequence of a number of pre-existing issues which are all inter-related:

In the complex political, economic and cultural situation of Bougainville, it is naïve and misleading to attempt to analyse the origins of the conflict in terms of single causes. ...Each factor tended to reinforce the importance of other factors at different times (Regan quoted in Joint Standing Committee on Foreign Affairs, Defence and Trade, 1999, p. 14).

Regan (1998, pp. 272-276) identifies increased economic inequality in Bougainville after the Second World War as detrimental to the economic and social climate in which the Panguna mine was opened in 1969. The mine was controlled and operated by the Bougainville Mining Company (later Bougainville Copper Ltd., *BCL*) which was a subsidiary of the Australian mining company CRA (Conzinc Riotinto of Australia Ltd), and the PNG government (Joint Standing Committee on Foreign Affairs, Defence and Trade, 1999, p. 13; Turner, 2001, p. 27). Concern arose among some Bougainvilleans that they did not receive their fair share of the profits from the mine (Turner, 2001, p. 27), and that local land rights were not respected by BCL and the PNG government (Regan, 1998, pp. 274-275). Their concern may seem justified considering that the PNG government received more than \$1 billion in the period up until the closure of the

mine, compared to the \$33 million having been paid to the landowners (Joint Standing Committee on Foreign Affairs, Defence and Trade, 1999, pp. 17-18).

As a result of the local opposition to the Panguna copper mine, the New Panguna Landowners Association (NPLA) was formed in the 1980s under the leadership of Francis Ona. In April 1988, the NPLA demanded a 50 % share in BCL profits, that the BCL ownership be localised within five years, as well as greater environmental control and hefty compensation for profits made by the BCL (Joint Standing Committee on Foreign Affairs and Trade, 1999, p. 21; Turner, 2001, p. 28). When these demands were not met, the armed faction of the NPLA, the Bougainville Revolutionary Army (BRA), started a wave of sabotage and terrorism on the mine and forced its closure in May 1989 (Turner, 2001, pp. 28-29).

The actions of the BRA prompted the PNG government to declare a state of emergency in Bougainville in June 1989, and 2,000 soldiers and armed riot police were sent in (Turner, 2001, p. 29). After nine months of fighting between the BRA and the PNG security forces, the government withdrew its forces in March 1990 and replaced its armed presence with an economic and communications blockade on Bougainville. The BRA then announced that their province (then named the North Solomons Province) had seceded from PNG, and Ona declared it to be the independent Republic of Me'ekamui (Joint Standing Committee on Foreign Affairs and Trade, 1999, p. 23). This action was declared unconstitutional by the PNG government, and negotiations between Bougainville and PNG

representatives followed, however they were all unsuccessful (Turner, 2001, p. 29).

The PNGDF was slowly returned to Bougainville over the next few years, and basic government services followed. However, the blockade was effectively in place until 1994 and some parts of Bougainville did not see a return of government administration and services until after the peace process had begun in 1997 (Regan, 2005, p. 443). Meanwhile, the fighting continued between the BRA and the PNGDF, escalating further during 1995 and 1996, seeing the assassination of the elected premier of Bougainville, Theodore Miriung, in October, 1995 (O'Callaghan, 1999, p. 28; Turner, 2001, p. 30).

In 1997, the PNG Prime Minister Julius Chan, supported by his Defence Minister Mathias Ijape and Deputy Prime Minister Chris Haiveta, hired mercenaries in an attempt to defeat the Bougainville rebellion (Joint Standing Committee on Foreign Affairs and Trade, 1999, pp. 29-39; Turner, 2001, pp. 28, 30). However, the operation was abandoned after the Commander of the PNGDF, Brigadier General Jerry Singirok turned against his prime minister and took action to remove the mercenaries as he felt that there could be no military solution to the Bougainville problem and he also considered the mercenary contract to be economically unsustainable and referred to it as "suicide for PNG" (Singirok, cited in O'Callaghan, 1999, pp. 40-41).



Chan, Haiveta and Ijape were forced to stand down over this incident which became known as the *Sandline affair*. According to the Joint Standing Committee on Foreign Affairs and Trade (1999, p. 39), the collapse of the Sandline contract ended the option of a military solution and instead paved the way for a peaceful end to the Bougainville rebellion.

After the permanent cease-fire agreement in April 1998 the Bougainville Peace Process continued to move forward, with the *Bougainville Peace Agreement* being signed in August 2001. This agreement provided for elections for the establishment of autonomous government, as well as for a referendum on Bougainvillean independence to be held in 10 to 15 years (Department of Foreign Affairs and Trade, 2006, online).

Elections for the autonomous government were successfully held in 2005<sup>32</sup>, resulting in the first Bougainville President, former rebel leader Joseph Kabui, together with 39 members of the Autonomous Bougainville Government being sworn into office (Department of Foreign Affairs and Trade, 2006, online).

Although the civil war in the Bougainville province has ended, the issue of Bougainville still poses problems for the PNG government. Not only has it lost the revenue of the Panguna copper mine, but the successful uprising of locals protesting against the mine could be argued as being inspirational to other Papua New Guineans living around areas which are being exploited for their natural resources.

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<sup>32</sup> According to Gelu (2006, p. 417), the election was “peaceful”, “well prepared” and “well conducted”.

For example, on the 1<sup>st</sup> of August, 2006, a state of emergency was declared in the province of the Southern Highlands (“Threats to Shut Project”, 2006, online). The government justified the decision by stating that the law and order situation in the province was fast deteriorating with a recent surge in local violence, threatening gas and mining in the area. The governor of the Southern highlands was extremely unhappy with the situation, threatening to shut down a gas-pipe project with Queensland and calling for PM Somare’s resignation (“Threats to Shut Project”, 2006, online). This shows how locals can work their influence in a way which is compromising the legitimacy of the state and with the potential of causing future large-scale problems.

The security issues connected with the lack of governmental control over its borders and territory are severe enough to be considered as having an influence on PNG’s stability and performance as a state. However, they are not directly covered by any of the indicators of the FSI, therefore highlighting shortcomings in the Index’s ability to rate political issues in PNG. Furthermore, the Index’s indicators are too specific, and its window of research too narrow, to sufficiently consider the problems posed by the political culture in PNG.

The issue of Bougainville serves as criticism of the research window as it seems insufficient to analyse a country based on data collected during such a limited time period. It is clear that past events can still have an effect on current events, and therefore, the Index should have the capacity to take into consideration a country’s past when assessing its current situation. An assessment based solely on data collected during the year before could prove to be lacking in historical

context and, therefore, the severity of current problems run the risk of being understated.

## **Chapter 4 – The Failed States Index and the Economic situation in PNG**

PNG scored extremely high (9.0) on the FSI indicator of *uneven development*, and relatively high (7.0) on the indicator for economic growth. The Index therefore suggests that PNG faces severe economic problems, but that the primary problem lies in the area of distribution of development and wealth rather than in the economy itself. However, this is not necessarily the case as the country's economic growth is insufficient to accommodate the high rate of population growth, hitting the already poor in the rural sector particularly hard. The indicator for *economic growth*'s rating of 7.0 seems to be too low and it needs to be linked to the one of *uneven development* to allow for a more accurate analysis. Furthermore, the Index does not consider the specific problems of PNG's economic dependency on aid from Australia and other donors and therefore, the Index's assessment of the PNG economy is only partly accurate.

According to Gibson and Rozelle (2003, online), PNG is very rich in natural resources; however it has a Gini ratio that is one of the highest in the world (Gibson & Rozelle, 2003, online). This means that the wealth of the country is unevenly distributed with a significant gap between the rich and the poor.

Eighty five percent of PNG's population lives in rural areas and they are heavily reliant on their capability to grow their own food and other cash crops that provide them with money used to cover some of their education and health costs (Morris & Stewart, 2005, online). PNG has seen an increase in the number of people

living below the national poverty line, with an estimation of 54 % of the population living below the line in 2003 compared to 37.5 % in 1996 (Morris & Stewart, 2005, online). If the level of poverty is measured using the international standard of poverty as being less than US\$1 per day, the corresponding figures would be roughly a rise from 25 % to 40 % (Morris & Stewart, 2005, online). The poverty in PNG has been identified as mainly caused by: weak governance; weak social support systems; inefficient use of natural resources; lack of economic and financial growth opportunities; a poorly maintained infrastructure network; and the inefficient delivery of, and lack of access to, basic services (Morris & Stewart, 2005, online).

PNG has a dual economy, consisting of the formal, corporate based economy, and the informal economy largely based on subsistence farming (Department of Foreign Affairs and Trade, 2006b, online, 2006, online). The formal sector employs a minority of the population within the mineral industry, the public sector, and the service industries of finance, construction, transportation and utilities. The informal sector employs a large number of the population as it is the main employer in the rural areas (Department of Foreign Affairs and Trade, 2006b, online). The last decade has seen a trend of migration of people from the rural areas and the informal sector, to the main cities and an opportunity to work in the formal sector. However this has contributed to unemployment problems causing further social problems in the cities (Department of Foreign Affairs and Trade, 2006b, online; May, 2006, p. 152).

The Statistical Office of Papua New Guinea reported the unemployment rate for the year 2000 as being 2.8 % (Statistical Office of Papua New Guinea, 2006, online). However, due to a large percentage of the population being employed in the informal sector together with a lack of reliable up-to-date data, the unemployment rate is likely to be much higher. For example, the unemployment figure for young men in urban areas has been estimated at 40% (AusAID, 2006, p. 53, online). BBC correspondent Nick Squires (2004, online) cites the unemployment figure for Port Moresby as being as high as 70%, while Maxine Pitts (2002, p. 36) states that the number was 60% in 2001. According to the Index, unemployment in some urban areas is said to be as high as 80 % (FSI, 2006, online). Furthermore, unemployment figures are continuously rising and PNG also has a high level of people who are underemployed (AusAID, 2006, p. 53).

PNG's real national levels of the Gross Domestic Product (GDP)<sup>33</sup> have decreased by nearly 50 % since independence, and recent years have continued to show a negative economic trend (Faal, 2006, online). Due to strong performances in the sectors of mining and petroleum, the economy grew quite rapidly between 1991 and 1994. However, after 1994 the economy slowed down and high inflation combined with a rapid population increase to produce a fall in per capita incomes by an estimated 18 % between 1994 and 2002 (Morris & Stewart, 2005, online). The GDP per capita declined at an annual average rate of 1.4 % from 1992 to 2002 (Chand, 2003, p. 7).

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<sup>33</sup> Gross Domestic Product (GDP) is the total value of goods and services produced in a country. Real GDP is GDP adjusted for inflation, providing the GDP value in constant dollars (Federal Reserve Bank of Minneapolis, 2004, online).

The last couple of years have seen some signs of an economic recovery with real annual GDP expanding by roughly 3 % and the non-mineral GDP figures rising an estimated 3.5 % (IMF Mission Team, 2006, online). These positive numbers have been the result of strong global commodity prices and the success of the Papua New Guinean government in maintaining disciplined fiscal policies with a well balanced budget (World Bank, 2006, online; Morris & Stewart, 2005, online). However, as the rapid population growth is expected to continue, an economy growing at about 3 % each year will not be enough to ensure a sufficient increase in per capita income over the medium term and therefore, PNG is still facing serious economic problems (Morris & Stewart, 2005, online).

Table 2  
*GDP per capita 1999 - 2003*

	1999	2000	2001	2002	2003
<b><i>GDP per capita (US\$)</i></b>	686	664	553	512	566

*Source: Morris & Stewart, 2005, online.*

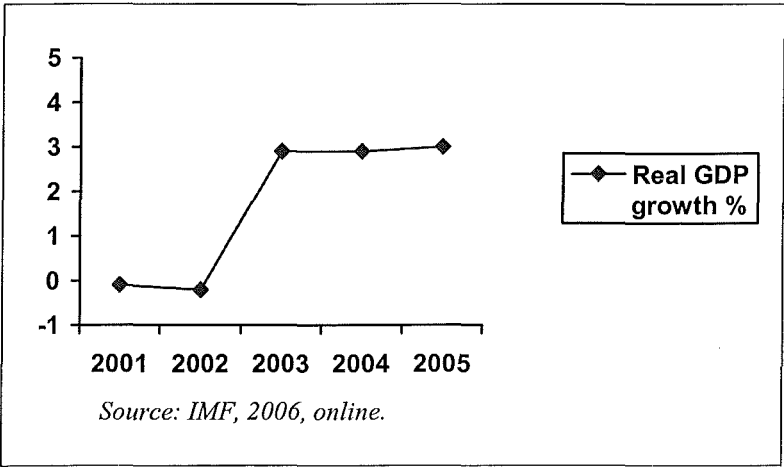


Figure 1. Real GDP growth in % 2001 - 2005

At the time of its independence, PNG and Australia were hopeful that PNG would develop into a modern, capitalist economy. However, PNG has been unable to develop a self-reliant economy and has therefore remained dependent on foreign aid from Australia.

Currently, PNG is receiving A\$300 million in annual aid from Australia (Morris and Stewart, 2005, online). The aid program has four key priorities as identified by Morris and Stewart (2005, online): fostering sustainable development (transport infrastructure and renewable resources); building stronger governance; developing institutional capacity (governance, law and order, health and education), and addressing HIV/AIDS.

In an attempt to make Australian aid more effective, the focus and the character of the aid has been gradually changed over the last decade from having its emphasis on budget aid to now being focused on program aid. Prior to the change, Australian aid was given straight to the PNG government, allowing it relative freedom in how the money was being used. The policy was changed in the late 1980s to provide for a greater transparency in how aid is being used, as program focused aid can be more closely monitored (AusAID, 2003, p. 25). Program focused aid means that the money contributed to PNG is intended for certain programs and will be distributed in accordance with the guidelines of these programs. The government of PNG has therefore lost some of its control over how the money is being spent. However, the revised system of aid has allowed observers to better track its effectiveness.



The way in which Australia's aid contribution to PNG is used has been questioned in some circles with allegations that the money is wasted due to ineffectiveness and corruption (May, 2006, p. 167). Windybank and Manning argues that Australia's generous aid contribution has allowed successive PNG governments to "live beyond their means, encouraging irresponsible policies and postponing the need for reform" (Windybank and Manning, 2004, p. 12). However, the withdrawal of Australian aid is not seen as an option because Australia has a moral responsibility from having been PNG's Colonial master. The aid is equally important for security reasons as Australian aid has been recognised by successive Canberra administrations as being essential to PNG's ability to satisfy the basic needs of its citizens and maintain law and order (May, 2006, p. 167).

Although the PNG economy has shown some positive signs in recent years, the economic issues facing the nation are still severe and the economic performance will need to dramatically improve to ensure that PNG copes with its high rate of population growth. Therefore, the possibility exists that the FSI score of 7.0 is not accurate as it fails to adequately consider the integration of a range of issues undermining the fragility of PNG's economy. Furthermore, the Index's economic indicators are too narrowly defined; alternatively, it needs to link its economic indicators to the political indicator of external influence, to properly incorporate the influence of PNG's dependency on foreign aid on its economic situation.

## Chapter 5 – The Failed States Index and the Social situation in PNG

As a developing country with a limited economic base, securing a livelihood remains a challenge for most of PNG's population. In fact, according to Morris and Stewart (2005, online), PNG has the Pacific's worst social indicators, and its human development indicator has remained poor in relation to its per capita income. The UN publishes an index to measure human development and in the latest Human Development Index, which was based on 2003 statistics, PNG ranked 137th out of 177 countries, and the trend over the last few years has been negative (UN, 2005, online). Human development in PNG is lower than in any of its neighbouring countries included in the Index, and it rates PNG below several African nations.

Table 3  
*Social Indicators for Selected Pacific Nations*

<i>Country</i>	<i>Infant mortality per 1000 births<sup>34</sup></i>	<i>Life expectancy at birth<sup>35</sup></i>	<i>Population growth rate<sup>36</sup></i>	<i>Adult literacy %<sup>37</sup></i>	<i>Gross enrolment ratio<sup>38</sup></i>
<i>Fiji</i>	18.0	69.3	0.7	93.2	81.3
<i>Nauru</i>	10.3	62.0	2.4	95.0	79.5
<b><i>PNG</i></b>	<b>61.0</b>	<b>57.4</b>	<b>2.7</b>	<b>64.6</b>	<b>28.6</b>
<i>Solomon Islands</i>	20.0	68.7	3.4	76.6	37.7
<i>Tonga</i>	13.3	68.6	0.3	99.0	83.3
<i>Vanuatu</i>	34.0	68.3	2.7	34.0	57.4

*Source: Department of Foreign Affairs and Trade, 2004, p. 7.*

<sup>34</sup> 2002 or latest data (Department of Foreign Affairs and Trade, 2004, p. 7).

<sup>35</sup> 2002 or latest data (Department of Foreign Affairs and Trade, 2004, p. 7).

<sup>36</sup> Annual average for 2002 (Department of Foreign Affairs and Trade, 2004, p. 7).

<sup>37</sup> For ages 15 and above, 2002 or latest data (Department of Foreign Affairs and Trade, 2004, p. 7).

<sup>38</sup> Combined ratio for primary, secondary and tertiary enrolment in 1998 (Department of Foreign Affairs and Trade, 2004, p. 7).

Table 4  
*Social Indicators for Selected South East Asian Nations and PNG*

<i>Country</i>	<i>Life expectancy at birth</i> <sup>39</sup>	<i>Adult literacy %</i> <sup>40</sup>	<i>Gross enrolment Ratio %</i> <sup>41</sup>	<i>GDP per capita (US\$)</i> <sup>42</sup>
<i>Indonesia</i>	66.8	87.9	66	3,361
<i>Malaysia</i>	73.2	88.7	71	9,512
<b><i>PNG</i></b>	<b>55.3</b>	<b>57.3</b>	<b>41</b>	<b>2,619</b>
<i>Singapore</i>	78.7	92.5	87	24,481

*Source: UN Human Development Index, 2005, online.*

PNG is currently facing two social problems that are particularly pressing, neither of which is represented by an indicator in the FSI: crime and violence and HIV/AIDS.

Serious crime in PNG has increased by four percent a year since 1990, and it is argued by Pitts (2002, p. 36, 98) that crime is the single biggest deterrent to political, economic and social growth. According to statistics from 1997<sup>43</sup>, the annual violent crime rate in PNG was 2,000 incidents per 100,000, which is ten times higher than in Australia and six times higher than in Fiji<sup>44</sup> (Chand, 1997, online). In reality, the number of crimes is likely much higher as most crimes go undetected by the state and are not included in official statistics (Dinnen, 2001, p. 3).

<sup>39</sup> 2002 years data (UN Human Development Index, 2005, online).

<sup>40</sup> Ages 15 and above, 2002 years data (UN Human Development Index, 2005, online).

<sup>41</sup> Combined ratio for primary, secondary and tertiary enrolment in 2001/2002 (UN Human Development Index, 2005, online).

<sup>42</sup> 2002 years data (UN Human Development Index, 2005, online).

<sup>43</sup> See discussion in conclusion on the problem of reliable recent crime statistics.

<sup>44</sup> Fiji is used for the comparison as it is a "Pacific island nation with a number of socioeconomic similarities to Papua New Guinea" (Chand, 1997, p. 2).

The main cities in PNG, and especially the capital Port Moresby, have seen a trend of an increasing level of crimes and violence. Port Moresby has been referred to as one of the most dangerous cities in the world based on data presented by the UN (Levantis cited in May, 2006, p. 158). The main cause of crime and violence in the capital is the presence of so called raskols; criminals dealing in petty crimes and crimes of violence and often attached to different gangs (Dinnen, 2001, pp. 55-59; May, 2006, pp. 157-158; Squires, 2004, online).

These raskol gangs are a product of high unemployment figures, which hit young men particularly hard<sup>45</sup>. There is a pattern of young men migrating from rural to urban areas, hoping to find a job and pursue their economic interests in a way that would not be possible in the remote areas of the country, swelling the number of unemployed (May, 2006, p. 152). There are economic opportunities in the cities, mostly in Port Moresby, however these opportunities are only available to a fortunate few and a large number find themselves isolated and marginalised in a foreign city. To join a raskol gang can then provide the means of surviving on criminal activities and of creating an identity (Dinnen, 2001, p. 58; Ward, 2000, pp. 223-235). Pitts (2002, p. 36) argues that young males with no money and little to do seek out targets for theft and aggression, resulting in armed robberies, assaults and carjacking.

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<sup>45</sup> See chapter 4.

Gender-based violence against women in PNG is widespread and pervasive, however, due to the lack of reliable and accurate data, the full extent of the problem is unknown (Amnesty International, 2006a, online). In many areas of the country women are not free to move safely around in their communities or walk to school or work, as crimes such as rape, gang-rape and assaults are common (Amnesty International, 2006b, online). Traditional village customs that served as deterrents have weakened and are largely absent when young people move from their village to a larger town or city (Bureau of Democracy, Human Rights, and Labor, 2001, online). Furthermore, many communities are willing to settle incidents of rape through material compensation instead of criminal prosecutions and this contributes to the difficulty in combating rape crimes (Bureau of Democracy, Human Rights, and Labor, 2001, online).

Violence is also frequent in the highlands regions of PNG. Inter-clan warfare has traditionally been one of the most regular points of contact between clans, and it can be regarded as a cultural phenomenon; a part of life (Lemonnier, 1991, p. 9; Strathern, 1979, pp. 49-84). In the dramatic geographical terrain made up from mountain ranges and deep valleys and with the infrastructure being extremely poor, the presence of state leaders and police is scarce and therefore the violence is allowed to continue. May (2006, pp. 166-167) identifies the problem as being one within the bureaucracy of inadequate resources as well as reflecting “widespread lack of acceptance of the authority of the state”. In many areas of the highlands, police and defence troops are both out-numbered and out-gunned (May, 2006, p. 167; Squires, 2005, online).

Violence has especially been prevalent around election times<sup>46</sup>, with several elections being compromised and the latest election in 2002 widely regarded as the most violent election in the country's history (Garap, 2004, p. 2). Sir Michael Somare, a highly experienced politician and the current Prime Minister, referred to the 2002 election as "the worst he had ever seen in his political life" (May, 2006, p. 165).

Reilly (1997, p. 27) argued that election related violence can be seen as "rational (if anti-social) behaviour in the face of an inappropriate system". With a high number of contesting candidates due to the first-past-the-post election system the result is a low level of support for the winner. Therefore, the number of votes separating the winning candidate from that with the second highest number of votes could potentially be relatively low. It follows that the impact violence could have on supporters of the opposition, for example to intimidate them into voting for a different candidate or to stop them from voting altogether, would sometimes be enough to make a significant difference to the election outcome (Reilly, 1997, p.27).

This connection between personal gain for individual politicians and a deteriorating law and order situation again show how several of the main issues in PNG span across the Index's categories and indicators. Crime and violence deserves its own indicator to sufficiently evaluate its influence on the stability of PNG, and this indicator needs to be closely linked to political and economic problems. The Index is clearly insufficient in linking problems across categories

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<sup>46</sup> See Dinnen (2001, chapter 6) and Rumsey (1999) for further discussion on election related violence.

as is also evident when examining what is possibly the most severe social problem facing PNG; the emerging HIV/AIDS epidemic.

Politicians in PNG have admitted that they have failed in responding to the rapid spread of HIV/AIDS, leaving the disease unmanaged for 15 years (“Sick No Good”, 2006). This has left PNG in a situation where people are uneducated and the health care system is unable to cope. Today, an estimated 100,000 people are infected by the disease, which translates to 2 % of the PNG population<sup>47</sup>, a number 20 times of that in Australia (AusAID, 2006, p. 54, online; Cullen, 2006, p. 153; “Sick No Good”, 2006).

There are several reasons why HIV/AIDS in PNG has reached these proportions and continues to spread at an alarming rate, with some of the most important being widespread gang culture, violence against women, a lack of government services such as healthcare, infrastructure and education, as well as a common trust in herbal remedies and sorcery (AusAID, 2006, p. 53, online; “Sick No Good”, 2006). All these reasons have their roots in cultural traditions and poverty.

According to a recent *Four Corners* documentary (“Sick No Good”, 2006), Port Moresby is “the ideal setting for the spread of AIDS” due to its high levels of violence, unsafe sex and prostitution. The gang-culture is one large contributor to the spread of HIV/AIDS in the capital (as well as in other large cities), as it is a status sign in these raskol gangs to have many sexual partners. Rape is often

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<sup>47</sup> Dr Yves Renault, a WHO representative in PNG has estimated that one million Papua New Guineans could be infected by 2015 and that the country is likely to experience an epidemic like that seen in Africa (Renault, cited in Cullen, 2006, p. 153).

carried out as a part of other crimes, such as break-ins and robbery<sup>48</sup> and, according to local gang members in the Port Moresby suburb of Gerehu, members rape girls to show off (“Sick No Good”, 2006).

The lack of education on HIV/AIDS further contributes to the problem as many do not believe that condoms are essential in protecting themselves against the disease (AusAID, 2006, pp. 72-74). The manager of a Port Moresby brothel, pointed out by the police as one of the city’s “AIDS hot spots” (“Sick No Good”, 2006), does not consider the sexual health of the girls working for him as his problem, and only occasionally would he tell them to use condoms. According to a 2002 survey, 70 % of sex workers would not use a condom as their customers would pay more for unprotected sex (Cullen, 2006, p. 156) Also, a recent study of sex workers in PNG showed that 17 % are HIV positive, however the manager interviewed in “Sick No Good” (2006) did not display any concern as he had heard there existed a herbal cure for AIDS.

The lack of education on HIV/AIDS is also evident in the rural areas of PNG, with the chair of the PNG parliamentary committee on HIV/AIDS, Dr Banare Bun, stating that 85 % of the rural population still lacked knowledge of the disease (Cullen, 2006, p. 155). Furthermore, as the country suffers from extremely poor infrastructure, the current efforts of organisations such as the UNAIDS do not reach the more remote areas of the country (Cullen, 2006, p. 155).

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<sup>48</sup> Rape has traditionally been a part of tribal fighting and warfare. See Strathern (1979, pp. 49-50).



As people are poorly educated, traditional taboos on talking about sex, and fears and stigma connected with HIV/AIDS are still very strong (AusAID, 2006, p. 79, online; “Sick No Good”, 2006). This means that many people are afraid of getting tested and live with the disease without knowing. It also prevents people from receiving proper care as there have been cases of local doctors refusing to treat HIV/AIDS infected patients, as well as of families disowning infected family members (AusAID, 2006, p. 64, online; “Sick No Good”, 2006).

Even if infected people do get admitted to hospitals, there are insufficient resources to treat the patients. According to Cullen (2006, p. 160), AIDS is the leading cause of death at the Port Moresby General Hospital and Sister Elizabeth Waken, who is in charge of the unofficial AIDS ward at the hospital, says that they often run out of basic medicines and supplies. The hospital cannot find enough staff to work in the ward and there is not enough money to ensure that the patients are fed (“Sick No Good”, 2006).

Although the PNG government has started to take action against the spread of HIV/AIDS in the country, the current infection and its growth rates together with the deeply rooted traditions of sexual practices and attitudes of the population makes for extreme problems in the near future as shown by the AusAID report *Impacts of HIV/AIDS 2005-2025 in Papua New Guinea, Indonesia, and East Timor*<sup>49</sup> (2006, online). One workforce sector that is hard-hit is education where PNG is already losing at least one teacher each week to HIV/AIDS related causes (Morris & Stewart, 2005, online). According to the Department of Foreign Affairs

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<sup>49</sup> This report is mainly concerned with predicted scenarios for the next two decades and only provides limited information on the current situation.

and Trade (2004, p. 9), a study done in 2002 showed that a worse-case scenario would see the total number of deaths from HIV/AIDS each year reach 120,000 by 2020. If PNG continues its current response to HIV/AIDS, over 300,000 adults will die as a result of HIV/AIDS related illness over the next 20 years (AusAID, 2006, p. 79). This could mean that a third of the PNG workforce would be wiped out resulting in dire social and economic consequences.

It is therefore clear that the HIV/AIDS epidemic is not only a social problem but it has the obvious potential to create huge economic problems and it needs a firm political response. Again the Index has failed to provide an indicator for an extremely important issue, and the need for links between political, economic and social indicators has been further highlighted.

## ***Conclusion***

The key aim of this thesis has been to examine how failed state theory is represented in the FSI and to what extent the Index accurately captures the challenges facing Papua New Guinea. The significance of this aim is highlighted by the academic discourse on failed, failing and weak states which has attracted increased attention since the September 11 attacks. This served as an eye-opener for the western world; global security could be severely threatened and attacked by elements originating in failing states. Some have referred to this discourse as a 'theory' as has this thesis, however, most experts treat failed state theory as a broad concept and suggest it needs further research.

Failed state theory has the potential to become an important political tool, however there has yet to emerge a universal agreement on the definition of state failure. To be applicable, the definitions used in the 'theory' needs to be specific enough to discuss details contributing to state failure, yet broad enough to apply to different countries experiencing varying problems. It follows that an attempt to incorporate failed state theory into an analytical tool will face problems in how it uses definitive categories to assess countries.

A recent attempt to incorporate the ideas from failed state theory in order to use it as a tool for analysis of states has been the FSI. It incorporates the CAST methodology of 12 indicators which are designed to identify signs of state failure. By giving each of these indicators a rating between 0 and 10, a country can be

given a number which places it on a continuum ranging from collapsed to weak states.

The FSI is a welcome contribution to the furthering of a global understanding of the phenomenon of state failure. By placing its indicators into political, economic and social categories, it provides a broad assessment of how a country is performing in each of these areas. Potentially it has the capacity to break down the overall performance of a country and pin-point particular areas where the main problems lie. It follows that it could be an important assessment tool that can help improving the stability of a state, as well as predict and, hopefully, prevent future problems.

The case study presented in this thesis serves as a test for how useful the FSI is in analysing the situation in one particular country; in this case Papua New Guinea. By examining how the Index's indicators apply to PNG, and comparing this to primary and secondary sources providing information about the current situation in the country, a number of conclusions can be drawn.

First, the Index does not possess a sufficient number of indicators to fully assess the political, economic and social situation within a given country. This is shown by the lack of indicators for such important issues as HIV/AIDS and crime and violence. HIV/AIDS has been classified as an epidemic in PNG; it is spreading rapidly and the health system is already unable to cope. Furthermore, HIV/AIDS has reached extreme levels in many African countries where it is associated with state failure. It therefore seems that it should be included as an indicator. Crime

and violence is also a widespread problem in PNG and its severity, both in the cities and in rural areas, necessitates the need for an indicator dealing with it directly.

Crime and violence is, however, partly accounted for in some of the indicators, which leads to the second conclusion: some indicators are too narrowly defined. The indicators for *public services* and *group grievances* both partly accommodate for problems related to crime and violence but the limitations of these indicators, as specified by their definitions, mean that the indicators are insufficient in taking into account the full extent of the crime and violence problem. For example, group grievances seems to account for the problems caused by inter-tribal warfare in the highlands, but not the problems caused by raskol gangs in the cities. Furthermore, PNG's economic dependence on foreign aid should clearly be included in the economic indicators, however they are too narrowly defined to specifically deal with it. Australia's influence in PNG is still relatively strong, mainly because it provides such a significant amount of aid each year, and the ability of the PNG state to function fully independently of Australia is questionable. This problem is accounted for by the Index in the political indicator of external influence, but it is also an economic problem. Therefore, the third conclusion is that the Index needs better linking between different indicators.

The Index fails to link indicators together when analysing a problem, such as economic problems caused by the dependence on aid and the demographic pressure, which is included in the social indicators. For the Index to be able to accurately assess the situation in a country, it needs to rely on cross-category

analyses of the problems, rather than on a rating that is made up from the issues being treated separately as is the case today. This is obvious when considering the HIV/AIDS epidemic that is currently facing PNG. To fully analyse and understand the impacts of the epidemic, both social, political and economic issues must be considered. Furthermore, several of the issues covered by the Index's indicators have the capacity to affect each other. They are all related to the political indicator of state legitimacy as this determines the ability of the state to deal with the problems facing it. Therefore, an attempt to provide a country assessment based on separately treated issues, such as the indicators of the FSI, will always have problems with painting the full picture.

Fourth, the use of a research window presents problems with consistency and the inability to analyse events further in the past. This is exemplified by the Bougainville conflict which, although the violence stopped nearly a decade ago, still affects PNG's stability through political and economic problems. Also, as the Bougainville Province will be allowed to hold a referendum on the question of its proposed independence, Bougainville has the capacity to significantly influence PNG's stability in the future. Furthermore, the estimated problems of HIV/AIDS that will face the country over the next couple of decades stress the importance of considering issues outside of the limited time frame of the research window as they are so severe that the Index should clearly accommodate for them in its assessment of PNG.

Furthermore, an assessment of a country based on the ideas of failed state theory will always rely heavily upon the existence of reliable and adequate data. In its data collection, the FSI relies on software that scans ‘tens of thousands’ open-source reports and articles. This method is designed to register a country’s number of positive and negative hits related to each of the indicators, however, it does not seem to allow for lack of consistent or reliable data. As has been shown in this thesis, there appears to be a range of conflicting unemployment figures in PNG, as well as a lack of reliable crime data. The indicator for *human flight* rated high due to PNG’s problem of people leaving to seek better opportunities abroad.

According to the Index, this is a severe problem, scoring 8.0 out of 10, and it constitutes a twelfth of PNG’s overall assessment even though it is not generally recognised as a severe problem in the literature on PNG. This questions the Index’s use of data. Also, as shown in tables 3 and 4, the data for basic social indicators vary from one report to another. Therefore it can be concluded that the problem posed by the lack of reliable and consistent data will inevitably affect any attempt to analyse PNG, and the FSI’s assessment is no exception.

Having analysed key political, economic and social issues in PNG, it is clear that there are problems that the Index has not adequately dealt with. This would suggest that the rating of PNG as a weak state may be somewhat optimistic and that it is perhaps closer to being a failing state<sup>50</sup>. However, this raises the question of what exactly constitutes a weak, a failing, or a failed state. As different states face problems to different extents, or different problems altogether, one ‘weak’ or ‘failing’ state may be functioning in a considerably different way to a second

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<sup>50</sup> As already argued by a number of experts, see Denoon (2005).

‘weak’ or ‘failing’ state. One state may be severely ‘failing’ in some areas but still function well in others. Would this mean that it is ‘failing’ more or less than a state that faces a wider range of less severe problems?

The Index has, however, identified some key problems in PNG, and it makes a valuable contribution to the understanding of the current situation in the country. It can therefore be concluded that the Index has a limited usefulness which can be improved if some or all of the shortcomings, as discussed in this thesis, are addressed. However, as failed state theory is still evolving, both the Index and the ‘theory’ need to be further researched to find a balance between making assessments based on specific indicators and being applicable as a broad concept. It is currently unclear whether this is achievable, but the significance of the problem of state failure and the potential of failed state theory to improve the global security and humanitarian situation justifies future attempts.



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**Appendix A – The FSI 2006, Number 1 to 60<sup>51</sup>.**

<b>Rank</b>	<b>Country</b>	<b>Total Score</b>
1	Sudan	112.3
2	Dem. Rep. of the Congo	110.1
3	Ivory Coast	109.2
4	Iraq	109.0
5	Zimbabwe	108.9
6	Chad	105.9
6	Somalia	105.9
8	Haiti	104.6
9	Pakistan	103.1
10	Afghanistan	99.8
11	Guinea	99
11	Liberia	99
13	Central African Republic	97.5
14	North Korea	97.3
15	Burundi	96.7
16	Yemen	96.6
16	Sierra Leone	96.6
18	Burma	96.5
19	Bangladesh	96.3
20	Nepal	95.4
21	Uganda	94.5
22	Nigeria	94.4
22	Uzbekistan	94.4
24	Rwanda	92.9
25	Sri Lanka	92.4
26	Ethiopia	91.9
27	Colombia	91.8
28	Kyrgyzstan	90.3
29	Malawi	89.8

<sup>51</sup> For the full Index, see Failed States Index (2006c, online).

30	Burkina Faso	89.7
31	Egypt	89.5
32	Indonesia	89.2
33	Syria	88.6
33	Kenya	88.6
35	Bosnia and Herzegovina	88.5
36	Cameroon	88.4
37	Angola	88.3
37	Togo	88.3
39	Bhutan	87.9
39	Laos	87.9
41	Mauritania	87.8
42	Tajikistan	87.7
43	Russia	87.1
44	Niger	87
45	Turkmenistan	86.1
46	Guinea-Bissau	85.4
47	Cambodia	85
47	Dominic Republic	85
49	Papua New Guinea	84.6
50	Belarus	84.5
51	Guatemala	84.3
52	Equatorial Guinea	84
52	Iran	84
54	Eritrea	83.9
55	Serbia and Montenegro	83.8
56	Bolivia	82.9
57	China	82.5
57	Moldova	82.5
59	Nicaragua	82.4
60	Georgia	82.2

Source: Failed States Index, (2006c, online).

## ***Appendix B – The Indicators of the FSI***

### **Social indicators:**

*Mounting demographic pressure* – Pressures deriving from high population density relative to food supply and other life-sustaining resources; Pressures deriving from group settlement patterns that affect the freedom to participate in common forms of human and physical activity, including economic productivity, travel, social interaction, religious worship; Pressures deriving from group settlement patterns and physical settings, including border disputes, ownership or occupancy of land, access to transportation outlets, control of religious or historical sites, and proximity to environmental hazards; Pressures from skewed population distributions, such as a "youth or age bulge," or from divergent rates of population growth among competing communal groups;

*Massive movement of refugees or internally displaced persons creating complex humanitarian emergencies* – Forced uprooting of large communities as a result of random or targeted violence and/or repression, causing food shortages, disease, lack of clean water, land competition, and turmoil that can spiral into larger humanitarian and security problems, both within and between countries.

*A legacy of vengeance-seeking group grievance or group paranoia* – History of aggrieved communal groups based on recent or past injustices, which could date back centuries; Patterns of atrocities committed with impunity against communal groups; Specific groups singled out by state authorities, or by dominant groups, for persecution or repression; Institutionalized political exclusion; Public

scapegoating of groups believed to have acquired wealth, status or power as evidenced in the emergence of "hate" radio, pamphleteering and stereotypical or nationalistic political rhetoric.

*Chronic and sustained human flight* – "Brain drain" of professionals, intellectuals and political dissidents fearing persecution or repression; Voluntary emigration of "the middle class," particularly economically productive segments of the population, such as entrepreneurs, business people, artisans and traders, due to economic deterioration; Growth of exile communities.

**Economic indicators:**

*Uneven economic development along group lines* – Group-based inequality, or perceived inequality, in education, jobs, and economic status; Group-based impoverishment as measured by poverty levels, infant mortality rates, education levels; Rise of communal nationalism based on real or perceived group inequalities.

*Sharp and / or severe economic decline* – A pattern of progressive economic decline of the society as a whole as measured by per capita income, GNP, debt, child mortality rates, poverty levels, business failures, and other economic measures; Sudden drop in commodity prices, trade revenue, foreign investment or debt payments; Collapse or devaluation of the national currency; Extreme social hardship imposed by economic austerity programs; Growth of hidden economies, including the drug trade, smuggling, and capital flight; Increase in levels of corruption and illicit transactions among the general populace; Failure of the state

to pay salaries of government employees and armed forces or to meet other financial obligations to its citizens, such as pension payments.

**The political indicators:**

*Criminalisation and / or delegitimisation of the state* – Massive and endemic corruption or profiteering by ruling elites; Resistance of ruling elites to transparency, accountability and political representation; Widespread loss of popular confidence in state institutions and processes, e.g., widely boycotted or contested elections, mass public demonstrations, sustained civil disobedience, inability of the state to collect taxes, resistance to military conscription, rise of armed insurgencies; Growth of crime syndicates linked to ruling elites.

*Progressive deterioration of public services* - Disappearance of basic state functions that serve the people, including failure to protect citizens from terrorism and violence and to provide essential services, such as health, education, sanitation, public transportation; State apparatus narrows to those agencies that serve the ruling elites, such as the security forces, presidential staff, central bank, diplomatic service, customs and collection agencies.

*The suspension or arbitrary application of the rule of law and widespread violation of human rights*; - Emergence of authoritarian, dictatorial or military rule in which constitutional and democratic institutions and processes are suspended or manipulated; Outbreak of politically inspired (as opposed to criminal) violence against innocent civilians; Rising number of political prisoners or dissidents who are denied due process consistent with international norms and

practices; Widespread abuse of legal, political and social rights, including those of individuals, groups or cultural institutions (e.g., harassment of the press, politicization of the judiciary, internal use of military for political ends, public repression of political opponents, religious or cultural persecution).

*Security apparatus operates as a "state within a state"* – Emergence of elite or praetorian guards that operate with impunity; Emergence of state-sponsored or state-supported private militias that terrorize political opponents, suspected "enemies," or civilians seen to be sympathetic to the opposition; Emergence of an "army within an army" that serves the interests of the dominant military or political clique; Emergence of rival militias, guerilla forces or private armies in an armed struggle or protracted violent campaigns against state security forces.

*The rise of factionalised elites* – Fragmentation of ruling elites and state institutions along group lines; Use of nationalistic political rhetoric by ruling elites, often in terms of communal irredentism, (e.g., a "greater Serbia") or of communal solidarity (e.g., "ethnic cleansing" or "defending the faith").

*Intervention of other states or external political actors* – Military or Para-military engagement in the internal affairs of the state at risk by outside armies, states, identity groups or entities that affect the internal balance of power or resolution of the conflict; Intervention by donors, especially if there is a tendency towards over-dependence on foreign aid or peacekeeping missions.

Source: Failed States Index, (2006h, online).

## **Appendix C – The CAST system**

### **Methodology Behind CAST**

The CAST methodology presents a framework for early warning and assessment of societies at risk of internal conflict and state collapse. The model can be used to enable the international community to take preventive action to stem conflict, prepare for peacekeeping and stability missions, assess conditions for sustainable security and provide metrics or measures of effectiveness for post-conflict reconstruction. For an example of how the methodology has been used, please see our Iraq reports.

The steps of the methodology are the following:

#### **1. Pre-Assessment Steps**

##### **To prepare for Conflict Assessment:**

- Collect relevant conflict data
- Develop a complete chronology of events
- Choose key dates for Trend Point assessment

#### **2. Rating The Twelve Indicators**

##### **The "What's Going On?" Step**

###### **Social Indicators**

1. Mounting Demographic Pressures
2. Massive Movement of Refugees or Internally Displaced Persons creating Complex Humanitarian Emergencies
3. Legacy of Vengeance-Seeking Group Grievance or Group Paranoia
4. Chronic and Sustained Human Flight

###### **Economic Indicators**

5. Uneven Economic Development along Group Lines
6. Sharp and/or Severe Economic Decline

## Political Indicators

7. Criminalization and/or Delegitimization of the State
8. Progressive Deterioration of Public Services
9. Suspension or Arbitrary Application of the Rule of Law and Widespread Violation of Human Rights
10. Security Apparatus Operates as a "State Within a State"
11. Rise of Factionalized Elites
12. Intervention of Other States or External Political Actors

Indicators measure the key social, economic, political and military conditions within a state at a given date.

### Basic Steps:

- Rate each indicator on scale of 0 (low intensity) to 10 (high intensity)
- Total ratings to get trend points
- Build aggregate and individual indicator trend lines

### 3. Assessing The Core Five

#### **The "What Have We Got to Work With?" Step**

Core Five assessment helps determine the capacity of core institutions to manage the situation at hand or a state's "capacity to cope".

For sustainable security, a state should have the following Core Five:

- A competent domestic police force and corrections system
- An efficient and functioning civil service or professional bureaucracy
- An independent judicial system that works under the rule of law
- A professional and disciplined military accountable to a legitimate civilian government
- A strong executive/legislative leadership capable of national governance



#### 4. Identifying STINGS

##### **The "What Else is Relevant?" Step**

STINGS are the unanticipated factors that act as catalysts to accelerate or decelerate the immediate risk of conflict

STINGS is an acronym used here to describe:

- Surprises (e.g., currency collapse)
- Triggers (e.g., assassinations, coup d'etats)
- Idiosyncrasies (e.g., non-contiguous territory, a deference to authority)
- National Temperaments (e.g., cultural or religious perspectives)
- Spoilers (e.g., disgruntled followers, excluded parties)

#### 5. Building a Conflict Map

##### **The "What's the Big Picture?" Step**

Plotting the course of the conflict for each significant date allows one to visually depict the potential for the conflict to turn violent or to be resolved.

Source: Failed States Index, (2006e, online).

#### ***Appendix D – Prime Ministers in PNG since independence***

September 1975 – March 1980	Michael Somare
March 1980 – August 1982	Julius Chan
August 1982 – November 1985	Michael Somare
November 1985 – July 1988	Paias Wingti
July 1988 – July 1992	Rabbie Namaliu
July 1992 – August 1994	Paias Wingti
September 1994 – March 1997	Julius Chan
March 1997 – July 1997	John Gihenu
July 1997 – July 1999	Bill Skate
July 1999 – August 2002	Mekere Morauta
August 2002 – Present	Michael Somare

Sources: Turner, (2001, p. 291); The World Fact Book, (2006, online).

## **Appendix E – Selected Election Statistics in PNG**

### **Sitting Members of Parliament returned 1992 – 2002**

	1992	1997	2002
Members returned	44	55	
(%)	(40)	(50.5)	(25)

Sources: Dorney, (1997, online);  
Griffin, (1997, p. 76); May, (2006, p. 164).

### **Number of Candidates 1977 – 1997**

	1977	1982	1987	1992	1997
Number of Candidates	879	1125	1513	1655	2372
Average per electorate	8.1	10.3	13.9	15.2	21.7

Sources: May, (2004, p. 4); Reilly, (2002a, p. 248).

### **Number of winning candidates receiving less than 20 % of votes 1977 – 1997**

	1977	1982	1987	1992	1997
Number of Candidates	11	24	41	54	62

Source: Reilly, (2002a, p. 248).

### **Number of winning candidates receiving less than 10 % of votes 1977 – 1997**

	1977	1982	1987	1992	1997
Number of Candidates	-	4	2	9	15

Source: Reilly, (2002a, p. 248).