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THE POOREST COUNTRIES ARE FAILING AND WHAT CAN BE DONE
ABOUT IT'
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Collier in Melanesia: A Discussion of Paul Collier's *The Bottom Billion – Why the Poorest Countries are Failing and What Can be Done About It*

Former director of development research at the World Bank and now Professor of Economics and Director of the Centre for the Study of African Economies at Oxford University, Paul Collier has written a broad and brave book on why one sixth of the world's population suffer long-term poverty and poor government, what can be done about it, and why it is in the interests of all nations to do something.¹ Collier's aim is to identify the 'traps' that ensnare and hold poor nations and the policies that are most likely to lead to their escape. His immediate concern is not with the millions of poor within rich and middle-level nations – the problems of opportunity and distribution. He is defining questions and presenting answers at the broadest level on other major issues of our time: how do citizens in the failed and faltering states begin to turn them into efficient and fair nation-states, and how do those in developed nations, multi-national organizations and non-government agencies transfer material and non-material aid to under-developed nations so that it has a measurable, beneficial effect. The quotes from the relevant and eminent on the back cover of *The Bottom Billions* make high claims: 'The best nonfiction book so far this year' (Nicholas Kristof), 'Path-breaking' (George Soros), and 'Should be compulsory reading' (*The Economist*). Given the topic, the recommendations, and its immediate relevance to international aid policy and practice, this is a book worth close examination.

In a study that draws its evidence from across the globe and offers analysis and answers for all donor nations, multinational agencies and recipients, it is inevitable that readers will check for accuracy against those bits of the globe familiar to them. So what does Collier say about Australia and the region?

Out of Africa

As Collier's scholarship and expert advice have been directed at Africa and many of the bottom billion live there, he properly draws most of his case studies from sub-Saharan Africa; but his few references to the southwest Pacific are not reassuring.² When giving the background to George Speight's 2000 attempted coup in Fiji, Collier says that after 'the better-educated and richer Indians became a small majority; in 1999 they elected an ethnic Indian prime minister, Mahendra Chaudry'. George Speight, Collier explains, 'began an armed struggle against the new government' with the slogan 'Fiji for the Fijians'.³ At the 1986 census there were marginally more Indians than Fijians but by the 1996 census there were some 50,000 more Fijians than Indians, and the number of Fijians relative to Indians was increasing. With the emigration of Indians stimulated by coups and rumours of coups, the shift in numbers quickly became more marked. By the 2007 census 55% of the population were Fijian, and Indians made up just 37%. Rather

than the Speight coup being precipitated by a new minority of Fijians, it has been argued that the increasing dominance of the Fijians has allowed them the luxury of competing among themselves. Divisions among Fijians have become more apparent in the recent coup led by Commodore Frank Bainimarama, but even as the Speight coup of opportunity was underway, Brij Lal claimed that Speight had 'carried out a coup against the Fijian establishment'.⁴ The basic demographic background, then, was the reverse of that presented by Collier, with ethnic Indians in relative decline. While Speight may have presented himself as a leader of Fijians fighting for Fijian interests, he was dividing Fijians, and it was Fijians who defeated him. And on a minor point: to say that Speight began an 'armed struggle' suggests an image different from the reality. On 19 May 2000 he entered the Fijian parliament with seven armed men, captured and held hostage Chaudry and thirty others - Speight's 'armed struggle' was essentially a confused and protracted negotiation of a hostage situation in which many of the other main players on both sides were senior civil and military Fijians.

After observing that 'electorates tend to get the politicians they deserve', Collier goes on to draw an optimistic conclusion, one of the last in the book. He points out that democracies 'for years' went through the 'political business cycle'. Governments controlled national accounts and could spend immediately before an election, artificially boosting the economy, but 'electorates wised up to what was happening' and 'politicians now rarely try it'. That, Collier claims, 'is the sort of learning' necessary among the electors of the bottom billion.⁵ But Australian governments have consistently spent generously in election years, and that is within a tight three-year election cycle. Before the November 2007 election the Howard government spent and promised in apparent defiance of a national economy that was pushing inflation targets and increasing pressure on interest rates. The opposition almost matched the government's real and planned expenditure, but its last minute claim to virtue (committing a slightly lower total) may end - or perhaps moderate - the election-induced cycle of government restraint and largesse. Perhaps, as Collier suggests, the bottom billion will be quick learners, but the way Australian voters have repeatedly grabbed for the proffered fistful of dollars suggests he is optimistic.

Foreign Intervention and the Evidence from Melanesia

Collier claims that the toughest argument he has to make is that 'external military intervention has an important place in helping societies of the bottom billion'.⁶ Armed intervention is, alongside aid, laws and charters and trade, one of the four basic 'instruments' that Collier wishes the world to exploit to begin closing the gap between the poorest and those already escaping the development traps. He notes the failures of intervention: Somalia, Rwanda, Srebrenica (in 1995 when the international force was impotent), the Democratic Republic of Congo, and Iraq. And he fears that the extent of the costs, loss of life and long-term damage in Iraq may have made it less likely that foreign intervention, an effective instrument, will be used. As evidence of the value of intervention he cites the case of Sierra Leone, where a small British force of less than a thousand quickly made a difference. He concludes 'So we should intervene, but not necessarily everywhere'.⁷

For Australians, who have some knowledge of interventions following armed interventions in East Timor and Solomon Islands, peace monitoring in Bougainville and having police and military personnel working alongside Papua New Guinean colleagues, Collier offers little practical advice. Australia has generally acted in ways that Collier would approve: it has intervened at the request and with the support of majorities, drawn together an international force, and - as far as possible - made it clear that it is not after resources and will withdraw as soon as possible. But that does not help decide critical questions or avoid the many problems that accompany intervention. Collier suggests that the military will be required to stay for a decade in 'post conflict societies', any longer than that 'and citizens are likely to get restive'.⁸ Although he is right to state that intervention is likely to be long term, he is wildly optimistic in his belief that it will take ten years for opposition to assert itself. In both Timor and Solomon Islands, resistance occurred well within five years, forcing a second deployment of an armed force. Interestingly, the pattern in Australian deployments has become one of an initial combined army and police group, with the police taking the dominant and long-term role as soon as the threat of armed resistance has declined.

Australia's limited experience suggests there will be few cases where it will be possible to send the troops to rescue the good guys (Collier calls them the 'heroes'), establish them in power, and support them with aid so that after a decade permanent improvement will have been established. In Melanesian parliaments the largest party may hold just a quarter of the votes and more than a dozen other parties may have contested the election. (In the 2007 general election in Papua New Guinea there were some thirty-two parties.)⁹ Many of the parties securing seats had just one or two members and one of the largest groups in the house is likely to be independents. In the 2006 Solomon Island elections independents won thirty of the fifty seats. In 2007, 1478 independent candidates stood for election in Papua New Guinea - nineteen were elected in the 109 seat house, but three winning independents quickly joined parties.

Gathering and holding a majority in a Melanesian parliament starts from this fragmented base, but an aspiring prime minister faces a much harder task than does his (and it's always 'his') counterparts in western democracies, where the electoral system and history result in coalition governments. In western nations, parties stretch across a spectrum from left to right, from Marxists to neo-fascists, and the ruling coalition is normally formed from the groups somewhere near the centre, moving slightly to either side. In the Melanesian countries, parties - in spite of names such as 'People's Labour Party', 'Melanesian Liberal Party', 'Papua New Guinea Conservative Party' - are only marginally related to ideology or even to policy. In countries where perhaps 25% of the population of primary school age have no school and 70% have no chance of getting into years seven to ten at secondary school, it is no wonder that education policy can be reduced to promising a school - or health policy to access to an aid post equipped with a few basic drugs. While the *Papua New Guinea Organic Law on the Integrity of Political Parties and Candidates* requires parties to have at least 500 members, a registered executive and file a financial return, there is little evidence of popular membership, public knowledge of funding, or branch members forming policy or selecting

candidates.¹⁰ Surprisingly, given the division of Melanesian nations geographically and culturally, parties are generally not tied to a particular place or community. In Papua New Guinea, colonial history in creating a sense of ‘Papuanness’ has been at least as influential in creating an area base for political groups as geography or culture. Most members owe their election to their personal standing and to their membership of a dominant clan or cultural group, or their capacity to bring together communities already having pre-colonial ties.

In Papua New Guinea the *Organic Law on the Integrity of Political Parties and Candidate* requires members to remain with the party they have joined unless the party itself has committed a serious breach of its responsibilities, and members must vote according to the party majority on the budget, the constitution and motions of no-confidence in the government. Such constraints do not apply elsewhere in Melanesia.¹¹ In either case, where there are many parties and independents, the problem of forming a government and maintaining a majority – and a quorum – in the house remains. The absence of strong popular support for parties, weak non-parliamentary structure and a loose commitment to a philosophy and policy, means any combination of parties and independents may come together to form a government. That leaves aspiring prime ministers with few ways of attracting followers, and there are no sticking points on foreign, environmental or health policies or moral issues such as abortion or gay rights. A potential prime minister can offer positions as ministers and vice-ministers, parliamentary secretaries, positions on committees and as executives on various government boards, government funded projects in a member’s electorate (advantaging those particular groups who voted for a member), and material and cash that the member himself can disperse. The consequence is increasing numbers in cabinet (in Solomon Islands the ministers make up half the parliament) and schemes that place public money in the hands of members of parliament rather than public servants.

The amount of money vulnerable to those who want to grasp or divert it is extensive. Transparency International (PNG) chair, Mike Manning, claims that over a third of the six billion kina Papua New Guinea budget is ‘stolen’ each year by corrupt politicians and bureaucrats.¹²

The intensity of the process of putting together a government is apparent in the drama after each election when ambitious leaders gather winning candidates and isolate them from counter offers. An offshore boat has been used to corral winners, and in 2007 the Sir Michael Somare-led National Alliance had members flown into Tokua airport east of Kokopo on New Britain. Some members were picked up at their home airstrip and escorted to the ‘Hideaway camp’ south of Tokua.¹³ When governments have changed between elections, the drama of collecting and holding a majority has been intense. During the 2007 attempts to unseat Prime Minister Manasseh Sogavare in Solomon Islands, both sides accused each other of buying and forcing members to change their votes. On the eve of defeat, the Sogavare government claimed that the Minister for Communications, Johnson Koli, holding a critical vote in the parliament, had been kidnapped by the opposition while attending a funeral. In the event, he seemed to vote freely with the opposition and was on his way from one government to another.¹⁴ James

Tora said he had been offered \$250,000 to vote with the Sogarave government, but he had put his 'country first'.¹⁵ After the initial vote of no-confidence had succeeded, the opposition shifted to Savo Island to hold their group together before they proposed Derek Sikua, previously a minister in the Sogavare government, as the new prime minister.¹⁶ When Bill Skate's Prime Ministership was under threat in Papua New Guinea in 1999, he brought his followers together at the Smugglers' Inn in Madang and offered the Prime Ministership to John Pundari as an inducement to stay in the Skate camp. It all seemed tied up and the Skate group moved back to the Prime Minister's residence at Port Moresby. But one mobile phone in the hands of an unreliable supporter was operating and it was exploited by Mekere Morauta's opposition group. A new deal was done, and the next day Morauta and Pundari walked into the parliament arm-in-arm. That was the first indication to many in the Skate government that a change was about to happen, but within minutes most had joined the Morauta march to a new government.¹⁷ Without obligations to an ideal, election promises, a party platform or an electorate committee – except to shift government largess in their direction – they were not only free to change, but knew that their voters wanted them to be close to where decisions were made. In Solomon Islands politicians moved to support Sikua after the no-confidence motion was passed, and on the vote that he should be the next prime minister he won thirty-two to fifteen.¹⁸

As Somare was putting together his alliance after the 2007 election in Papua New Guinea, the 'catchcry of the newly elected members' was said to be 'I want to be in the Government so that I can deliver services to my people'.¹⁹ While the question of who was to form government was still undecided, the uncommitted could bargain. In one case a newly elected independent:

wrote to NA [National Alliance] outlining his conditions for joining their party. The list was that of high impact projects in his electorate which he wants funded if he joins the NA camp and they get into government. The response was swift. He got the 'yes' answer and has since joined the NA as a member.²⁰

But if members are to get into government they have to pick the likely winner and, as the National Alliance looked closer to gathering a majority, it attracted more followers. Soon there were reports of at least fourteen parties being represented at the National Alliance 'Hideaway'. Presumably those making a late decision to join had diminished bargaining power.

Apart from altruistic claims to serve their electors and nation, many members expect personal gain. When a by-election was held for the National Capital District seat in July 2006, the winner had just ten months to serve before a general election was due. Yet, Transparency International reported, 'something in the order of a million kina' was being spent on a campaign and candidates and their supporters were fighting 'violently and viciously' and in the courts.²¹ If candidates thought that the winner would have an advantage in the general election they were defying trends in previous elections. As it turned out, the winner of the by-election was defeated in the following general election. The obvious conclusion was that candidates thought ten months as a member of

parliament was worth a lot of cash and enduring a tough, bitter contest.²² Something of the power and potential spoils available to the winner can be gauged from the fact that the winner of the by-election succeeded in putting forward legislation that gave him control of the 100 million kina a year National Capital District Commission budget.²³ By May 2007 Transparency International was asking what had happened to 26 million kina improperly reported in the Commission's papers.²⁴

At the end of a drawn-out case about the winner of the Wabag Open seat in the 1997 election, the Supreme Court provided another measure of the value of a seat in the Papua New Guinea parliament. Takai Kapi was initially declared elected, but his win was over-turned in the courts. After several appeals, the Electoral Commission offered him a million kina in compensation. Still dissatisfied, Kapi continued to pursue his case in the courts. By the time three judges of the Supreme Court made their ruling in 2007, Kapi had died and his father was acting on his son's behalf. The judges decided that the Electoral Commission, having failed in its duties, should pay Kapi senior 3.5 million kina.²⁵ Given that Takai Kapi's death was not said to be caused by the initial election decision and the judgment could have had little to do with earnings over an expected life, the judges must have made a ruling about the objective and subjective value of a single term – or an incomplete term - in parliament.

A basic understanding of some of the ways that Melanesian governments operate is essential to those contemplating intervention in the region. The very way that governments are created and supported establishes corruption – of the distribution of state assets and often of the members themselves. Those few ministers who are themselves uncompromised must work alongside those who are, and if the opposition wins power it will also have to include ministers and supporters from the previous government. Some nine ministers left the Sogavare cabinet in December 2007 to force a change of government in Solomon Islands, and moved into their old or new ministries in the Sikua cabinet. Nearly all leaders who lose power, even lose their own seats, remain important public figures and may well return to office. Somare and Sir Julius Chan, who were prime minister and deputy at independence in 1975, led the two contesting groups for the prime ministership in 2007, and only death has removed other ex-prime ministers from returning or aspiring to return to leadership. Sikua's cabinet includes three ex-prime ministers. A new government is a re-shuffling of many of the same people from the previous government – and ones previous to that. A new government includes those who have been publicly named as corrupt and even those who have been convicted; it includes those who have been formally and personally opposed in the past; it changes rank order so that those who were once first among equals return less than equal; and a few who have never been in cabinet are given their first opportunity.

In conditions when foreign intervention is likely to be justified, the scramble for government assets, the violation of process and the use of intimidation and mob violence increase, involving most members and senior government public servants and law enforcement officers in crimes that are well known to the public. There are heroes, but too few of them to run a state. In Melanesia, intervention is likely to be in support of less than heroes and deals will have to be done with rogues. The tainted and a few of those

guilty of gross corruption will return to the parliament and to office in the post-intervention election.

Democracy and Restraints

Collier stresses the importance of checks and balances – the ‘restraints’, such as ‘an independent judiciary, an independent press and suchlike’.²⁶ ‘If’, Collier says, ‘any restraint is important, it is surely a free press’.²⁷ No one is likely to argue that a free press is desirable. What is open to doubt is the effectiveness of a free press in restraining corruption and inefficiency. Although under stress at times, the Pacific Islands have generally had a free press.²⁸ In the deteriorating Solomon Islands of 2002, journalists were attacked by politicians, armed gangs demanded favourable reporting and cash ‘compensation’ for unfavourable, and the government-funded radio station was unfunded. In Fiji, the press has been intimidated and curbed since the Commodore Frank Bainimarama-led coup, but discussion – albeit limited and in a climate of unease – on Fiji’s future continues. During the chaotic coup led by George Speight in 2000, the Australian journalist Rowan Callick recalled that Speight supporters ‘shot up the TV station, ... a security guard died of a heart attack’, and shots were fired in the lobby of the hotel where he was filing copy.²⁹

Those times of coups and governments descending into competitive lawlessness aside, the Melanesian media have been free, even aggressively independent, but a free press has not been an effective restraint on corruption. A free media existed before and during the growth of corruption in Papua New Guinea. The Transparency International Corruption Perceptions Index for 2007, which ranked Papua New Guinea at 130 among 163 listed countries, was reported frankly by the Papua New Guinea media. Included in media reports were damning quotes from the local Transparency International spokesman who listed national shortcomings: ‘the misuse of public funds, fraud, dishonesty, wantokism, stolen money, failure to keep proper accounts, conflicts of interest, questionable public appointments to positions of trust ...’.³⁰ Other examples of gross and minor corruption are often reported: ‘K30 million Sepik funds wasted’; ‘K700m leaves no trail’; ‘Ghost teachers on education payroll’,³¹ and ‘Call to probe dubious health dept tenders’.³² Some reports are specific, providing names of people and departments, but others are more discrete. In an editorial condemning the politicising of the public service, the *National* said that after Papua New Guinea’s mid-2007 election ‘One department head has rolled into the waiting basket beneath the political guillotine. Worse, the appointed replacement has allegedly displaced more than 40 public servants within the department concerned ...’.³³ All those with even a passing interest in events in the government offices of Waigani know which department and which officers were the subject of the editorial.

Those who are exposed in the media make their displeasure known. The Papua New Guinean journalist Joe Kanekane has noted times when he and his fellow reporters suffered legal action, threats and violence, and been offered bribes.³⁴ Rowan Callick has recorded two occasions when he was threatened over corruption cases in the Pacific, once by an Australian businessman and once by a Papua New Guinean government minister.

In neither case was he deterred. At other times, the pursuit of particular cases has been impeded or blocked, but the general independence of the media has been maintained. In parliament, politicians have protested against what they see as a negative and irresponsible media and foreshadowed legislation to 'guide' the press. Most recently, the Somare government has engaged experts from Singapore to provide advice on setting up a state-owned television station and he has expressed interest in a state-owned newspaper or government support for Papua New Guineans willing to invest in a newspaper.³⁵ Somare's stated reason for favouring Papua New Guinean owned media is to provide competition for the foreign owners. With both daily newspapers, the one television station, and some radio stations owned by Australian, Malaysian or Fijian based companies, he has a point; but given the previous attacks on the media for being negative and the attraction to examples of state-influenced media, scepticism is also justified.³⁶ Patrick Tammur, Minister for Communication and Information, when calling for a review of policy stated the government's preference for the National Broadcasting Corporation to run a television station and promised wide public consultation.³⁷

Other 'restraints' on Melanesian governments have also operated with varying degrees of vigour. In fact, the media, with limited funds and few experienced journalists, has often drawn on revelations from state-funded guardians of law and process. The Papua New Guinea Ombudsman, the Parliamentary Public Accounts Committee and the Auditor-General often report corruption, although the Auditor-General has complained he has insufficient resources and he cannot provide reports for departments and agencies that do not produce financial statements and whose accounts books and records lack information.³⁸ The judiciary and occasional committees of inquiry have also provided frank assessments of government probity. Both came together when Judge Gibbs Salika chaired the Papua New Guinea Defence Force Board of Inquiry into the escape of Julian Moti from Papua New Guinea to Solomon Islands. In his report Salika provided details of laws and protocols ignored and funds spent without authority or acquittal. He concluded that named officials, from the prime minister down, had a case to answer. Subsequent court cases have generally supported the integrity of the inquiry.³⁹

Most disclosures of corruption have led to no convictions, and where they have, they have not led to improved government performance or to permanent impediment to careers. There is even an acceptance of impotence in some media revelations. In a strong editorial in which it wrote of a 'show of outright contempt' for the public, the *National* revealed that Papua New Guinea parliamentary committees, most of which did not meet through the previous year, had decided to allocate themselves half a million kina a year, cars and other benefits. But, the *National* conceded, another committee, the Salaries and Remuneration Committee, and the parliament would accept the payments and perks 'without a murmur of dissent'.⁴⁰ Sean Dorney has noted that the Ombudsman Commission 'forced at least ten members out of parliament in the early 1990s'.⁴¹ But several returned at subsequent elections, the most notable case being that of Ted Diro, former Minister and Deputy Prime Minister, who was found guilty of seventy charges of misconduct requiring his dismissal from the parliament - he was one of those subsequently re-elected.⁴² Peter Masi, former Ombudsman, has observed that there have been some thirty commissions of inquiry since 1966, and he argues that those concerned

with fighting corruption should conclude that ‘so far, PNG has gained and learnt nothing about good governance’.⁴³ Masi also makes it clear that he values the commissions of inquiry and the Ombudsman Commission (which he calls a permanent commission of inquiry) and pleads for adequate funds and staff for the commissions and the end of government ‘pulls and pushes’ that restrict their independence.

The various ‘restraints’ such as a free media, an independent judiciary, uninhibited parliamentary debate and public reports from the ombudsman, official enquiries, the auditor-general and committees of the parliament, are all valuable, and governments attempts to curb them are to be resisted. At least in parts of Melanesia, all have operated most of the time freely and, sometimes, aggressively. For most of that time corruption has increased to the point where Papua New Guinea has descended to among the bottom nations on international measures of corruption. And, by 2003 in Solomon Islands the contest for the misappropriation of assets was the dominant function of central government. While restraints are a necessary part of good government, they do not necessarily ensure good government.

In a series of shrewd observations, Collier claims to show how democratic governments are at risk in undeveloped, resource-rich countries.⁴⁴ Elections result in intense competition and politicians look to find the most cost effective way to attract votes. In resource-rich countries, Collier says, politicians can try to secure votes by providing public services or bribery – the ‘politics of patronage’. Buying votes is more cost effective where the party seeking office can negotiate with a few influential leaders:

Voting in blocs at the behest of such leaders is most likely where voter loyalty to ethnic communities is strong and where the objective information available to the typical voter is weak. These are, unfortunately, typical in the societies of the bottom billion. Indeed, we found that the more ethnically diverse, the worse the performance of a resource-rich democracy.⁴⁵

To continue to buy votes and run the patronage system, the government has to be able to shift public monies to ‘slush funds’. Where corruption and patronage are established, ‘democratic politics then tends to attract crooks rather than altruists And so we arrive at the law of the political jungle: the survival of the fittest’.⁴⁶

Resources, Patronage and Ethnicity

Some of Collier’s characterisation of the resource-rich, poor democracies is familiar to those who have observed recent Melanesian politics, but the Melanesian states operate in ways that have little to do with the ‘patronage politics’ described by Collier. Firstly, it is not possible to control an election by bribing a ‘few opinion leaders’. In Papua New Guinea, the most obvious case of a resource-rich Melanesian state, there is no nation-wide presidential election. In a modified Westminster system, voters have two votes, one for a single member local electorate and one for the single member provincial electorate. Very few leaders can deliver votes outside their home electorate and it is doubtful if any have more than marginal influence outside their province. As pointed out

earlier, the National Alliance (led by the best known and most successful politician, Somare), could not win more than a quarter of the seats in the parliament, and the second most successful party gathered less than one tenth of the total seats. Election results are unpredictable. The National Alliance tried to select strong candidates and support them, but most National Alliance candidates failed. Half of all sitting members lost their seats in the 2007 election, and more than half lost their seats in the previous general election of 2002. Such volatility is incompatible with a 'few opinion leaders' delivering bloc votes.

Secondly, while the elections in many seats have been corrupted, the illegalities and inefficiencies have been local. For example, in one sitting member's electorate the numbers on the roll in his home area increased from 2800 in 2002 to 10,000 in 2007; in another electorate some 15,000 thought they had enrolled but only 2800 names appeared on the roll. Independent witnesses said that in some candidates' campaigns 'bribery and intimidation' had a 'strong role'; under-age boys voted; people voted more than once, a process made simple by voters having more than one ballot paper; voters' names were not marked off the roll when they voted; many 'random' people were inside polling booths, observing procedures and filling out ballot papers for voters; and there were 'widespread reports of vote-buying'.⁴⁷ In nearly all cases the threats, violence and irregularities of process were a result of particular candidates and their supporters exploiting deficiencies in administration and law enforcement, or overwhelming or subverting the best efforts of electoral officials. The intense electoral competition was between the many candidates contesting each electorate, rather than between national leaders or parties. Some voters and intimidators moved outside their home electorates, but again this was likely organised locally, not nationally.

This contrasts with the 2007 election in Uzbekistan, another country benefiting from high commodity prices and ranking just below Papua New Guinea on international corruption rankings. In the nation-wide election for president, Islam Karimov won with 88% of the vote, the next best candidate received 3%, and over 90% of potential voters turned out. The figures were incredible, and independent observers said that the whole process was rigged.⁴⁸ While Uzbekistan has tightly controlled, centralised corruption of a nation-wide election, Papua New Guinea has highly competitive, unpredictable elections with corruption varying in type and prevalence from electorate to electorate.

Collier makes a quick transition from noting that voting in blocs at the behest of leaders is most likely where voters are loyal to 'ethnic communities' to concluding that 'the more ethnically diverse the society, the worse the performance of a resource-rich democracy'.⁴⁹ The independent Melanesian countries of Papua New Guinea, Solomon Islands and Vanuatu are among the most ethnically diverse nations in the world. When it comes to measures of democracy their records are less than perfect but they are certainly not among the worst in the world. It is in part the ethnic diversity of Papua New Guinea that prevents any leader commanding bloc votes beyond his own electorate: the ethnic communities are simply too small. The Melanesian states may be the *reductio ad absurdum* of the idea that increasing ethnic diversity leads to worsening of performance. Also, in Melanesia the assumption that people vote along ethnic lines understates an already exceptional fragmentation of voters.

One simple measure of ethnicity in Melanesia is language, and diversity is often illustrated by pointing to the 800 languages in Papua New Guinea or to the 100 in Vanuatu, the world's most linguistically diverse country per capita. Ethnic identity as manifested by language affiliation matters in elections, but within larger language groups there are clear divisions. In those electorates dominated by one language group there are many competing candidates and many parties are represented. In the six electorates in Papua New Guinea's Enga Province, where most people are Enga speakers, some 140 candidates contested the 2007 election, right on the national average for the number of candidates per electorate. Nationwide, the bloc vote that strong candidates can rely on is perhaps 5000; and much less for those candidates in the middle of the field. The ties that bind the bloc are personal, family, clan and traditional alliances among clans rather than ethnicity.

The voters in the small blocs attached to candidates are both ill-informed and largely indifferent to their representative's behaviour in Port Moresby, except when that behaviour reduces the capacity of their representative to provide them with the goods and services that they want. This is why media or public enquiry revelations of corruption have little impact on them. The winning candidate is more at risk from rivals within his own voting bloc who aspire to replace him, and to rivals from elsewhere in his electorate who will be trying to put together a coalition of blocs to defeat him. So neither the narrative nor the analysis that Collier applies to the bottom billion is relevant to Papua New Guinea. There are no leaders who can deliver nationally significant voting blocs; the ethnic fragmentation does not necessarily increase the threat to democracy; voting blocs and corruption of elections are local not national; an independent media and other monitoring agents are ineffective 'restraints' on corruption; and members of parliament are not bound by the politics of patronage because they do not owe their election to a nationally significant patron.

* * * * *

Traps, Conditions and Concurrent Afflictions

While it is possible to draw attention to misconceptions and exceptions in the island states of most relevance to Australia, Collier's summaries of a vast range of material, his familiarity with recent research and specific cases, his main argument and his many side observations, make his brief and easily read book valuable to those considering and implementing aid policies. With Francis Fukuyama's *State Building*, there are now two accessible, condensed accounts, one from an economist and one from a political scientist, of how best to help those states that are 'falling behind and falling apart'.⁵⁰

Collier is primarily concerned with four 'traps' which he says afflict many states of the poor: 'the conflict trap, the natural resources trap, the trap of being landlocked with bad neighbours, and the trap of bad governance in a small country'.⁵¹ But these categories have problems of definition and association. Being landlocked is a permanent condition. 'Trap', which implies something which is entered, is constricting, but may be avoided or

escaped, is an inappropriate metaphor. Governments may offset the handicap of being landlocked and the international community should be sympathetic to the infrastructure needs of the landlocked, but being landlocked, like being dry, mountainous, tropical or subject to cyclones is one of the defining characteristics of a country that comes at the start of its entry to any guide to nations of the world. (Incidentally, the most remote of the Pacific Islands suffer from being ocean-locked, and that too is a permanent condition - except for the most low-lying which in the event of melting polar caps may well be ocean-washed.)

The problem of association raises a different issue. Among the poorest nations where, as Collier says, life expectancy is low and infant mortality and malnutrition high, governments are likely to be weak. They obviously cannot provide adequate health services or ensure that the people have sufficient food.⁵² Governments that are weak, have limited or no authority in various parts of the country and do not meet the most basic expectations of the people are likely to suffer from lawlessness and may well be torn by civil war. The unrest can be like the banditry and clan warfare that exists in parts of the Highlands of Papua New Guinea, or the clash between the Isatabu Freedom Fighters and the Malaita Eagle Force in Solomon Islands, or the protracted and confusing war on Bougainville. The same weak governments that are riven by corruption cannot provide basic services to many people, whose citizens suffer lawlessness from petty crime to encountering fellow citizens armed with automatic weapons. They are also least able to use effectively windfall revenues from the mining or timber industries, or from a sudden rise in the price of coffee or other crops, or from a generous aid package. Such income is likely to: intensify competition to get into office and control the revenue; increase the amount being siphoned into private accounts, many held overseas; allow the government to postpone necessary reforms; inflate the currency to the detriment of other exporters and the urban poor (who are likely to be dependent on imported food and clothing); and distort incomes so that a small elite becomes very wealthy. Poverty, poor governance, corruption, problems of law and order that extend into coups and civil wars, and the resource curse are all likely to be associated. To separate these into four traps distorts the extent to which they are concurrent and associated. It is more productive to think of them as neither separate nor joined as cause and effect, but as mutually sustaining.

Statistics and Other Ways to Knowledge

In his research, Collier puts great faith in statistics. Our notions about the poorest countries are, he says, distorted by crude popular images, 'And my image smasher is statistical evidence'.⁵³ Many of his conclusions, based on what can be counted or measured, are important even where they are confirmations of what might be expected: the lower the income of a country the longer a civil war is likely to last; if there has been one war there is a high chance of another; there is no relationship between ethnic diversity and civil war but there is between ethnic dominance and civil war; in Chad a survey tracking money intended for rural health clinics found that 1% reached the clinics; the flight of capital and the exodus of the educated from the poorest countries can be measured; a failed state is likely to be failed for a long time – the probability is fifty-nine

years; 'democratic rights' do not reduce the risk of civil wars or coups; in resource-rich countries autocracies outperform democracies; and aid competes with exports. But the problem with his many assertions supported by statistics is that they are not always helpful when specific cases are considered. Statistics often depend on arbitrary decisions and homogenisation. In any definition of civil wars some terrible events are included and some are not. Have there been civil wars in East Timor, Bougainville, Solomon Islands and the Highlands of New Guinea? – well, it depends on the definition. But once the definition is decided then all civil wars are equal as we measure how long on average they last and how often they recur. But of course one civil war is not like another. The civil wars in Indonesia, Rwanda and Bougainville were so profoundly different that knowledge of one is little help in understanding another. The generalisations are important – often arresting – but the detailed work within countries and communities still has to be done.

The praise and use of statistics has led to a neglect of other methods of answering questions.⁵⁴ There are few references to the findings of anthropologists, geographers, historians, political scientists and sociologists. If we want to know about corruption then we should exploit any available statistics, but we should also draw on the observations that can be made by someone who has read through the relevant files of parliamentary committees and inquiries or obtained the confidence of a group of public servants or parliamentarians and interviewed them at length. Our 'agenda for action' might benefit from studies by those social scientists who have lived among a group of small farmers or alluvial miners in a nation of a bottom billion, learnt their language and can set out what those men and women lack, want and which can be delivered and have a realistic chance of bringing about permanent improvement. A whole of scholarship approach is as important as whole of government.

Charters and a Better Way

Collier presents a convincing case that it is in the interests of all of us to raise the incomes and improve governance in the nations of the bottom billion. He also advocates ways in which he thinks that donor governments and agencies can be most effective. In his final chapter, 'an agenda for action', Collier returns to the four instruments that are available to prevent 'avoidable catastrophe': 'aid, security, laws and charters, and trade'.⁵⁵ Of these, he says, aid has been used badly, and the others rarely. When he comes to consider how to break out of the four traps he has identified, he puts forward several propositions, but the one that recurs is that of the 'charter': he lists five: for natural resource revenues, democracy, budget transparency, postconflict situations, and investment.⁵⁶ By charters he means written documents which become internationally accepted norms. For example, he suggests that for postconflict situations there should be a general charter that commits donors and foreign security forces for a long period and commits the recipient country to reduce spending on its military, have a transparent budget, and meet other requirements of good governance. It would be clear that the postconflict government has to make 'minimum acceptable progress before untrammelled sovereignty' is granted.⁵⁷

While it is desirable to draw upon the knowledge of several interventions to draw up a general charter rather than have the rules set ad hoc by whoever holds the initiative (and power), there are problems with charters. Collier admits, as others have, that aid with conditions attached ('policy conditionality') was a 'pretty hopeless failure'; but a charter faces some of the same problems.⁵⁸ Firstly, it has proved difficult to persuade all donors to accept the conditions. Collier concedes that it would be difficult to get the United Nations to sponsor a charter on governance, as China, 'concerned to head off any suggestion that democracy ... be an international standard', would use its veto in the UN Security Council.⁵⁹ If a major nation in trade and resource extraction is not going to sign-up, companies and individuals more concerned with profits than morality (international traders in armaments come to mind) do not conform, and some soft-hearted donor groups feel obliged to keep giving, then the force of the charter will be weakened. Secondly, governments of the bottom billion may agree to the charter but fail to carry out their side of the bargain. They may be deliberately evasive or simply lack capacity. The logging of rain forests continues in countries with excellent protective legislation because it is not in the interest of the overseas companies or key government officers to stop it, and those sections of the government that are supposed to monitor the industry lack capacity. There is no lack of moral suasion and documents.

There are other problems with charters. Where a state is in a most desperate situation – it is ruled by a cruel tyrant, wrecked by civil war or completely failed – then there is no government to enter into a contract or no government that the intervening forces wish to join in an agreement. If a new government is established without an election then it has limited legitimacy; if it is established through free elections (and Collier and others doubt that elections soon after intervention are desirable) then it is likely, especially at times of crisis, to claim the right to speak on behalf of those who elected it. And in most of the charters, Collier places faith in the capacity of informed citizens to monitor their government, but as has been argued earlier, an independent media, revelations of commissions of inquiry and even the charging and convicting of elected and appointed officials in Papua New Guinea has not arrested the growth in corruption, let alone reduced it.

Conclusion

To focus attention on the poorest nations, remind the world that these nations contain one billion people and that the five billion who live in wealthier countries have an obligation and self-interest to try to help those at the bottom is commendable. We need frequent reminders. Paul Collier has written with clarity and vigour and in prose free of jargon. His work will reach – reach out – to many. His canvassing of the main issues, his determination to cut through simplistic explanations and solutions put forward by romantics and tough-love realists, and his searching for objective evidence are all commendable. Through his presentation of the four traps he has advanced analysis and he goes on to make practical suggestions about what to do. For scholars and practitioners in the Southwest Pacific, a region of marginal concern to his main argument, Collier's work is of limited value. He has some errors of fact and the fragmentation of Melanesian communities – and politics – deny his propositions about ethnicity and patronage. Most

significantly, the relationship between Melanesian leaders and an independent media, judiciary, ombudsman and other monitoring agencies throws doubt on the efficacy of transparency to curb corruption and promote good governance. Much that Collier advocates – such as the use of charters – is desirable, but we must accept that in some circumstances they will have slight impact. In the search for answers to the fundamental questions of how to transfer aid effectively and how to improve governance and wealth in the poorest nations, we are increasing our knowledge of what does not work and still feeling our way towards what will work. Currently, there are few generalisations that we can confidently apply across national borders: we are dependent on close knowledge of particular communities and nations. We always will be, but we can hope for increasingly accurate generalisations within which particular country policies can be framed and applied.

Endnotes

- ¹ I am indebted to Nancy Krause for her editing. My colleagues at SSGM removed errors and added shrewd comments.
- ² Collier does not name the fifty-eight countries that he identifies as the homes of the bottom billion, but he does consider the case of Papua New Guinea. Although he knows that there is much doubt, he thinks Papua New Guinea is 'heading for success' and so he gives it a ranking just above fifty-eight. The islands of most relevance to Australia are by ranking and population marginal to his study.
- ³ Paul Collier, *The Bottom Billion: Why the Poorest Countries Are Failing and What Can Be Done About It*, Oxford University Press, Oxford, 2007, p.24.
- ⁴ Brij Lal, "'Chiefs and Thieves and Other People besides'": The Making of George Speight's Coup', *Journal of Pacific History*, Vol 35, No 3, 2000, p.281.
- ⁵ Collier, p.192.
- ⁶ Collier, p.124.
- ⁷ Collier, p.128.
- ⁸ Collier, p.177.
- ⁹ Within one nation at one election a political scientist could have make a study of the terms recurring most frequently in the names of political parties: 'People's' or *Pipol* has an easy win over 'Papua New Guinea', 'National', 'United' and 'Melanesian'.
- ¹⁰ Andrew Trawen, Electoral commissioner, Papua New Guinea, 'Improving the Quality of Election Management', paper presented to a conference, New Delhi, February 2005, conceded that the laws on financial disclosure were not followed up from 2002 as there was to 2005 neither the funds nor the administrative means to do so.
- ¹¹ Jon Fraenkel, 'Political Consequences of Pacific Island Electoral Laws', *State Society and Governance in Melanesia*, Discussion Paper, 2005/8, sets out the laws relating to all the Pacific Island states.
- ¹² Scoop New Zealand News (www.scoop.co.nz) 6 December 2007.
- ¹³ *Post-Courier*, 3-4 August 2007.
- ¹⁴ *Australian*, 12 December 2007.
- ¹⁵ *Solomon Star*, 21 December 2007.
- ¹⁶ *Canberra Times*, 17 December 2007.
- ¹⁷ S. Dorney, *Papua New Guinea: People, Politics and History since 1975*, ABC Books, Sydney, 2000, p.69.
- ¹⁸ *Australian*, 21 December 2007.
- ¹⁹ *Post-Courier*, 3-4 August 2007.
- ²⁰ *Post-Courier*, 3-4 August 2007.
- ²¹ *Post-Courier*, 20-22 July 2006.
- ²² The by-election was won Wari Vele and the 2007 election by Powes Parkop.
- ²³ Media Release of Sir Mekere Morauta, 30 November 2006.
- ²⁴ Media Release of Transparency International (PNG) Inc, 30 May 2007.
- ²⁵ *Post-Courier*, 5 December 2007.
- ²⁶ Collier, p.47.
- ²⁷ Collier, p.48.
- ²⁸ www.freedomhouse.org and the International Press Institute (www.freemedia.at/cms/ipi_detail.html?country) provide surveys.
- ²⁹ *Australian*, 31 December 2007.
- ³⁰ *National*, 28 September 2007.
- ³¹ *National*, 22 April 2007; *Post-Courier*, 6 September 2007; *National*, 8 March 2007.
- ³² *National*, 27 December 2007.
- ³³ *National*, 13 September 2007.
- ³⁴ Joe Kanekane, 'Challenges in Reporting Corruption in Newspapers', David Kavanamur, Charles Yala and Quinton Clements, editors, in *Building a Nation in Papua New Guinea*, Pandanus Books, Canberra, 2003, pp.107-13.
- ³⁵ *Post-Courier*, 19 December 2007.
- ³⁶ See *Sydney Morning Herald*, 17 November 2003, for a proposal to ensure 51% Papua New Guinea ownership of the media arising from accusations that the media concentrated on government failures.

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- ³⁷ *National*, 28 December 2007.
- ³⁸ *National*, 26 October 2007.
- ³⁹ H. Nelson, 'The Moti Affair in Papua New Guinea', *State Society and Governance in Melanesia Working Paper*, 2007, <http://rspas.anu.edu.au/melanesia/>
- ⁴⁰ *National*, 4 January 2007. Letter writers supported the editorial.
- ⁴¹ Dorney, p.275.
- ⁴² Dorney, p.276. Diro was then defeated in the 2002 election.
- ⁴³ *National*, 27 December 2007, letter to the editor.
- ⁴⁴ Collier, pp.44-6.
- ⁴⁵ Collier, p.45.
- ⁴⁶ Collier, p.46.
- ⁴⁷ All examples are from the generally sympathetic: Papua New Guinea National Election, June-August 2007 Report of the Commonwealth-Pacific Islands Forum Election Assessment Team.
- ⁴⁸ *Australian*, 26 December 2007.
- ⁴⁹ Collier, p.45.
- ⁵⁰ Francis Fukuyama, *State-Building: Governance and World Order in the Twenty-First Century*, Profile Books, London, 2004. The quote is from Collier, p.3.
- ⁵¹ Collier, p.6.
- ⁵² See comments on the optional state and the incomplete state in H. Nelson, 'Governments, States and Labels', *State Society and Governance in Melanesia*, Discussion Paper, 2006/1.
- ⁵³ Collier, p.xii.
- ⁵⁴ There are many explicit references in the text to Collier's own work, or work done in collaboration with others, and the bibliography is exclusively his and joint works.
- ⁵⁵ Collier, p.176.
- ⁵⁶ All are section headings in chapter 9, pp.135-56.
- ⁵⁷ Collier, p.152.
- ⁵⁸ Collier, p.108.
- ⁵⁹ Collier, p.186.