

High stakes

Papua New Guinea's election will take place amid social protests and the threat of violence in larger cities and resource-rich areas of the country. **Alix Valenti** examines the security forces' response and the outlook for government stability after the election.

Key points

- There is a high risk of limited outbreaks of violence during the upcoming Papua New Guinea election, but the participation of the military will help to reduce the risk of broader unrest.
- The election will be followed by a period of intense negotiation among members of parliament – prime minister Peter O'Neill is likely to be re-elected, mostly as a result of his demonstrated ability to form coalitions.
- Regardless of the composition of the new government, corruption is likely to continue to weigh on the economy, necessitating continued engagement from Australia.

Between 24 June and 8 July, Papua New Guinea (PNG) will hold a national election. The newly elected and returning members of parliament (MPs) will then vote to elect the country's next prime minister.

This period is likely to be marked by a high level of horse trading as smaller parties and independent MPs negotiate with larger parties. "Formation of a new government will continue with 'wheeling and dealing' as newly appointed politicians will be bought, coerced, or enticed with financial inducement," the executive director at Peace Foundation Melanesia, James Laki, told *Jane's* on 8 February.

Ahead of the election and throughout the aftermath, regional attention will be focused

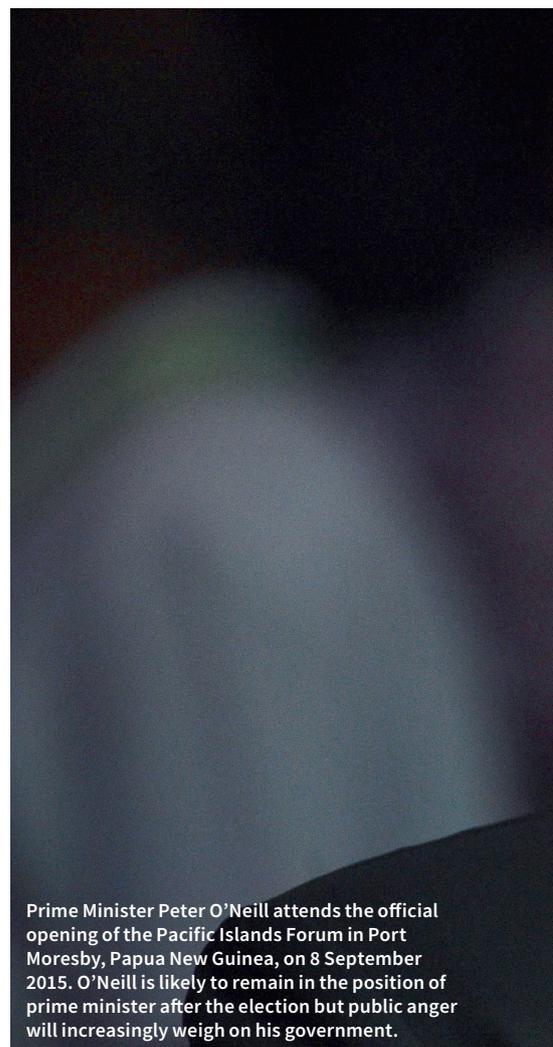
as much on the conduct and security of the poll as on the outcome. A spokesperson for the Australian Department of Foreign Affairs and Trade (DFAT) told *Jane's* in March 2017, "PNG national elections are among the most logistically challenging in the world. Australia is a longstanding partner of the PNG Electoral Commission (PNGEC) and is providing delivery-focused support, including logistics planning, ICT systems support, some voter awareness, and development of training programmes for the PNGEC."

However, in a country where economic, social, and political development are closely intertwined with the revenues derived from the extraction of natural resources, there is a high risk of violence around the polls.

Hard times

PNG boasts a wealth of natural resources, including copper, gold, and other minerals, as well as oil and gas. The government receives a large share of revenues from the extractive industry, which has contributed to the country's GDP rising sharply from USD4.6 billion in 2002 to USD22.0 billion in 2014, according to IHS Markit.

The first effect of the 'resource curse' on PNG is the inefficiency of government spending as a result of its dependence on commodity prices (see the 'PNG economic outlook' box). The second issue related to resource revenues is corruption. In 2016, Transparency International's ranking of countries according to its corruption perceptions index placed



Prime Minister Peter O'Neill attends the official opening of the Pacific Islands Forum in Port Moresby, Papua New Guinea, on 8 September 2015. O'Neill is likely to remain in the position of prime minister after the election but public anger will increasingly weigh on his government.

PNG at 136th place out of 176 countries.

Between 2005 and 2014, budgets allocated to provinces and districts – to be used to target social infrastructure to improve service delivery – increased from USD213 million to USD1.1 billion; however, data from the United Nations Development Programme showed that PNG still ranked 156th out of 187 countries on the Human Development Index. This has raised significant concerns about the capacity of local level governments (LLGs) to effectively spend and account for these increased funds.

Expecting violence

The contrast between the large revenues from the extractive industry and the failure of the national and local governments to provide improvements in infrastructure and service delivery has contributed to a fractious atmosphere ahead of the 2017 election. The government's decision to cut spending on



Corruption allegations

O'Neill has consistently denied allegations of fraud relating to a series of payments made by the government to the Port Moresby law firm of Paul Paraka in 2010–11 when O'Neill was minister of finance. Following the 2012 election, O'Neill created an anti-corruption task force, Task Force Sweep, which investigated a number of senior members of the former government. However, in June 2014, the task force obtained an arrest warrant for O'Neill in relation to the Paraka allegations. In response, O'Neill disbanded Task Force Sweep. However, legal proceedings have continued, and in June 2016 police opened fire on students protesting over the issue at the University of PNG. O'Neill maintains that the allegations are politically motivated. The likelihood of investigations against him proceeding would increase in the event of O'Neill losing power in the upcoming election, with opposition leader Don Polye stating in March 2017 that "we must aggressively resurrect the Task Force Sweep".

during the 2002 elections, which prompted significant levels of violence throughout the country, including threats, intimidation, violence, and the hijacking and destruction of ballot boxes. As a result, although there are no official estimates of the number of casualties, local reports put the total in the vicinity of 100. Similarly, although the 2007 elections were much more peaceful as a result of better security, they still triggered violence in the Highlands.

Police force

Cognisant of the variation in security risk across the country, the government is organising its security sector to maintain law and order during and after the election process. However, this organisation comes with its own challenges, especially with regards to the country's police force, the Royal Papua New Guinea Constabulary (RPNGC).

"The police force has been highly politicised," Laki told *Jane's*, "and it is hard to deny that the police hierarchy will do things that go against rights-based processes in favour of the government one day, then do things according to the state of the PNG as stipulated in the constitution another day."

The Paraka affair is one example of this versatility. Following the arrest warrant secured by Task Force Sweep for O'Neill in 2014, he disbanded the taskforce and replaced the country's police commissioner, Geoffrey Vaki.

healthcare and education provoked public anger in 2016.

At the national level, the Paraka affair corruption scandal that has been affecting current prime minister Peter O'Neill since 2014 has provided a focal point for public protests – particularly in the capital, Port Moresby – and has weakened the legitimacy of the police and parts of the judiciary (see the 'Corruption allegations' box).

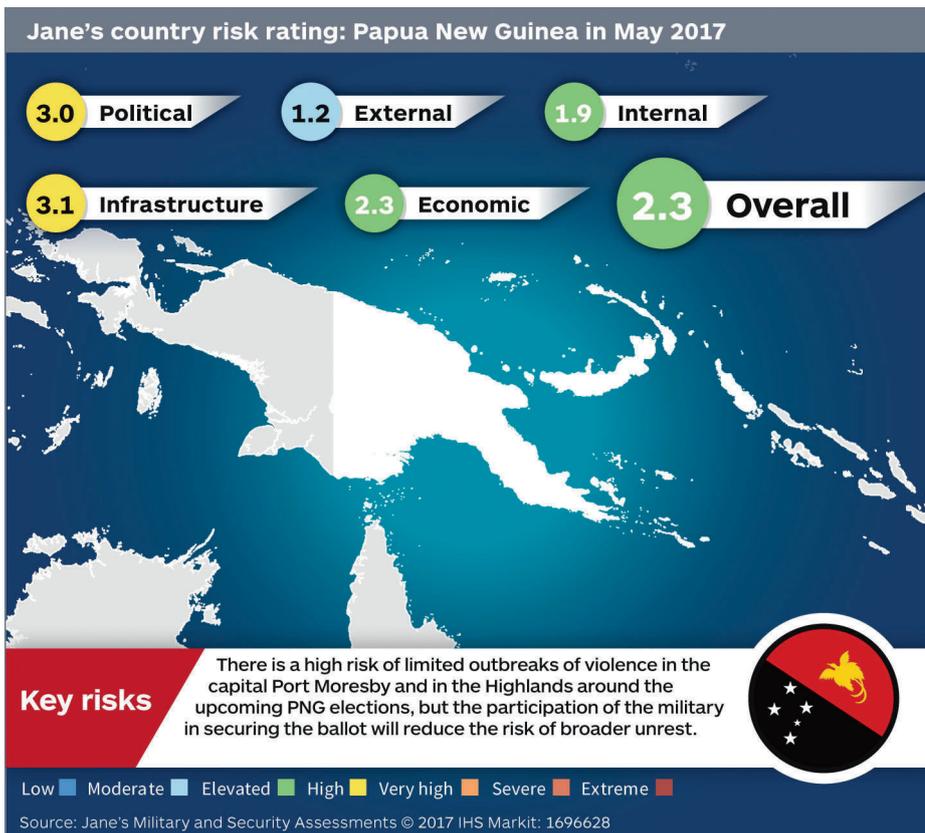
At the local level, the stakes are even higher as government funds are channelled to LLGs through grants called Services Improvement Programmes, under which MPs have significant discretion as to how the spending is allocated. This gives the winner of the upcoming election significant powers over decision-making regarding essential public services in their constituency.

The potential for this power to be used for patronage purposes drives intense competition within constituencies for the position of

MP. This competition is exacerbated in areas where there are active or potential resource projects, given the revenues that these generate, as well as longstanding issues around delays and disputes over the payment of royalties to local communities.

"As more and more money is at stake for the political elite and their entourage, everyone wants to be an MP or at least know someone who is," Dr Sinclair Dinnen, an associate professor at the Australian National University, told *Jane's* on 27 January, "resulting in an increased political competition that pushes candidates to go to great lengths to get elected." In certain areas, such as the Highlands, tactics to secure votes can include "ghost names, underage voting, intimidation, or coercion", Laki told *Jane's*.

As Dinnen told *Jane's*, "Violence is [to be] expected where resource development is taking place and where development expectations are high." This was clear



Gari Baki, whom O'Neill appointed to head the force, has repeatedly succeeded in preventing the arrest and questioning of O'Neill. "This has had very damaging effects for the

justice and legal institutions of the country," Dinnen told *Jane's*. "The RPNGC is also regularly involved in human rights abuses, especially the mobile squads ... the paramilitary

arm of the RPNGC, generating even more conflict." According to a 2015 report by non-governmental organisation Human Rights Watch, "Police abuse continues to be reported with little accountability even for fatalities or egregious physical abuse." Police brutality around mining projects is also regularly reported, such as the burning of villagers' homes by police protecting the ExxonMobil facilities in Hela province in December 2016, as reported by Radio New Zealand.

Military support

The PNG Defence Force (PNGDF) benefits from significant support from Australia, which it took advantage of to provide support to the RPNGC to ensure security during the 2007 and 2012 elections. Key to this support are two Bell 212 light utility helicopters leased from the Australian government, Balikpapan-class heavy landing craft, and four Pacific-class patrol boats.

Speaking to *Jane's* on 5 December 2016, PNGDF commander Brigadier General Gilbert Toropo said, "Violence during the elections is likely to happen in areas where there is little to no security personnel, so while cities will certainly benefit from heightened security, rural areas where tribal differences create conflict and where RPNGC personnel can't reach will see a deficit in security." It will be the role of the PNGDF to co-ordinate with the RPNGC through the joint task force

Australian policy towards Papua New Guinea

O'Neill has at times had difficult dealings with his Australian counterparts over issues such as the Manus Island detention centre, the controversial Australian 'solution' to illegal migration. Similarly, O'Neill's call in March 2017 for Australia to fund PNG's healthcare and education system raised the ire of Australian prime minister Malcolm Turnbull.

Domestically, PNG's Supreme Court has locked horns with O'Neill over corruption allegations and his attempt to shut down the country's police fraud squad. If the election results suggest that he will stay on as prime minister, there is a risk that civil society groups could mobilise to demonstrate their displeasure with O'Neill. The Australian government will primarily call for the results of the election to be respected, but given O'Neill's domestic challenges, will be keen to avoid being perceived as strongly supportive of any one candidate.

Beyond the specific personalities involved, PNG has presented a broader challenge to the Australian

government since the former's independence from its UN trusteeship under Australia in 1975. Contacted by *Jane's* in March 2017, a spokesperson for the DFAT noted, "Australia has a strong interest in the stability and prosperity of PNG." However, the poor state of PNG's transport infrastructure and security forces have been little improved by decades of Australian financial assistance, meaning that in times of difficulty Australia would still come under pressure to play a supporting role.

The PNG government recognises that the PNGDF would face significant logistical challenges in acting as a 'first responder' to any military crisis, civil emergency, or natural disaster. As such, Port Moresby may call upon Australia to lend military support to assist the PNG government in the event of a violently disputed election result.

The problem for Canberra is that any commitment of troops to shore up the government may well be seen by those opposing O'Neill as an enablement. It

is therefore likely that Canberra would not act hastily should O'Neill ask for Australian military support to control an outbreak of civil disobedience.

In early March 2017, a request by the governor of Hela province, Francis Potape, for the Australian Federal Police to intervene to help to stop local tribal violence went unacknowledged. This may be indicative of how a general plea for military assistance would play out should O'Neill make one, although a request from a sitting head of state would probably require at least some form of official response.

As such, it is likely the PNGDF would have to act as the 'first and only responder', and responsibility for any deaths among civilian protesters would therefore fall on the head of the incumbent leadership in PNG at the time. Given all of these factors, it is unsurprising that the Turnbull government has remained relatively silent about its position on the upcoming election.

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to provide security in those areas.

One of the PNGDF's primary tasks will be to provide logistical support. With its two helicopters, it will patrol the border between Indonesia and PNG to attempt to limit the smuggling of weapons. It will also co-ordinate with the RPNGC to assist in the logistics of safely transporting ballot boxes and electoral commission officials to the remote areas of the country, whether in the Highlands by helicopter and four-wheel drive convoys or around the small islets with PNGDF patrol boats and landing craft.

"Internal law and order is the responsibility of the RPNGC", Brig Gen Toropo said, "therefore the PNGDF will not encroach on those duties". However, because the population tends to see the PNGDF as being more impartial and fair than the RPNGC, and therefore trusts it more readily, the PNGDF will also be deployed to areas where there is a high risk of violence in order to provide deterrence.

"The PNGDF was deployed a first time in January for reconnaissance and intelligence, a task that is facilitated by its capabilities; it will then be deployed again from April to July, during the election process, to provide logistical support to the RPNGC, and again at the end of August in areas where there is a higher risk of retributions and violence if the expected candidates did not win," Brig Gen Toropo told *Jane's*.

Election aftermath

"Post-election violence, disputing the election results, has always been an ongoing concern in PNG; while some will resort to violence, others will seek judicial or court interventions," Laki told *Jane's*. "However, there will be no additional security threat over and beyond this." As far as the election process is concerned, the RPNGC has significantly stepped up its efforts since the widespread violence of the 2002 elections to improve security at the ballots.

The PNGDF is also aiming to provide more effective logistical and security support. According to Brig Gen Toropo, additional efforts have been made for this election.

"During the 2012 elections, co-ordination between the different security agencies was not always ensured, so that at times PNGDF personnel were requested in certain areas on short notice, thus stretching logistical support," he told *Jane's*. "This year, the chief secretary is co-ordinating all the meetings pertaining to the organisation of security forces, giving to each their respective responsibilities

PNG economic outlook

PNG's government experienced a sharp disparity between estimated and actual revenues in 2015 and 2016 due to overly optimistic oil price forecasts. With the PNG liquefied natural gas (LNG) pipeline reaching completion in 2014, the government planned for a significant boost in revenues in 2015, increasing planned expenditures. However, these figures were based on an expected average oil price of USD89.7 per barrel compared with the actual average 2015 price of USD52.4 per barrel. As a result, revenues came in roughly 10.5% under projection, leading to severe cuts in spending on healthcare, infrastructure, and education. In 2016, the oil price again came in well below government estimates, leading to additional cuts in these expenditure categories.

This 'resource curse' may be reversed in 2017. IHS Markit currently expects a major swing in commodities markets in 2017 with the average price of oil rising to USD58.1 per barrel, roughly 33.0% up from the 2016 low (2017 budget assumptions are

and therefore facilitating planning."

Since election-related violence generally happens in the same areas, increased planning and co-ordination are likely to prevent its outbreak more effectively. The deployment of the PNGDF in more remote areas where security is usually lacking is also key to contain, if not prevent, such violence.

Significant efforts in relation to transparency in the process, which began with the 2007 elections, are likely to reduce the potential for violence. Brig Gen Toropo told *Jane's*, "During counting, candidates are required to have one of their own security personnel, known as 'scrutineers', monitoring the process to ensure transparency."

There may be more concerns regarding the aftermath of the election. As one longstanding observer of PNG politics told *Jane's*, "Elections in PNG are never fought on national issues, they are always about local issues, about bringing development to the community."

Outlook

Despite the corruption allegations against him, it is likely that O'Neill will be re-elected. This is due, in part, to the fact that he has repeatedly demonstrated the ability to form coalitions and secure the support of independent MPs. If O'Neill does stay on, this would be only the second time since the country's independence that a serving prime

minister has returned to the position in consecutive elections. based on USD50 per barrel). Although an increase in commodities prices alone will support government revenues, there are other reasons to be optimistic about government finances. The engineering phase for the country's second LNG project (Papua LNG) is expected to begin in mid-2017, with construction slated to start in 2018. In 2010, when the construction phase for the PNG LNG project began, government revenues increased 35.5% year on year.

However, with the election looming it is possible that the current government – or its successor formed after the polls – will shift expenditures to curry political favour rather than reverse the spending reductions of previous years. Overall, IHS Markit's view is that revenues will improve over the short-to-medium term, but equitable, long-term growth will depend on the extent to which the government prioritises spending on growth-positive areas such as education and infrastructure.

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minister has returned to the position in consecutive elections.

If O'Neill does stay in power, public discontent is likely to increase. As such, during his second term there would be an increasing risk of social unrest in Port Moresby and other large towns, as well as in rural areas. The risk of unrest spreading is likely to have been exacerbated as internet and social media access have become more prevalent across the country. As of 2016, 11.7% of the population of PNG had access to the internet, according to figures from the Internet Live Stats project. This compared with 3.5% in 2012 and 1.8% in 2007. Protests would probably call for O'Neill's resignation and – with enough support – could lead to an internal move against him by members of his own government to bring a no-confidence motion. ■

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