
PAPUA NEW GUINEA IN 2006

Somare's U-Turn and Legacy

James Chin

Abstract

Michael Somare reshuffled his cabinet twice and dumped Bart Philemon, the finance minister widely credited as the architect of Papua New Guinea's economic recovery. Record prices for oil and commodities gave the government economic growth and a record surplus. The country's relations with Australia reached a new low over the arrest of Julian Moti, the Solomon Islands' attorney general, in Port Moresby.

Keywords: Bart Philemon, Michael Somare, elections, Julian Moti, cabinet reshuffle

Politics

The year started off with the death of William (Bill) Skate, who rose from one of Port Moresby's *raskol* (thug) settlements to become Papua New Guinea's (PNG) prime minister (1997–99), on January 3, 2006. Skate is "credited" with running the country close to economic ruin before he was forced from power. In the same month, State Solicitor Isikel Mesulam was found guilty of producing a pornographic videotape depicting his wife having sexual intercourse with several other men and himself. Madang Governor James Yali was jailed for 12 years for raping the sister of his common-law wife.

There were two cabinet reshuffles. In April, Bart Philemon was sacked as finance minister but kept his other Cabinet post as treasurer. The housing minister was replaced by the justice minister, while the internal security minister was moved to the Justice Ministry. Alphonse Willie was appointed internal security minister. Barely three months later in July, as widely expected, a much

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more substantial reshuffle occurred. Melanesian Alliance Party leader Moi Avei was stripped of the deputy prime minister's post but retained his Petroleum Ministry portfolio. Five ministers were sacked: Philemon (Treasury), Atimeng Buhupe (Housing), Mathew Gubag (Defense), Posi Menai (Correctional Services), and Brian Pulayasi (minister without portfolio).

Three new faces were brought into the Cabinet: Sam Abal (Intergovernment Relations), Martin Aini (Defense), and Andrew Kumbakor (Housing and Urban Development). Transport and Civil Aviation Minister Don Polye became the new deputy prime minister. The new Treasurer was Pangu Pati (i.e., party) leader Rabbie Namaliu. Sinai Brown was made minister for Public Service and Melchior Pep moved to Correctional Services. Mark Maipakai moved to Higher Education and Roy Biyama took over as minister for state assisting the prime minister. The son of Prime Minister Michael Somare, Arthur Somare, had earlier stepped down from the Cabinet following his referral to the Public Prosecutor for alleged misconduct in office. But the younger Somare was later found not guilty and was reappointed as minister of State Enterprises, Communication, and Information.

Philemon's removal from the Cabinet caused concern in the business community because he was seen as the main architect for PNG's economic recovery. He revealed that his working relationship with Prime Minister Somare was non-existent from the time he was appointed in 2002. Philemon claimed that he had never met Somare during his entire tenure to discuss his portfolio or policy. He asserted that he was removed because he refused the prime minister's orders to issue \$200 million worth of bonds and also refused to release the "slush" funds¹ given to government MPs. These funds were needed to build support ahead of the July 2007 general elections. Philemon was also probably removed because he was seen as the favorite of the Australians. From the time he was appointed, Australia had consistently praised him as the most able minister in Somare's Cabinet. To add insult to injury, Somare's National Alliance (NA) Party refused to terminate Philemon's membership, thus denying him the legal right to form a new political party.

In March 2006, PNG's reputation took a serious dive when the U.N. Committee for Development Policy (CDP) lowered the country's status to "least developed country" (LDC), ranking it among the poorest nations in the world. The outcome was not surprising: every social economic indicator shows that PNG had regressed since Independence in 1975. Somare rejected the findings, saying the data used were outdated.

In July 2006, it was revealed that more than 100 children had died of whooping cough in the East Sepik Province. The deaths could have been prevented had

1. In Papua New Guinea, these are discretionary funds given to each government member of Parliament (MP) that can be used for any purpose, mostly for small projects to gain electoral support.

the health system worked. The complete breakdown of health services has already fueled a fullscale HIV/AIDS epidemic, with HIV becoming the leading cause of death among patients admitted to the Port Moresby General Hospital.

Corruption remains unchecked, with the civil service and politicians seemingly immune from any systems designed to prevent corruption and fraud. Investigators looking at the accounts of the suspended Southern Highlands Provincial (SHP) government called it a “jungle of corruption never seen before,” with more than 23 government-owned vehicles and 30 state-owned houses in private hands along with missing millions of provincial funds. The central government had earlier imposed direct rule when it became clear that the province was on the verge of total collapse and civil war. The army moved in and found scores of guns and other high-powered weapons. Later in the year, Parliament voted to extend the state of emergency in SHP.

The end of the year saw a complete breakdown in police discipline. The Royal PNG Constabulary is better known for its incompetence, corruption, and brutality than for enforcing the law. A report details how policemen regularly beat up people and tortured and raped children as young as six, with impunity.² Two senior policemen supported by rival factions, Police Commissioner Sam Inguba and Assistant Commissioner Raphael Huafolo, were each arrested and charged with corruption, very nearly causing armed confrontation between the two camps. In November, when the Cabinet appointed Fred Sheekiot as the new acting commissioner of police replacing Tom Kulunga, Sheekiot was immediately served a 21-day suspension notice by a deputy police commissioner. Prime Minister Somare fired the police minister and appointed John Hickley as the new minister. After negotiations, the Police Union decided to accept the appointment of Sheekiot as police commissioner. However, within weeks the Cabinet named Gari Baki to replace Sheekiot, setting off another round of instability in the police force.

The conflict within the police was mirrored in the public service sector, with senior bureaucrats being replaced at a minister’s whim. In September, Public Service Minister Sinai Brown replaced the heads of three departments (Finance, Personnel Management, and National Planning) without the knowledge of the Cabinet. The acting prime minister immediately reversed the decisions, but not before senior staff were thrown into chaos and confrontation erupted between supporters of the incumbent and the replacements. The Cabinet later stripped Minister Brown of his powers to appoint department heads.

At the end of the year, law and order remain absent for most of the country, with rapes, murder, and “payback” violence the norm. The depth of the problem was best symbolized by an incident in early October in Lae, the second

2. Human Rights Watch, *Making Their Own Rules: Police Beatings, Rape, and Torture of Children in Papua New Guinea* (New York: Human Rights Watch, 2005).

largest city in PNG. A man who got off a bus without paying a 50 toea (less than \$0.20) fare was chased by the conductor and killed by a mob in broad daylight. His relatives retaliated, attacking bus operators from the Western Highlands Province and snatching at least six buses, thereby sparking an ethnic conflict. This fracas shut down all of Lae for two days.

In another incident, the crew of an Airlines PNG plane carrying Enga Province Governor Peter Ipatas and his guests, including former Prime Minister Paias Wingti, to the province were placed in danger of their lives. As the chartered plane was dropping off its passengers, hundreds of people charged the plane in anticipation of getting a free trip back to Port Moresby. TV footage showed more than 50 people rushing into the plane, squeezing through the narrow cabin door, shoving aside a helpless air hostess and government officials. Riot police had to use force to remove the unexpected passengers.

In late November, Noah Musingku, PNG's most notorious con man, who swindled millions via his U-Vistract pyramid scheme, was shot by mercenaries in Bougainville. Musingku had been on the run for the past five years, hiding in the strife-torn island.

Despite the deplorable state of the country, Parliament in November granted generous increases in allowances for parliamentarians, including a 100% boost in housing stipends.

By-elections

Two by-elections were held in July. First was the NCD (National Capital District) regional seat left vacant by the death of Bill Skate. His son—who has the same name—promptly stood as a candidate despite being legally underaged to run. Altogether there were 23 candidates. After several court challenges that delayed the count, the declared winner was Wari Vele from Somare's NA Party.

The second by-election was for the seat of Koroba-Lake Kopiago in the lawless SHP. Even before the election was held, 13 ballot boxes filled with ballot papers “disappeared” in transit to the polling stations. Additionally, two of the 20 candidates were arrested and charged for various offenses, including hijacking ballot papers and impersonating a police officer. The final winner was John Kekeno Kelewa from the Peoples Action Party (PAP). In August a by-election was held for the Chuave constituency in Chimbu Province. The winner, Jim Nomane, an Independent, was caught up in high drama when he arrived in Port Moresby. Officials from the PAP and from the People's National Congress (PNC) physically tried to kidnap the new member as each party reportedly sought to entice Nomane to join its team.

Economy

For the first time in many years, Papua New Guinea's economy was stable for the entire year. Foreign reserves reached the PGK 4 billion (\$1.3 billion) mark, a

record in the history of the country. The economy was helped by record prices for commodities, minerals, and oil. The kina was stable, inflation was kept under 4%, gross domestic product (GDP) growth was around 3.7%, and the government held a two-year surplus. The private sector grew by about 8%, as did growth in employment. The surplus allowed the government to pass a supplementary budget in November, widely seen as an "election budget" with extra spending in social welfare and infrastructure to help gain support for the government in the upcoming 2007 general elections. The much-talked-about PNG-Queensland (Australia) pipeline did not make much progress during the year. But otherwise, for the first time in many years, the business community was optimistic about the economy.

Foreign Policy

Relations with PNG's most important neighbor, Australia, fell to their nadir since Independence, over the Moti Affair. Lawyer Julian Moti, an Australian, was appointed attorney general of the Solomon Islands (SI) by his friend, newly appointed SI Prime Minister Manasseh Sogavare. While transiting Port Moresby on his way to Honiara, the Solomon Islands capital, Moti was arrested by Australian/PNG police on an Australian warrant for child sex charges. Moti then fled and hid in the diplomatic office of the SI High Commission before secretly boarding a PNG military plane that spirited him to the Solomons in the middle of the night.³

Australia immediately imposed a ban on PNG ministerial contacts and visits, insinuating that Port Moresby had approved the escape. Somare, who was overseas at the time, was livid and accused Australia of acting like a colonial power. In the Pacific Islands Forum (PIF) held in Fiji at the end of October, Somare, together with his counterparts in Vanuatu and the Solomons, formed a bloc against Australia in an attempt to isolate Canberra's increasing interventionist role in the Pacific Islands. The situation was so tense that Somare recalled PNG's ambassador to Australia and sent a diplomatic note. Somare denied that his government had anything to do with Moti's escape. Somare claimed that Australia had impinged on Papua New Guinean sovereignty by requesting Moti's arrest not through Port Moresby but directly to the PNG police, specifically to the Australian officers serving in the constabulary under an aid program.

Prior to that in June, Somare had already been annoyed by Australian Forestry Minister Eric Abetz's public charge that PNG governments were turning a blind eye to illegal logging. Abetz warned that Canberra might ban imports of illegally sourced timber. His warning came after the World Bank canceled a \$55.8 million (K 190 million) Forestry and Conservation Project, alleging the

3. See "Moti Saga Creates Fire in Parliament," *The National* (Port Moresby), October 18, 2006.

failure of the PNG government to honor its part of the agreement. In July Port Moresby turned down Australian requests that it take in Indonesian Papuan asylum seekers while their refugee applications were being processed by Canberra. Somare has always had an uneasy relationship with Australia and has often blamed the latter's "colonialist attitude" toward PNG as the source of the problem. He has publicly said that PNG would be able to survive without the annual \$234 million in Australian aid. Somare was incensed when asked to take off his shoes for an airport security check while in transit in Australia, claiming correctly that this would not have happened if he were prime minister of a major country.

PNG's relations with Indonesia, its second most important relationship, were also strained. In August two Indonesian fishermen were shot by PNG defense forces for allegedly fishing illegally inside PNG waters. Defense officials claimed that the military had acted outside standard procedure. The incident caused tensions including rumors that Indonesia was planning to invade PNG. There was a diplomatic tiff with the U.K. when the forest minister took out a full page advertisement accusing the British High Commission to PNG of interfering in PNG's forestry industry by helping anti-logging nongovernmental organizations.

Conclusion

Much of the current political maneuvering in Papua New Guinea can be explained by the forthcoming general election, which must be held by the end of 2007. Somare is the first prime minister to have lasted an entire five-year term; he has indicated that he wants to carry on in the position should his party win again. This goes against the public promise he made in 2002 that he would only serve one term before retiring. The coming election itself will be problematic given that there are now about 4.9 million registered voters out of a population of about 5.1 million, clearly indicating that there are more than one million "phantom" voters.⁴ The 2007 election will also be the first general election to use the Limited Preferential Voting (LPV) system. Under the LPV, voters must rank their preference for their candidates. Widespread chaos, fraud, and violence will likely occur.

4. See "2.2 Million 'Ghost Voters'," *ibid.*, February 3, 2006.

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