

The Socio-economic Costs of Crime and Violence in Papua New Guinea

Recommendations for Policy and Programs

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This paper has been prepared as part of a broader study to understand the socioeconomic costs of crime and violence to businesses, government agencies, Civil Society Organizations (CSOs) and households in PNG. This work was requested by the Prime Minister and was undertaken with extensive input from international partners and local stakeholders.

The papers in this Research and Dialogue series are informal publications of the World Bank. They are circulated to encourage thought and discussion. The findings, interpretations, and conclusions expressed herein are those of the author(s) and do not necessarily reflect the views of the International Bank for Reconstruction and Development/The World Bank and its affiliated organizations, or those of the Executive Directors of The World Bank or the governments they represent.

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Recommendations for Policy and Programs

I. Introduction

At the request of the Prime Minister's office, between 2011-2013, the World Bank conducted a study to understand the social and economic costs of crime and violence in Papua New Guinea. The purpose of the study was to feed a national conversation about crime and violence and inform policy directions and program interventions. The work has benefitted from extensive input from international partners and local stakeholders through a consultative and participatory methodology. The findings of the study are summarized separately in this Research and Dialogue Series on the Socioeconomic Costs of Crime and Violence in PNG. This brief outlines the policy and programming recommendations that emerge from the research.

II. Key Findings of the Study

Levels of crime and violence in PNG have remained high, although with annual fluctuations, and differences across regions. According to analysis of RPNGC data conducted for this study, the homicide rate—considered the most reliable indicator of overall crime—was 10.4 per 100,000 inhabitants in 2010, which

is roughly the same as it was in 2000. The rate varies widely across regions, with an estimated rate of 66 per 100,000 in Lae and 33 in NCD, amongst the highest in the world.¹ Robbery and assault are the most commonly reported crimes. Family and sexual violence (FSV) is also highly prevalent, and affects both females and males.²

Managed conflict—sometimes violent—has been identified, historically, as central to the maintenance of social relationships in PNG. However, while traditional systems of managing disputes have been effective in maintaining social order historically, recent changes in societies in PNG have created disputes that are less amenable to management by traditional means and are linked to at least some of the current violence witnessed, especially in urban areas. Formal justice systems have to date been

¹ These estimates are based on RPNGC data obtained by the World Bank. Estimates using data from victimization surveys implemented by the Law and Justice Sector Secretariat (LJSS) are much higher—750 and 323 for Lae and NCD, respectively.

² One study found that 80-90% of injuries treated at health clinics were the result of domestic abuse (Amnesty International 2006). Another found that the majority of pregnant women at an antenatal clinic had been beaten during pregnancy by their husbands (PNG Law Reform Commission 1992 quoted in Kopi 2010).

ineffective in stepping in to fill this gap. In this context, violence in PNG can be understood, at least partly, as a result of the inability of both traditional and formal institutions to manage the stresses that have come with rapid social and economic changes.

High crime rates affect the business climate in PNG. Eighty-four percent of companies said they pay for security in the form of security personnel or specialized hardware such as perimeter fencing, gates and security alarms. According to the World Bank's Business Enterprise Survey, this number is significantly higher than the average for the East Asia and Pacific region (52 percent); Sub-Saharan Africa (61) and Latin American (62) regions. Private security represents a significant and growing expense: more than two-thirds of businesses employ private security staff, and spend an average of 5 percent of their annual costs on this, compared to an average of 3.2 percent for firms in East Asia overall.³

This insecurity affects business decisions and constrains investment. Businesses in PNG are concerned about crime, and it influences their business decisions. Sixty-seven percent of firms identified crime⁴ as a major constraint.

³ World Bank Business Enterprise surveys: <http://www.enterprisesurveys.org>

⁴ "Crime" was defined as break-ins, vandalism, vehicle theft, property theft without force, arson (burning of premises), assault of employees on the business premises, kidnapping of employees, employees suffering violence/ being attacked on the way to and from the business premises,

This number is more than four times the regional average for firms in East Asia and the Pacific (16 percent) and higher than all of the regional averages reported in the World Bank Enterprise Surveys.⁵ Eighty-one percent of businesses reported that their decisions for further investment or expansion of their operations were affected by the law and order situation in the country, with only three percent of businesses saying that their decisions were not affected at all.

While the economic costs are substantial, the longer-term social costs of crime and violence are much more pervasive. The papers prepared for this series describe growing fissures between groups in PNG society, often provoking violence, as well as persistently high levels of FSV violence that is impacting on social relationships and could potentially continue to impact future generations if not addressed appropriately. In interviews for this study, business owners and employees stressed that while the economic costs of crime and violence are important, it is the indirect, longer-term *social* impacts of crime and violence that effectively limit them from operating to their full potential. High levels of crime and violence create fear that constrains mobility of staff and clients, erodes trust, and reinforces stigma toward certain groups perceived to be dangerous,

misappropriation of funds or petty theft by employees, and extortion.

⁵ <http://www.enterprisesurveys.org>. The regional averages for Latin America and Sub-Saharan Africa are 34 and 28 percent, respectively.

especially youth. Domestic violence, in particular, intrudes into the workplace.

III. Recommendations

The policy recommendations outlined here are intended to address some of the specific dimensions of crime and violence in PNG that emerged during the course of the research. They were discussed with government and non-governmental stakeholders in PNG in March 2014. They focus on five particular areas of intervention: strengthening data collection, addressing structural drivers of conflict, limiting existing social impacts, strengthening justice institutions, and strengthening partnerships for crime and violence prevention. Where relevant, these recommendations are directed at specific actors.

1. Strengthen data collection, analysis, monitoring & evaluation to support evidence-based policy-making.

Experience from the around the world demonstrates that policy is more effective when based on robust and reliable data. Strong data is also essential for effective monitoring and evaluation of the impact of interventions supporting crime and violence prevention. This project analyzed existing data from RPNGC and victimization surveys (summarized in Note 1) and explored in more detail some of the inefficiencies in the system. Specific measures that could be considered are:

(i) Conduct an analysis of bottlenecks in the reporting, recording and collation of data on crime and violence.

There is a need to understand the constraints to data collection and analysis at different points along the chain of reporting to prosecution. For example, as detailed in Notes 1 and 2, the current data shows a large gap between crimes rates and arrests rates, despite widely fluctuating crime levels since 2001. Validating the findings of the existing data, and understanding the reasons behind this trend may be important for well-targeted institutional capacity development. This analysis could be undertaken in partnership with PNG law and order institutions. The analysis would need to consider the ways in which these constraints differ for different groups (women, youth, children), by type of crime, and other factors. This could be complemented by an assessment of institutional functioning, and an evaluation of the programmatic support provided by donors to ascertain if they are relevant and effective.

(ii) Provide training and technical assistance to improve data collection.

This technical assistance would need to be targeted at those charged with collecting and recording data, for example: police, health care professionals, and forensic specialists.

(iii) Conduct regular, standardized perception surveys.

During the research for this brief the inconsistencies between official data

categories and those used for victimization surveys—even for basic indicators such as homicide—emerged as serious constraints to developing a clear picture of the problem of crime and violence that would inform policy directions. Standardization of victimization surveys with official data collection by the RPNGC would maximize complementarity between the crime victimization surveys and official crime statistics, allowing for robust comparison and verification of findings. Extending the victimization survey coverage to rural areas would also be an important step in addressing the current urban bias in the existing data sets.

(iv) Include modules to capture data on FSV within periodic victimization surveys.

The current design of victimization surveys does not comply with international protocols on collecting data on gender-based violence, and is likely resulting in significant under-reporting of FSV/GBV. More appropriate and sensitive instruments that align with international standards for capturing data on FSV nation-wide would assist in effective data collection on this critical topic.

(v) Instituting regular analysis and reporting on trends in crime data.

This reporting could be done quarterly or even biannually, and include information on basic trends such as homicide, assault, property crime, or other important policy targets. Regular reporting could help ensure that efforts by police and other agencies charged with crime and violence prevention are data-driven.

2. Address the key structural drivers of conflict

While the dynamics of crime and violence in PNG are complex and multi-faceted, there are a number of underlying drivers that have remained relatively consistent. Some of these drivers are described in detail in Note 2, and could be addressed by the following measures:

(i) Recognize and address perceptions of injustice around the distribution of resources.

Along with the rapid economic changes and attendant social changes, perceptions of injustice within some societies in PNG are strong. These may be based on exclusion from wealth, or perceptions that some individuals/communities are gaining unfairly relative to one's own group. These perceptions need not correspond to measurable indicators of wealth. Those likely to have such perceptions include communities in urban areas, especially those located next to wealthier areas, or rural communities located next to communities where large extractives projects have located. The perceptions of injustice can be heightened if the communities not receiving benefits are also subject to negative impacts from the projects- such as environmental pollution from mining, or exposure to crime and personal insecurity in urban areas. Equilibrium between societies historically has been an important feature of PNG societies. While maintaining equilibrium has largely been done through the payment of material compensation and through social obligations- such as the *wantok* system, the extension of opportunity, for example

through education, vocational training for young people and awareness raising that these are likely to support access to economic benefits in a more durable manner may be effective over the longer term in tackling perception of injustice in a rapidly-evolving economy.

There are no easy measures to address these perceptions, but some steps may help. For example, targeting social and economic development programs to communities that are (or feel) excluded from development processes could help to ease these perceptions. These measures could include job training programs, and/or local development programs designed to improve the well-being of these communities and improve their sense of relative equality to other groups. In addition, improving state communication about the distribution of economic opportunities—whether via large resource

(ii) Understand and influence incentives for crime perpetration.

It will be important to analyze the incentives and disincentives that can affect the decision to perpetrate some crimes. For example, it is commonly asserted that the threat of incarceration is not a strong disincentive for crime, given that most crimes do not lead to imprisonment and the fact that many communities do not favor imprisoning perpetrators. An important question to explore would be the ways in which the modern-day adaptation of the compensation-system contributes to crime-perpetration, and what might be done to de-incentivize compensation-seeking. Deepening our understanding of

these supports the design of a more integrated approach to crime and violence *prevention*.

(iii) Design interventions that can address violence-oriented values and social practices.

‘Fighting’ is firmly rooted in social relationships in PNG, accordingly, acts of violence are often seen as acceptable—for example if triggered by a wrongdoing by some-one to oneself or to ones *wantok*, as has historically taken place in inter-clan fighting. Unequal gender power relations contribute to high levels of FSV, which has become extreme in some areas. As such, there has historically been a strong normative basis for violence, and it takes a number of forms. However, the changing economic context has catalyzed social changes, including shifts in social relationships and values that underpin them. Some of these have magnified violent practices—such as the growing accusations of sorcery. This provides a good opportunity for implementing a strategy for lasting social change which targets both harmful behavior and practices development such as sorcery, domestic violence (for example through enforcement of the newly enacted Domestic Violence law), as well as challenges directly the normative basis of these- as in focus on transmitting a new set of values through nation-wide media and education campaigns aiming for longer-term social change. The international experiences of community-based campaigns around female genital mutilation (FGM) and other harmful cultural practices can be instructive here.

3. Direct interventions to address some of the ‘stressors’ in crime and violence dynamics that heighten tensions and exacerbate drivers

In addition to the structural drivers of conflict, there are a number of other factors identified that may serve as ‘stressors’, or ‘triggers’ for violence and crime perpetration. Addressing these can have the effects of reducing crime and violence within a short-time frame, in tandem with interventions that work in the medium and longer-term to address the structural drivers.

(i) Instill curbs on politically motivated violence and corruption.

This is critical, as this phenomenon affects the credibility of the electoral system, the democratic system and the rule of law more broadly. While political violence tends to occur during election periods, and has apparently decreased during the last election period, related bribery, coercion and violence is frequently used to maintain positions of power—many of which were initially acquired with the help of violence. Reforms in the legal system could be more focused on this type of white collar, but no less pernicious, crime.

(ii) Strengthen firearms control/limit circulation.

While the data on illegal firearms use and circulation requires strengthening, the existing evidence points clearly to the central role of firearms in initiating and sustaining unmanageable cycles of violence, and in assisting in crime-

perpetration. While community-guns still seem to be a norm in some parts of the country, in other parts, there is a growing presence of factory-made firearms. This underscores the need for identifying the points at which these enter into the civilian population and working to stem this flow. While the border with Indonesia is a particularly porous one, stronger border-control at key points of entry is required. There is a need to improve the process of tracing, collection and destruction of illegal firearms, including addressing chain of custody weaknesses for seized firearms and ammunition. There also need to be greater stockpile management and investigation and accountability for losses police-issued weapons.

(iii) Alleviate housing pressures, particularly in urban areas.

The inflated price of housing and the conditions found in many urban and peri-urban areas were cited by numerous stakeholders as contributing to the dynamics of crime and violence. Food insecurity and the search for better economic and education opportunities are amongst the reasons for high levels of rural-urban movements of people in PNG. The high costs of housing in urban and peri-urban areas and resulting overcrowding puts a strain on both household income and on social relationships in these areas. Women and younger family members are often more susceptible to FSV in contexts of high population density, overcrowding and other household stresses. Income pressures, the absence of urban planning and of constrained police access to settlement areas in particular also

contributes to crime levels. These issues require attention and a dedicated budget, at the very least, to further develop their work and initiate pilot programs.

(iv) Support young people to find employment.

In the consultations, many stakeholders emphasized the need for generating employment opportunities for youth that provide not only income, but also with dignity and the social mobility to achieve transition into adulthood. The link between poorly skilled school leavers, inequity in labor market access and crime and violence was identified by a range of different stakeholders during the course of this study. Businesses reported that they often find secondary school graduates unemployable as many of them are functionally illiterate or don't have sufficiently well-developed numeracy skills. Businesses repeatedly explained that one of the reasons they employed large numbers of international staff, was the unpreparedness of young people to enter the workforce in leaving school. Other stakeholders- NGOs- told us of the downward spiral into crime that many young people experienced—in particular migrants from rural areas—when faced with months and months of unemployment. Early interventions can help break cycles of violence that involve low levels of literacy, poor competency and vocational skills on the part of graduates, lower-self- esteem that results from being unemployed, use of alcohol and other substances, and crime perpetration. Support for businesses who run apprentice schemes would be one entry point, as would scaling up youth

programs such as UYEP (Urban Youth Employment Program).

4. Assess and strengthen the effectiveness of justice institutions

The following recommendations are made as a few examples of actions that could be undertaken within an overall strategy for strengthening of the formal justice institutions such as the police, prosecutor's office, state-provided legal aid, Courts and so on. Further analytics (as described above), including an assessment of gaps in the existing institutional framework and of individual institutions would be necessary to inform such a strategy.

(i) Strengthen regulation and oversight of the private security industry.

Given the growth in the private security sector and the role that private actors play in the provision of security in the country a more solid understanding of this sector would complement deeper knowledge of informal and formal justice providers. This analysis would need to examine, *inter alia*, the scale and span of the sector, the ways and reasons for its growth, its relationship with the police and other formal, state institutions, labor practices and its impact on the overall labor market in PNG. Based on this analysis, a framework for tighter regulation of the private security sector could be developed that better formalizes its role in the overall provision of overall law and order.

(ii) Organize awareness campaigns to increase access to justice.

This study identified a clear need to continue efforts to enhance access to justice—via both traditional and formal institutions—and particularly for vulnerable groups. Generating a wider and deeper knowledge of the formal justice institutions is considered to be important in facilitating their use by citizens. Legal awareness campaigns can help target groups and geographical areas which currently under-utilize formal justice system. An awareness-drive could also incorporate messages that seek to shift public interest from the informal paying of monetary compensation as this is one of the key drivers in the cycle of violence. Training with justice sector personnel could also deliver the same messages, with judges advised that maintaining monetary compensation as a punitive measure in the formal justice system may be necessary in the short-term, but should be gradually phased out to a point where it is directly commensurate with estimated losses incurred by the justice seeker or that it plays simply a symbolic role where monetary losses cannot be established. Building trust and confidence are longer-term aims which can only be done through sustained, effective and accountable delivery that is in line with public expectations. Awareness-raising campaigns, for example, to increase public knowledge of the Courts, their roles and legal jurisdictions should be phased so as not to raise expectations beyond what can be delivered by the Courts at that time. Improving access to courts also would improve use; currently

the village courts are under-resourced and are thinly spread across the country.

(iii) Improve the cultural relevancy and community-orientation of formal justice institutions.

As described in Note 2, ‘Drivers of Crime and Violence in PNG’, formal justice institutions are often not seen as culturally relevant because they do not embody practices based on existing cultural mores, in the way that informal institutions do. For this reason, they often feel ‘distant’ to people, especially in rural areas where the state does not have a strong presence otherwise. This point may apply to many aspects of the formal justice system, from the way in which police are required to respond to an incident, court processes that emphasize singular ‘truth’-oriented narratives, to the type of sanctions given, which often do not respond to community needs (especially in the case of incarceration). Exploring the notion of cultural relevancy does not need to challenge the value base of the formal justice sector, but can simply inform more culturally acceptable practices that will resonate more with justice seekers. Policing and the courts in particular could adopt more of a community-orientation. Restorative justice can be used to complement existing court proceeding, and may be particularly valuable post juvenile justice proceedings. Given the scale of crime perpetration and the drivers behind that, it is an option that could be explored further. One justice institution from which to draw lessons with regard to culturally relevant practices may be the village courts.

(iv) Address capacity and effectiveness deficits.

The main capacity weaknesses within the formal justice sector fall into two broad issue areas—maximizing financial resources, and strengthening human resources, in particular professionalism within justice agencies. These reforms would build-upon actions (as described above) that seek to enhance the relevancy of justice sector institutions and approaches.

- *Make existing financial resources more effective.* A significant amount of financial resources have been allocated and spent by donors in recent years in support of the Government of PNG's justice sector strategy. Official development support—as well as the overall government strategy—requires assessment to ensure that financial resources are being used strategically. A review of the functioning and mandates of the existing justice institutions (see above) would be a valuable input to this assessment. Initial analysis points to chronic underfunding of some parts of the justice architecture. Courts, particularly village courts which in some circumstances have proved to be effective in managing local level disputes, have been underfunded.
- *Strengthen and professionalize human resources.* Strengthening professionalism in the justice sector should be a key focus of existing training curricula, in particular for the police force as they function as the primary inter-face between citizens and the state justice system. With the current recruitment drive for the police

foreseen to continue for the next few years, enhancing the quality of the recruitment process and new recruit training is paramount. Training to help officers address cultural issues such as demands from *wantoks* and ethnic biases could also be integrated in existing curricula. A review of the existing strategy for placement of officers would also be useful in the regard. The issue of tackling corruption is included here, under human resources, as the main forms to be found in PNG involve practices that often arise simply from the disjuncture between cultural practices such as *wantokism* with the professional approach required within formal justice systems. Petty bribery, pay-offs and so on may be linked to social obligations to but they do undermine impartial, effective performance of the justice sector and compromising legitimacy and effectiveness of police force. In addition to training that helps to instill practices based on impartiality, putting in place stronger disincentives for those who engage in corrupt or biased behavior may be required.

5. Strengthen coordination and strategic partnerships at the national, provincial and local level

(i) The government of Papua New Guinea has laid strong foundations towards efforts to achieve its development goals, including a justice sector strategy.

Ensuring strong coordination at the national and district level will bring PNG

closer to achieving that goal. At the national level, the justice sector Heads of Agencies National Coordination Mechanism and the Working Group provides a mechanisms for national-level coordination. The vertical linkage however between district, provincial and district teams requires strengthening. In particular, there is a need to ensure stronger coordination across ministries and agencies- such as those responsible for child welfare, labor and employment, education, and housing and urban development.

Examples of effective coordination between different agencies and with organized civil society (as described below) exist at the district level- for specific issues. The Family and Sexual Violence Action Committees (FSVACs) operating in many districts, for example, have developed a highly successful model of coordination that involves a community-orientation, and integrates restorative and well as punitive justice approaches.

(ii) Given the ongoing state-building efforts and the transitions the country is currently experiencing, partnering with non-state national-level actors may be strategic.

Emphasizing strategic partnerships with non-state actors will help not only in drawing closer to stakeholders who currently play a role in crime and violence dynamics, but in leveraging non-state resources more effectively. These partnerships will need to be strengthened not only at the national level, but also at the provincial and district levels, in order to have the greatest impact.

The World Bank team spoke with a number of stakeholders who are already engaging with one another and finding solutions to their crime and violence-related challenges. Formalizing and strengthening partnerships with these actors- either in policy dialogue or through negotiated and assigned roles could enhance efforts to address crime and violence. These partnerships could also raise the visibility of the state institutions as capable of responding to these issues, contributing to greater state legitimacy. Partnerships could engage the following stakeholders:

- **Community and religious leaders** who play a key role in dispute resolution at the local level and who have leverage within their communities. Formalized structures for including community leaders in justice sector strategies can also have the additional benefit of creating cross-country linkages, enhancing nation-building efforts.
- The **Business Community** is an important catalyzing force. Not only has the business community been impacted by crime and violence but they have been quite innovative in developing their own solutions to address and manage the impacts of crime and violence. As mentioned, the business sector is also contributing to the some of the drivers (e.g. through hiring of private security).
- Within the business community, **large scale domestic and foreign investors** could be engaged with to support their compliance with national law and

voluntary regulation based on international frameworks⁶ that will help mitigate conflict and grievances around natural resource projects.

- **The NGO sector** in PNG working on crime and violence related issues is relatively small, but quite committed and diligent in their efforts- particularly in service delivery- such as provision of medical and other assistance to female victims of violence. Formal partnerships with NGOs could help implementation of justice sector strategies- such as in service delivery, or research and monitoring.

IV. Conclusion

The multi-phased study conducted by the World Bank has sought to answer address some gaps in knowledge around crime and violence in PNG, in order to contribute to more evidence-informed policy making and programming. The recommendations offered above are by no means comprehensive, but rather offer some focused perspectives around key issues. They are not intended to be prescriptive. However, they are intended to provide information, possible policy approaches towards an ongoing dialogue on the issue of crime and violence and that they will fuel a growing coalition of state and civil society actors for an integrated response.

⁶ Such as the Equator Principles, IFC Performance Standards, Responsible Mining Framework, etc.



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