After the Referendum: Possible Scenarios for Future Governance Arrangements in Bougainville

The people of Bougainville will go to the polls come October 2019. In this referendum, they will choose between ‘Greater Autonomy’ and ‘Independence’ as the future political status for their region. What shape or form these two options can take as a system of governance is a matter that should be considered even now.

Professor Matt Qvortrup, a political scientist, had been commissioned by the PNG NRI to look into these two options. For each of these, Professor Qvortrup has provided a comparative analysis of possible future governance arrangements.

If ‘Greater Autonomy’ is the choice

Bougainville currently has one of the highest forms of autonomy in the world. Meaning that the range of powers currently being exercised combined with those it could exercise, as set through the Bougainville Peace Agreement (BPA) and by the National Constitution, are greater than many other autonomous systems around the world.

Therefore, Professor Qvortrup explains that should ‘Greater Autonomy’ be the option that is chosen then there are two possible forms of territorial governance systems that could be implemented. These are Devolution and Federation. Of the two, Professor Qvortrup says that a Federal system would be better suited to cater to Bougainville’s governance needs.

A federation is defined here “as a constitutional system of government where law-making powers are divided between a central legislative body and legislatures in the states or territorial units", and where the “allocation of powers derives from the constitution and cannot be unilaterally changed by either set of legislators”. These entrenched powers are “protected and policed by a power of the courts to declare invalid legislation that infringes the limits laid down in the constitution.”

The ‘federation’ differs from ‘devolution’ fundamentally in the way power is shared. In a devolution, power is shared from the centre and is not entrenched constitutionally. This means that the centre can take away powers bestowed on the territorial unit and impose direct rule when it deems necessary. This is not the case in a federal system. Powers are shared amongst multiple centres (where the territorial unit is also considered a centre). These powers are also entrenched constitutionally and thus the centre cannot revoke these powers if and when it chooses to do so.

If a Federal System of Government emerges as the preferred option following a “Greater Autonomy” vote, it would require that the constitution is re-drawn to cater to this new division of powers.

A federal system can also be a better option fiscally as compared to Independence. It is less expensive than Independence as we will see in the next section.

If ‘Independence’ is the choice

Should independence be chosen, it would mean the establishment of a new and separate state; an independent Bougainville. Professor Qvortrup points out that getting independence is a process and can take up to five years or more to achieve. He also states that this process is a major undertaking economically, legally and politically.

The establishment of an independent Bougainville would be a major economic undertaking because of several reasons. One being the costs of setting up new departments to take on the roles and functions currently carried out by National Departments in Port Moresby. As Bougainville would be an independent nation it would also have to set up diplomatic
offices abroad. The costs associated with operationalizing and maintaining these departments in Bougainville and diplomatic offices abroad would be substantial.

Bougainville would face a challenge with economies of scale. Basically, what this means is that the per capita costs of public goods (such as roads, schools, airports etc) will be larger as the population paying for these (through their taxes) is now smaller. Bougainville could also lose the markets it accesses through PNG.

However, there are economic merits for Bougainville if it attains independence also. For one, independence would mean that Bougainville would not have to pay its share of the national debt. Of course, this can be open to negotiations however based on comparative analysis of other countries, a “clean slate” is not impossible as Professor Qvortrup argues.

Legally speaking Bougainville would either need to draw up a new constitution or adopt its existing one. Professor Qvortrup points out that with the existing framework it has, a new constitution would not be a necessity for an independent Bougainville. The key challenges would be in the transitional arrangements.

The main transitional arrangement lies in currency. Once Independence is agreed to, will Bougainville still use the Kina or will it create its own currency? He states that Bougainville can still use the Kina, choose to use the US dollar or the Australian dollar. At face value, this may seem like a simple enough issue. However, the technical challenges around this are far-reaching and thus need to be considered.

Professor Qvortrup also highlights other issues that the two governments will have to look at should Bougainville opt for Independence. Such as, whether or not Bougainvillean students will be allowed to attend universities and colleges in Papua New Guinea and whether or not Bougainville will have another referendum if their choice in this one does not turn out as intended. These are matters for negotiations and agreements between Bougainville and Papua New Guinea after the vote.

Either option of Greater Autonomy or that of Independence would be viable options. In the end, as Professor Matt Qvortrup highlights, whichever choice is made, both will require much work in implementing. The process of putting in place an appropriate governance framework will take time and a lot of hard work. Thus, it will require cooperation and a willingness to work together from both governments.

Further information can be obtained through reading the research reports commissioned by PNG National Research Institute as well as the Organic Law on Peace Building on Bougainville-Autonomous Bougainville Government and the Bougainville Referendum from; Referendum.Research@pngnri.org.

Authorised for release by:
Dr. Osborne Sanida
PNG NRI Director