Abstract

- Decentralisation through bilateral procedures and asymmetry with some provinces enjoying more responsibilities than others may entail a risk of fragmentation. But such a strategy may also have beneficial effects, if provinces, for example, differ regarding the scope of responsibilities that they claim or concerning their individual financial and administrative capacity to perform responsibilities in an efficient way.

- As for the entrenchment of decentralisation, a balance needs to be found between constitutionalising the more important aspects and addressing less significant aspects in other legal sources. This balance must be acceptable to both the provinces and national government for sustainable mix of legal protection through rigidity, on the one hand, and flexibility, on the other.

- For decentralisation processes in ethno-culturally diverse countries such as PNG, intra-provincial power-sharing is not only important for conflict resolution but also for conflict prevention. Therefore, it seems recommendable in line with the concept of “shared autonomy” that provincial executives are inclusive and that elected provincial assemblies, if re-established, contemplate the introduction of special voting procedures for certain vital matters.

- In terms of intergovernmental relations, both councils and intergovernmental agreements should pertain not only to their vertical dimension including the national government but also to the horizontal dimension between the provinces. The latter are often underestimated as tools for jointly carrying out decentralised responsibilities which transcend provincial boundaries and for inter-provincial cooperation more broadly by pooling their capacities.

- The decentralisation reform might establish various formats of intergovernmental councils dealing with issues at different levels of detail and regarding the different phases of policymaking and subsequent policy-administration. In order to avoid that these councils are marginalised or dominated exclusively by the national government’s agenda, issues like the frequency of meetings, agenda-setting, etc. should be clearly formalised in law.

- Combining different types of intergovernmental agreements, some being legally binding and others merely political commitments, might be useful because they may be suitable for different issues in intergovernmental relations.
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ENTRENCHEMENT, SHARED AUTONOMY AND EFFECTIVE INTEGRATION: PILLARS FOR PNG’S DECENTRALISATION

By Karl Kössler

Introduction

When Papua New Guinea (PNG) embarked on a journey towards decentralisation in the wake of its independence in 1976, this appears to have occurred in a context quite unfavourable for this endeavour to be successful. After all, German colonisation (1884–1914) and subsequent rule by Australia had created a strong legacy of centralisation. It seems obvious that such a legacy severely complicates any experiment with a decentralised system of government. This point is demonstrated by the experiences with post-colonial decentralisation arrangements in a number of countries in Africa, Asia and the Caribbean such as India, Pakistan, Malaysia, Nigeria, Rhodesia and Nyasaland, as well as the West Indies.1 Indeed, the repercussions of colonial administration have either hampered the implementation of such arrangements in these countries or have made it even impossible. A second context factor which potentially complicates decentralisation in PNG is its coexistence with an agenda of development, as the latter is often perceived as requiring steering and control by a strong national government. Debates in several countries have revolved around inherent tensions between governmental commitments to decentralisation, on the one hand, and development, on the other hand, for which Ethiopia is an illustrative case in point.2

Despite these challenging context factors, the 1976 PNG Constitution recognised the possible merits of a decentralisation of responsibilities and laid out several reasons for that in its section 2 on National Goals and Directive Principles. With a view to the objective “for all citizens to have an equal opportunity to participate in, and benefit from, the development of our country” the Constitution demands “the creation of political structures that will enable effective, meaningful participation by our people in that life [the political, economic, social, religious and cultural life], and in view of the rich cultural and ethnic diversity of our people for those structures to provide for substantial decentralisation of all forms of government activity.” Thus, the rationale behind decentralisation appears to be a combination of both ethnocultural diversity and participatory governance with a view to equality and development. Yet, decentralisation in PNG is not seen as a success story. A 2015 report wrapping up an Inquiry into the Organic Law on Provincial and Local Level Government concluded that “the current Organic Law is no longer viable” and that a “new system of decentralisation is therefore imperative”.3

Against this background, this study aims to identify insights from global comparative research which the new decentralisation arrangement could take into account with a view to three topics: namely, its entrenchment, relations within provincial governments and relations between national and provincial governments. The paper is structured as follows: It starts with a comparison of different options for the entrenchment of a decentralisation arrangement which depends on the extent to which it is regulated in the constitution or other sources of law (section 2). The resulting rigidity and flexibility both have pros and cons for the policymakers involved and these are pointed out with a view to the ongoing reform process. While entrenchment concerns the legal protection for the initial decentralisation arrangement, an equally consequential issue is to provide a solid basis for implementation which crucially depends on the relations between all actors involved. These are key for both adapting the arrangement to changing political, social and economic circumstances and the political resolution of disputes resulting from it. The study therefore argues that intragovernmental relations within subnational entities benefitting from self-governing powers should be based on

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4 The paper uses the expressions “subnational entity” and “province” interchangeably as general terms designating entities between local governments and the national government.
the concept of “shared autonomy” which requires — for decentralisation to benefit all groups concerned — inclusive decision-making and power-sharing within subnational entities (section 3). Moreover, the success of decentralisation is obviously determined at least as much by intergovernmental relations between the subnational and national governments. As autonomy always needs to be complemented by effective integration of subnational entities into the country as a whole, an appropriate legal and political framework needs to be set up for both institutions and instruments of intergovernmental relations (section 4). The paper concludes with a summary and concrete recommendations (section 5).

The methodology of this study relies predominantly on desk research. The paper builds on earlier research and advisory work of the author with regard to federalism, autonomy and decentralisation from a multidisciplinary perspective, blending comparative constitutional law and comparative politics. In particular, the study seeks to benefit from combining insights from the author’s expertise in comparative federalism with his previous work on the case of decentralisation and intergovernmental relations in PNG, both as a consultant and researcher.

Entrenchment of the decentralisation arrangement

A fundamental question for political decision-makers to answer is the degree of deconstitutionalisation of a new decentralisation arrangement which depends on the sources of law that shall regulate its various aspects. Not all of these can be foreseen and enshrined in constitutional law nor should they be because some things are better handled in a more flexible manner. Indeed, decentralisation may be regulated in the constitution and in other sources of law such as ordinary or special legislation.

Special laws are usually distinguished from ordinary laws through particular features regarding the legislative procedure (e.g. qualified majorities), its application to only one subnational entity or enhanced legal protection. Comparative research provides several instructive examples for such legislation.

A case in point are the autonomy statutes Spain’s regions, the so-called autonomous communities. These are acts which are first bilaterally negotiated between each region and the national government and then approved by both the respective regional legislature and the Spanish parliament (Spanish Constitution Article 147(3)). As the latter enacts the autonomy statutes in the form of national organic laws, these are different from ordinary legislation. In terms of content, they regulate all aspects of the decentralisation arrangement that are not expressly stipulated in the Spanish Constitution. They must, for example, determine — within national constitutional limits — the region’s institutional organisation and responsibilities ((Spanish Constitution Article 147(1–2)), and they can have some additional contents like regional symbols. In terms of form, the autonomy statutes have as special legislation a distinct rank in the legal hierarchy with the Constitutional Court recognising them as being superior to all regional and national law except for the Spanish Constitution.

Another relevant case where the national constitution limits itself to the basic framework for the decentralisation of responsibilities is that of the special regions of Italy. There are five of them and they are distinguished from the 15 ordinary regions through several characteristics. But most important are for our topic of entrenchment the rule that the adoption and any amendment of their autonomy statutes must be bilaterally negotiated with the national government, as well as their constitutional rank. This means that ordinary national laws cannot interfere with the decentralisation arrangement. But while this applies to all regions in Spain, it only applies in Italy — in an asymmetrical manner — to the five special regions. The autonomy statutes of the ordinary regions do not have this rank and can be changed via the normal procedure of constitutional amendment.

In contrast to both these examples, deconstitutionalisation does not necessarily involve in all cases bilaterally...
negotiated law. Decentralisation may also be regulated by special legislation that is adopted by the national parliament and applies to all entities but is “special” because it requires the consent of different regional or linguistic groupings in order to ensure inclusiveness. In Belgium, for instance, the members of the national parliament are subdivided into linguistic groups (Article 43(1) of the Belgian Constitution) and special laws require not only an overall two-thirds majority of the votes cast in each chamber but also a majority in both the Dutch-speaking and French-speaking caucus (Belgian Constitution Article 4(3)). Such special laws determine nearly all aspects of decentralisation, including the responsibilities of Belgium’s regions and communities, their financial arrangements and their autonomous institutions, and have therefore come to be extremely important.

The three above-mentioned cases show that a decentralisation arrangement may be regulated in a number of legal sources, not only the national constitution but also special legislation (with or without bilateralism being involved) or ordinary legislation. Several points are important to bear in mind with a view to the entrenchment of decentralisation in PNG.

First, if deconstitutionalisation does involve bilateral procedures, this can be the case for all subnational entities (like in Spain) or only for some of them (like in Italy) and thus typically entails different degrees of asymmetry, meaning that some provinces enjoy a higher degree of decentralisation than others. Such asymmetry may be justifiable either because regions differ in terms of how many competences they demand or how many their individual financial and administrative capacities enable them to carry out efficiently in line with the principle of subsidiarity. In this light, the issues of bilateralism and asymmetry might be of relevance for the new decentralisation arrangement of PNG. It is important to point out that these two issues are obviously interconnected but not in an automatic way. Indeed, both Spain and Italy have seen — despite bilateral decentralisation arrangements — repeated waves of resymmetrisation so that asymmetry cannot be considered a one-way street. Moreover, especially the Italian example teaches us that, even if bilateral procedures evidently tend to breed asymmetry, this legal dimension is only one factor determining how asymmetrical decentralisation is in practice. Another one is financial and administrative capacity. This is the reason why today some wealthier ordinary regions in Northern Italy de facto exercise more responsibilities than some poorer special regions in Southern Italy even though the latter have been transferred, from a legal perspective, more potential responsibilities.

From the perspective of PNG, a merely temporary but not permanent asymmetrical framework might have the advantage of allowing experiments in some provinces which could then be emulated by others in case of success or discarded in case of failure. An initiative to have pilot provinces can therefore be a good idea. Indeed, temporary asymmetry can and probably should be reduced over time with the other provinces catching up in terms of functions and finances. In some countries, however, such as Spain this process of catching up happened very much to the chagrin of the pilot regions (all featuring national minorities). Because of their ethnic-cultural diversity and because they had gotten used to having more autonomy, these regions argued that their special status should be retained. Thus, from a political perspective such a two-phased decentralisation process may also be fraught with potential like inter-provincial relations being difficult to manage due to feelings of animosity and grievances.

Secondly, deconstitutionalisation must not equally concern all aspects of decentralisation. This is to say that it might make sense to entrench some elements in national constitutional law and deal with other ones, normally in a more flexible manner, in other sources of law. Interestingly, the allocation of regional responsibilities in Spain, undoubtedly a key aspect of decentralisation, is regulated in the above-mentioned autonomy statutes. In fact, the autonomous communities do not have any powers directly from the national constitution. Instead, the latter only refers to the statutes (Spanish Constitution Article 147(1–2)) and otherwise does nothing more than offering certain subject matters that they may take over in these special laws after bilateral negotiations (Spanish Constitution Articles 148–149). Another obvious key aspect is the financing of decentralisation because just the formal legal authority to carry out certain functions is meaningless if provinces lack the resources to perform them at least according to some minimum standards. Put differently, financial means shall be commensurate with responsibilities. In South Africa funding arrangements for the country’s provinces were seen as requiring strong legal guarantees so that large parts of them were regulated rather extensively in the constitution, that is in a long chapter dedicated to “Finance” (South African Constitution sections 213–230A). This does not mean, however, that there is no deconstitutionalisation. In fact, as these many sections often merely provide basic principles, a considerable part of the financial aspects of decentralisation are actually determined — within constitutional limits — in ordinary national laws. Inevitably, as these pieces of legislation (e.g. the 1999 Public Finance Management Act

regarding provincial budgeting or the annual Division of Revenue Act) have gained considerable, also the power of the national parliament has increased vis-à-vis that of the provinces.12

Thirdly, the decision whether major parts of decentralisation should be entrenched in national constitutional law or regulated in other legal sources typically implies more rigidity in the former case and more flexibility in the latter. Increased rigidity evidently benefits those political actors, typically the weaker ones, who are interested in maximum legal guarantees for the arrangement. By contrast, the greater flexibility of regulating significant parts of a decentralisation arrangement in sources of law below the constitutional level plays into the hands of actors who are predominant in ordinary politics and thus able to safeguard their interests beyond the constitution-making process, which is typically the national government. But it also has the objective advantage of enabling timely and uncomplicated adjustments of the new arrangement to changes in the political, social and economic context. While national constitutional law is normally most rigid and thus offers the strongest legal guarantees against unilateral change, this is not necessarily so in all instances. In fact, Belgium's special laws regulating decentralisation are more difficult to amend than the constitution as a result of the above-mentioned veto power of both the Dutch and French language group in the national parliament. A constitutional amendment, by contrast, “only” requires the approval of both chambers before and after elections (Belgian Constitution Article 195). Paradoxically, deconstitutionalisation thus arguably provides in this case rather stronger legal guarantees than weaker ones.

Shared autonomy: How to organise intragovernmental relations?

It is beyond doubt that PNG is characterised by immense ethno-cultural diversity and the above-mentioned section 2 of PNG’s Constitution implies that this diversity is not only the factual context for the decentralisation process but also one of the rationales behind it. This certainly makes sense in a country where distinct cultural and regional identities abound and which is — with nearly 850 languages spoken — one of the most diverse places on earth.

If decentralisation takes place in countries featuring considerable diversity, this leads inevitably to the question of how to address the issue of “internal minorities”13 or intra-unit minorities”14 (with provinces being the “unit” meant here), to which comparative research has recently paid increasing attention. As territories in such countries are far from being homogeneous in ethno-cultural terms, any decentralisation of responsibilities, which transforms them into autonomous territories, does not only empower the dominant majority group in this province. It often also entails the risk of marginalising the “internal minorities”. Majorities in autonomous territories in these cases tend to apply the somewhat schizophrenic strategy to demand the decentralisation of powers from the national government but at the same time refuse to share power with provincial minorities.

Concerning the relationship between provincial majorities and decentralisation, three models may be distinguished. In a first one the autonomy of the territory granted new responsibilities is perceived, for geographical or historical reasons, exclusively as an instrument for protecting the demographically strongest group. This often holds true for islands such as the Åland islands (vis-a-vis Finland) or New Caledonia (vis-a-vis France). But the rationale also applies, for instance, to the province of Quebec within Canada whose identity is very much framed in ethno-cultural and above all linguistic terms, even if French-speakers also settle in other Canadian provinces and Quebec is home to many non-French-speakers. Second, in some other cases ethno-cultural and territorial elements coexist within the decentralisation arrangement so that the heterogeneity of the provincial population is taken into account at least to some extent (e.g. Belgium). Often the ethno-cultural elements have only over time come to be complemented by the territorial ones (e.g. South Tyrol within Italy).15 In a third set of cases, protecting one group was key, historically, for the very project of decentralisation, while the latter’s legal design then much more emphasised territorial elements. This may then foster an inclusive territorial identity (e.g. Scotland).16

While there may therefore be different types of relationships between the provincial majority and decentralisation, the first above-mentioned type in particular begs the risk of facilitating a “sons of the soil politics”17 through which

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17 Sujit Choudhry. (2008). Does the world need more Canada? The politics of the Canadian model in constitutional politics and political theory. In
this majority dominates “its” territory and marginalises “internal minorities”. If one group perceives itself as “owning” the autonomous territory and, as a consequence, territorially-based autonomous power, decentralisation may prepare the ground for such marginalisation. In such cases, the majority would tell “internal minorities”, as a politician and scholar already noted a century ago, the following: “If you live in my territory, you are subject to my domination, my law, and my language!” For this to be avoided it is important to not understand decentralisation as benefiting exclusively one group but rather the whole territory and thus its entire population.

In practice, the latter can be achieved by applying the concept of “shared autonomy” which PNG’s current reform of decentralisation might want to consider. Unlike the above-mentioned “hegemonic autonomy” approach benefiting just one group, this concept implies that “internal minorities” participate in decentralised power so that they are not constantly outnumbered under the rules of majoritarian democracy. Intra-provincial power-sharing should therefore complement majority rule to a certain extent whereby the concrete extent is obviously something to be determined by policymakers. Due to the recent heyday of power-sharing arrangements in constitutional practice and, as a consequence, in research, policymakers can indeed rely on experiences from a number of countries. Indeed, there has been a major recent trend from Northern Ireland in 1998 to Mindanao in 2012 to apply power-sharing, albeit with very different degrees success, to subnational entities and not, as traditionally, to the national government. Such power-sharing at the subnational level has been a cornerstone, as in the two above-mentioned cases, of numerous peace agreements since the 1990s. However, such power-sharing is not only a crucial complement to decentralisation in the context of post-conflict situations but also essential for conflict prevention. For the possible application of intra-provincial power-sharing in PNG three points are important.

First, it must be emphasised that even if the logic of such power-sharing is diametrically opposed to that of majoritarian democracy; it does not fully supplant but only supplement majority decision-making in certain areas. These areas should be those of vital interest for “internal minorities” concerning which being outnumbered has the most adverse impact on them. Fully supplanting majoritarian democracy with mechanisms of power-sharing would evidently immensely decrease efficiency of decision-making on decentralised matters. Therefore, a balance needs to be struck.

Second, legal guarantees for intra-provincial power-sharing differ considerably. It is often formally entrenched in domestic law (constitutional and/or ordinary law) and sometimes additionally enjoys from some sort of international guarantees, however weak they sometimes may be (e.g. the 1998 British-Irish treaty concerning Northern Ireland in addition to Westminster’s Northern Ireland Act and the multi-party agreement by most of Northern Ireland’s political parties). Moreover, there are also rare cases of informal power-sharing without any legal guarantees, a case in point being the “magic formula” for dividing the seven seats in the Swiss cabinet between the four ruling parties. This, however, is a specific case where a rule is based on political tradition of consensus-oriented decision-making, while any attempt to newly introduce power-sharing in a country without such a tradition would probably necessitate its formal legal entrenchment.

Third, instruments of intra-provincial power-sharing can relate to the legislative and/or executive branch of the decentralised government. At this point, it is important to keep in mind that PNG abolished elected provincial assemblies in 1995 and, as a consequence, also replaced premiers by governors, a position held by the winner of the province-wide seat in the elections to the national parliament who at the same time also acts as MP. Therefore, some of the power-sharing instruments presented below would either benefit from or even require a reestablishment of elected provincial legislatures in the context of the current reform of decentralisation.

As for the legislative branch, provincial law-making on decentralised matters may be occurring in line with the concept of “shared autonomy” through different instruments. But special voting procedures seem more relevant than others such as reserved seats for provincial minorities in parliament
or their inclusion regarding specific parliamentary functions like the speaker and chairs of committees. This is because such procedures may give those potentially marginalised groups beyond mere representation also effective power. Voting procedures in the provincial legislature on some selected decentralised matters may require at least qualified majorities but they may also grant representatives of “internal minorities” some sort of veto power. While their objection to a bill has sometimes only suspensive effect, they are in other cases real veto players in the classical sense as “actors whose approval is required to alter the status quo.” From a political perspective it is important to stress that veto rights do not only have an impact when members of the legislatures actually use them but also when they merely threaten to do so. While they may indeed entice the provincial majority to enter in negotiations and generally have a more compromise-oriented approach, they may also be misused by provincial minorities for obstructionism and sabotage efficient parliamentary decision-making. This is why veto powers are in any power-sharing arrangement an “ultimate weapon” to be used only for the protection of vital interests.

For policymakers one crucial question is therefore how easy it shall be to invoke a veto procedure. This depends on the definition of the parliamentary groups empowered to initiate this procedure and on the conditions for it to be initiated. In the Northern Ireland Assembly, for instance, all members must designate themselves at the first session as “Unionist”, “Nationalist” or “Other” (section 3(7) of the Standing Orders). In principle, vital interests as conditions for the veto procedure may then be defined either directly in written law (rigid content element) or by a certain threshold of support in parliament (flexible numerical element). In the case of the Northern Ireland Assembly there are both options, as several issues are pre-defined as requiring cross-community support from both Nationalists and Unionists in written law (the 1998 Northern Ireland Act and the Standing Orders). Beyond that, however, 30 out of the 108 assembly members can invoke the cross-community support requirement for any other matter by signing a “petition of concern” (section 42(1) of the Northern Ireland Act). This entails a (quasi-) veto procedure, as approval of the bill then requires either an overall majority of votes plus a majority of both Nationalists and Unionists (parallel consent) or an overall majority of 60 percent of votes plus 40 percent of both designations (weighted majority) (section 4(5)(a-b) of the Northern Ireland Act). While a failure to achieve one of these thresholds means the defeat of the bill, special voting procedures in other cases have post-veto mechanisms to break the deadlock. These may include a formal negotiation commission to reconcile the different views (e.g. in the autonomous entities of Bosnia and Herzegovina) or the possibility for a language group within the legislature to bring a law, which was adopted against its will, before the Constitutional Court (e.g. Article 56 of the autonomy statute of South Tyrol within Italy).

Comparative evidence also provides regarding the executive branch numerous options for intra-provincial power-sharing, among them examples of inclusive cabinet composition which reflects the diversity of groups in the territory. While proportional representation of groups in provincial public administration can be another important tool, my focus here is on the cabinet because it usually dominates — of course with involvement of higher-level officials — the process of policymaking (e.g. by submitting government bills to parliament and adopting regulations amounting to laws in a material sense). Interestingly, a global comparison suggests that power-sharing regarding cabinet composition is often linked to legislative power-sharing. Cabinet diversity in both Northern Ireland and South Tyrol, for instance, is strengthened by what may be called “two-step proportional representation”. An inclusive electoral system first ensures such representation of groups in the legislature whose composition then forms the basis for a diverse cabinet composition including the different language groups (in South Tyrol) or the political parties representing Nationalists and Unionists (in Northern Ireland). While cabinet composition is in these cases based on proportionality, power-sharing institutions can also be based on parity with each group having the same number of representatives, something rather used for smaller institutions (e.g. the three-person presidency instead of a single president in Bosnia and Herzegovina).

Policymakers should contemplate intra-provincial power-sharing in its legislative and/or executive dimensions.
and determine the concrete procedures based on the above-mentioned examples, as well as their scope of application with regard to specific policy fields. Quite evidently, sharing within the provinces the exercise of decentralised power through these tools is not the only precept that matters. As some tools such as special voting procedures in provincial legislatures could also have adverse effects in terms of slowing down decision-making or enabling obstructionism, the greater inclusiveness that comes with power-sharing always needs to be balanced and traded off against other precepts like efficiency and effectiveness of decision-making.

**Effective integration: How to organise intergovernmental relations?**

There are several reasons why intergovernmental relations (IGR) are generally considered essential for any decentralisation arrangement and are also empirically of increasing importance.²⁷ First, for such an arrangement to work it is not sufficient, as outlined in the two previous sections, to adequately entrench it and ensure that decentralised power is exercised in line with the concept of “shared autonomy”. It is also essential that autonomy for PNG’s provinces is complemented by their integration in the country as a whole. This is important to foster country-wide cohesion which requires a common public sphere, inter-provincial solidarity and that the general national interest is not continuously disregarded by an exclusive focus on provincial interests.²⁸

Second, decentralisation arrangements are not set in stone but need to be adapted to changing social, economic and political circumstances. IGR provide a flexible way for doing exactly that. It is indeed important that the formal distribution of responsibilities in the constitution and possibly other sources provides, on the one hand, sufficient guarantees, especially for the politically weaker among the subnational government, but that is not too rigid, on the other hand. What is written there in (necessarily) rather general terms needs to be made concrete and brought to life through institutions and instruments of intergovernmental cooperation. In many countries (e.g. Canada) such flexibilisation is achieved not only through intergovernmental cooperation but also through the case law of a rather activist constitutional court. Still, it is usually better for flexibilisation to be achieved consensually through cooperative solutions than through judicial verdict.

Third, and linked to the previous point, the political management of conflicts arising from decentralisation require amicable and effective IGR so that court disputes between governments are minimised and only an instrument of last resort. Besides these reasons for their importance, policymakers involved in a reform process should also bear in mind that there are two key elements of IGR, namely the institutions bringing together representatives from different governments (e.g. permanent or ad hoc council) and the instruments that may be used in their relations with a view to fostering cooperation (e.g. intergovernmental agreements). Importantly, these two elements may be related to different types of IGR.

First, intergovernmental relations have two dimensions, namely the vertical one between the provinces and the national government and the horizontal one between the provinces. This means that both institutions and instruments of IGR may be in place for each of these dimensions and actually should ideally cover both of them. The value of vertical IGR is usually more easily acknowledged due to their obvious and direct nexus with a process of decentralising responsibilities from the national government to provinces. By contrast, that of the horizontal dimension often remains underestimated and certainly deserves more attention. This is, for example, because joint institutions or agreements are useful for carrying out decentralised responsibilities that often transcend the boundaries of two or more provinces such as infrastructure projects, the management of natural resources or the provision of public services. Apart from the management of these cross-boundary issues, horizontal IGR also occur between regional groupings of provinces or even all of them with a view to joint policymaking more broadly “among equal partners” without the need to resort to the national government with its potentially centralising impact. One example for the latter is effective inter-provincial cooperation in Canada regarding education so that intervention of Ottawa in this field was obviated.²⁹

This already points to a second typology of IGR whose criterion is the number of governments involved. In fact, both institutions and instruments may be bilateral, multilateral or even omnilateral, thus including all governments in the country. The preference in this regard typically depends on something already discussed in this study, namely whether a decentralisation arrangement aims at transferring the same something already discussed in this study, namely whether a decentralisation arrangement aims at transferring the same powers to all provinces or more to some than to others.³⁰

Indeed, a symmetrical distribution of powers tends to go

³⁰ See section 2 above.
together with multilateral IGR, while asymmetry (also) requires bilateral institutions and instruments. It is no coincidence, for example, in view of Spain’s above-mentioned reliance on bilateralism for the adoption and amendment of the regions’ autonomy statutes that “multilateral networks as opposed to bilateral relations between Madrid and the communities are still relatively underdeveloped”.31

Third, both institutions and instruments may relate to different phases of the policy process. They may either be established for the purpose of cooperation in policymaking or coordination of policy-administration. Thereby it should be borne in mind that IGR in these two phases are interconnected. This is to say that a decision that is shared and supported by the relevant stakeholders at the stage of policymaking will normally also facilitate smooth policy-administration.

Taking now a closer look at concrete examples of the two elements of IGR, namely institutions and instruments, particular emphasis should be placed on what can be learned from other countries with decentralisation arrangements regarding summit intergovernmental councils32 and intergovernmental agreements.33

As far as intergovernmental councils are concerned, there is indeed a myriad of such institutions at various levels, as they may bring together civil servants, ministers in charge of the same portfolio or — at the summit level — the heads of government. All these have different foci with higher-level institutions obviously dealing less with details so that the various formats of councils are not mutually exclusive but should ideally complement each other. Irrespective of the level of participants, all these formats have in common that they bring together representatives from the executive branch. This has been considered quite natural for parliamentary systems of government where this branch tends to dominate over the legislative branch (unlike in presidential systems such as the United States) and thus has greater authority to make binding commitments in negotiations in these councils.34

There are rather rare examples of institutions which link legislatures such as the South African Speakers’ Forum which is not only given credit for sharing information but also for coordinating legislative action. However, as councils composed of executives are from a comparative perspective clearly more prevalent35 and elected provincial legislatures do not currently exist in PNG, our study focuses on these, especially on summit intergovernmental councils.

If PNG contemplated the establishment of an institution composed of the prime minister and provincial governors, comparative evidence on summit intergovernmental councils raises two main questions, namely their degree of formalisation and their vertical and/or horizontal character. As for the first issue, such councils have as a matter of fact only rarely a constitutional basis. India’s Inter-State Council is one of the few exceptions but it is actually often sidelined by the de facto more important National Development Council which is not mentioned in the constitution.36 A vast majority of summit intergovernmental councils is characterised by a low degree of formalisation: the Joint Ministerial Committee (JMC) in the United Kingdom is based on a non-binding Memorandum of Understanding between Westminster and the devolved governments, the regulation of Spain’s Conference of Presidents on a multi-party agreement and the First Ministers’ Meeting in Canada simply on a long tradition that can be traced back to the Charlottetown Conference of 1864.37 What do all these experiences imply for PNG? To be sure, little formalisation does not necessarily mean that a council is rendered automatically ineffective. The above-mentioned examples of the formalised but relatively unimportant Inter-State Council in India and of Canada’s informal First Ministers’ Meetings, which were considered at least until the early 2000 as quite effective, prove this point.

Yet, one point is clear. A low degree of formalisation enables the national government either to dominate the council or to sidestep it and the latter is exactly what occurred with the Canadian First Ministers’ Meetings after the early 2000s. Their informal character entailed that then-Prime Minister

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Stephen Harper (2006–2015), quite disinterested in this institution, could simply choose to only convene it twice in an entire decade. Likewise, the United Kingdom’s JMC also had a period in which it was not convened for years (2003–2007) and even the more formalised Inter-State Council has not been called frequently because it is only mentioned in the Indian Constitution but not regulated in terms of how often it has to meet. Similar to others, this council has therefore been rightfully characterised as an “episodic body whose functional dynamism depends on the temperament of the incumbent government” and otherwise “remain in hibernation”. Almost as bad as councils that are not convened at all are those being entirely dominated by the national government. Indeed, they are sometimes only used as information conduit without real engagement in debate and exchange with provincial governments. Even regarding the periods, unlike the Harper premiership, when the Canadian First Ministers’ Meetings took place quite regularly, the provinces have often lamented the unilateral agenda-setting by the national government with their own provincial priorities and initiatives being “at the bottom” of the agenda or not included at all. Similarly, the Council of Australian Governments (COAG) is seen as being dominated by the agenda of the prime minister.

PNG should avoid both the marginalisation of a summit intergovernmental council and national government dominance by regulating the inner workings regarding such issues as the frequency of meetings, agenda-setting, etc. more clearly and extensively in constitutional and/or ordinary law. Several more recently established decentralisation arrangements point in this direction for which chapter 3 of the South African Constitution and the country’s Intergovernmental Relations Framework Act of 2005 is a notable example. South Africa’s approach of dedicating a whole chapter of the constitution to laying down the principles of cooperative government, is also in line with the country’s perception and terminology of spheres of government. In fact, section 40(1) of the Constitution states that “[i]n the Republic, government is constituted as national, provincial and local spheres of government which are distinctive, interdependent and interrelated”. This differs from the hierarchical notions of levels or orders of government. In reality, this terminology does not mean of course that central government dominance is made impossible and South Africa is indeed seen as a country where the provinces are granted quite little autonomy (more, however, the municipalities). Such dominance needs to be prevented through the more substantive provisions regarding responsibilities, funding, etc. Without doubt, however, the non-hierarchical notion of spheres of government can be an important symbol of mutual respect and symbolic provisions can be, in some instances, a crucial complement to the aforementioned substantive provisions. Importantly, besides addressing the twin problems of a marginalised or dominated council, formalisation also has a deeper meaning from the perspective of provincial governments. In fact, the demand by the Scottish National Party in 2007 to restore the formal JMC instead of only relying on informal mechanisms was very much about “ensuring that IGR was underpinned by the principle of parity of esteem”. This principle is important for relations between the national and provincial governments.

A second question is then for summit intergovernmental councils whether they should only be in place in the vertical dimension or also horizontally between provincial heads of government to the exclusion of the national one. Without doubt the last three decades have witnessed a trend towards the establishment of such horizontal councils. Cases in point are the creation of the Conference of the Cantonal Governments in Switzerland (1993), the formalisation in Canada of earlier interprovincial meetings by establishing in Council of the Federation (2003) and, modelled on it, the Council for the Australian Federation (2006). Yet, the stories and experiences that these countries tell are quite different, as the real impact of these councils has depended, as with all intergovernmental institutions, on the extent to which they have actually been used and thus filled with life. The strongest of these institutions is probably the Conference of the Cantonal Governments in Switzerland where this is actually the main forum, which is only supplemented by a

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“federal dialogue” bringing together this conference with the national government. The high degree of institutionalisation of horizontal cooperation in Switzerland is probably due, among other, to the small size of the cantons and their common interest to fend off centralisation. But such intensive collaboration may also be advisable for countries like PNG where provinces would probably benefit from pooling capacities regarding at least some of the decentralised responsibilities. An important lesson to be learned from the Swiss example is that a horizontal intergovernmental council may be beneficial not only for joint service provision but also for finding a common stand ahead of negotiations with the national government. Moreover, Switzerland shows that explicit constitutional empowerment of the cantons to establish common institutions (Swiss Constitution Article 48(1)) may be useful and that the concentration of horizontal cooperation structures in a single compound in the capital city facilitates exchange in practice. This is precisely what the House of the Cantons in Bern, newly established in 2008, does.

As far as instruments of IGR are concerned, the various forms of intergovernmental agreements deserve particular attention. They are not only key to further elaborate on the details of a decentralisation arrangement but also serve, as reliable sources in black and white, as important reference points for the resolution of disputes. Moreover, horizontal agreements between provinces may be useful to regulate joint service provision which obviously makes a lot of sense if single provinces have weak capacities and can thus benefit from economies of scale. For all these reasons it is therefore hardly surprising that such accords are in many countries clearly of increasing significance. From a practical point of view, it is key for a reform of decentralisation to decide what should be the legal basis for intergovernmental agreements and what should be their legal effects.

As for the legal basis, there is again a considerable variety of approaches. Some constitutions such as Canada’s remain completely silent on intergovernmental agreements, while the Spanish Constitution, for instance, regulates legally binding accords (convenios) between the autonomous communities for joint service provision and also requires them to be approved by the national parliament (Spanish Constitution Article 145(2)). If there is neither a basis for intergovernmental agreements in written law nor in the case law of a country’s apex court, they are left to the political sphere with all the uncertainty concerning the scope and procedure of application that this entails. Again, as with the summit intergovernmental councils mentioned above a lack of formalisation does not automatically mean a lack of importance for which Canada’s extensive and crucial intergovernmental accords in many policy fields are a good example. However, formalisation certainly helps to prevent that this instrument is neglected, especially in countries where there is, unlike in Canada, no long tradition of intergovernmental cooperation.

A second main issue concerns the concrete legal effects of agreements. If such accords between government executives at the national and subnational levels are intended to be not only politically relevant but legally binding, this is typically achieved in one of two ways; that is, through legislative ratification or legislative implementation. In the first case, the mere act of ratification provides the accord itself with the force of law. In the second case, the legislatures of all governments involved implement the content of the agreement by passing parallel mirror legislation with only this legislation and not the accord itself acquiring legal effect. The latter pattern is typical of most common law systems like PNG. Of course, not all agreements must gain legal force, as numerous forms of gentlemen’s agreements among politicians or administrative accords demonstrate. Some countries like Spain use different notions for different kinds of agreements and usefully combine those that are legally binding (acuerdos) with others entailing merely political commitments (acuerdos).

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Conclusions and recommendations

With a view to the current reform of decentralisation in PNG this study has laid out what insights from global comparative research might be relevant concerning three interrelated topics; namely, entrenchment, intra-provincial and intergovernmental relations. Any arrangement of transferring responsibilities to provinces needs to be entrenched in order to be legally protected and this can occur through a variety of legal sources, including constitutional law, ordinary legislation and special legislation. For decentralisation to be widely accepted and successfully implemented a balance is important between autonomy of the provinces and their integration in the country as a whole. As for the first of these two elements, this study has argued that PNG’s immense ethno-cultural diversity seems to make it advisable that decentralised responsibilities are exercised in a manner which includes and benefits all groups within a province in line with the concept of “shared autonomy”. Regarding the second element, comparative evidence suggests that effective integration of the provinces requires reformers to put in place both institutions and instruments of intergovernmental relations.

More specifically, the previous sections enable us to provide the following six recommendations to policymakers involved in the process of reforming PNG’s decentralisation arrangement:

- If the reform settles for entrenching parts of this arrangement through bilateral procedures (see the examples of Spain and Italy), this typically entails different degrees of asymmetry with some provinces enjoying a higher degree of decentralisation than others. Such asymmetry may be advisable not only if provinces differ regarding their demands of responsibilities but also concerning their individual financial and administrative capacity to perform in an efficient way.

- With regard to the entrenchment of decentralisation it is important to strike a balance between the rigidity and enhanced legal protection which is usually provided by constitutional and the greater flexibility that regulation in ordinary and special legislation normally affords. This balance of constitutionalising the more important aspects and addressing less significant aspects in other legal sources needs to be acceptable to all parties involved, both the provinces and national government, and needs to be found regarding each single issue of decentralisation (see the examples of regional responsibilities in Spain and finances in South Africa).

- For decentralisation processes in ethno-culturally diverse countries such as PNG, intra-provincial power-sharing is not only important for conflict resolution but also for conflict prevention. Therefore, it seems recommendable in line with the concept of “shared autonomy” that provincial executives are inclusive through representatives from different groups (see the examples of South Tyrol, Northern Ireland and Bosnia-Herzegovina). If the current reform process went as far as re-establishing elected provincial assemblies in whatever form, it might also contemplate special voting procedures in these legislatures, albeit always limited to decentralised matters affecting vital interests of provincial minority groups and with due respect for decision-making that is not only inclusive but also efficient and effective (see the example of Northern Ireland).

- In terms of intergovernmental relations, both councils and intergovernmental agreements should pertain not only to their vertical dimension including the national government but also to the horizontal dimension between the provinces. Horizontal mechanisms are often underestimated but crucial for jointly carrying out decentralised responsibilities which transcend boundaries of neighbouring provinces, for inter-provincial cooperation more broadly by pooling their capacities and for them to find a common stand vis-à-vis the national government. Physical concentration of these mechanisms in a single compound in the capital city might facilitate exchange in practice (see the example of Switzerland).

- The decentralisation reform might want to establish various formats of intergovernmental councils (involving civil servants, ministers in charge of the same portfolio and heads of government), as these may complement each other by dealing with issues at different levels of detail and regarding the different phases of policymaking and subsequent policy-administration. In order to avoid that these councils are marginalised as episodic bodies or dominated exclusively by the national government’s agenda, their inner workings regarding the frequency of meetings, agenda-setting, etc. should be clearly formalised in law (see the example of South Africa).

- A similar approach of legal formalisation and combining various formats should be adopted for intergovernmental agreements. A solid legal basis seems advisable for a country which a short
history of decentralisation which cannot rely, unlike Canada, solely on a long-standing political tradition. Combining different types of agreements, some being legally binding and others merely political commitments, might be useful because they may be suitable for different issues in intergovernmental relations (see the example of Spain).

References


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