The politics of undermining national fee-free education policy: Insights from Papua New Guinea

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Abstract

Around the world, policymakers have found it difficult to sustain fee-free education policies. This article shows how politicians can significantly undermine national fee-free education policies by redirecting resources to subnational administrations, where funds can be used to shore up political support. To do so it examines changes to political support towards Papua New Guinea’s longest running fee-free education policy. The Tuition Fee Free (TFF) policy was introduced in 2012 under the government of Prime Minister Peter O’Neill before the policy was abolished, and the subsidy supporting it reduced, in 2019 by a new government led by Prime Minister James Marape. Following the introduction of the TFF policy in 2012, national politicians empowered subnational governments to control TFF subsidies, while education and other funding had started to flow to newly created district administrations. This paved the way for politicians to maintain fee-free education policy in some subnational administrations when the Marape government cut the TFF subsidy. This article suggests that in Papua New Guinea, as in some other developing countries, politicians are incentivised to administer fee-free education.
Over the past two decades, the number of countries with fee-free education policies has risen significantly. Governments across the globe have poured resources into lowering or eliminating the costs associated with sending students to school, which has helped increase the proportion of children enrolled in schools across the world (UNESCO, 2015). While these outcomes have been linked to global calls to increase school enrolments, their realisation has ultimately relied on national and local political will (Harding & Stasavage, 2014; Kosack, 2009; Plank, 1990; Stasavage, 2005). However, many countries—including post-independence African nations such as Kenya, Ghana and Tanzania (see Bown, 2009; Sasaoka & Nishimura, 2010)—have found it difficult to maintain these policies in the face of competing political priorities, resource constraints and concerns about the impact of fee-free education policies on educational quality. This article argues that politicians can undermine national fee-free education policies because they are incentivised to channel resources associated with these reforms to subnational governments.

We develop this argument by examining the case of Papua New Guinea (PNG). In 2019, PNG’s newly appointed prime minister, James Marape, announced the abolition of the country’s Tuition Fee Free (TFF) education policy, and subsequently reduced (but did not eliminate) the subsidy payment supporting this policy. Introduced in 2012 under the government of Prime Minister Peter O’Neill, the TFF policy meant primary and, eventually, all secondary students could attend school without paying nationally imposed school fees (for school attendance) and from 2015, provincially set project fees (funds paid by parents for specific school-level projects). The TFF policy was one of the O’Neill government’s central policy platforms and helped legitimise O’Neill’s prime ministership when he controversially took over from Prime Minister Michael Somare in 2011. Early on the TFF enjoyed significant political will at the national scale. This meant that it was well funded and strongly supported by the prime minister and his government.

However, while the O’Neill government’s rhetorical support for the TFF policy remained strong, as we show in this article, national funding for the policy waned over time. This wavering of national political will towards the policy coincided with increased decentralisation of educational funds and administration. This devolution of financial and administrative powers to implement fee-free education intensified with the Marape government’s 2019 decision to abolish the TFF policy. As we argue below, PNG politicians are incentivised to channel resources into subnational administrations because they are better able to distribute funding to their supporters and, in most cases, less likely to be held accountable for expenditure. These incentives are linked to a brand of patronage politics that preferences localised over national resource distribution. This has resulted in geographically uneven outcomes around educational administration and financing and, ultimately, helped pave the way for the abolition of the TFF policy.
This article draws on a decade of publicly available national budget documents, with reported spending and allocations converted into constant 2019 prices to ensure meaningful comparisons over time. At the time of writing one kina (K1) was worth A$0.44 and US$0.29. While we note that many external (such as donors) and internal (such as civil society) actors and organisations can influence educational resources, we focus on the role of national politicians. The national budget (particularly Volumes 1 and 2) and the Final Budget Outcome documents are the primary sources for our analysis; key stakeholders in PNG have also been consulted to verify figures. In addition, we analyse a range of secondary materials, including newspapers, online materials and departmental reports.

Section 2 of the article briefly overviews the literature on politics and fee-free education policy. The article then provides a background on PNG’s history of fee-free education reform and its most recent ill-fated attempt through the TFF policy in Section 3. Section 4 shows that while the rhetoric of fee-free education policy remained strong, between 2012 and 2019 national funding for the TFF subsidy diminished. Section 5 demonstrates that funding for fee-free education policy became stronger within some subnational governments during the TFF policy period and, in particular, after the Marape government abolished this policy. It discusses some of the incentives that motivate politicians to direct education funding into subnational administrations. Section 6 reflects on these findings and what they mean for policymakers and scholars in light of broader political and historical trends.

2 | POLITICS AND FEE-FREE EDUCATION POLICY

The rise of fee-free education policies around the world is due, in part, to the political buy-in that has occurred across the developing world. While much has been made of international efforts—through organisations such as the United Nations and other multilateral and bilateral agencies—ultimately it has been the political decisions of national and local-level leaders that have turned international agreements and goals into national policies that are effectively implemented in oftentimes challenging contexts.

There is some evidence to suggest that politicians have supported these policies due to the political incentives associated with fee-free education. Harding and Stasavage (2014) argue that competition in African elections incentivised governments to abolish school fees. Between 1990 and 2007, 11 sub-Saharan countries abolished fees immediately after elections. Using Afro-barometer survey data from Kenya, Harding and Stasavage (2014) go on to suggest that citizens are more likely to vote for politicians who promise to abolish school fees. In other words, politicians are likely to support these policies because they help them win elections. Citizens are much less likely to vote for those who promise to improve educational quality, because they often do not believe politicians can directly influence the quality of local schools (Harding, 2015). However, despite the political incentives to support fee-free education policies, some countries have found it difficult to maintain these reforms leading to uneven educational outcomes (Bown, 2009; Kosack, 2009; Plank, 1990; Rosser & Joshi, 2013; Sasaoka & Nishimura, 2010). For example, Amedahe and Chandramohan (2009) show that while fee-free education became government policy in Ghana in 1961, the government was unable to enforce it due to inadequate resources and infrastructure; the policy was effectively abandoned by subsequent administrations in the 1970s.

The introduction and elimination of education fees are shaped by conflict and contestation among stakeholders operating at multiple scales—from the local school level through to the national and international scale (Kosack, 2009; Plank, 1990; Rosser & Joshi, 2013; Walton, 2019).
These conflicts are often exacerbated by the tensions between the need to centrally administer fee-free education policies and moves to decentralise service delivery (Bray, 2007). While development agencies argue that fee-free education policies are most effective when accompanied by reforms that decentralise decision-making and empower schools to promote greater local accountability (World Bank & UNICEF, 2009), others have noted that, in order to work, such policies require centralised administration (Bray, 2007; Pang, 2008; Sasaoka & Nishimura, 2010). In their study in East Africa, Sasaoka and Nishimura (2010, p. 79) find that universal primary education policy resulted in the strengthening of centralised political power while local control diminished. This article contributes to this debate, and the broader literature on the impact of fee-free education policy (see Abernethy, 1969; Bown, 2009), by examining how national politicians can undermine national fee-free education policies through diverting funds to subnational administrations. We do so by drawing on evidence from PNG.

3 | PAPUA NEW GUINEA AND FEE-FREE EDUCATION POLICY

Papua New Guinea has now had four attempts at introducing a fee-free education policy since the country’s independence in 1975. The first attempt was made in 1981 under a government led by Julius Chan, with members of the National Assembly moving to make education free for years 1 to 10 in the following year. This announcement was met with hostility by many provinces as under PNG law provincial administrations controlled both primary and secondary schools. This reflected the fact that, at the time, PNG was one of the most decentralised countries in the world (Bray, 1982), although provinces themselves had been slow to generate distinct education policies (Bray, 1984, p. 135). Provincial governments raised many concerns about fee-free education policy, including that it failed to recognise that provincial not national governments were legally responsible for schools, and that proposed funding from the national government was inadequate. Given this, a struggle between provincial and national governments ensued, which resulted in the national government only being partially successful in convincing provinces to join the reform: in 1982 the policy was enacted in 14 of 19 provinces (five refused to take part; see Bray, 1982). The policy was short-lived, with the Somare government scrapping it and significantly reducing school subsidies when elected in mid-1982 (Walton & Swan, 2014).

The second attempt at fee-free education policy occurred in 1993 under the government led by Prime Minister Paias Wingti. When this policy was first announced in 1992 it focused on ‘free’ education for primary students and substantial fee subsidies for those in secondary and vocational schools (Avalos, 1993). As in 1981, provincial governments reacted to this new policy in different ways. For example, Manus Province expanded the policy to secondary schools and Simbu Province introduced a broader interpretation of ‘free’ education (Avalos, 1993). However, once again, the policy did not last long; with rising student numbers and ballooning costs, on top of a fiscal crisis that saw public debt rise to 120% of GDP (Fox & Schröder, 2018, p. 67), it was soon scrapped. In 1994 the newly elected Chan government reintroduced school fees.

A few years before PNG’s third attempt at fee-free education policy (implemented in late 2001 under the government of Mekere Morauta) the government passed the 1995 Organic Law on Provincial Governments and Local-level Governments (OLPGLLG), which replaced the 1977 Organic Law on Provincial Government (OLPG) as the primary legal basis for decentralisation in the country (Wiltshire, 2016). While the OLPGLLG was ostensibly designed to empower provincial and local-level governments, in effect it helped to centralise political power by empowering national MPs and abolishing direct elections of provincial politicians (Wiltshire, 2016).
This decentralisation framework also had implications for the role of national and subnational governments for designing and implementing education policy. While implementation varied significantly, in 1977 under the OLPG the government delegated responsibility for education (including community schools, provincial high schools and vocational centres) to the provinces (May, 2004). Under the OLPGLLG, the National Department of Education 'determines national policies and standards and supports their implementation by the provinces with services such as planning, research, training and staff development' (National Department of Education, 2015, p. 12). In other words, this legislative change helped ensure a more centralised policymaking agenda, which, as Bray (2007) has noted, is important to help ensure the successful implementation of fee-free education policies.

Despite this constitutional change, the 2001 ‘free education’ policy was also implemented unevenly across the country. While the policy promoted ‘free’ education and many parents believed they would not have to pay any fees associated with their children’s schooling, in practice most provinces eliminated tuition fees, while keeping project fees. However, with the Somare coalition winning the 2002 election on a platform opposed to ‘free education’, the policy was abolished and the subsidy supporting it significantly scaled back. The newly elected government reduced the school subsidy from K150 million to K60 million (Walton & Swan, 2014).

The fourth attempt to introduce fee-free education occurred when Peter O’Neill replaced Michael Somare as prime minister in 2011 under controversial circumstances. Politically, the TFF policy helped O’Neill to differentiate himself from Somare (as the Somare government had resisted introducing a fee-free education policy) and helped solidify a coalition of MPs to help him form government after the 2012 election (Government of Papua New Guinea, 2012). The TFF policy became central to the new O’Neill government’s reform agenda.

While there were numerous challenges, and some provinces (such as East New Britain) performed better than others (such as Gulf), initially the policy was successfully implemented; most schools received national subsidies, which largely made up for the loss of parents’ contributions, and enrolments increased (Howes, Mako, et al., 2014). However, over time, parents and others increasingly criticised the policy, particularly due to perceptions of it contributing to overcrowded classrooms and poorer educational quality. While education statistics for PNG are patchy, official data confirms these concerns. In 2019, current Treasurer, Ian Ling-Stuckey, released data from the National Department of Education (NDoE) that showed enrolments in elementary, primary, secondary and vocational schools had increased from 1.6 million in 2011 to 2.3 million in 2018 (Ling-Stuckey, 2019a).

Official statistics suggest the number of teachers also increased, but not at a sufficient enough rate to make up for the rise in student numbers. By 2016 the World Bank estimated that PNG had 35,896 primary teachers, with a primary school pupil/teacher ratio of 35.5. This compares poorly to neighbouring Solomon Islands, which recorded a pupil/teacher ratio in primary schools of 25.2 in the same year. In 2012 there were a total of 13,804 secondary school teachers in PNG; by 2016 this figure had risen to 14,791 (World Bank, 2020) an increase of 7.15%. Comparatively, over the same period, secondary school enrolments increased by 34%.

Amidst a worsening fiscal crisis, by 2016 the future of the TFF policy was looking uncertain. During that year, the Department of Treasury had failed to release subsidy payments to schools on time. This resulted in reports of some schools having to close temporarily; indeed, one of the authors (Walton) personally witnessed students sent home from a high school in Central Province due to, reportedly, late and inadequate TFF payments. Such events led some commentators to suggest we were witnessing the beginning of the end of the TFF policy (Swan & Walton, 2017). Despite continued economic headwinds (World Bank, 2020) and mounting criticism
from churches, communities, administrators and politicians (Kanaparo et al., 2016; Swan & Walton, 2017; Walton, 2019; Walton & Davda, 2019), the TFF policy continued until late 2019 when, under new Prime Minister James Marape, the government announced it would scrap the TFF policy by reducing the subsidy that supported it. At the time, Treasurer Ling-Stuckey and Prime Minister Marape justified this reduction by referring to the:

- poor state of the PNG economy the Marape government had inherited from the O’Neill government (Radio New Zealand, 2019);
- high levels of corruption associated with the TFF policy, with Marape reportedly arguing that ‘the unreported reality was that the full money was never reaching schools as corrupt middlemen and their cronies siphoned off millions’ (PNG Post-Courier, 2019);
- low quality of education, high rates of attrition and educational opportunities for graduates (PNG Post-Courier, 2019).

In response to concerns about poor post-secondary opportunities, the government pledged to channel savings from the reduced TFF subsidy into a tertiary loan scheme (PNG Post-Courier, 2019). In December 2019, the Marape government announced an inquiry into the TFF policy, which, at the time of writing, has been delayed due to the COVID-19 pandemic (Marape, 2020).

The 2020 budget, handed down in November 2019, expected parents to pay half of the school fees with the government contributing an additional 50%. However, sometime over the next two months the government had a change of heart. In January 2020, the Department of Education released a post-TFF policy fee structure and called the policy the ‘Government Tuition Fee Subsidy’. Under this new policy parents pay 36.6% of the maximum school fee limit. This means that parents are to pay K108.91 per primary school student and K363.04 per lower secondary student (Papua New Guinea Today, 2020). This is comparable to the arrangement before the TFF was introduced; in 2009 the Department of Education committed to provide a K177.70 subsidy for each primary school by 2012 (National Department of Education [NDoE], 2009, p. 50). Assuming that school fees were set at K270 per student 1—the amount of the TFF subsidy in 2012—this means that parents would have paid K92.30 per primary school student in 2012 (although this did not eventuate as the TFF meant that officially parents did not pay any school fees). In turn, while the government has abolished the TFF policy and replaced it with the Government Tuition Fee Subsidy, the subsidy for school fees has been wound back rather than abolished altogether. The new policy also allows schools to collect project fees—to assist with additional school costs—which are to be set by provincial education boards within maximum guidelines. The maximum project fee per primary school student is set at K60 (double the average project fees, in nominal terms, charged by primary schools in 2011; see Howes, Mako, et al., 2014, p. 103), while parents of secondary school students are to pay no more than K220 (Papua New Guinea Today, 2020).

The Marape government defended increasing fees by appealing to notions of shared responsibility. In late November 2019, Treasurer Ling-Stuckey—like other government MPs (see Section 5)—argued in his budget speech that parents needed to ‘see investment in the education of their children as a mandatory parental responsibility’ (Ling-Stuckey, 2019b, p. 20). A few days

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1 This is an estimate of the average school fee charged; at the time these calculations were made by the NDoE in the late 2000s school fees varied by school (NDoE, 2009).
later Prime Minister Marape said: ‘We are trying to share the burden by involving parents, local government, provincial governments and National Government’ (PNG Post-Courier, 2019).

Scholarship on the TFF policy has yet to assess this reform in light of its demise. In addition, while recent research has highlighted the ways various actors have helped maintain, subvert and resist the TFF policy (Kanaparo et al., 2016; Rooney, 2021; Swan & Walton, 2017; Walton, 2019; Walton & Davda, 2019), scholars have yet to examine changes to national budgetary allocations and spending for the TFF subsidy and supporting educational budget items. In turn, the analysis below focuses on changes to national funding for the TFF policy as well as teachers’ salaries.

4 | CHANGES TO NATIONAL RESOURCES FOR FEE-FREE EDUCATION IN PNG

In this section we analyse a decade of allocations and spending for the education subsidy that supported the TFF policy and teachers’ salaries. In order to understand how these changes relate to other areas of funding, we then examine how allocations changed relative to the overall budget.

4.1 | Changes to subsidy allocations

As shown in Figure 1, under the Somare government education subsidy allocations (funding provided to schools to spend on non-salary running costs) were relatively stable, with allocated funding rising slightly from K224.4 million in 2010 to K258.5 million in 2011. (Note that all figures in the text and the graphs are inflation-adjusted, and shown using 2019 prices.) The O’Neill government significantly increased national funding for education subsidies when it abolished school fees—allocated funding increased to K865.3 million in 2012, a rise of K606.9 million, or 234.8%, over the previous year. Subsidies rose again, albeit slightly, in 2013 to a high of K934 million before a period of sustained decline set in. By the 2019 budget, the O’Neill government’s final budget, education subsidy allocations had shrunk to K617.9 million. Under the Marape govern-
ment’s first budget, allocated funding on education subsidies fell to K238.8 million, a reduction of K379 million or 61.3% compared to 2019. This meant that between 2012 (the O’Neill government’s first budget) and 2020 (the Marape government’s inaugural budget) allocated funding for education subsidies shrank by K626.5 million. Spending on education subsidies increased from K226 million in 2010 to K651.7 million in 2018 (an increase of 188%).

As discussed, teachers also played a crucial role in determining the TFF policy’s success. One of the key complaints about the TFF policy is that it led to a large increase in student enrolments without a subsequent increase in teacher numbers. Teachers were also integral to monitoring and managing the policy at the school level, particularly as they play an important role in schools’ Boards of Management—a key organisation for school management and oversight (Kanaparo et al., 2016; Swan & Walton, 2017; Walton, 2019; Walton & Davda, 2019).

Figure 2 shows that over the past decade (2011 to 2020) budgetary allocations for teachers’ salaries rose from K810 to K1314.2 million, an increase of 62.2%. Spending on teachers’ salaries increased from K1080 in 2011 to K1612 million in 2018 (an increase of 49.3%). In the 2019 budget, K1333.8 million was allocated to teachers’ salaries under the O’Neill government; in Marape’s first budget, funding allocations slightly reduced to K1314.2 million, a reduction of 19.7 million or 1.5%. Comparatively, in O’Neill’s first budget in 2012, allocated funding for teachers’ salaries rose by K85.7 million, or 10.6%. However, it is worth noting that actual spending on teachers’ salaries has been consistently higher than budgeted allocations. This problem has been noted within the PNG budget. For example, the 2019 budget notes a ‘personnel emolument expenditure overrun every year due to insufficient budget allocations as a result of lack of provision of data by

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2 This figure does not include the K238 million (nominal) funding for the Higher Education Loan Program (HELP), which the Marape government rolled into the education subsidies allocation in the 2020 budget (Department of Treasury, 2019, p. 74). This is because, unlike the TFF subsidies, the HELP scheme is focused on higher education. We exclude this to allow for meaningful comparison.

3 While official government budget documents show a large-scale underspend in 2012, findings from an eight province survey suggests most schools received the subsidy (Howes, Mako, et al., 2014); we therefore suggest more research is needed to understand the nature of this reported underspend.
the Provincial Administrations’ (Department of Treasury, 2018, p. 105). In 2018 the government paid teachers K393 million more than they had allocated.

Though publicly available data on total teacher numbers is difficult to come by, the data that is available suggests that governments have used these funds to employ more teachers. Table 1 shows that the total number of teachers employed rose from 32,000 in 2010 to 66,789 in 2017. (Note that, given the smaller real increase in the total teacher salary bill, this implies a reduction in real average teacher salaries over the same period.)

### 4.2 | Relative political support

The above analysis shows that since the TFF policy was introduced in 2012, funding for and spending on subsidies (payments to schools) declined, while the opposite has been true for teachers’ salaries. In its first budget, the Marape-led government cut funding for both of these expenditure items, while, comparatively, in its first term the O’Neill-led government increased allocations (although it was accompanied by an underpayment of the TFF subsidy). Still, PNG’s economy was very different in 2012 compared to 2020, with the economy stagnating since the mid-2010s. This means that in some years the O’Neill government had much more to spend on the TFF policy than the Marape government. To account for this, and better understand political support for the TFF policy relative to other areas of spending, requires examining funding in relation to the overall budget.

Figure 3 does just that: it highlights how well TFF subsidies and teachers’ salaries have done in relation to other areas of the budget (and thus it controls for the different level of revenue and borrowing governments have at their disposal). It shows that during the O’Neill-led government’s first budget in 2012, relative to other areas of the budget, allocations for TFF subsidies tripled, while teachers’ salaries only increased slightly and thereafter fell until 2014. After 2014, allocations for TFF subsidies stagnated while teachers’ salaries increased. In the Marape-led government’s first budget, allocated funding for these expenditure items reduced compared to other areas of the budget.

This analysis provides two key insights. First, it shows that, for the most part, under the O’Neill-led government, national-level support for the TFF policy shrank over time. Actual (in 2019 prices) and relative allocations for TFF subsidies fell; funding for teachers’ salaries steadily increased in actual terms and, from 2014, rose in relative terms. While the O’Neill government championed the TFF policy publicly, this analysis reveals that by 2019 national political support for the subsidy underpinning it had ebbed away. Second, the analysis shows that the Marape-led government cut these two education expenditure items in actual and relative terms. In turn, this suggests that cuts to these line items under the Marape government were not just a product of declining revenue; rather, they were due to a lack of political will to prioritise education funding over other areas of government expenditure.

| Year | Total number of teachers |
|------|--------------------------|
| 2010 | 32,000                   |
| 2014 | 51,066                   |
| 2017 | 66,789                   |

*Source: National Department of Education (2015, p. 26; 2019, p. 9); Rena (2011, p. 6).*
The changes to funding for the TFF subsidy and teachers’ salaries need to be understood in light of the incentives that can drive political decisions in PNG. Politics in the country is significantly shaped by patron-client relations between politicians and their supporters (see Wood, 2016). This is referred to as ‘big man’ politics, whereby politicians redistribute state resources to their constituents in similar ways to how leaders in traditional societies would redistribute resources within their communities. Politicians can be better off administering and implementing resources through subnational governments, which have fewer oversight mechanisms. In short, patron-client relations place pressure on politicians to preference localised over central distribution of state resources.

When the TFF policy was first announced, it was highly centralised, with funding managed by national departments—bypassing subnational administrations—and paid directly to schools. However, as a result of the incentives associated with patron-client relations, and concern about the ineffectiveness of national government departments, since 2012 politicians have implemented significant decentralisation reforms that have empowered subnational governments across the country. In 2014 the PNG Government passed legislation to establish districts as legal entities, which effectively added a third level of subnational government (the other two levels being provincial and local-level government). The District Development Authority Act 2014 formalises and expands the functions of district administrations, and sets rules on how district funds are to be spent.4

Alongside this legislative change, funding for subnational governments in PNG has increased significantly over the past decade. In particular, Service Improvement Program (SIP) funding—constituency funds that are directed to provinces, districts and local-level governments that are oftentimes controlled by political elites—has risen substantially (Flanagan, 2015; Howes, Voigt-
District SIP (DSIP) funds increased from around K20 million in total between 2007 and 2012 to K10 million per year for most years since 2013. Analysis of subnational funding, including educational funding, has found that DSIP is prone to fraud and mismanagement, with subnational governments often lacking the capacity and accountability to effectively manage these funds (e.g., Auditor-General’s Office of Papua New Guinea, 2014; Kanaparo et al., 2016).

Overall, in 2011 the government of PNG spent K1939 million (more than the K1667 million allocation) in 2019 prices for subnational governments, a figure that rose to K5131 million (against K4790 million allocated) by 2015—a 165% increase in spending.\(^5\) By 2019 K3065 million was allocated for subnational governments. In contrast to cuts to the key areas of education subsidy funding (as outlined above), the Marape government increased allocations for subnational governments to K3982 million in the 2020 budget; this means that over the decade (between 2011 and 2020) subnational funding allocations more than doubled. Figure 4 shows that as a percentage of the budget, subnational spending/allocations increased during both the O’Neill and Marape governments’ first budgets. In the 2012 budget, subnational spending rose by 4.5 percentage points and in the 2020 budget allocations rose by 3 percentage points over the previous year. Figure 4 also shows that between 2011 and 2016 the proportion of spending on provinces was even higher than the proportion of budgetary allocations.

Over the past decade, control of educational funds has moved back and forth between national and subnational governments. Before the introduction of the TFF policy in 2012, the national government channelled the education subsidy through provincial governments. The national government was responsible for providing funding in quarter 1 and 3 of the school year, while provinces paid schools in quarters 2 and 4. In 2012, as a part of the TFF policy reforms, funding was directed straight to school bank accounts which bypassed subnational governments. In effect, this froze out subnational governments from controlling education subsidies. This had an immediate effect on how much funding provinces provided to schools, with research conducted

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\(^5\) Calculated from funding to subnational governments (including Bougainville); includes payments for SIP along with function grants and salaries for teachers and health workers. See Supporting Information S1 for the supplementary excel spreadsheet.
among primary schools across the country showing that between 2011 and 2012 funding from provincial governments dropped by 79%, from K32 to just K7 per student. In comparison, funding from the national government rose by 41%, from K177 to K249 per student (Howes, Mako, et al., 2014, p. 93).

However, it was not long before subnational governments were controlling more education funds. The dramatic increase of SIP funds, particularly DSIP funds, was justified as a way of more effectively delivering services across the country (Wiltshire, 2014). A total of 20% of the K10 million per year allocated for the DSIP in each of PNG’s 89 districts was earmarked for education projects. In some instances this funding has been poorly spent (Kanaparo et al., 2016).

Over time, the national government loosened its grip on TFF subsidy payments. In 2013 the governor of Enga Province, Peter Ipitas, requested the national government allow his province to manage the subsidy; although this request met with some resistance from public officials, in 2014 then Prime Minister O’Neill agreed that Enga could directly control over K34 million of the TFF subsidy (Kepson, 2014). In late 2016, due to concerns about late TFF payments, Morobe Province announced that their schools would reimpose school fees in 2017 (Badui-Owa, 2016). In March 2018, the New Ireland and national governments signed a memorandum of agreement (MOA) to allow the province, like Enga, to directly manage and implement the TFF policy (Gware, 2018). By the end of the TFF policy a total of five provinces (Milne Bay, Enga, Morobe, East New Britain and New Ireland) had signed MOAs with the national government to manage government school fee grants/subsidies (Marape & Yopyyopy, 2020).

In 2016 the PNG Government announced that 30% of the TFF payment would be channelled to district governments. This funding, set aside for school infrastructure projects, was to be held in a district trust account. The distribution of these funds was to be decided on by district officers through newly established District Education Implementation Committees (DEICs). While the implementation of DEICs was patchy—with only a handful operating throughout the country—this move shows how, over time, control of TFF subsidies was redirected to subnational governments. Further research is required to ascertain the impact of DEICs around the country. However, it is likely only a few if any still function. Attempts by Care International in PNG to set up DEICs in three districts in Eastern Highlands Province—Obura Wonenara, Okapa and Lufa—were stalled due to a lack of funding and other support from districts, the province and the NDoE (Robinson, 2020).

In addition to the increasing decentralisation of administrative arrangements, educational transfers to provincial and local-level governments increased through what is known in PNG as education function grants. Function grants are calculated by the National Economic and Fiscal Commission and designed to bolster revenue for provinces with low levels of internal revenue; in turn, they are designed to even out revenue disparities between provinces. According to a function and administration grants determination made under section 64 of the Intergovernmental Relations (Functions and Funding) Act 2009, the education function grant is to be used to fund operational and maintenance costs in the basic education sector (elementary and primary schools; see National Economic and Fiscal Commission, 2009, p. 48).

Figure 5 shows that between 2011 and 2020, funding allocated for the education function grant doubled. Spending mostly kept in step with these allocations, except for 2015, when spending dropped to K100.6 million, K33 million less than allocations. Allocations increased in both O’Neill’s and Marape’s first budgets. In the O’Neill government’s first budget in 2012, the education function grant increased by K15.4 million, a 22% increase over the previous year. In 2020 funding for function grants slightly increased to K122.4 million, an increase of 2.1 million or 1.7% compared to 2019.
All this is to say that over the past decade subnational governments have been increasingly taking responsibility for educational funding. Administartional control over and resourcing for education policy—including the TFF policy—shifted from the national government to subnational governments, particularly to provincial and district governments.

5.1 | The role of subnational governments in the post-TFF policy era

After the Marape government officially announced it would abolish the TFF policy, different actors sprang up to help parents pay for their school fees. The private sector responded by promoting new school fee loan schemes and payment options (particularly through mobile phones), and some businesses offered promotions giving customers the chance to win money for their children’s education (Figure 6). Other non-state actors have also continued to help parents of school children, with NGOs and churches across the country engaged in different education programs. However, it has been subnational governments that have significantly, and perhaps most substantially, stepped in to fill the void left by the Marape government’s decision to abolish the TFF policy.

Soon after the national government announced the new post-TFF policy fee structure (called the Government Tuition Fee Subsidy), a number of provincial and district governments promised to increase school funding and reduce the burden for parents. For example, in February 2020 MP Wera Mori announced that under his leadership Chauve District Development Authority in Chimbu Province would cover half of students’ school fees. This would apply to students in elementary, primary and secondary schools as well as those attending tertiary institutions. Likewise, Henganofi (Eastern Highlands Province) MP Robert Atiyafa said he would subsidise half the parents’ 36.6% contribution (The National, 2020a). The following month, Southern Highlands Pro-

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6 It is often noted that churches provide around half of PNG’s education services; however, the TFF policy reduced their direct control over schools as the subsidy has been paid directly to schools bypassing church administrators (for further information, see Walton, 2019; Walton & Davda, 2019).
vicial Governor William Powi announced that the provincial government had paid K5 million to elementary, primary and secondary schools across his electorate to make up for national cuts to the tuition subsidy (Rai, 2020). In effect, this would mean parents in Southern Highlands Province would not pay school fees in 2020. This, he suggested, showed the provincial government’s commitment to provide free education. In addition, in 2020 the national government retained agreements made with the five provinces (Milne Bay, Enga, Morobe, East New Britain and New Ireland), stipulating that those provinces could manage (previously national) government school fee grants/subsidies (Marape & Yopyyopy, 2020).

Having said this, other provinces and districts refrained from directly assisting parents. Western Highlands provincial education board chairman Lawrence Pena chastised parents in his province for feeling burdened by school fees. He suggested that if they stopped chewing betel nut and smoking cigarettes they could afford to pay the new fees (Begushar, 2020). In February 2020, Pomio (East New Britain) MP Elias Kapavore assured citizens of the province that despite the perception that East New Britain’s administration performs better than others (Walton, 2019), the East New Britain and Pomio district education boards would impose the new fee structure (The National, 2020b). In short, the degree to which subnational governments have responded to the new Government Tuition Fee Subsidy policy varies greatly between districts and provinces, with each taking their own approach to fee-free education in the post-TFF policy era.

6 | CONCLUSION

This article has shown that at the national scale material support for fee-free education in PNG waned over time while subnational resources and responsibilities for education policy increased. After the TFF policy was abolished, some subnational administrations continued to support fee-free programs. In turn, unlike Sasaoka and Nishimura’s (2010) conclusions from their examination of fee-free education in East Africa, we find that, over time, political and administrative control of fee-free education and other educational resources has shifted from the national to subnational level. Three key implications flow from these findings.
First, as others have found in different contexts (Kosack, 2009; Plank, 1990; Rosser & Joshi, 2013), in PNG the effectiveness and nature of education (and other) reform is significantly shaped by the political incentives to localise state resources. The TFF policy became PNG’s longest running attempt at fee-free education, in part because the O’Neill government was—for a long time—able to ensure national control of the policy’s management and implementation. When O’Neill first came to power his government introduced decentralisation reform (resulting in the District Development Authority Act 2014) that ensured greater autonomy for district administrations. His government also directed significant resources to subnational governments. This empowered subnational governments and helped to placate MPs, who were able to draw on SIP and other funds to bolster their chances of re-election.

However, with frustration growing about the national government’s management of the TFF policy combined with existing political incentives to control funds locally, provincial and district governments gained greater control over educational funding and administration. Despite reform that has centralised political power (through the OLPGLLG), incentives to decentralise control of resources are similar (but not the same) as PNG’s first attempt at introducing a fee-free education policy (Bray, 1982). While some provinces are better at managing resources than others (see Walton, 2019; Walton & Jones, 2017), on the whole this means that education funds are subject to less transparency and accountability. It also means that most parents around the country have to pay more to send their children to school.

Second, this analysis nuances arguments about why the Marape-led government abolished the TFF policy, a flagship policy of the government it replaced. As discussed, both Marape and Treasurer Ling-Stuckey justified reducing the education subsidy because of the state of the economy inherited from the O’Neill-led government, levels of corruption associated with the TFF policy, and concerns about education quality, attrition, graduate opportunities and parental responsibility. Our analysis suggests that while the new Marape government faced a constrained budget envelope, ultimately they decided to prioritise funding to subnational governments over the education subsidy. Moreover, while the government raised concerns about corruption under the TFF policy, increasing funding to subnational administrations, where government oversight is often weaker, is likely to increase corruption risk (see Walton & Jones, 2017). While it is too early to know how the government’s new tuition subsidy policy has impacted quality of education and attrition, some commentators have expressed concerns about the viability of the government’s Higher Education Loan Program scheme (Sakai, 2020) that was promised to be funded out of savings from reduced education subsidy payments.

Finally, the findings highlight the importance of proactively responding to the types of incentives underpinning and narratives justifying the abolition of fee-free education policies. Given pressure to shift funds to subnational administrations, if PNG is to develop a more sustainable fee-free education policy, it will be crucial that politicians are persuaded of the importance of centrally administrating fee-free education policy (Bray, 2007). This is particularly the case in PNG because subnational governments often lack the capacity and accountability to effectively manage these funds—a concern that some have raised about subnational governments having access to increased funding since 2013 (e.g., Kanaparo et al., 2016). It is also important that policymakers pre-empt and respond to narratives that seek to justify the end of fee-free education through appeals to personal responsibility. While the Marape government called for parents to share the burden of paying school fees, it is important to note that parents were (and are) already contributing to schools through project fees and volunteering. Responding to the incentives and arguments that undermine fee-free education will be important if—in line with Marape’s June 2021 announcement that his government will reintroduce fee-free education—PNG is to implement a fifth and more sustainable fee-free education policy.
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DATA AVAILABILITY STATEMENT
The data that supports the findings of this study are available in the Supporting Information of this article.

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