Policing Business Confidence?: Controlling Crime Victimisation in Papua New Guinea

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Citation

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Introduction

By any measure, Papua New Guinea has a serious crime problem. Human Rights Watch recently described PNG as 'one of the more dangerous countries in the world not at war'.[2] Up until the administration of several comprehensive community crime surveys,[3] data on crime in PNG are highly unreliable. What data exist indicate that violent crime is high and is proportionately greater than in many of Papua New Guinea's Pacific neighbours.[4]

Despite the bleak picture for community safety in PNG, a 2004 household survey of crime in Port Moresby found that most residents believed that crime, while high, had stayed the same or decreased in the last year.[5] In addition, while vulnerable communities in the capital city expressed an alarming distrust in state police personnel and services, a large majority of those surveyed looked forward to more police protection if the quality and integrity of community policing could be raised.

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[2] http://www.hrw.org/reports/2005/png0905/4.htm

[3] Findlay, M, Guthrie, G., Hukula, F. & Laki, J. (2005) *Law and Justice Sector; Port Moresby Community Crime Survey2004*, Special Publication No.36, Waigani: NRI*; Findlay, M, Guthrie, G., Hukula, F. & Laki, J. (2005) *Law and Justice Sector; Bougainville Community Crime Trends 2004,*Special Publication No.37,Waigani: NRI*; NRI (2006) *Law and Justice Sector; Highland's Highway Crime Study2005,* Port Moresby: NRI; Guthrie, G., Hukula F. & Laki, J. (2006) *Bougainville Community Crime Trends 2005,* Waigai: NRI;   Guthrie, G., Hukula F. & Laki, J. (2006) *Lai Community Crime Survey 2005,* Waigai: NRI Guthrie, G., Hukula F. & Laki, J. (2006) *Mt Hagen Community Crime Survey2005,* Waigai: NRI Guthrie, G., Hukula F. & Laki, J. (2006) Port Moresby Community Crime Survey *2006,* Waigai: NRI For background to community crime surveys in PNG see also, Zveic, U. and Alvassi del Frate, A. (1995) *Criminal Victimization in the Developing World,* New York: U.N. Interregional Crime and Justice Research Institute; Sikani, R. (1999) "Criminal Threat in Papua New Guinea," in *Australia—Papua New Guinea: Crime and the Bilateral Relationship,* in B. Bohea, ed., Port Moresby: National Research Institute, cited in Dinnen, S. (2002) "Building Bridges: Law and Justice Reform in Papua New Guinea"*,* notes 8, 9.

[4] See Dinnen, S. (2002) "Building Bridges: Law and Justice Reform in Papua New Guinea," Discussion Paper, February 2002; Dinnen, S. (2001) *Law and Order in a Weak State* Honolulu: University of Hawai`i Press, pp. 4-4, 35, 61-62. See also Law and Justice Sector Working Group, "National Law and Justice Policy and Plan of Action Toward Restorative Justice," December 1999, pp. 10-12; Stringer, W. (2000) "Royal Papua New Guinea Constabulary: Review of Community Policing Approaches,", sec. 1.

[5] Justice Advisory Group and National Research Institute, "Community Crime Survey Data: Port Moresby and Bougainville," 2004.

Particularly in urban centres, the conditions which exacerbate crime as a consequence of socio economic development and modernisation are prevalent in PNG.[6] Papua New Guinea's population is young and growing rapidly: with almost 6 million people, the population has almost tripled since independence. Nearly half are children.[7] As a consequence of a growing cash economy, limited rural employment opportunities and the breakdown of customary community ties which comes as a social cost of development, urban drift into transient and criminogenic town settlements has fuelled gang crime.[8]

The government is struggling to provide basic health and education services, especially in rural areas. The country's infant mortality rate and maternal mortality rate are among the highest in the world; life expectancy at birth was fifty-eight in 2003.[9] Poverty and unemployment increased in the 1990s and 2000s; only 5 percent of those who left school found employment in the formal sector in 2002.[10] The country ranks the lowest in the Pacific on UNDP's Human Development Index and in the lowest third of all nations.[11] Rural poverty is particularly acute, spurring migration to urban areas that lack the infrastructure to receive them, and employment opportunities to relieve the criminogenic consequences of socio economic disparity.[12]

The economic consequences of crime victimisation have been a concern for both national economic development in PNG, and for principal aid donors. In a briefing paper as far back as 1979 the National Centre for Development Studies estimated significant direct financial losses from property crime and argued that crime control resourcing was crucial for the healthy growth of the small business sector.[13] A year later the Centre for Democratic Institutions hosted a conference in Canberra to discuss crime as the central consideration for the Australian/PNG bi-lateral relationship. The

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[6] For a discussion of these conditions, particularly with reference to Pacific island states see Findlay, M. (1999) *The Globalisation of Crime: Understanding transitional relationships in context,* Cambridge: CUP; chaps. 2 & 3

[7] UNICEF, "At a glance: Papua New Guinea, Statistics," http://www.unicef.org/infobycountry/papuang_statistics.html (retrieved May 4, 2005) (stating that 2.7 million Papua New Guineans were under age eighteen in 2003).

[8] Dinnen, S. (2002)

[9] UNICEF (2003)

[10] AusAID, (2002) "Framework: Australia's Aid Program to Papua New Guinea," October 21, 2002, p. 5.

[11] Papua New Guinea ranked 133 out of 177 countries on UNDP's Human Development Index. UNDP, (2004) *Human Development Report 2004*, p. 141. UNDP's Human Poverty Index for Papua New Guinea is 37 percent, placing the country sixty-second out of ninety-five developing countries for which the index has been calculated. The Human Poverty Index (HPI) "focuses on the proportion of people below a threshold level in basic dimensions of human development—living a long healthy life, having access to education, and a decent standard of living, much as the poverty headcount measures the proportion of people below a certain income level." United Nations Development Program, "Country Fact Sheets: Papua New Guinea," 2004http://hdr.undp.org/statistics/data/country_fact_sheets/cty_fs_PNG.html. See also International Bank for Reconstruction and Development, International Development Association, "Interim Strategy Note for Papua New Guinea," no. 31790-PG, March 18, 2005, paras. 1, 16.

[12] Braithwaite, J. (1979) *Inequality, crime and Public Policy,* London: Routledge and Kegan Paul

[13] National Centre for Development Studies (1997) "A Big Push to curb Crime in Papua New Guinea", NCDS Briefing Paper July 1997

conference identified the negative impact crime has on business confidence as being a dangerous impediment to the mutual political and economic interests of the two states.[14]

Against this background Australia's aid development agency (AusAID) in 2006 sponsored a business community crime survey in Port Moresby to empirically evaluate the influence of crime victimisation on business crime confidence and investment[15]. One hundred and seventy two business managers and spokespeople were surveyed as part of the questionnaire phase. They represented business enterprises widely spread throughout sites in Port Moresby. Their businesses were a mixture of single and multiple business locations. There was a fairly even mix of local, foreign and shared ownership behind these businesses surveyed.

The survey obtained the views of businesses recently established in Port Moresby, those which had been in business over the medium term, and some which had a lengthy record of business activity within the nation's capital. In terms of turnover, the businesses surveyed ranged from single person, low budget operations through to extensive high capital, high turnover organisations. As for the nature of business enterprises represented, the survey covered retail, manufacturing, professional, wholesale, transport, hospitality, and other commercial operations. The businesses surveyed were in industrial, business and commercial sites, professional offices, and local area situations such as shopping centres. They ranged from single person operations to organisations of over 400 personnel.

The broad purpose of the survey was to provide a balance to reported crime data so that the law and justice sector in PNG, and the stakeholder business community could ascertain trends in crime levels and to construct appropriate strategies in response. Specifically the survey was designed to:
- assess the extent and nature of crime victimisation amongst the business community in PNG;
- identify the environmental indicators and concerns regarding business crime and victimisation;
- evaluate opinions held within the business community regarding provision of state criminal justice services and policing in particular;
- examine the manner in which the business community is taking responsibility for crime prevention, and in particular through the use of private security agencies;
- evaluate the "cost" of crime victimisation and prevention measures on business activity, and (where possible) confidence;
- provide information for policy development in the area of integrated business crime prevention; and thereby
- improve the law and order environment for business in PNG (and beyond) which may impact on business confidence and investment.

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[14] Centre for Democratic Institutions (1998) "Australia/Papua New Guinea: Crime and the Bilateral Relationship", Canberra: Australia Defence Study Centre

[15] PNG Justice Advisory Group/NRI (2006) *PNG Law and Justice Sector, Port Moresby Business Crime Victimisation Survey 2005,* Port Moresby: NRI **hereafter referred to as 'the Survey'.**

Perceptions of crime victimisation and criminal justice service delivery within the business sector are vital for the health and activity of that community. The influence over business confidence, in turn is a central concern for the economic development of countries such as PNG.

Crucial to the policing dimension of this paper, the survey results gave an indication of whether attitudes to crime and justice services, and crime victimisation, are impacting on a positive business climate, and the extent to which state policing in particular impacts on any such determination. *Can bad policing deter good business?*

The business crime victimisation survey ("the survey") built on past experience of community crime surveys of PNG and similar developing countries. Specifically, the detailed work of the United Nations and the Australian Institute of Criminology (AIC) [16] in the small business crime field informed the design of the PNG business crime survey. The survey team also had the benefit of perusing internal business surveys identified through an eventual focus group process.[17]

One of the most compelling observations emerging from the survey data and expanded upon in later focus group discussions was the almost wholesale rejection by the business community of the relevance of state-sponsored policing to controlling crime victimisation. Faced with this conclusion, the business community in Port Moresby seems either to take "policing" and community safety into its own hands, or has simply accepted crime as a business 'cost' which can be negotiated in a commercial sense.

The ramifications of these governance and commercial responses to crime victimisation, for the relationship between state-centred criminal justice and the conditions for effective modernisation are the concerns for this paper, focusing particularly on policing styles and business enterprise. First, however it is useful to sketch out the nature of the business community in a high crime/ low development context.

Doing Business in PNG

In Port Moresby, the business community while relatively small is identifiable, established and responsible.[18] As in many small developing state economies, the Port Moresby business community incorporates large, medium and small business with local, foreign and combined sources of ownership. Business activity ranges across the common forms of secondary and tertiary business and commercial enterprise. Business relies on a variety of support services. These include a developed financial sector, government supervision, insurance protection, transportation and communication networks, and in PNG in particular, private sector security facilities.

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[16] See Australian Institute of Criminology "Crimes Against Business: A Review of Victimisation, Predictors and Prevention (Technical and Background Paper No 11).

[17] For instance, Staff Survey from Fin Corp/GC, in which business/staff work practices were related to a range of 'quality of life' issues for business.

[18] The focus group experience, an essential component of the wider survey exercise, indicated that the Port Moresby business community was a diverse collection of interests with a clear commitment to the economic development and business enterprise expansion in Papua New Guinea.

International agencies, including donor groups, also influence commercial and investment climates that then affect business activity.[19]

Doing business in PNG is commonly perceived as difficult and dangerous. Crime is thought to present a significant challenge to profitability and a safe and supportive enterprise environment. Therefore, business crime victimisation needs to be reduced, and businesses should be guaranteed more secure operational settings if confidence in business is to grow and investment to follow.

The survey provides a stark picture of business crime victimisation. Equally significant is the tendency for business to see crime as endemic, and its prevention or control as largely a business responsibility. The business community declared itself isolated in the face of crime and generally cynical about reducing crime and making the business environment more secure.

There is mutual benefit in business and local communities engaging where appropriate in a positive and constructive fashion, and crime prevention is one important level of such engagement.[20] As the survey revealed, distorted perceptions in the community about business can exacerbate crime victimisation and make crime prevention more difficult. Further, misunderstandings about the needs of business and the potential of the police to meet these needs have fragmented the business crime control effort.

In order to introduce the relationship, or absence of it, between state police and business in Port Moresby it is elucidating to focus on the survey responses to questions concerning police service delivery. In this context the survey looked at the location of business within the wider community, and then the connections between workplace crime victimisation and the police.

Community/Policing/Business Engagement

Business in Port Moresby largely operates in isolation from the community in which it is located. Such isolation is reinforced by the impressions in the business community that:

- the public believe that business is an 'easy mark' for crime, that businesses can afford crime, and that business crime is not a community responsibility;
- the local community is out to fleece business at every opportunity, is self-interested, and is largely incapable of promoting crime prevention;
- the police are disinterested in business crime victimization and are not a competent crime prevention alternative to private security;
- the private security sector is sometimes too close to crime, or is not efficient in providing crime prevention services, but still they are preferable to the police;
- that government is corrupt, bereft of leadership, and largely not worth engaging; and

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[19] NB the recent 'Doing Business, Economic rankings' issued by the World Bank - http://www.doingbusiness.org/EconomyRankings/

[20] See Findlay, M. (2004) *Introducing Policing: Challenges for police and Australian communities,* Melbourne: OUP; intro. & chap 12

- it is up to business to secure itself, and remain profitable in the face of high crime and prevention costs, despite the impact on the community and the economy.

Some of these views are obviously a consequence of crime victimisation.

A disturbing feature of business attitude to policing was not so much a connection between poor experiences with the police, and a reluctance to involve the police in business crime, but rather the prevailing view that the police were useless at best, or that their involvement compounded the problem of crime victimisation. Over 70% of respondents expressed views that the police were disinterested, wouldn't do anything or if they did it would make no difference.[21] This obviously influences a willingness to engage with police beyond crime victimisation and its consequences. Some of the extended answers provided by respondents when asked about providing police with information evidence a significant distrust in police professionalism:

- a lot of people fear the police. Grassroots get difficulties going to the police and they do nothing about it
- fear of payback. Fear that they will be identified as informants, intimidation by criminal elements
- half the time the police do nothing and secondly they side with clan members and threaten informants
- no confidence in police performance. They are not confidential. Informants are threatened later on

Business in Port Moresby was not confident that the police had a positive impact on crime and crime prevention. Just over 10% of the sample believed that the police were doing a good job and that this was influential on crime, while 14% disagreed with this suggestion. The vast majority had no view on police involvement. The disinterest or uncertainty about the effectiveness of state criminal justice was more marked when the question turned to the courts and the prisons.

Conclusions to draw from this disaffection with formal criminal justice service delivery are that business in Port Moresby, while suffering frightening rates of crime victimisation:

- Has little positive experience of state criminal justice agencies;
- Does not want to be involved with these agencies due to the assumption that they are ineffectual;
- Believes that other areas of intervention are more affective; or
- Are not sufficiently well enough informed about the practice and potential of state criminal justice agencies to construct a critical opinion.

Interestingly, it should not be drawn from this that business accepts the state should have, or continue to have, a diminished role in crime prevention. Rather it is a question of utility as well as responsibility. According to business community responses, the police (86%) have the most responsibility for crime prevention and community safety. Sixty three percent of respondents also recognised that the community including business should have a role in crime prevention/community

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[21] It is likely that this percentage as a total would be less due to multiple reporting.

safety, and 45% of the sample stated that crime prevention and community safety are the responsibility of the individual.

In practice, it became clear from survey and focus group elaborations that business takes on almost the entire responsibility for business crime prevention, does not engage in community initiatives, and does not rely on the police.

When discussing the manner in which the police could be better assisted by business a recurrent theme was mutual respect and the need for business to further recognize their role as good corporate citizens.   Seventy percent[22] of the business sample believed that members of their workplace community could better assist the police by calling the police when they see criminal activity. Cast against a notable reluctance of business to report crime to the police (see the section to follow) or to recognize the police as doing a good job in crime control, this might be seen as wishful thinking. Fifty nine percent of the sample believed that their workplace community might better assist the police by co-operating with the police and a similar percentage also thought that the workplace community could better assist the police by providing them with more information. In each of these areas there was at least the will for greater engagement of staff with police, even if business themselves were reluctant to be involved with the police at an organizational level.

There remains much ambiguity on the side of business about their responsibility to cooperate with the police, and the utility of doing so. Forty eight percent of respondents stated that generally people are willing to give information about crime to the police. Yet around half of those who responded (and a third of the sample) did not report to the police crimes for which their business was victimized. Interestingly, against this, 92% of businesses indicated that they would report to the police if their business were a victim of crime in the future. The decision to call in the police seems to be contextual to crime, situation and loss. In addition, lower rates of insurance against property crime and low levels of confidence in property recovery by the police militate against reporting.

Reporting Crime to the Police
Reasons for business crime victims not reporting these events to the police included:

Reason	% of responses[23]
Not serious enough	29
Wouldn't have changed anything	30
Police are not interested	11
Police would not have done anything about it	27
Police take too long to respond	28
You were frightened	2
You knew the offender	4
Offender was a staff member	14
Got property back or compensation	13
Relied on security to deal with it	5

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[22] It should be remembered that the non-response rate for these issues varied from around 30 to 70 %.

[23] Here there was a non-response rate of over 70.

Would take too much time and paperwork	10
Insufficiently insured	1

The responses which indicated a dissatisfaction or disillusionment with policing services are consistent and high, and this translates into low reporting rates, and reduced opportunities for positive engagement. Given the high non-response to the question about reasons for reporting, it could be assumed that dissatisfaction with police is higher than the actual response percentages suggest.

Even for those who did report (around 100) the police response times nominated were over 2 hours on average, and this exacerbated the negative interpretation of police engagement and utility. Satisfaction with police service delivery was also very low on the scores of decision to investigate, conduct of the investigation, keeping the business informed and returning property.

In detail, business crime victims observed other reasons for non-reporting to police:
- police not efficient or active in dealing with fraud
- company policy not to report employee crime
- no because every time we do they give excuses about not having fuel in the vehicle to come to the crime scene
- we solved it ourselves
- because police reports always lie
- the offence needed to be dealt with right away otherwise it would recur
- nothing can be done about staff stealing
- the police wanted payment for their services
- depends on the crime, e.g. some crimes handled by local community
- we wanted to give the staff a chance
- sometimes crime was perpetrated by police

It appeared that the predisposition to report to the police was offence specific. Obviously, where insurance rates were high, and police reports for the purposes of loss claims, as with motor vehicle theft, reporting rates were correspondingly high (35% of sample – 100% of responses). Other high reporting situations were with burglary (27% sample – 94% of responses), and armed robbery 11% (86% of responses).

Regarding theft from premises, where property recovery was unlikely, reporting rates were consequentially low. Also relatively low were reporting practices on theft from motor vehicles at 13% of the sample (66% responses), malicious damage 7% (60% responses), and theft from premises (non-employee 7% (54% responses). These would all be instances of where the individual financial loss was small or prospects of recovery were unlikely.

For offences such as fraud where the reputation and internal security protocols of the business might be challenged by the publicity of reporting and investigation, rates of police reporting were also down. In the focus groups the representatives of big business in particular indicated a reluctance to report employee or financial services theft or fraud in particular, if they reflected badly on the security and operations of the business concerned. Therefore, it is not difficult to explain that theft from premises

(employee) 9% (34% responses), and fraud by employees 11% (58% responses) were low relative to the general reporting, where it occurred.

There were clear differences between the reporting rates for attempted and completed crimes. This might be explained by either the belief that an attempted crime was less serious, or on the other hand that an attempt might be effectively addressed through police intervention, by deterring future victimisation. For instance, reporting attempted vehicle theft was 20% less likely than if the offence was completed, whereas with cheque/credit card fraud the reporting rates were roughly the same for attempted and completed crimes. In the later crime, particularly where employees were involved, the individual exposure and the collective sensitising of other staff, could be viewed as imbuing police involvement with deterrent potential.

Self Help Policing

Private sector security fared little better than did the state police when it came to the confidence of business. This has led larger business entities to create their own security facilities in order that they might be more accountable in response to the businesses themselves. There was significant suggestion that private security services may in fact be involved in crimes against the businesses they are hired to protect, as a result of clan affiliations or other interests which would compromise their independence or contractual obligations.

Business disillusionment with state institutions and the private sector when it comes to crime prevention was not counter-balanced by a positive belief in effectiveness of community intervention more generally, as had been evidenced in the Port Moresby community crime survey. Only 6% of the Business survey sample believed that good community practices were influencing crime in their area, and around the same figure saw poor community practices as negatively influential. The only strong indication of a correlation between community environments and current business crime victimisation was the 18% of the sample that believed the threat from "rascals" (local crime gangs) was becoming worse and thereby degenerating the safety of the local environment.

Businesses admitted to changing their behaviour in response to crime victimisation, in physical and commercial ways. Seventy five percent of respondents identified the nature of the change as including:
Being more alert
- More electronic protection
- Better security and a more careful routine with security already installed
- Restriction on the use of cheques
- Moved premises
- Encourage credit customers
- Alarms and immobilisers in vehicles
- Payroll paid directly into bank
- Not going into 'no-go' zones
- Cautions in the community
- Changing transport routes
- Banking done irregularly by two or more staff
- More security, less insurance

- Address business procedures with security in mind
- Learn from mistakes

These "self-help" changes commonly indicated something internal to business which could be remedied in order to minimise risk. Almost 90% of respondents (44% of the sample) changed their crime prevention methods as a result of victimisation. These changes involved:

- Upgrading security
- More camera surveillance
- Increased vigilance
- More prevention technology
- More after-hours surveillance
- Restriction of vehicles in settlement areas
- Employed auditors and systems managers
- Staff awareness
- Selecting staff with references
- Security escorts

Regarding specific changes to business operations, 47% of respondents (23% of the sample) suggested changes such as:

- Consolidated in order to control better
- Ongoing security upgrades
- Constant revising of attitudes to cheques
- Logistics control and no cash on premises
- Limit activity in public areas
- Employing their own security personnel
- The total conduct of our business

The business sector in Papua New Guinea is a relatively large consumer of private sector security. This takes the form of perimeter security as well as policing and patrols. Financial investment in private security and security facilities by the business sector is high both in real terms, and as a proportion of turnover.

Generally however, there does not appear to be a positive correlation between higher investments by business and private security, and lower rates of victimisation. This should not simply be read as a criticism of the quality and effectiveness of security services. It may be that those business sites that are highly secured are also particularly attractive to crime opportunities.

The general disengagement of business from state sponsored and private sector policing in PNG has significant consequences not only for crime victimisation, but business economies and the "costing" of crime.[24] In addition, the possibility of a "communitarian" approach to policing is compromised when business accepts crime victimisation as out of control its own limited environmental adjustments.

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[24] See Findlay, M. (2001) 'The Cost of Globalised Crime: New levels of Control' *International Journal of Comparative Criminology* 1/2:109-131

Crime Victimisation Beyond Control?

The stark realities of business crime victimisation in Port Moresby are that:
1.   rates are high,
2.   costs substantial,
3.   impacts negative, and
4.   business seems resigned to the crime problem, and isolated in crime prevention.

In detail:
- Crime victimisation of businesses in Port Moresby is running above 75% for the surveyed financial year (2004-2005).
- Business crime victimisation rates are generally higher than community crime victimization rates revealed in the general 2004 community crime surveys for Port Moresby and Bougainville.
- If victimised, businesses were more often than not subject to multiple incidents of the same crime.
- Actual crime victimisation rates explain and could support the perceptions of business that crime in their location remains constant or is on the rise.
- All business crime types are significantly represented in business crime victimisation with the most prominent being theft, burglary, fraud and armed robbery.
- Theft from businesses was three times more likely to be committed by staff than outsiders. Staff defrauded their business more than outsiders did.
- Low levels of financial loss for employee related theft tend to suggest that individual incidents of employee crime, while common, were not significant. For employee generated fraud, while average losses were low, the total financial cost of the offence, however, was amongst the highest recorded.

This is a description of a business environment anything but compatible with investment and confidence. However, business is surviving and profiting in PNG, and some is very profitable despite crime. The state-sponsored police that generate low levels of community approval are still receiving substantial capital and resource benefits through aid and government subvention. So, could it be said with any certainty that high crime and poorly perceived state policing is bad for business?

What can be said is that businesses are surviving in unsafe environments. Over 70% of businesses surveyed felt unsafe and insecure in their locations as a consequence of crime, or only felt safe some of the time. Private security services may not have a significant influence on rates of actual crime victimisation. They may, however, be deterring a greater increase in crime. The cost of crime and the provision of prevention and security services are high in terms of annual business turnover. With crime by staff featuring in business victimisation, and businesses seeming alienated from the communities in which they operate, environments for the expansion and development of commerce and enterprise are far from supportive.

What are the consequences for the business community of a self-help approach to crime victimisation, policing in particular? While businesses in PNG are making large investments in their own crime prevention they do not see crime rates falling as a result or that their locations are becoming safer. Business largely is not turning to the

state or to the community to assist in crime prevention or control. Of the 129 businesses surveyed that experienced crime and the 1124 crime incidents reported by them in the survey, only 33 such incidents resulted in arrests and 11 went to court. Business was generally unsatisfied by this. The proportion of businesses not reporting crime to the police can reach up to 50%. Business practice modification is an important theme in crime prevention. Particularly in the areas of financial and stock management, staff auditing, and alternative transportation routing, businesses were varying their operations to account for potential victimisation.

Is there a connection between crime victimisation, the fear of crime, perceptions of security, business confidence and business investment? Business in PNG strongly believes that crime and the fear of crime is negatively influencing business confidence and investment. The vast majority of businesses suspect public corruption in PNG is high and therefore very negatively influential over business confidence. Corruption in government was increasing according to 54% of respondents in the survey. Further, 39% indicated that corruption in government remained the same for the last 12 months. Nineteen percent of respondents identified public corruption concerns as affecting business operations and future business decisions. Also 47% of respondents wanted the government to fight corruption.

Seventy seven percent of respondents identified the fear of crime including government corruption as impeding business confidence. In the view of business, crime and the fear of crime (including corruption) is the main reason for poor business confidence and investment in PNG. Business is generally concerned about the negative impact that government rules, regulations and policies, and the law and order situation are having on their operations and enterprise. Allied with public sector corruption, this tends to suggest that government intervention does not promote business confidence and investment. Business sees government as unable to provide stable economic and market conditions which would stimulate business activity.

Corruption, law and order issues and the cost of crime prevention topped the list of concerns for business operations and future investment. More particularly, law and order issues, staff safety and public corruption were most regularly nominated as the primary concern.

The Failure of a Police/Business/ Community Compact in Crime Prevention

From the earlier community crime surveys administered recently in PNG, community crime prevention appears to be progressing well at a general community level. In fact, the community, even in the poorest settlements of Port Moresby and the most transitional parts of Bougainville are filling the gaps left by ineffective state policing to ensure community safety. Then why when it comes to business crime victimisation are business and the community not working together for crime prevention? Answers may lie in the following:

- The business community is a heavy investor in private security measures and at the same time does not anticipate a fall in rates of business crime victimisation any time soon.
- Business is generally not engaging with the community in which it is located in order to promote local and cooperative crime prevention initiatives.

- Business does not see the state or the general community as doing a good job in crime prevention.
- Business directs responsibility for crime prevention first to the police, then the community (including business), and finally the individual. Even so it does not tend to generally or uniformly resort to the police or the community to assist in business crime prevention.
- There was division within the business community about whether it should increase its support for and engagement with broad community crime control initiatives, as there was with assessing its value.

A Way Forward

Arising from the major concerns of business about crime prevention and control in Port Moresby, the challenge for policy development is to turn around crime-related negative influences over business confidence and investment. From the experience of the general community crime surveys, and recognising the central themes of the PNG National Law and Justice Policy and Plan of Action (2000) which advocate communitarian and restorative justice, an important solution to crime victimisation and the passed on costs to the market in developing countries, an answer to business crime victimisation lies in an integrated approach to the problem. Unless this occurs, then the propensity for surviving business simply to divert the cost of crime victimisation to the consumer will continue to the detriment of national economic viability.

Business is reluctant to engage with the state, its criminal justice agencies and the community in any consensual or collaborative crime control effort. Community crime surveys in Port Moresby indict the police in particular for failing to provide leadership and impact over crime victimisation. However, there is convincing evidence that community empowerment has led to improvements in public safety and advanced locality conflict resolution. A safe and secure business environment will have positive influence over business confidence. A reduction in business crime victimisation to produce that safer environment, I would argue is possible by top down engagement, business to business and business with the communities in which they reside. Along with this, a constructive re-interpretation of the business crime victimisation within the wider community, and its negative consequences for standards of living will provide an incentive for constructive engagement, community to business. Unfortunately, the formal state-sponsored criminal justice agencies may be sidelined from these developments and as such 'community policing' in high crime developing societies may take on a distinctly different authority and direction.

Community engagement

It is important that business and the general community in Port Moresby work together at the very least to address certain fundamental misconceptions which tend to exacerbate business crime victimisation and the fear of crime. Even amongst those businesses surveyed which anticipated little benefit in community engagement for crime prevention, there was a strong view that public opinion should be re-educated on the capacity of business to carry crime costs.

The public should be made better aware of how much the cost of crime is impacting on the cost of living. If community attitudes to business crime are made more realistic

and supportive, then the business community can move from seeing the public as the problem, and reconsider their commercial preference for passing on the cost of crime to the consumer, as the expedient response to crime victimisation. The consequences for the cost of living and enhanced consumer capacity in turn will be beneficial for business and the economy.

Local communities need to become more realistic in their expectations of business welfare. Business priorities are fundamentally profit driven and as such for communities to attract financial support from business, the business should be convinced of the manner in which such support will benefit business priorities as well as broad community interests.

Against this, business more uniformly needs to embrace corporate citizenship. Businesses exist in community locations and benefit from community stability and cohesion. In this respect business has a responsibility to invest in that stability and cohesion in the same way it invests in the protection of its premises, property and operations.

From no more than the perspective of good business practice, a safe, secure and supportive community environment for business enterprise will promote business confidence and a stronger climate of competition and investment. This applies no matter what the business structure or enterprise, and no matter how diverse the general community may be. Those businesses surveyed which have a productive working relationship with their local communities reported benefits such as improved staff safety, and diminished investment in private security services. Other businesses which were less disposed to community engagement blamed divided and inconsistent community interests.

Interaction between business and the general community, consistent with a cross-sectoral approach to crime prevention and control will depend on a repositioning of responsibilities and expectations. The success of any such interaction, even at basic levels, also will be dependent on more effective and confident associations with the formal justice agencies, the police in particular. As with the general community crime survey results, this survey reveals fundamental dissatisfaction from business in the delivery of state criminal justice services.

Engagement with government
Business and government are far from equal partners in business crime victimisation, control or prevention in PNG. The almost universal concern from within the business community about endemic public sector corruption no doubt colours the necessary interactions between government and business. This shaky reputation for government and public sector administration in the eyes of business has further reduced the value of state criminal justice to the business community.

The marginalisation of business from the state involves more than crime prevention and control concerns. Business views government regulation as another factor undermining business enterprise and even viability.[25]

The survey reveals from the perspective of business opinion, government and business have some fairly fundamental rebuilding to do if their essential interactions and mutual interests in a stable and progressive economy are to be enhanced. Government will not be in a legitimate position to stimulate or regulate business for the benefit of the community in PNG unless it can at least get more involved in business crime victimisation prevention and control. More involvement will also depend on better involvement. The police, for instance, must provide a more efficient and effective service to business victims of crime.

Engagement with formal criminal justice agencies; state policing in particular
It would be wrong to suggest that business is not engaging with the police. However, up to half the businesses surveyed preferred not to call on the police as a first response to crime victimisation. Along with other explanations is a prevailing disaffection from within business towards state criminal justice. If state police are t retain any utility and legitimacy with the business community, and contribute thereby to a stronger growth environment this trend needs to be countered. For cross-sectoral crime prevention and control to be achieved in the area of business crime victimisation, business needs to work with formal criminal justice agencies, as well as community-based crime prevention. If this does not happen then the significant investment of donor funding into the formal institutions of criminal justice is hard to justify in terms of economic as well as personal community security.

In order to promote a more productive engagement between business and government crime control institutions, improved service delivery is crucial. Business has indicated a greater willingness to call on a better trained and more professional police organisation.

Leadership and anti-crime consciousness
The concept of good corporate citizenship is as important in helping change negative or unsupportive attitudes to business crime prevention, as it might be in showing the way forward to better leadership in all levels of life in PNG. Business alone is not well placed to call for change in the attitudes of the public on business crime victimisation and responsibility without in turn passing on any savings in crime prevention investment which may flow from more supportive community crime prevention.

Consistent with the business commitment to self-help in crime prevention is the opportunity for business to lead other interests whether they are state or community-centred, to address crime victimisation. Working against this is the apparent tendency towards individualism in the business response to crime, a limited organisational presence from business in crime prevention, fragile networking across business

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[25] NB. the World Bank's costs of business http://www.doingbusiness.org/ analysis of PNG, which shows that the PNG Government's regulatory procedures do indeed hamper the efficiency of business relative to other countries in the region.

activities where crime opportunity is high, and an isolationist attitude to business enterprise in general. Each of these issues needs to be addressed by business in any engagement strategy wherein business takes a leadership role.

Business is critical of political leadership and the will of government when responding to the business crime issue. While recognising the importance of a more productive relationship between business and government in crime prevention, the challenge is for business leaders to demand and support best practice in government.. This will stimulate rewarding interchange between business and government as government agencies recognise and respond to the legitimate expectations from business for support and protection.

Business engagement with business
The theme of isolation recurred in the survey even within the business community itself. Respondents gave examples of where crime victimisation was exacerbated by the suspect commercial practices of other service organisations. For example, concern about fraud as a result of cheque and credit card irregularities suggested poor communication between some businesses and the financial services sector.

Business respondents were sometimes critical of the probity and effectiveness of some private security services. This led to an 'in-house' preference for the provision of these services particularly within vulnerable businesses.

The business community needs to work on effective lines of communication to minimise the opportunity for crime victimisation as a consequence of careless business or incompatible business security practices. In addition, businesses should routinely communicate information and experience on what works and doesn't work in crime prevention practice.

Investment in a safer society
The general community crime surveys in Port Moresby and Bougainville indicated that energy and confidence is being broadly directed to crime prevention at a community-initiated level. Communities are not necessarily relying on the state or waiting for the police to deal with crime and make life safer. Community policing in this respect is more about communities policing than police working with and within communities. The business community also has revealed through the survey a strong self-help ethic. However it is individualised and not well organised.

If business investment in crime prevention and security was to be coordinated where appropriate with effective state and community initiatives it would produce better "value for money". The climate, framework, capacity and mechanics for such cooperation should be collectively explored and enhanced. The reservations of business against coordination or engagement should be listened to and addressed by state agencies in particular.

Finally, if the message is that crime victimisation decreases business confidence and thereby negatively influences economic development, the PNG experience reveals that this will not be arrested simply by further resourcing failing state criminal justice

agencies[26], the police in particular. A better productive strategy seems to rest in promoting:

1. more constructive community crime prevention through engagement between business and the communities in which they operate
2. more realistic understandings of the cost of business crime victimisation and its consequences for the economy, particularly for consumers
3. more genuine effort from all stakeholders in community crime prevention to reduce rather than pass-off business crime victimisation, and
4. more effective leadership from the state and from business in promoting an anti crime consciousness in which business no longer anticipates crime victimisation as a significant and prevailing commercial cost.

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[26] Government of PNG (2004) Ministerial Review of Police Services, Waigani: Govt Printer