GROWING BOUGAINVILLE'S FUTURE:

Choices for an Island and its peoples

JUBILEE AUSTRALIA RESEARCH CENTRE

GROWING BOUGAINVILLE'S FUTURE

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About Jubilee Australia

Jubilee Australia (formal name: the Jubilee Australia Research Centre) engages in research and advocacy to promote economic justice for communities in the Asia-Pacific region and accountability for Australian corporations and government agencies operating there.

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Cover photo: Theonila Roka-Matbob, a landowner from Panguna. Photo: Christina Hill.

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INTRODUCTION TO 'GROWING BOUGAINVILLE'S FUTURE'

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Introduction

God created the land of Bougainville and since time immemorial the land of Bougainville, when God created it, it was isolated and separated from PNG, Australia and other islands by sea. It was complete with mountains of her own, valleys, rivers and other plains. Complete with ecosystems, fish and other aquatic wildlife, forests and other vegetation.
Blaise Iruinu

To survive, we looked within our culture, our traditional society and ourselves. In almost all areas of Bougainville, women traditionally own the land. The land is sacred and protected by men on behalf of the women. The men as guardians share leadership with women, taking the responsibility in open debate to protect women from potential conflict; however, women have the power to veto decisions, and therefore are involved in the final consultative process.
Women's Lincoln Statement, Lincoln Peace Talks, 1998

Five years ago, Jubilee Australia and its partners conducted research in the villages located in and around the former Panguna mine.[1] The mine was one of the largest operating copper-gold mines in the world until the Bougainville civil war forced its closure in 1989 (see below for a more detailed history). For some years now, it has been at the forefront of debates about Bougainville's economic future. Many, including the Autonomous Bougainville Government (ABG), have argued that Bougainville needs mining, and in particular needs to reopen Panguna, for the island's development. Possible future mining on Bougainville is not just limited to Panguna and minerals exploration has already commenced elsewhere on Bougainville, with four exploration licences issued to Australian, Canadian and Filipino mining companies as of February 2018.[2] As Bougainville plans for its long awaited independence referendum, the two questions of mining and independence have become increasingly fused in the public discourse: independence requires economic self-sufficiency and this is only possible through mining revenues. So the argument goes.

Based on the research conducted five years ago, Jubilee and its partners published a report in 2014 called *Voices of Bougainville*. The report argued that many Panguna communities were not ready for a return to large scale mining and its socio-economic, cultural and environmental impacts that had resulted in a brutal conflict that caused so much pain and destruction. The work was criticised on a number of counts, but perhaps the most telling was the criticism that even if the essence of the report was correct, and that the people of Panguna were uneasy about the mine,

The project's intent is to offer a sober reflection on the possibilities and realities of an extractives-led development path for Bougainville as well as examining the availably and viability of an alternative path.

nevertheless, Bougainville needed the revenues. The Island's economic necessity, it was said, overrode local concerns, sensitivities and impacts.

This project was undertaken in response to that criticism. Its primary aim is to examine the choice facing the people of Bougainville: the question of 'to mine or not to mine'? The project's intent is to offer a sober reflection on the possibilities and realities of an extractives-led development path for Bougainville as well as examining the availably and viability of an alternative path. Given the uniformity of the official discourse in recent years, and the prevailing wisdom reflected in previous debates that extractive-led development is necessary, it was considered important to make the case that there is actually an alternative choice available to the people of Bougainville.

It is somewhat unfortunate that the debate about mining and the debate about

1. The research was a collaboration with the Papua New Guinean NGO Bismark Ramu Group and the International State Crime Initiative.

2. Post Courier, Four Mining Exploration Licences Issued for Bougainville, 18 February 2018.

Papua New Guinea and Bougainville

Reading the papers, one is constantly struck by the importance of land in the Bougainvillean worldview and in Melanisian culture more generally.

independence have become conflated. These two existential questions, while interrelated, are not best addressed as a single binary choice. Doing so obscures important issues and realities that need to be addressed for informed debate and rights-based decision-making. Even if the referendum is defeated and Bougainville remains part of Papua New Guinea (PNG), the pressure for mining is likely to continue and its resumption cannot be ruled out. In this scenario, generating sufficient revenues will most likely continue to be a challenge – for example the disbursement of grants by the PNG Government to Bougainville is by some accounts not consistent or timely.[3] As this report will show, Bougainville is likely to be dependent on aid from one source or another for some time, regardless of whether it becomes independent and regardless of whether it chooses to restart mining. It is therefore important to start an honest and realistic discussion about the revenue raising challenges facing Bougainville irrespective of its decision on independence and to consider what some solutions to this challenge might be.

This is all the more important because there continues to be very little public debate within Bougainville on its future development path. An exception to this was the 2017 Bougainville Tax and Revenue Summit, which debated how Bougainville can raise revenue and income, grow the economy and raise the tax base for service provision.[4] As one participant noted, the summit was at least 15 years overdue, but nonetheless it finally initiated an important discussion on fiscal self-reliance.[5]

3. Presentation by Secretary of the Department of Finance and Treasury to Bougainville Tax and Revenue Summit, 27 to 29 September 2017, http://www.abg.gov.pg/images/misc/5._ABG_Fiscal_Position_and_Way_Forward.pdf.

However, it is important to note that the summit lacked meaningful participation by most Bougainvilleans and as such did not result in broader public debate on the issues it considered.

The question of 'to mine or not to mine' is a common thread running through many of the contributions to this publication. Nevertheless, important as this issue is, the papers raise deeper questions, ones that both incorporate and even transcend the mining debate.

Reading the papers, one is constantly struck by the importance of land in the Bougainvillean worldview and in Melanisian culture more generally. Several authors repeatedly refer to the importance and centrality of the concept of *custodianship* when describing the relationship between Bougainvilleans and their land. This relationship encompasses caretaking responsibility towards the natural environment that is so important in Melanesia, although land has other importance as well, not least as a de facto source of social security. The idea that the land of Bougainville is a gift to its people, one that brings with it a concomitant duty for Bougainvilleans to ensure its protection, is elegantly captured in the concept of sacred land. The cherished belief of Bougainvilleans that their land is sacred is found in Melanesian literature and Melanesian political discourse, as reflected in the writings of the scholar and poet Blaise Iruinu and in the Women's Lincoln Statement, extracts of which constitute the opening lines of this chapter.

Land ownership in Bougainville is matrilineal. It is through this land tenue that the

4. Bougainville Revenue and Tax Summit 27-29 September, http://www.abg.gov.pg/revenueandtaxsummit/about.
5. Satish Chand, Transitioning to fiscal self-reliance in the Autonomous Region of Bougainville, Keynote address at the Bougainville Revenue and Tax Summit, 27 to 29 September 2017, http://www.abg.gov.pg/images/misc/3._Chand_2017_Transitioning_to_fiscal_self_reliance_in_the_ARoB_(Chand).pdf.

From a hilltop position, two Bougainville Revolutionary Army guerrillas look down on the Panguna mine site in central Bougainville, circa 1994

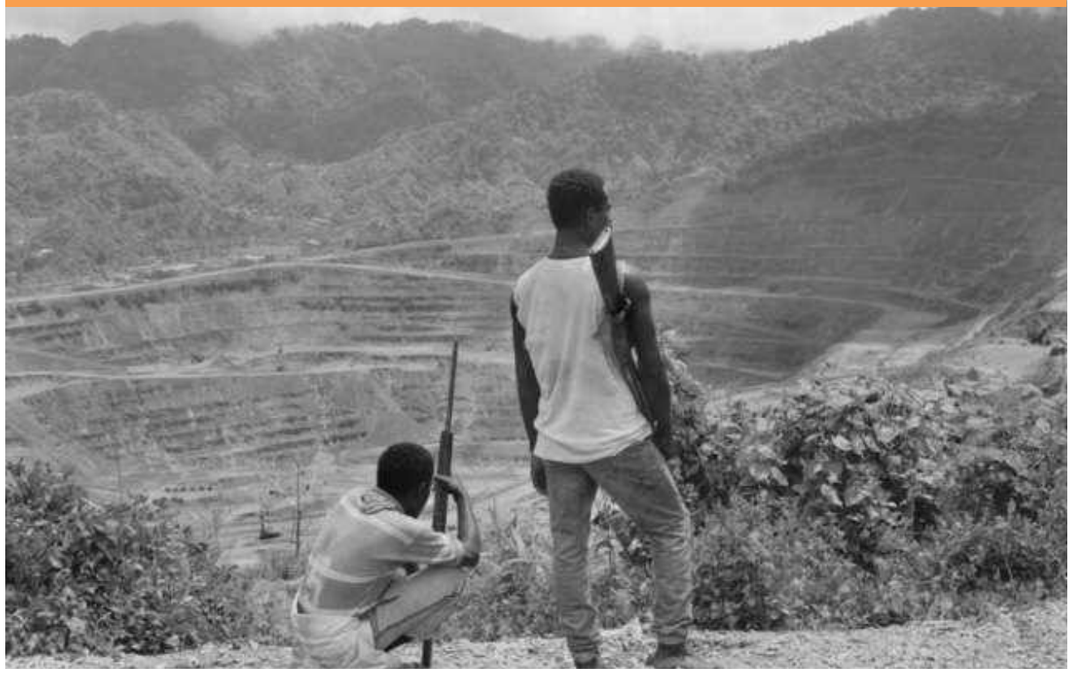

Photo credit: Ben Bohane/Australian War Memoria

connection between the duty to protect the land and the desire to respect the role that women play in Bougainvillean culture emerges so forcefully. The question of land and culture is also inherently tied up with the nature of colonialism. Contributions in this collection touch on the question of colonialism in a couple of ways: first, by showing the continuing importance of using the lens of colonialism to understand Bougainville's troubled history, specifically the crisis and the civil war. Second, by identifying the threat of contemporary forms of colonialism and the repetition of practices that exploit Bougainville's resources while disadvantaging its peoples, albeit with a somewhat altered set of actors.

A final theme that runs through the papers is the interconnectedness of the economic with the political and the related question of what good governance means and implies in the context of decision-making pertaining to economic development options. While some contributions look at the issue from a purely economic point of view, it is clear from other papers that politics is never far from the story. How much revenue a state needs to support itself is not a simple question: it depends on the type of state that is being supported, the aims, and the cultural and governance framework on which it rests.

So, while this publication may use a rather simple device – the question of whether Bougainville should restart mining or not – as a prompt to precipitate discussion and debate, it transpires that just posing that question opens up a whole range of other, perhaps more interesting questions. Whether readers come to this report with an interest in the narrow economic debate around mining or in its broader political and cultural dimensions, we hope that through their engagement with the discussion they come to share our perspective that these questions are inseparable from each other.

Before we introduce the authors and describe their contributions in more detail, we are

aware that the papers presume some prior knowledge of Bougainville and the Panguna mine. To aid those unfamiliar with the story of Bougainville, a short description of its recent history is given below.

Bougainville: the historical context

Bougainville, the largest of the Solomon Islands, was annexed by the Germans and the British in the late 1800s without any attempt to obtain the consent of its diverse peoples.[6] In 1946, Australia formally took over control of the Island under the United Nations Trusteeship System. In the final years of its control, despite the strong opposition of the local communities, Australia initiated the opening of the world's largest copper mine in Panguna. Conzinc Rio Tinto (CRA), an Australian subsidiary of Rio Tinto commenced exploration in 1964. Bougainville Copper Pty Limited (BCL), a subsidiary of CRA, was incorporated in 1967, and an agreement concluded with the colonial administration, again without the consent of the concerned Bougainvilleans, providing it with an 84 year lease enabling a highly profitable mine to commence in 1972. The subsequent Australian-led incorporation of Bougainville into PNG in 1975 was met with strong opposition from many Bougainvilleans. Following major protests, including the conducting by Bougainvilleans of their own independence referendum, an autonomy arrangement was reached in 1976.

Despite the strong condemnation by Bougainvilleans of the proposed Panguna mine and hostility to CRA's presence in and around Paguna,[7] it continued to be promoted by Australia as the means to ensure the economic viability and development of PNG in its transition to independence. No effort was made to hold meaningful consultations with the concerned Bougainvilleans or to equip them with an understanding of the extent of the potential impacts of the mine on their customary laws, their way of life and social fabric and their environment.[8] Instead of seeking their consent,[9] between 1969 and 1988 the Australian colonial administration, and subsequently the PNG government, deployed riot police when faced with dissent. Tear gas, jailing and violence were used against landowners including women landowners.[10] People were displaced from the mine site and port areas without their consent and their agricultural based livelihoods were destroyed, with inadequate compensation provided to cover their basic needs.

Grossly inadequate, and arguably criminal, environmental practices consisting of dumping approximately a billion tonnes of mining waste containing heavy metals into the Kawerong and Jaba Rivers, with tailings dams to store waste from the 2.5 km wide and 400 m deep mine crater ruled out due to the risk of seismic activity. The Jaba River was heavily polluted and much of the environment from the mine site to the coastline destroyed. Massive siltation and contamination of surrounding lands deprived the affected peoples of their means of subsistence. Social issues also accompanied the huge influx of outsiders into the island during the construction period and resentment grew due to the limited employment opportunities available for Bougainvilleans in the subsequent mining operations.

Frustration grew at inadequate compensation (the Australian government having refused to pay compensation for the loss of land) and benefits (which were insignificant relative to the enormous profits generated by the mine) flowing to the impacted landowners and Bougainvilleans in general. This, coupled with the mine's profoundly destructive environmental, social and cultural impacts and the failure of the PNG administration (due in part to parliamentary instability) to adequately address the growing resentment among the younger generation of landowners, led to protests and sabotage of mining company's infrastructure in 1988. Resistance intensified following the use of violence by mobile police units deployed to suppress opposition, forcing the company to shut down operations in 1989. A full-scale guerrilla war for independence ensued. PNG removed its military and police presence from Bougainville in early 1990 and the Bougainville Resistance Army declared independence. In response PNG imposed a sea blockade, restricting access to food and medical supplies, drastically compounding the hardships faced by the Bougainvilleans. In total it is estimated that the conflict claimed the lives of up to 20,000 people, some 10% of the island's population, with tens of thousands more displaced.

In 1997, following a failed peace seeking initiative, PNG unsuccessfully sought to deploy South African mercenaries on the island in a final bid to retake control of the mine. In 2001, a peace agreement was finally reached between PNG and leaders representing the people of Bougainville. It envisaged expanding autonomy powers of the Autonomous Bougainville Government (ABG) with the option for an independence referendum within 15 years of its election – the referendum is expected to be held in June 2019. The outcome of the referendum is subject to ratification by the PNG Parliament. One of the basic principles affirmed in the agreement is that "[t]he autonomous Bougainville Government will have sufficient revenue-raising powers available to it to become financially self-reliant",[11] something which, based on existing revenue streams, the ABG has argued necessitates a return to large scale mining. For example, in 2013 ABG President John Momis said that "I think, once the mine is open, Bougainville will be very well off, and we can manage to reconstruct Bougainville and promote sustainable businesses".[12] And again in 2014, the President stated that "it is my view that without the mine it will be nigh impossible to generate enough revenue to run the autonomous government".[13] More recently though, the ABG placed a moratorium on exploration and mining at Panguna – although it must be emphasised not on all exploration and mining in Bougainville – with President Momis saying that "we will not allow [the Panguna] project once again to reignite the wounds of the Bougainville crisis and distract our focus for restoring peace and our preparation for our referendum in 2019".[14] Nevertheless BCL and RTG Mining (an Australian headquartered and listed company) continue to vie for the rights to Panguna.

In total it is estimated that the conflict claimed the lives of up to 20,000 people, some 10% of the island's population, with tens of thousands more displaced.

6. This overview of the Bougainville experience is based on a number of sources including O'Faircheallaigh C. (1990) 'The Bougainville Crisis' 1(1) Policy, Organisation and Society (1990) pp30-35; Havini M & V Johns 'Mining, self-determination and Bougainville' in Evans G., J Goodman & N Lansbury (eds) *Moving mountains: communities confront mining and globalization* (London: Zed Books, 2002); Kenema S 'An Analysis of Post-Conflict Explanations of Indigenous Dissent Relating to the Bougainville Copper Mining Conflict, Papua New Guinea' eJournal of the Australian Association for the Advancement of Pacific Studies Issues 1.2 and 2.1, April 2010 and a series of podcast interviews and conferences and video and radio documentaries involving C O'Faircheallaigh, A Regan and ABG President John Momis, among others.

7. Jubilee Australia, *Voices of Bougainville*, (Jubilee Australia: Sydney, 2014) p 8.
8. Jubilee Australia, *Voices of Bougainville*, (Jubilee Australia: Sydney, 2014) p 8.
9. A 1928 Mining Ordinance which provided the Administration with powers to grant "access to native land ...without reference to the [traditional] owners" was invoked to authorize the project.
10. Matrilineal inheritance being common under customary law in Bougainville. Violence against women was particularly prevalent during the construction of port facilities in the land of the Rorovan people. (See Jubilee Australia, *Voices of Bougainville,* (Jubilee Australia: Sydney, 2014) p 8).

11. Bougainville Peace Agreement para 134.
12. Business Advantage PNG, Interview: John Momis, President, Autonomous Bouginville Governmnet, 9 July 2013, https://www.businessadvantagepng.com/interview-john-momis-president-bougainville/.
13. Bougainville 24, "Only mine can drive autonomy - Momis," 20 February 2014.
14. Aloysius Laukai, 'Momis announces moratorium on Paguna mining and exploration', Asia Pacific Report, 23 December 2017, https://bit.ly/2wlYtLN.

Australia's historical and contemporary role in Bougainville

Australia is deeply implicated in the tragic events that unfolded in Bougainville as its colonial Government bore a substantial responsibility for the conflict which the mine triggered. The Australian State essentially imposed the mine on the islanders, including through the use of force, refused to compensate them adequately for their losses, and provided substantial financial assistance to the PNG defence and police forces during the early years of the conflict.[15] Australian companies, including Rio Tinto and its suppliers, and Australian citizens also benefited significantly from the mine's operation.[16] Australia consequently shares the responsibility to ensure redress and remedy. Rio Tinto also has an independent responsibility to provide for and cooperate in the remediation of the serious human rights harms it caused and to which it contributed.[17] Its failure to do so through the conduct of an environmental clean-up and compensation of landowners (a responsibility which it should share with the Australian government), having profited enormously from the mine, continues to be subject to strong criticism in Australia as well as in Bougainville.[18]

15. O'Faircheallaigh C. (1990) 'The Bougainville Crisis' 1(1) Policy, Organisation and Society (1990) p30, and Kristian Lasslett. "State Crime by Proxy: Australia and the Bougainville Conflict," British Journal of Criminology, 52:4 (2012).

16. For example inflows to Australia were estimated to be to the tune of $400M in 1988, see O'Faircheallaigh C. (1990) 'The Bougainville Crisis' 1(1) Policy, Organisation and Society (1990) p33.

17. UN Guiding Principles on Business and Human Rights (OHCHR: Geneva, 2011) https://www.ohchr.org/Documents/Publications/GuidingPrinciplesBusinessHR_EN.pdf.

18. D Flitton 'Rio Tinto's billion-dollar mess: 'unprincipled, shameful and evil'' 21 August 2016, https://bit.ly/2cioAYm.

Moses Havini, a Bougainville Revolutionary Army/Bougainville Interim Government spokesperson in Australia during the crisis, at a rally in Sydney, NSW, circa 1997.

Photo credit: Ben Bohane/Australian War Memoria

Australia, it should be noted, continues to have significant influence over what happens in Bougainville. Australia delivered $46.8 million of development assistance to Bougainville in 2016-17. Of this, $13.9 million (30%) was delivered through dedicated Bougainville programs supporting improved governance ($5.09 million), economic development ($3.05 million), peace building, stability and youth ($4.7 million) and gender equality ($1.05 million). The remaining $32.9 million was delivered through Australia's Papua New Guinea-wide programs.[19] Australian aid has included funding for a range of advisers, experts and volunteers supporting mining negotiations, legislative drafting, strategic and legal advice, policy development and analysis. The stated purpose of the activities has been 'to support the ABG's efforts to ensure policy decisions on mining are transparent, consultative, and acceptable to Bougainvilleans, as well as conducted in a way to minimise the risk of conflict'.[20] The level of Australian aid delivered through the Australian Government's dedicated Bougainville programs represents approximately 20% of the ABG's total recurrent expenditure (although development assistance is considered 'off budget' funding). This is significant in terms of its monetary value and the influence such funding might have on how the ABG makes important policy decisions.

The papers in this report

This report contains contributions from academics and practitioners from Bougainville, elsewhere in the Pacific, and globally. These papers draw on the lived experiences of many of its authors, and on many years of research and public policy experience. Through the papers by Bougainvillean and Melanesian authors it provides a unique local perspective on the issues we explore. Members of our team also visited Bougainville in January 2018, and the conversations and interactions they had helped shape the report.

19. Australian Government, Department of Foreign Affairs and Trade, Aid Program Expenditure Report 2-16-17, Papua New Guinea http://dfat.gov.au/about-us/publications/Documents/papua-new-guinea-apr-2016-17.pdf.

20. Senate Foreign Affairs, Defence and Trade Legislation Committee Supplementary Budget Estimates 2014 Questions on Notice/In Writing (23 October 2014) Question 82.

The chapters span a range of interrelated historical, political, economic and legal issues, including: the colonial/historical context; institutional factors that might aid with peace building efforts, good governance and development; the economic challenges of an extractives-based economy; the potential for agriculture based on sustainable livelihood practices; the contributions the fishery sector could make to Bougainville's development; and the roles that might be played by women, by young people and by a rights-based approach in bringing about a bright future for Bougainville.

Kristian Lasslett begins the collection by providing a more detailed overview of Bougainville's history, reminding readers that colonisation has not yet disappeared and that the struggle against colonialism is not over. Ruth Saovana-Spriggs then providers her own overview of Bougainville's recent history focusing on the important role women played in the peace and recovery processes, and outlines a possible future agenda for women's organisations in Bougainville.

Next Catherine Coumans challenges the premise that good governance is all that stands between mining and positive development outcomes, highlighting ongoing efforts by the mining sector itself to undermine attempts to introduce better governance in places like Bougainville. Economist Paul Flanagan offers a case study from PNG on the distorting effects the resources sector can have on national economies, warning a possible future independent Bougainville to be careful of repeating PNG's mistakes. Luke Fletcher and Christopher Prince then consider what revenues might flow to government from the Panguna mine if it was to be reopened

and concludes that, at least in the short to medium term, very little will.

Helen Hakena and Kate Lappin describe how the Panguna mine had an irreparable, devastating impact on women. They argue that an extractivist-based economy is not a model for a gender equal society and propose ways for Bougainville to move towards a more just and equitable economy. Cathal Doyle then explains the importance of free, prior and informed consent (FPIC) given the current context in Bougainville. He notes that indigenous peoples must not only be free to give or withhold their consent to particular projects – such as Panguna – but must also be empowered to participate in the identification and assessment of, and exercise choice between, a range of alternative development options available to them.

Turning to livelihood related issues, Catherine Sparkes and Joel Simo explore the importance of customary land across Melanesia and in Bougainville. They argue that it underpins a life that most rural Bougainvilleans are already living – one that blends the non-cash contributions of the land-based traditional economy supplemented with cash earned from small-scale income generating activities. Wesley Morgan then provides a regional overview of the future of agriculture in the Pacific and offers some insights that may be useful for Bougainville. Transform Aqorau then considers off-shore fisheries and argues that independence, if that is what Bougainvilleans vote for, will provide Bougainville with an opportunity to pursue a forward looking, innovative, rights-based approach to fisheries and oceans management.

The penultimate contribution to the report gives readers a personal reflection from Theonila Roka-Matbob, a young woman who grew up around Panguna during the crisis. In the paper Theonila describes what life was like during the crisis and her hopes for the future of Bougainville.

The final paper considers the possibilities for governance in Bougainville beyond the modern colonial-capitalist system. It asks if a 'Bougainvillean' form of good governance might address the challenge of persistent clientelism, bribery and corruption and initiate democratic and transparent governance across the island of Bougainville.

We conclude this report with some reflections as to how the current decisions on independence and mining represents an opportunity and potential turning point for Bougainville and indeed the rest of Melanesia. We also make some recommendations for policy makers, which aim to draw together the common themes and conclusions of the different papers, to the extent that this is possible.

The hope is that these conclusions will promote informed debate in Bougainville and elsewhere, including in Australia, on the key issues the report seeks to explore.

While outside actors do have influence and a role to play, what happens in Bougainville in the future is up to the people of Bougainville to determine. As many of the contributions to this report attest, Bougainvilleans have their own history, knowledge, social institutions, cultural assets, traditional economy and systems of customary land tenure which provide a vital foundation on which Bougainville's future can be built. Outside actors, including us, must recognise and support this foundation.

This report is being published along with a short film, *Bougainville: Long Han Blong Yumi (Bougainville: It's In Our Hands)*. The film has been made for a Bougainvillean audience and explores many of the same issues explored in the report. Together we hope they contribute to facilitating an informed debate on Bougainville's future.

CHAPTER 1

THE CRISIS BEGAN IN 1886: A LONG VIEW OF BOUGAINVILLE'S DECOLONISATION STRUGGLE

AUTHOR: PROF KRISTIAN LASSLETT
Kristian Lasslett is Professor of Criminology at Ulster University. He has been conducting research into mining, conflict and decolonisation on Bougainville since 2004. He is the author of State Crime on the Margins of Empire: Rio Tinto, the War on Bougainville and Resistance to Mining published in 2014. He is joint Editor-in-Chief of State Crime journal and Editor of the State Crime e-Testimony Project. Kristian is on Jubilee Australia's Board.

Introduction

In policy and academic circles, when attempting to make sense of the Bougainville conflict and associated struggle for independence, one word is rarely uttered, especially in the present tense: colonialism. When it is used, 'colonialism' is employed to frame an historical period now long passed. But can a process as immense as colonisation, which prosecutes its objective of cleansing civilisations indigenous to the subjugated territory through political, economic, cultural, linguistic, legal, pedagogic, spiritual, and psychological means, simply disappear when one flag is lowered, and another raised?

Colonialism has not disappeared.[1] Its presence on Bougainville looms large in government and market structures, social norms and religion, language and ideas, education and notions of 'common sense'. Its presence is hidden, because so many of the institutions, ideas and norms, that were forcefully introduced into Melanesian society initially by external powers, and then administered by local managers who took control with the 'granting' of independence (under the tutelage of foreign advisers and consultants), have been cloaked through sanitising language such as modernity, development, rule of law, democracy, government.

These different terms, in their own way, attempt to define the process of colonialism – forced acceptance of foreign institutions, cultural norms, economic systems, etc. – as neutral acts of progress, from a primitive past. They also assume there is one ultimate destination – copying the institutions, values, and systems of the coloniser. In so doing these terms disguise the fact that a *particular form* of modernity, development, rule of law, democracy and government has been introduced on Bougainville, which was formulated from outside by foreign powers, with their own self-interest in mind. They also disguise the fact that alternative ways exist for Melanesian societies to progress their

1. Grosfoguel, R., 'The Epistemic Decolonial Turn', *Cultural Studies*, 21(2-3), 2007, pp 211-223; and Maldonado-Torres, N., 'On the Coloniality of Being', *Cultural Studies*, 21(2-3), 2007, pp 240-270.

When a people are depicted as primitive and savage, this denotes an ideological framework which gifts to Western European society a rich history of discovery, innovation and social advancement, while denying the same to the communities of Bougainville.

own history, without emulating the coloniser, whose own society is exhibiting signs of decay and decline.

The above issues were absent from my first major research project, which sought to document and analyse how the Australian and Papua New Guinea Governments organised with Bougainville Copper Limited a brutal military incursion, designed to quell the 1988 uprising and reopen the Panguna mine. Following this research, I was fortunate to collaborate with a number of Bougainvillean intellectuals, who introduced me to bodies of thought that were circulating informally on the island, but not published in the journals and monographs, which academics conventionally trawl through when conducting research.

Gradually, I disconnected from the more accessible analyses of Bougainville's history coming out of Western higher education institutions and think-tanks and became much more interested in how intellectuals from Bougainville understood their complex history, and the lessons it holds for the future. These were not intellectuals with a PhD, or who could necessarily speak the language of the coloniser (i.e. English). Rather, they were the respected custodians of history and ideas emerging within the scientific laboratory of the village, where knowledge is produced through discussion, reflection, oration and art.

This led to a prolonged engagement with communities living in mine-impacted areas. Powerful pools of local knowledge at a village level exist in the north and south, on the coasts and in the mountains, there is no denying that. But it was felt that beginning at the epicentre of the Bougainville conflict – which centred at least in the first instance around the Panguna mine – might be the most fertile place to find alternative histories and ideas for making sense of 'the crisis', in a way that is radically different to the dominant accounts published in the books and journals. To make these rich currents of Melanesian knowledge available beyond the immediate locale, a research team made up of local intellectuals and foreign collaborators, filmed over 130 hours with custodians from the mine impacted area.

This paper will give a brief insight into the rich vein of knowledge this project tapped into. Drawing on insights provided by local theorists, it will explore the fault-lines of contention which the processes of colonisation triggered, and how these fault-lines can be traced to the construction of the Panguna mine, and the subsequent conflict its operation triggered. Attention will also be given to the anti-colonial roots of the uprising against the Panguna mine, and the process of cultural healing painfully brought into being by the subsequent period of military violence. This paper will conclude by looking at the enduring colonial legacies impacting on Bougainville and the opportunities which the independence referendum offers for putting these legacies under a critical spotlight.

Land, culture and colonisation

When Bougainville was invaded and then occupied by external powers (invasion and occupation are not commonly used terms but are more factually accurate than euphemisms such as 'administered', 'settled', or 'pacified'), their officials maintained intricate records. The detailed files emerging from the Australian period of colonial administration (1914-1975) are kept in Canberra, a significant

Arawa, in central Bougainville, was largely destroyed during the war.

Photo credit: Christina Hill

journey from Bougainville, the region to which they relate. Close examination of these records provides a revealing insight into the ideology and thought processes of those serving the colonial administration.

The human target of the colonial regime – those to whom it must administer and 'civilise' – are described in these records though a range of derogatory labels, such as 'primitive', 'savage', and more sedately through the catch all noun, 'the natives'.[2] The regime officials using these phrases were not specifically malicious people; this was the common parlance within administrative circles, and they were simply men of their times. This should not excuse us, however, from understanding their times, and how it informs the here and now.

When a people are depicted as primitive and savage, this denotes an ideological framework which gifts to Western European society a rich history of discovery, innovation and social advancement, while denying the same to the communities of Bougainville. It eviscerates and flattens the latter's own long period of social advance, which is rich with discovery, innovation, and change. These labels also frame history as a set of linear sequences, where human beings evolve from a state of 'primitiveness' to the heights of civility, epitomised by Western style government and global capitalism. Those who are heir to the latter are thus humans of a higher order, whereas the heirs to the alternative social system are a throw-back to a primitive period in human history. A mandate is thus created for

2. Barnes, C., *Papua and New Guinea - Development of Copper Resources at Bougainville*, Confidential for Cabinet, Submission No.36, Copy No. 39, 13 January 1967; Cleland, D. M., Draft Correspondence from D. M. Cleland, Administrator, Papua New Guinea, to Rt. Rev. Bishop L. Lemay, S.M., Catholic Commission, Post Office, Sohano, Bougainville, 31 August 1966; and Hay, D.O., Correspondence from D. O. Hay, Administrator, Papua New Guinea, to G. Warwick-Smith Esq. O.B.E, Secretary for Territories, Department of Territories, Canberra. A.C.T., 30 August 1968.

the rule of the one by the other, in the name of tutoring the primitive to a sufficient state of civilisation.

A formidable critic of this racist standpoint is Blaise Iruinu, one of Bougainville's foremost, yet little known, theoreticians. Iruinu is custodian of a highly organised oral tradition of historiography. This tradition retraces precolonial civilisations on Bougainville, to better understand the rich lineages of social institutions, cultural assets, science, and methods of education to which its communities are heir. All of these civilisations, he argues, contain features that must be retained if Bougainville is to create a resilient and sustainable political-economy.

At the core of these civilisations – as varied as they are – is a deep-seated sense of communal obligation, a strong fiduciary duty to future generations, and complex relationship with land that is woven with respect and balance. In Iruinu's view[3] (and this is a point also emphasised by Pokpok island Chief Peter Garuai[4] and Tinputz academic Dr Ruth Saovana[5]), land is the nerve centre of Melanesian society; it connects people, regulates relationships, binds the present day to the past and the future. It is the source of social security, and the base for identity, memory, culture, and spirituality. Iruinu and others, such as Bruno Idioai,[6] contend that these relationships that centre upon land, are a model for sustaining future generations. This understanding of land stands in notable contrast to the relationships and associated cultural practices introduced by the colonial regime.

3. Iruinu, B., *Interview – The Panguna Seminars*, Arsam International, Bougainville Peoples Research Centre and Fourth World Films, 25 August 2015.
4. Garuai, P., *Interview – The Panguna Seminars*, Arsam International, Bougainville Peoples Research Centre and Fourth World Films, 12 November 2014.
5. Saovana, R., *Gender and Peace: Bougainvillean Women, Matriliny and the Peace Process*, PhD Thesis (Australian National University: Canberra, 2007).
6. Idioai, B., I*nterview – The Panguna Seminars*, Arsam International, Bougainville Peoples Research Centre and Fourth World Films, 27-28 November 2014.

Accordingly, land was a predictable fault line of contention. For the colonial administration, who were convinced of the superiority of their own system, land was a resource that could be sacrificed to the point of exhaustion if the anticipated profits were sizable enough. Linked to this posture were a set of cultural values which encouraged citizens to build an identity around individualism, consumerism and urbanisation. At the same time, the communal obligations that lie at the centre of Melanesian society were replaced by social connections mediated through markets and an abstract allegiance to nationality.[7]

For those communities on Bougainville confronting these values and relations extolled by the colonial regime, it was not simple arithmetic that these processes exported from Europea should replace the social systems bequeathed by Melanesian foremothers and forefathers. Peter Garuai notes it was a particularly ambiguous situation.[8] Newfound access to items like steel axes, which could cut down labour time in the garden, was certainly welcomed. However, once this access was married to accepting a much wider range of political and economic institutions, the cost-benefit ratio became increasingly more problematic.

Nevertheless, local communities were not contending with an outside force that was inclined to leave, or indeed to abandon its mission. Colonisation was a calling that could not be denied, such was the belief of the colonial powers in the superiority of their civilisation and the necessity of occupying countries viewed as 'less-developed'. As a result, local misgivings were not an insurmountable barrier. Indeed, while consent is an essential rule

7. see Denoon, D., G*etting Under the Skin: The Bougainville Copper Agreement and the Creation of the Panguna Mine* (Melbourne University Press: Melbourne, 2000) and Hawksley, C., 'Constructing Hegemony: Colonial Rule and Colonial Legitimacy in the Eastern Highlands of Papua New Guinea', Rethinking Marxism, 19(2), 2007, pp 195–207.
8. Garuai, P., *Interview – The Panguna Seminars*, Arsam International, Bougainville Peoples Research Centre and Fourth World Films, 12 November 2014.

governing our interpersonal relationships, at the level of colonial geopolitics consent is irrelevant. Refusal or opposition is not a reason to leave, but a barrier to be torn down. On Bougainville, the administration pursued its colonial mission – especially after WWII – with zeal. The choice offered to Bougainville was to drift off in a state of primitive stasis, or become active participants in the colonial project, so communities could be inducted into a new civilisation, which was modern and developed.[9]

For communities confronted with this choice, they faced the unedifying prospect of all the cultural assets and relationships dear to their heart being stigmatised as primitive; while the values and systems they were being told to accept, they had no connection with, or passion for. Elders such as Chief Antony Taruito, recall a feeling of violent dislocation.[10] The rules and norms communities were intuitively accustomed to were being eroded, and replaced with a foreign system. In the transition people felt trapped in a void. Nevertheless, this did not precipitate a moment of eruption; this would come later, in 1988.

Colonialism's power, in its more austere form – which typified the Australian administration – is that its mission to gradually unpick the roots of local civilisations, and impose on them new forms, occurs in a gradual and piecemeal fashion. There is never a clear moment of dispossession or cultural genocide. It is more of a gradual fading than a sudden bang.

Soon, however, the Australian regime began to anticipate the colonial project it introduced would need to be handed over to local management first through self-government and

9. Cleland, D. M., Draft Correspondence from D. M. Cleland, Administrator, Papua New Guinea, to Rt. Rev. Bishop L. Lemay, S.M., Catholic Commission, Post Office, Sohano, Bougainville, 31 August 1966 and *South Pacific Post* 17/2/1967, pp.7-8.
10. Taruito, A., I*nterview – The Panguna Seminars*, Arsam International, Bougainville Peoples Research Centre and Fourth World Films, 22 July 2015.

The mine itself was an explicit attack not simply on an asset, but the nerve centre of local societies: the land, without which they cannot exist in any form they would be welcomed or recognised.

then political independence. It thus rapidly increased its investment in local managers who could run the newly introduced political, market and cultural machinery, and further entrench it in the country.[11] This process, to be sustainable in the long term, required a significant injection of funds. The copper and gold ore-body in Bougainville's Crown Prince Ranges offered a welcome revenue boost.[12]

But in pursuing the mine the colonisation process lost its primary weapon, its gradual and piecemeal nature, which diluted its more contentious effects. The mine itself was an explicit attack not simply on an asset, but the nerve centre of local societies: the land, without which they cannot exist in any form they would be welcomed or recognised. The tensions colonisation was pregnant with were laid bare by the Panguna mine, in their most explicit form.

Mining and resistance to the colonial project

When the colonial administration initiated an industrial scale open cut mine in the Panguna region of Bougainville, in partnership with Rio Tinto, it created an existential threat to the life of those who stood in its shadow. Its construction and operation would produce hundreds of thousands of tons of effluent daily that would go on to destroy surrounding land, waterways, and ecosystems.[13] The mine's operation would also precipitate new economic practices, migration patterns, cultural changes, and a shift in the urban environment, all of which corroded the relationships and processes essential to the reproduction of local social structures.[14] For the Australian administration, executing

this process in a controlled and organised matter was their right as a colonial power. The Administration understood that however carefully orchestrated this transition was, it would precipitate resistance. This resistance was regarded by colonial officials as the emotional over-reaction of a primitive people, which Australia, as the father nation, needed to cautiously chide, with some sensitivity to what was being lost.[15]

To chaperone Bougainville through this turbulent period, the colonial administration opted for a mixture of persuasion (via kiap patrols and propaganda campaigns), alongside the strategic application of armed force.[16] What administration officials failed to appreciate by and large, was that resistance to the mine was not the unthinking reflex of a primitive people facing an anxious journey into modernity. Rather, resistance was the considered strategy of a people who were not prepared to surrender their cultural sovereignty, set against a well-known backdrop of decimation in the colonial south. Indeed, communities anticipated in very precise terms - which were loudly articulated at the time - that the mine would, on the one hand, export local wealth abroad, and on the other, outside problems, such as environmental damage and social conflict, would be imported into Bougainville.[17] While these critiques were dismissed by colonial officials, history would reveal that, in the long run, local knowledge and analysis proved superior to that of the Australian regimes.

Despite a prolonged campaign of resistance that featured road blocks, industrial sabotage and protest, operations at the mine began in 1972. The fragmented nature of the resistance, spread as it was across rugged rural stretches, as well as the superior arms and resources commanded by the colonial regime and mining company, meant the operation could be shepherded into being without a clear mandate.

Its effects, as communities warned, were wide-ranging and life-changing. Some took advantage of the opportunities opened up by entering into business, or gaining employment at the mine. Others endured profound social dislocation. With land and environment inevitably eviscerated, the loss was more than economic. It was denial of access to cultural, customary, economic, and spiritual practices essential to community traditions, individual senses of personhood and social security.[18] The result was a sense of collective and individual displacement.

No person was a bystander. Those who did not directly suffer the trauma of this loss, empathized with compatriots who did.[19] And it ought to be underlined, this was trauma. People in the mine impacted area recall suffering severe mental distress as they were swept into conflicting paradigms;[20] on the one hand there were introduced sets of practices which 'civilized' people were meant to embrace. On the other there were the norms of indigenous societies, to which people were meant to only pay tokenistic homage to.

By the 1980s, these intersecting forces found expression in a growing social movement that aimed to close the Panguna mine.[21] Despite its outward form, this was not an anti-mining movement – or at the very least this label fails to capture the larger historical schisms informing the movement. The mine was arguably the most physical and visceral symbol of a deeper social crisis, initiated a century before.[22] It concentrated and condensed this crisis. The opposition that emerged in response to the mine was not simply questioning then the rights and wrongs of extracting ore from the ground. Rather, a spotlight was being placed on the existential crisis indigenous communities were facing, as the colonial project entrenched itself on Bougainville no longer under Australian management, but the management of localised provincial and national governments.

This anti-colonial resistance fused with other forces that began to entwine themselves in the crisis.[23] Nationalist elements on Bougainville saw in the emerging crisis an opportunity to leverage growing public anger, to seize a greater share of the mine revenues for Bougainville.

This faction of economic nationalists appear to have accepted the general direction set for Bougainville by the colonial powers as the right one. The principal concern was increasingly local control over the profits this system was generating. Evidence later revealed that key economic nationalists were involved in opaque business ventures which aimed to leverage the discontent to gain control of the mining sector on Bougainville.[24] This suggests had they led the initial revolution in 1988 it would have exacerbated the inequalities and colonial processes the social movement was challenging.

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Arguably the strongest social faction underpinning the movement to close down the Panguna mine found its figurative articulation in two young leaders, Francis Ona and Perpetua Serero, who assumed control of the Panguna Landowners Association, following their election in 1987 to its governing board. Using this pressure body, they aimed to stimulate a movement which would stem all the corrosive impacts pointed to above, allowing the mine impacted region to undergo a process of renewal where local social systems could be revived, initiating a period of cultural and social healing.[25] Their objective, which was widely shared, found expression initially in protests, road-blocks and sit ins; it progressed to industrial sabotage in November 1988.

When the Papua New Guinea and Australian governments responded to the unrest using military force - with logistic support from the Rio Tinto subsidiary, Bougainville Copper Limited – a decade long period of armed violence was initiated.[26] A former combatant, Jonah Matvai,[27] argues that the colonial project was always progressed with a gun in the background. The Bougainville Revolutionary Army in his opinion, seized this gun and used

11. Griffin, J., Nelson, H. and Firth, S., *Papua New Guinea: A Political History* (Heinemann Educational Australia: Richmond, 1979).
12. Downs, I. (1980). T*he Australian Trusteeship: Papua New Guinea 1945-75* (Australian Government Publishing Service: Canberra, 1980).
13. Vernon, D. 'The Panguna Mine', in Regan, A. J. and Griffin, H. M. (eds.) *Bougainville: Before the Conflict* (Pandanus Books: Canberra, 2005).
14. Lasslett, K, *State Crime on the Margins of Empire* (Pluto Books: London, 2014).
15. Daw, T.E., Correspondence from T.E. Daw, District Officer, to the Director, Department of District Administration, Konedobu, 15 June 1967 and Hay, D.O., Correspondence from D. O. Hay, Administrator, Papua New Guinea, to G. Warwick-Smith Esq. O.B.E, Secretary for Territories, Department of Territories, Canberra. A.C.T., 30 August 1968.
16. Warwick-Smith, G., Correspondence from George Warwick-Smith Esq., Secretary, Department of Territories, Canberra, to Douglas Hay, Administrator, Territory of Papua and New Guinea, 2 February 1967.
17. see for example Daw, T.E., Correspondence from T.E. Daw, District Officer, to the Director, Department of District Administration, Konedobu, 15 June 1967.
18. Pokamari, T., *Interview – The Panguna Seminars, Arsam International*, Bougainville Peoples Research Centre and Fourth World Films, 6 August 2015 and Totobu, M., *Interview – The Panguna Seminars*, Arsam International, Bougainville Peoples Research Centre and Fourth World Films, 7 August 2015.
19. Onavui, P., *Interview – The Panguna Seminars*, Arsam International, Bougainville Peoples Research Centre and Fourth World Films, 23 July 2015.
20. Taruito, A., *Interview – The Panguna Seminars*, Arsam International, Bougainville Peoples Research Centre and Fourth World Films, 22 July 2015.
21. see Lasslett, K, *State Crime on the Margins of Empire* (Pluto Books: London, 2014).
22. Iruinu, B., *Interview – The Panguna Seminars*, Arsam International, Bougainville Peoples Research Centre and Fourth World Films, 25 August 2015.
23. see Lasslett, K, *State Crime on the Margins of Empire* (Pluto Books: London, 2014).
24. 'President John Momis implicated in Chinese-Australian plot to lift Bougainville mining moratorium' in *PNG Exposed*, 12 May 2016.
25. Lasslett, K, *State Crime on the Margins of Empire* (Pluto Books: London, 2014).
26. Lasslett, K, *State Crime on the Margins of Empire* (Pluto Books: London, 2014).
27. Matvai, J., *Interview – The Panguna Seminars*, Arsam International, Bougainville Peoples Research Centre and Fourth World Films, 23 November 2014.

Blaise Iruinu

Photo credit: Alexandre Berman and Olivier Pollet

Families still remember those they lost, while mothers to this day search for children whose remains are missing .

it to protect local resources from further deprivation. It is hard to imagine the depth of feeling and the seismic stakes that would cajole a large number of young people, living in a peaceful region, to take up arms against a far superior military force. Outside commentators have often resorted to racist tropes, describing rebels as cargo cultists and terrorists, labels that whitewash a much more complex history. Such labels do a deep injustice to the suffering being resisted and the critique of colonialism underpinning this struggle.[28]

The violence endured during the war period cannot be adequately captured here. It tore apart families, dislocated successive generations, destroyed considerable infrastructure, and has left legacies of trauma that are being left badly under-treated today. Families still remember those they lost, while mothers to this day search for children whose remains are missing. No side to the conflict can escape blame for these atrocities, although the evidence strongly suggests a significant share of responsibility for gross human rights violations goes to the Australian and Papua New Guinean states, alongside Rio Tinto. These legacy issues deserve serious policy attention, and a considerable volume of funding, especially for addressing post-conflict trauma. However, there are other remaining legacies of the war also worth examining.

Social renewal and decolonisation

In their accounts and histories of the conflict period, survivors recall a mixture of feelings. On the one hand, many can cite traumatic experiences at the hands of combatants, or the fear associated with raising a family during a prolonged period of displacement. However, amidst this violence and ambiguity, survivors also point with pride to the resilience local cultures demonstrated in providing the glue for social life, when the colonial political and economic infrastructure communities had become partially dependent on was abruptly removed, and a military blockade was placed around Bougainville. Local forms of customary leadership, the strengthened role of women as custodians, growth in indigenous forms of savvy, and traditional productive practices, are all pointed to as integral support structures that got communities through a dark period. But it was not merely a matter of survival; these enhanced social trajectories signaled a period of cultural renewal.

This precipitated some extraordinary restorative actions. Emblematic of this phenomenon is Bruno Idioai who made efforts to repair the harm generated by the extractive industries by planting over one million trees and starting a local agricultural college specialising in Melanesian agronomy.[29] Others who had been displaced by the mine returned to their ancestral home and rebuilt their communities on top of millions of tons of waste rock, enduring all the hardship this implies.[30]

That said, the cessation of the blockade, and the onset of the peace process was widely welcomed. But not uncritically so. There was strong grass-roots support for mending rifts between communities and providing new generations with stability and security. However, it is not as clear whether people desire that this process should be accompanied by a restoration of the institutions and systems introduced during the colonial period. For example, in the Panguna region, there remains a deep skepticism of industrial-scale mining, and the economic model this type of project is married to, a model that was implemented first by the Australian regime acting on the advice of the World Bank (both of the which remain active voices, supporting the return to large-scale mining on Bougainville).[31] While the call for a 'small is beautiful' approach to economics has been dismissed by politicians as idealistic,[32] it represents an enduring desire at the grass-roots level to find a uniquely Bougainvillean path that integrates with the world economy and international political system, but in a way that is sympathetic to local sovereignty and the maintenance of those cultural systems which proved so essential to community life during the conflict.[33]

For those trained to administer the political and market institutions bequeathed by the colonial powers, questioning the merit of Bougainville's colonial heritage is an existential threat; much as the mine was an existential threat to impacted communities. That is, questioning in a serious way the merit of a national economy grounded in the auctioning of natural resources to foreign investors, in order to generate revenues that can support an introduced Westminster system of government, affronts the salaries, profits and political interests of powerful actors on Bougainville who have become wedded to this structure, which now includes notable ex-combatant leaders. As a result, we have seen politicians and senior policy makers try to deny the political opportunity opened up by the crisis to dismantle dimensions of Bougainville's colonial heritage, by framing it as no choice at all; life, so the assumption goes, would be impossible without such structures, so we cannot question them. Yet living memory on Bougainville recalls life

28. discussed in Lasslett, K, *State Crime on the Margins of Empire* (Pluto Books: London, 2014).

29. Idioai, B., *Interview – The Panguna Seminars*, Arsam International, Bougainville Peoples Research Centre and Fourth World Films, 27-28 November 2014.
30. Onavui, S., *Interview – The Panguna Seminars,* Arsam International, Bougainville Peoples Research Centre and Fourth World Films, 7 December 2014.
31. Jubilee Australia, *Voices of Bougainville*, (Jubilee Australia: Sydney, 2014).
32. Momis, J., 'To Meet Fiscal Self-Reliance we Must Open the Panguna Mine', *Bougainville News*, 6 January 2015, https://bit.ly/2OxZxCI.
33. Jubilee Australia, *Voices of Bougainville*, (Jubilee Australia: Sydney, 2014).

Despite efforts to deny the opportunities now open to Bougainville, as the autonomous region approaches the referendum over independence, there is ample scope for a wide-scale process of critical reflection.

existing without these structures, under the most inhospitable conditions imaginable.

Despite efforts to deny the opportunities now open to Bougainville, as the autonomous region approaches the referendum over independence, there is ample scope for a wide-scale process of critical reflection. Would raising the Bougainville flag, figuratively speaking, over the institutions bequeathed to it by Australia and then Papua New Guinea enable the form of sovereignty desired by rural communities throughout Bougainville? Is it possible to imagine an independent Bougainville dismantling certain colonial legacies while retaining others? And what space might be opened up in this emerging political landscape to experiment with new Melanesian models of governance and economic organisation that sit sympathetically alongside local cultures, social systems, and value frameworks?

These questions beget others. Is economic life on Bougainville best pursued through luring foreign investment into natural resource projects, supplemented by a local economy rooted in forms of private ownership based on introduced models of competitive individualism? Is there an argument for focusing policy attention on those industries that can be locally controlled, with the revenues retained on Bougainville? Are there alternative models of social ownership that could support household economic activity, such as cooperative societies, which are more sympathetic to Melanesian social systems? Is the current form of representative democracy delivering accountable results for people? Are there alternative models of participatory democracy

Youths from Sipuru Village Assembly come together to build a road and steps in the Evo mountains to link up their communities and villages

Photo credit: Alexandre Berman and Olivier Pollet

that could be drawn on to facilitate greater communal control of policy and budget expenditure? Can small island democracies support the type of bureaucratic system that echoes a model used in Australia and the UK? Are there alternative economic structures, that are more accountable, less corrupt and thus reduce demands placed on taxation receipts? What are the assets and institutions that have been developed in Melanesian society that could be scaled up to replace some of the ineffective institutions imposed during the colonial period? Are there also principles and cultural values that could be scaled up as a constitutional focal-point which can ensure future governments on Bougainville remain loyal to local conceptions of the good life, rather than conceptions imported from abroad on what a responsible country should do with its time and resources? How have belief systems, gender relationships and social interactions been shaped by colonial institutions? To what extent are these changes compatible with cultural expectations that should be upheld as a resource for the future? Is the formal education system fit for purpose? Does it capture the capacities, skills, knowledge, and teachers, essential to a holistic education that equip future generations to transmit their cultural heritage and enliven national sovereignty?

These are big questions that interrogate over a century of history. They presuppose that there is no single destiny for Bougainville, and no one right way of doing things. Indeed, these questions frame the future as an open process with many possible avenues, with consequences for communities on Bougainville that can be anticipated; just as the construction of the Panguna mine was one potential path of history with consequences that could be predicted. There are rich veins of thought that stretch across Bougainville which could provide answers to the above questions, out of which a political strategy for the future could be engineered. However, elites on Bougainville – local and foreign – will not easily relinquish control over this strategy to a wider populous. As Blaise Iruinu rightly observes the struggle against colonialism on Bougainville is not yet over.[34]

34. Iruinu, B., *Interview – The Panguna Seminars*, Arsam International, Bougainville Peoples Research Centre and Fourth World Films, 25 August 2015.

CHAPTER 2

WOMEN'S CONTRIBUTIONS TO BOUGAINVILLE'S PAST, PRESENT AND FUTURE

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Introduction

Bougainville society is largely matrilineal and at its core are women and land. Men are also part of this inseparable connection, but land is owned and passed on from one generation to another through the female bloodline. There is a connection between women and land that is inseparable. However, this connection has suffered from much abuse, violation and destruction, and women's position in society has been weakened and marginalised since the period of colonisation. Unfortunately, the status-quo has been maintained by the present Government in Bougainville.

The paper briefly covers a number of areas with regards to women's participation in Bougainville's development. Firstly, a brief discussion of Bougainville's matrilineal system and women's place in Bougainville society. Secondly, the discussion deals with the role women played in the peace process in the 1990s and early 2000s. Thirdly, yet another brief discussion on women's contribution in the post-civil war recovery processes. And finally, the paper proposes a possible future agenda for women's organisations.

Women's place in Bougainville society

Bougainville has both traditional and western government systems operating in parallel to each other. The most common traditional governing system is the matrilineal system which is practiced across Bougainville except in two language communities: the Buin language community in the south which has a patrilineal system, and the Bougainville-Polynesian outliers – the Mortlock and Tasman Islands – with a patriarchal system.

To illustrate power and authority women have and play in the matrilineal system, I'll give a couple of examples here – this is not an exhaustive list but describes some of the laws and regulations that underpin matriliny.

Local women conduct a traditional fan dance to celebrate the Arawa agreement, signed on 30 April 1998

Photo credit: Kristy Davies/Australian War Memorial

In the case of family breakdown or divorce, a man packs up and leaves his family empty handed. He does not take any share of the wealth he and his family had amassed over the years of their life together. He has no right to own a portion of land (being his wife's land) he may have previously worked on. Children remain members of the mother's female bloodline, not the father's female siblings' bloodline. A Bougainville woman is the treasurer and distributor of traditional wealth; she is the mother of everything that the sub-clan has – land, seas and rivers, ceremonial places; sub-clans' traditional arts and crafts including designs (hairdos, canoes and paddles, designs and colors), songs especially chants and dances, etc. On the man's side, a man plays a number of roles and responsibilities, not just as father and husband, indeed he plays those roles but in addition it is crucial that he learns the history of his wife's land. He is then added to the list of those who are the history keepers of the wife's land: plays the role of being the guard, protector and defender of the wife's land. At the same time, he exercises similar roles and responsibilities over his own land with his female siblings. In the matrilineal context, women and men are decision-makers on land matters, marriage and bride-price, the distribution of wealth, etc. However, women have a veto power and could easily veto sub-clan and family's final decisions. Male siblings also share this level of authority and power but their exercise of this is dependent on women's 'tok orait', permission in Tok Pisin.

A Bougainville woman is the treasurer and distributor of traditional wealth; she is the mother of everything that the sub-clan has – land, seas and rivers, ceremonial places; sub-clans' traditional arts and crafts.

This is the level of power and authority women have in the matrilineal system that saw ex-combatants respect women at a

The establishment of a western system of government in Bougainville unfortunately set in an irreversible tide against the matrilineal system, weakening women's position of power and authority.

time when women conducted small-scale peace missions in their communities across Bougainville.

The establishment of a western system of government in Bougainville unfortunately set in an irreversible tide against the matrilineal system, weakening women's position of power and authority. The current Bougainville Mining Act for example, passed by the Autonomous Bougainville Government (ABG) in March 2015, is a very clear example of the continuation of this process of disempowering women. However, it is not impossible to reverse the tide today.

Any woman in Bougainville reading this paper must understand that women in many countries have had to fight for their rights on many issues. Some such include the right to vote and participate in politics; equal opportunities for employment in the workplace: equal pay with their male counterparts: the right to have custody over children and to own properties, and so on and so forth. Bougainville women in the workplace now find themselves in the footsteps of western women's rights movements on similar issues and matters.

However, Bougainville women do have an advantage based on matrilineal laws and regulations. How to promote and make their traditional positions of power relevant in the western government system is a challenge they must genuinely deal with. Government policies on how to develop natural resources deals with the very heart of the matrilineal system. In this context, women should not be marginalised but actively exerting their influence and promote their participation in government affairs and decision-making processes.

Women's contribution in bringing the war to an end: grassroots peace missions

Grassroots women's peace missions mushroomed across Bougainville in the early 1990s and continued up until 2001. In the mid-1990s, these small-scale peace missions led to the establishment of a number of Bougainville-wide women's organisations including the Bougainville Inter-Church Women's Forum led by Sr. Lorraine Garasu; the Bougainville Women for Peace and Freedom under Josephine Kauona's leadership; and the Leitana Nehan Women's Development Agency with Helen Hakena (a contributor to this report) being the first president. Women's organisations within the churches were also active and remain so to this day.

Drawing on their matrilineal power and authority, women also successfully carved out their own space in high-level peace negotiations and meetings that were held in Bougainville, PNG, Australia, New Zealand, the Solomon Islands and elsewhere in the late 1990s (see box 1 for an excerpt of the 'Women's Lincoln Statement').

Women's contribution in the recovery process: 2005 to 2018

Women leaders of the 1990s have moved on since the inauguration of the ABG in 2005. What took place was something akin to the changing of the 'old guard.' Women leaders from the 1990s – who worked tirelessly together – have moved on to establish other Bougainville-wide projects and programs. I will briefly describe two examples (Sr. Lorraine Garasu and Sr. Ruby Miringka)-

Sr. Lorraine Garasu was instrumental in bringing women and their leaders together, forming the Bougainville Inter-Church Women's Forum in the early 1990s. Much of her time and energy was spent on counseling women who had been suffering from traumatic war experiences: the loss of lives including husbands, experiences of widowhood in time of war, rape, mental and emotional issues, etc. Guided by the issues and problems she was dealing with in the early 2000s, and with the support of other Sisters from the Congregation of Sisters of Nazareth, Sr. Lorraine set up the Nazareth Centre for Rehabilitaion at Chabai at the northern tip of Bougainville. Currently the Centre works across all regions of Bougainville and provides safe houses services in four locations (Chabai, Buka, Arawa and Buin), as well as engages with their network of Women Human Rights Defenders and male advocates. Women and children, who suffer from domestic violence and abuse, family breakdown, rape and teenage pregnancy and other related socio-economic issues are able to seek counseling and support from the Centre. Sr. Lorraine has worked tirelessly since before

Box 1: the 'Women's Lincoln Statement'

Here is an excerpt, the 'Women's Lincoln Statement' read by one of the women leaders at the Lincoln Peace Talks in 1998 in New Zealand. Once again demonstrating women's level of influence, contributing at meetings and negotiations in relation to Bougainville's political status, cessation of the civil war and achieving peace.

To survive, we looked within our culture, our traditional society and ourselves. In almost all areas of Bougainville, women traditionally own the land. The land is sacred and protected by men on behalf of the women. The men as guardians share leadership with women, taking the responsibility in open debate to protect women from potential conflict; however, women have the power to veto decisions, and therefore are involved in the final consultative process.

The destruction of this balance of power as held in Bougainville in traditional times occurred through Westernisation in the colonial period. It is a tragic fact that the ignorance of external powers exercised in Bougainville by default weakened the traditional balance that kept a peaceful and harmonious society. In the recent absence of formal Western political structures, our people in social crisis have turned to traditional decision-making methods in which women have been restored to their rightful place in leadership.

Women have built bridges between their families, clans and displaced fellow Bougainvilleans by working for mutual survival, whether it be in the bush, in care centres or wherever they have hosted strangers in their own communities.

[In] our society, although men and women have distinctive roles, they are complementary. We, women are co-partners with our men and as such we are not daunted by the enormous tasks that lie before us to bring about a new Bougainville. In holding to the peace message that has spread in Bougainville from Burnham, we, the Women's Delegation at Lincoln University Leaders' Meeting, affirm with all our sisters and fellow Bougainvilleans our determination to make this peace process work until we reach our common goal of freedom.[1]

1. Ruth Saovana-Spriggs, *Gender and Peace: Bougainville Women, Matriliny and the Peace Process*, PhD Thesis (Australian National University: Canberra, 2007).

Sr Lorraine Garasu, Director of Nazareth Centre for Rehabilitation

Photo credit: Elena Leddra/IWDA

the crisis. She is one of Bougainville's true treasures.

Sr. Ruby Miringka (the then sister in charge of Nursing Training at the former Arawa Nursing College of the 1980s) was an important leader in the Bougainville Women for Peace and Freedom, at the same time, the Coordinator of the Bougainville Community-Based Integrated Humanitarian Program (BOCBIHP), which was based in the capital of the Solomon Islands, Honiara. She and her family, together with more than 2,000 Bougainvillean refugees, fled to the Solomon Islands during the conflict. The organisation supported refugees living in Honiara and people living up in the mountains of Central Bougainville, who suffered most severely as a result of the embargo the Papua New Guinea (PNG) Government imposed on the people in the 1990s. BOCBIHP provided a wide range of support including transporting very sick people, pregnant mothers/women experiencing difficulties in childbirth, basic medicines, secondhand clothes, etc. In the late 2000s Sr Ruby founded the Bougainville Healthy Community Programme, a not-for-profit community program, which is very much a carry-over from BOCBIHP and is a success story region-wide.[2]

Post-civil war (2000 to 2018) women in politics

Bougainville women are fortunate to have three reserved seats in the Bougainville Parliament (compared to none in PNG). In the 2005 general election, three women were elected in accordance with the rules established in Bougainville's constitution.

As of the last general election (April 2015), Bougainville now has four women parliamentarians. The fourth woman contested the last general election as an independent candidate. She won! That was a landmark victory for all women, showing a growing confidence in their ability to participate in politics and leadership at that level.

At the community level change is also on the horizon with the passing in 2016 of the Bougainville Community Government Act. This Act establishes urban and rural 'Community Governments' comprised of individual wards. Each ward must elect one male and one female representative, and the leadership roles for each Community Government must rotate between men and women. This system – if properly implemented – offers women leadership opportunities and experience at the local level that may well translate to future leadership opportunities at the national level.

While there are clearly some success stories, there are, on the other hand, opportunities for women to improve their participation in governance. There is plenty of room for women to raise their standard, build confidence and promote their ability to participate in the political arena, Government bureaucracy and in many other areas in the formal and private sectors.

The final section of the discussion here is an outline of a few issues that are of critical importance to Bougainville's future – that might form a possible future agenda for women's organisations in Bougainville.

A possible future agenda for women's organisations

Participation and leadership at government level decision-making processes

There is I believe an opportunity for women to establish communications with Bougainville's four female parliamentarians, so that they gain some understanding on how the government functions with regards to decision-making on policies and laws. Gaining such insight would strengthen their confidence and enable them to increase their participation in decision-making processes, potentially as members of a future Bougainville Government.

The fourth woman contested the last general election as an independent candidate. She won! That was a landmark victory for all women, showing a growing confidence in their ability to participate in politics and leadership at that level.

Increasing women's participation in government decision-making processes would also require women to skillfully integrate matrilineal authority and leadership skills and use them to navigate their way through the patriarchal western government system in order for them to effectively participate in all affairs at all levels of government.

Independence referendum

The tentative date for holding the referendum on Bougainville's future political status is currently scheduled for June 2019 – just 16 months away from the time of writing this paper. Efforts by the ABG to explain the concept and complexities involved in the referendum has been so far very minimal indeed. This lack of information could propel women's groups (the Bougainville Women's Federation and its district branches maybe) to launch their own education awareness programs on the issue in their respective communities.

Resistance to mining and the Bougainville Mining Act

Kate Lappin and Helen Hakena, in their contribution to this report, describe how the Panguna mine had an irreparable, devastating impact on women. My concern is that, this too may become the dilemma women in the Tinputz and Wakunai districts could face – becoming their worst nightmare – once the Perth-based mining company Kalia Holdings

Tinputz in North Bougainville where Kalia Holdings holds an exploration licence

Photo credit: Christina Hill

Limited begins exploration, with the prospect of mining down the track.

As the Cathal Doyle contribution to this report and previous analysis by Jubilee Australia[3] have demonstrated, the Bougainville Mining Act will not protect landowner rights (and certainly not landowner rights to free, prior and informed consent) and in some instances criminalises dissent to mining projects. The Bougainville Mining Act contains offences and subsequent penalties that are devastating and damaging to a person's integrity, the community and Bougainville society as a whole, and may lead to disempowerment, land alienation, and environmental destruction once more.

As I said at the beginning of this paper, there is a connection between women and land that is inseparable. When mining destroys land – and it does – it will have a devastating impact on women. Further, there are some people who cannot fathom an independent Bougainville without mining providing the economic foundation for this to occur. Hence mining is, in my view, one of critical importance to Bougainville's future and one that ought to be an area of focus for women's organisations.

Conclusion

I was invited to the Hahon Reconciliation ceremony on the west coast of Bougainville on March 30th, 2017. The reconciliation ceremony was between the ex-combatants and families of the deceased. Here's part of my speech, translated into English:

> We were very vocal during the peace process.
>
> Since the establishment of the [Bougainville Women's Federation] I have not heard a collective women's voice, expressing their ideas and views on government policy in whatever area the government decides on. You, women, must not think you have no right to follow or scrutinise government policies. You have every right. You are the landowners.
>
> I have not heard a collective women's voice at any time, not once on the mining law, on the referendum. Where do you stand, women?
>
> To our women politicians in Bougainville, how many of you go to women at district level to hold discussions with women on such important issues? You should be the first ones to go, sit down with the women and explain to them what's happening in the government.
>
> I have not heard a collective voice from the women. Today, I call for that"

Bougainville women obviously have a long way to go, to fully realise their political strength and influence. They can draw on their matrilineal authority and power – which would provide a firm foundation on which they can demand more participation and decision-making power in the political system.

I strongly encourage Bougainville women today to examine women's traditional and acquired power and influence demonstrated during the civil war as they undertook peace missions and to draw on that strength again as they attempt to help chart Bougainville's economic and political future. Women in Bougainville have every opportunity under the sun to turn their traditional and cultural sources of power and authority into active participation in the governing of Bougainville – whether it be in the public sector, i.e., the ABG and its bureaucracy, the private sector, local-level government, the churches, local non-government organisations, etc.

> ***"I strongly encourage Bougainville women today to examine women's traditional and acquired power and influence demonstrated during the civil war as they undertook peace missions and to draw on that strength again as they attempt to help chart Bougainville's economic and political future.***
>
> - Dr Ruth Saovana-Spriggs

2. For further detail, see, Miringka, R. 'Community Developments And BOCBIHP' in *As Mothers of the Land: The birth of the Bougainville Women for Peace and Freedom*, eds, Josephine Tankunani Sirivi and Marilyn Taleo Havini (Pandanus Books, Research School of Pacific and Asian Studies, The Australian National University, 2004) p 99 – 108.
3. 'The Devil in the Detail Analysis of the Bougainville Mining Act 2015' (NSW: Jubilee Australia Research Centre, 2015).

CHAPTER 3

MINING AND DEVELOPMENT: IS "GOOD GOVERNANCE" REALLY THE CURE?

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Introduction

Large-scale mining creates long-term development deficits[1] through long-lasting and costly environmental impacts, particularly on water; human rights impacts, particularly affecting disadvantaged and vulnerable populations; impacts that erode democracy and good governance, including through corruption and regulatory capture; and national and local-level economic impacts that impede development.

As evidence has mounted since the mid-1990s regarding the costs that mining imposes on economies and on human development, a counter argument has gained traction through its promotion by industry lobby groups and governments supportive of the industry. This argument poses that mining *could* be a source of development in conditions of strong governance. Put another way, it is argued that mining companies are not to blame for negative impacts on development, but weak governments. This argument shifts attention and focus away from the harmful practices of the industry itself, to the governance of jurisdictions, particularly in developing countries, where mining is taking place.

This paper challenges the premise that good governance is all that stands between mining and positive development outcomes, providing examples from Canada, and examines the contradictions in the global mining industry's lobby for a focus on good governance in light of ongoing efforts by the mining sector itself to undermine attempts to introduce better governance.[2]

1. Catherine Coumans, 'CIDA's Partnership with Mining Companies Fails to Acknowledge and Address the Role of Mining in the Creation of Development Deficits. Brief prepared for the House of Commons Standing Committee on Foreign Affairs and International Development's Study on the Role of the Private Sector in Achieving Canada's International Development Interests', *MiningWatch Canada*, January 2012 https://miningwatch.ca/sites/default/files/Mining_and_Development_FAAE_2012_0.pdf.

2. The introduction to this paper draws on a forthcoming paper of the author: "Minding the "Governance Gaps": Considering strategy, policy and agency in discourses about mining and governance." [Henceforth Coumans, forthcoming, Minding the Governance Gaps].

The problem – large-scale mining creates development deficits

Industrial mining is a source of environmentally detrimental impacts, particularly with respect to surface and ground water, leading to a contamination footprint that may extend far beyond the extraction site. Pollution of surface and ground water imposes ongoing economic and social costs at both local and national levels. Open-pit mining creates massive amounts of potentially toxic waste that must be contained, often in perpetuity. Every day leaks and seeps and catastrophic failures of mine waste impoundments are a long-term source of environmental contamination. In some parts of the world, including Papua New Guinea, some mines are licensed to dispose of this toxic waste directly into rivers, as was the case with the Panguna mine in Bougainville. Acid mine drainage and associated metal leaching is a common and persistent cause of water contamination in mining. Treatment methods are often expensive, can only mitigate not solve the problem, and may need to be continued for hundreds and even thousands of years.[3]

Mining is also implicated in very serious human rights impacts with long-lasting effects. These impacts occur when communities, often thousands of people, are displaced by mining;[4] governments criminalise people who oppose mining impacts and seek to defend human and environmental rights; mines militarise and private and public security employ excess use of force against local people including rape and gang rape of local women;[5] large numbers of external labourers, mostly men, are brought into existing communities around mines leading

3. Moncur, Michael C. 2006. Acid mine drainage: past, present...future? *Wat on Earth*, University of Waterloo. https://uwaterloo.ca/wat-on-earth/.
4. S Lillywhite, D Kemp and K Sturman, 'Mining, resettlement and lost livelihoods: Listening to the voices of resettled communities in Mualadzi, Mozambique' Oxfam: Melbourne, 2015) https://www.oxfam.org.au/wp-content/uploads/2015/04/mining-resettlement-and-lost-livelihoods_eng_web.pdf.

Industrial mining is a source of environmentally detrimental impacts, particularly with respect to surface and ground water, leading to a contamination footprint that may extend far beyond the extraction site.

to, among others, increases in sexually transmitted diseases. These human rights impacts, among others, are particularly severe for marginalised people including women and indigenous peoples.[6]

Additionally, mining is responsible for detrimental local and national-level economic impacts through externalising environmental and social costs; investor-state contracts and trade agreements that contractualise minimum payment of taxes and royalties to host governments; extensive subsidies provided by governments often under pressure from international lenders;[7] the use by companies of accounting practices that cause illicit capital flows out of the countries where the resources

5. CERD 2017. EarthRights International, University of Toronto Faculty of Law International Human Rights Program, MiningWatch Canada. *Report to the U.N. Committee on the Elimination of Racial Discrimination 93rd session, July - August 2017, for its review of Canada's 21st - 23rd periodic reports*. https://miningwatch.ca/sites/default/files/cerd_final_8.10.pdf.
6. Shin Imai, Leah Gardner, and Sarah Weinberger, *The 'Canada Brand': Violence and Canadian Mining Companies in Latin America*. [Version 2 November 20, 2016] Osgoode Legal Studies Research Paper No. 17/2017. Available at SSRN: https://ssrn.com/abstract=2886584; Moisés Arce and Rebecca E. Miller, 'Mineral Wealth and Protest in Sub-Saharan Africa' in *African Studies Review*, Volume 59, Number 3, December 2016, pp. 83-105; and Cathal Doyle, Clive Wicks and Frank Nally, *Mining in the Philippines: Concerns and Conflicts* (Society of St. Columban: West Midlands, UK: 2007) https://www.iucn.org/sites/dev/files/import/downloads/mining_in_the_philippines___concerns_and_conflicts.pdf.
7. Bonnie Campbell (ed.), Mining in Africa: Regulation and Development (Pluto Press: London and New York, 2009); Bonnie Campbell, Conclusion: What Development Model? What Governance Agenda?, in Bonnie Campbell (ed.) Mining in Africa: Regulation and Development (Pluto Press: London and New York, 2009); and Bonnie Campbell (ed.), Modes of Governance and Revenue Flows in African Mining (Palgrave Macmillan: UK, 2013).

For many years, the industry and supportive governments largely denied the seriousness of the impacts associated with mining [...]

are extracted, often into tax havens; and a suite of detrimental economic and social conditions described by the terms "Dutch disease" and the "resource curse."[8] Dan Haglund, of Oxford Policy Management, concludes that mineral-dependent countries "are more likely to have lower economic development than other countries, measured by GDP per capita."[9]

The mining industry's response

For many years, the industry and supportive governments largely denied the seriousness of the impacts associated with mining, and avoided or discouraged discussion of these impacts, even as these were raised with increasing urgency by civil society organisations in the global South and North. While defiance persists, a global acknowledgement of, and discussion about, negative impacts associated with mining did get under way in the late 1990s, following a series of catastrophic mine waste impoundment failures, and, in the early 2000s, this critical analysis paid increasing attention to human rights and economic impacts. A shift occurred in the international debate from outright denial of serious problems, to more complex discussions about the relative significance of core contributing factors and to what the appropriate solutions should be.

In 2004, the industry association International Council of Mining and Metals (ICMM), in partnership with UNCTAD and the World Bank Group turned to the work of a group of academics at Oxford, including Paul Collier. Collier's work on "resource-rich and policy-poor countries"[10] led to his well-known and contested[11] equations[12] that made good governance the difference between those countries that reap the benefits and those that suffer the curse of resource extraction.

A major and ongoing lobby effort by the international mining industry, supported by the home country governments of many mining companies, such as Canada and Australia, has resulted in new public policy directions and the allocation of millions of dollars in public funds to programs in the host countries of multinational mining companies to help them to better govern their natural resources.[13]

It is time to challenge the focus on weak governance as a cause of the development

8. The resource curse literature describes a suite of conditions, to which resource-dependent countries likely to be subject, that are detrimental to national economies and likely to perpetuate or exacerbate under-development, such as: overvaluation of the real exchange rate (RER) leading to price inflation and higher costs for local producers, loss of competitiveness and loss of development of other economic sectors (so-called Dutch Disease); volatility in mineral values; over consumption based on a non-renewable resource; unequal distribution of benefits associated with mineral wealth; corruption; increased conflict and violence (Auty 1993; Sachs and Warner 2001; Leamer 1999; Berman et al 2017; Meilleur 2010; Ross 2015; Thorp et al 2012).
9. D Haglund, 'Blessing or Curse? The Rise of Mineral Dependence Among Low-and Middle Income Countries', Oxford Policy Management, 2011 http://www.opml.co.uk/sites/default/files/Blessing%20or%20curse%20The%20rise%20of%20mineral%20dependence%20among%20low-%20and%20middle-income%20countries%20-%20web%20version.pdf.
10. Paul Collier, The Bottom Billion: W*hy the Poorest Countries are Failing and What Can Be Done About It* (Oxford University Press: Oxford, 2007).
11. See for example Penelope Simons and Audrey Macklin, T*he Governance Gap: Extractive Industries, Human Rights, and the Home State Advantage* (Routledge: London and New York, 2014).
12. Collier's thesis can be summarized in the equations: 1) Nature + technology + regulation = prosperity. 2) Nature + technology – regulation = plunder (Paul Collier, *The Plundered Planet: Why We Must, and How We Can, Manage Nature for Global Prosperity* (Oxford University Press: Oxford, 2010)).
13. Bonnie Campbell, Etienne Roy- Grégoire, and Myriam Laforce, 'Regulatory Frameworks, Issues of Legitimacy, Responsibility, and Accountability: Reflections Drawn from the PERCAN Initiative' in Julia Sagebien and Nicole Marie Lindsay (eds.) *Governance Ecosystems: CSR in the Latin American Mining Sector* (Palgrave Macmillan: UK, 2011); and Coumans, forthcoming. For more on this see https://bit.ly/2u8YyBl.

Mount Polley after the spill

Photo credit: Chris Blake

deficits created by mining by looking at examples from a country with a long history and expertise in mining, a country with presumed strong governance – Canada.

Canada: "strong governance," but weak performance at home

Since 2009 the Government of Canada has allocated tens of millions of dollars from public funds to programs purporting to develop natural resource governance in countries hosting Canadian mining companies.[14] Canada's officials tout Canada's presumed leadership in mining and in good governance as valued expertise to be shared. However, communities in Canada struggle with the same mining-related afflictions suffered by communities overseas where Canadian mining companies operate. The following examples are by no means exhaustive, but give a sense of the range of serious and costly mining-related problems that undermine human development in Canada.

Costly environmental disasters and corporate capture of regulators

Containment of toxic waste and tailings is a most basic requirement of any mine to ensure environmental protection and to safeguard human rights and long-term economic opportunities of local communities. Bowker and Chambers' 2016 in-depth study of global tailings impoundments found that "[t]hroughout Canada and all over the world new mines and new dams are approved within regulatory and legal structures that do not hold miners to best available technology and best applicable practices."[15] It is therefore not surprising

14. Coumans, forthcoming, Minding the Governance Gaps
15. Lindsay Newland Bowker and David M. Chambers, 'Root Causes of Tailings Dam Overtopping: The Economics of Risk & Consequence', P*rotections 2016 2nd International Seminar on Dam Protection Against Overtopping*, 2016 https://bit.ly/2omODVi.

Hazeltine Creek and surrounding forest was destroyed after the spill - it used to be a 3 feet wide creek, into which salmon and other fish spawned.

Photo credit: Chris Blake

The tailings dam failure released over 24 million cubic metres of contaminated water and mine tailings, containing nickel, arsenic, lead and copper, into Polley Lake, Hazeltine Creek and Quesnel Lake.

that a 2017 review of global tailing dam failures by the UN Environment Programme (UNEP) found "the number of serious failures has increased in the last three decades."[16] The same report found that of 40 tailings dam failures it considered world-wide, between 2007-2017, seven occurred in Canada, only one less than reported in China, the country with the worst performance on the list.

To consider just one example, on 4 August 2014, a four square kilometre tailings impoundment at Canada's Mount Polley mine failed. The open pit copper and gold mine owned by Imperial Metals has been in operation since 1997 in the Province of British Columbia (B.C.). The tailings dam failure released over 24 million cubic metres of contaminated water and mine tailings, containing nickel, arsenic, lead and copper,[17] into Polley Lake, Hazeltine Creek and Quesnel Lake. Quesnel Lake is one of the world's deepest fjord lakes, a source of drinking water for the local settler communities, as well as for Indigenous peoples within the Secwepemc Nation, and the lake is the spawning ground for up to 25% of all salmon in B.C.. The annual salmon run is of economic, social, cultural and nutritional significance to local Indigenous peoples.

16. Roche, C., Thygesen, K., Baker, E. (Eds.) 2017. Mine Tailings Storage: Safety Is No Accident. A UNEP Rapid Response Assessment. United Nations Environment Programme and GRID-Arendal, Nairobi and Arendal, https://bit.ly/2zp9jVd.
17. CBC News, 'Mount Polley mine tailings spill: Imperial Metals could face $1M fine', 6 August 2014 http://www.cbc.ca/news/canada/british-columbia/mount-polley-mine-tailings-spill-imperial-metals-could-face-1m-fine-1.2728832.

Amnesty International has reported on the human rights impacts of the waste spill.[18] An independent panel found that in regard to tailings storage the mine had "adopted a minimum factor of safety"[19] and did not take steps it could have to avert the disaster.[20] The panel also noted the "limited ability of the Regulator to influence the design issues"[21] concluding that the only way to reduce dam failures is to increase the standards to "[t]hose developed by the U.S. Army Corps of Engineers for water dams"[22] and to reduce the use of dams through a dry-stacking method of tailings impoundment.[23] The independent panel noted that without these significant changes to current mining practices "on average there will be two failures every 10 years."[24] The mining industry has pushed back on the findings of the independent panel by insisting that "tailings dam failures are very rare" and that "[t]ailings dams have a high safety record in Canada."[25] Since the Mt. Polley spill three more mines have been approved in B.C., none of which meet these independent panel's recommendations.[26] Furthermore, no sanctions or fines have been levied on Imperial Metals for the Mount Polley disaster and the mine has been permitted to continue operating. As Bowker and Chambers point out, Canadian "[r]egulators have clearly

When tailing dams fail, it is Canadian taxpayers who end up having to cover the bulk of the costs for environmental remediation.

18. Amnesty International, A breach of human rights: the human rights impact of the Mount Polley Mine Disaster, British Colombia, Canada, May 2017 http://www.amnesty.ca/sites/amnesty/files/FINAL_May%2024_Mount%20Polley%20briefing.pdf.
19. Independent Expert Engineering Investigation and Review Panel, 30 January 2015, p. 132 https://www.mountpolleyreviewpanel.ca/sites/default/files/report/ReportonMountPolleyTailingsStorageFacilityBreach.pdf.
20. Ibid. p. 110.
21. Ibid. p. 115.
22. Ibid. p. 133.
23. Ibid. p. 122.
24. Ibid. p. 118.
25. Mining Association of British Colombia, 'Mining Association of BC is Monitoring The Mount Polley Tailings Dam Incident', 6 August 2014, http://www.mining.bc.ca/news/mining-association-bc-monitoring-mount-polley-tailings-dam-incident.
26. Carol Linnitt, 'No Charges, No Fines For Mount Polley Mine Disaster as Three-Year Legal Deadline Approaches', DeSmog Canada, 23 July 2017 https://miningwatch.ca/news/2017/7/23/no-charges-no-fines-mount-polley-mine-disaster-three-year-legal-deadline-approaches.

Murky water in a community affected by the Mount Polley spill

Photo credit: Damien Gilis

> ***"The disaster that was the Mount Polley tailings pond collapse is not over for those of us who live and depend on the lands and waters, and particularly on the salmon that have always sustained us. What is the point of having laws if governments and industry are not held accountable when they are violated?***
>
> - Bev Sellars, Chair, First Nations Women Advocating Responsible Mining.[27]

Globally, countries are not collecting sufficient bonds from operating mines to manage potentially toxic tailings and mine waste impoundments in perpetuity.

chosen protection and support for the mining industry over reducing public risk and public liability."[28] When tailing dams fail, it is Canadian taxpayers who end up having to cover the bulk of the costs for environmental remediation. Independent economic analyst Robyn Allan notes that "[u]nder provincial rules, bonds posted with the province are supposed to cover reclamation after the mine closes, not environmental damage from an accident, and mining companies are not required to prove they have insurance or the financial resources to pay for damage they cause."[29] B.C.'s Auditor General found that the province's regulator "has estimated the total liability for all mines at more than $2.1 billion, yet has obtained financial securities for less than half that amount ($0.9 billion)."[30]

The B.C. Auditor General concluded that B.C. regulators' "compliance and enforcement activities of the mining sector are inadequate to protect the Province from significant environmental risks"[31] and that "emphasis on mining promotion combined with a weak compliance and enforcement program creates the risk of regulatory capture for the ministry."[32]

27. MiningWatch Canada, 'News Release MiningWatch Canada Files Charges Against B.C. Government and Mount Polley Mine for 2014 Tailings Pond Disaster', 18 October 2016 https://miningwatch.ca/news/2016/10/18/miningwatch-canada-files-charges-against-bc-government-and-mount-polley-mine-2014.
28. Lindsay Newland Bowker and David M. Chambers, 'In the Dark Shadow of the Supercycle Tailings Failure Risk & Public Liability Reach All Time Highs,' *Environments* 4,75, 2017.
29. Judith Lavoie, 'British Columbians Saddled With $40 Million Clean-Up Bill as Imperial Metals Escapes Criminal Charges', DeSmog Canada, 28 March 2017 https://bit.ly/2nvYua8.
30. Auditor General of British Columbia. May 2016. An Audit of Compliance and Enforcement of the Mining Sector. p. 6. https://bit.ly/1ZUJVJo.

Legacy cost

A significant and insufficiently recognised cost that mining commonly imposes on society comes at the end of the mining cycle when mines are often abandoned by the operating companies in partial or un-reclaimed state. Globally, countries are not collecting sufficient bonds from operating mines to manage potentially toxic tailings and mine waste impoundments in perpetuity.

There are an estimated 10,000 abandoned and orphaned mine sites in Canada.[33] In the Province of Ontario alone there are 4,412 officially recognised abandoned mines containing over 15,000 mine hazards.[34] Based on official data made available by some regional governments, the estimated liability for contaminated mining sites across Canada (most of which are abandoned or orphaned) is well above $9.1 billion. These estimated costs can easily double or triple as the true expenses of individual rehabilitations are realised.

One mine alone, the Giant Mine in Canada's Northwest Territories is currently estimated to require around $1 billion[35] to stabilize 237,000 tons of highly toxic arsenic trioxide[36] left over from gold processing and stored at the mine. Another $2 million per year will be needed to maintain the stabilisation system for the foreseeable future. Nearby lakes are already

31. Ibid
32. Ibid. p. 44. The Auditor General notes that "[r]egulatory capture occurs when the regulator, created to act in the public interest, instead serves the interests of industry" and provides eight signs of regulatory capture.
33. Bill Mackasey, 'Abandoned Mines in Canada' MiningWatch Canada, 2000. p. 4 https://miningwatch.ca/sites/default/files/mackasey_abandoned_mines.pdf.
34. 2015 Annual Report of the Office of the Auditor General of Ontario. p. 438.
35. The Economist, 'Canada's Giant Mine, Giant headache: Canada's taxpayers ante up billions to clean up the mistakes of the past', 9 October 2014 https://www.economist.com/news/americas/21620280-canadas-taxpayers-ante-up-billions-clean-up-mistakes-past-giant-headache.
36. Kate Kyle, 'Toenails, saliva and urine could answer questions about Giant Mine's toxic legacy', CBC News, 7 November 2017 http://www.cbc.ca/news/canada/north/arsenic-study-yellowknife-1.4389511.

considered permanently contaminated.[37] Health studies in the local indigenous Dene population are ongoing. The final rehabilitation solution for this mine has been discussed, without implementation, for years, starting before production stopped in 1999 and the projected costs for stabilisation of the site have risen steadily.

Indigenous opposition to mining and impacts on women

The environmental, human, and economic costs of mining are increasingly well-known and a source of local opposition to newly proposed mines globally.[38] In Canada, some of the most intense struggles to stop mines from going ahead have been led by Canada's Indigenous peoples. In 2005, the remote Ontario First Nation of Kitchenuhmaykoosib Inninuwug (KI) declared their territory out of bounds for mining. Nonetheless, in 2006, a platinum exploration company, Platinex, set up camp on KI's land. As members of KI maintained their opposition and blockaded roads to stop mine equipment they found themselves sued for $10 billion and six of their leaders were found in contempt of court and jailed. The community ultimately won the right to keep their lands free from mining three years later, after their story gained international attention, but the struggle took a toll on the community and cost Ontario tax payers $5 million to persuade Platinex to give up its claim. In British Columbia, the indigenous Tsilhqot'in have never ceded their lands and have been fighting mining since 1995, in defense of their mountain lake, Teztan Biny, and the land around it called Nabas,[39] most recently against Taseko Mines. These are but two of many such examples.

37. Bob Weber, 'Arsenic has changed Giant Mine site in N.W.T. 'indefinitely:' scientist', The Canadian Press, 18 August 2016, https://bit.ly/2ujE20e.
38. Imai, Shin, Leah Gardner, and Sarah Weinberger, *The 'Canada Brand': Violence and Canadian Mining Companies in Latin America*, 2016 [Version 2 November 20, 2016] Osgoode Legal Studies Research Paper No. 17/2017. Available at SSRN: https://ssrn.com/abstract=2886584 or http://dx.doi.org/10.2139/ssrn.2886584.

One of the concerns remote Indigenous communities have in regard to mining is its impacts on local women.

One of the concerns remote Indigenous communities have in regard to mining is its impacts on local women. Canadian mining companies have come under scrutiny for sexual violence by private and public mine security against, for example, indigenous Ipili women at Barrick Gold's Porgera Joint Venture mine in Papua New Guinea and indigenous Kuria women at Barrick's North Mara Gold Mine in Tanzania.[40] Canada's HudBay Minerals is currently facing court action in Canada by eleven Mayan Q'eqchi' women from El Estor, Guatemala who allege gang rape by security guards at Hudbay's former Fenix mining project.[41]

In Canada indigenous women are starting to speak out about the impacts of large influxes of construction workers into mine camps. A 2017 report[42] points to evidence that "Indigenous women and girls are subjected to the worst of the negative impacts of resource extraction at every phase"[43] noting that particularly increased "incidence of sexually transmitted infections (STIs) and HIV/AIDS

39. Dawn Hoogeveen and Tyler McCreary, 'Struggles against gold-mine on indigenous land' Canadian Dimensions, 25 January 2014 https://canadiandimension.com/articles/view/struggles-against-gold-mine-on-indigenous-land.
40. CERD 2017. EarthRights International, University of Toronto Faculty of Law International Human Rights Program, MiningWatch Canada. *Report to the U.N. Committee on the Elimination of Racial Discrimination 93rd session, July - August 2017, for its review of Canada's 21st - 23rd periodic reports* https://miningwatch.ca/sites/default/files/cerd_final_8.10.pdf.
41. Lawsuits against Canadian company HudBay Minerals Inc. over human rights abuse in Guatemala. Choc v. HudBay Minerals Inc. & Caal v. HudBay Minerals Inc. http://www.chocversushudbay.com/.
42. Gibson, G., K. Yung, L. Chisholm, and H. Quinn with Lake Babine Nation and Nak'azdli Whut'en, Indigenous Communities and Industrial Camps: Promoting healthy communities in settings of industrial change (The Firelight Group: Victoria, B.C., 2017).
43. Ibid. p. 8.

due to rape, prostitution, and sex trafficking are some of the recorded negative impacts of resource extraction projects, specifically as a result of the presence of industrial camps and transient work forces.[44]

Tax avoidance

One of the "benefits" the industry touts to offset any negative costs is the payment of taxes and royalties. In reality, mining companies often enter into investor-state contracts that minimise the taxes they will be required to pay, and provide lengthy tax holidays and extensive subsidies from states that are often under pressure from international lenders to provide these investment friendly incentives.

Additionally, mining companies may use illegal accounting practices that cause illicit capital flows out of the countries where the resources are extracted, often to end up in global tax havens. One of the ways to do this is through transfer mis-pricing. Transfer mis-pricing happens when affiliated companies, for example a parent and a subsidiary, set their own non-market transaction price and through this mechanism avoid paying taxes on profits in the higher tax jurisdiction. This practice robs many developing countries of the taxes they desperately need to support development.

Again, even countries with relatively strong taxation systems, such as Canada, fall prey to this practice. Currently, Canada's Cameco Corp., the world's biggest publicly-traded uranium company, is accused by Canada's revenue agency of having avoided some $2.1 billion in taxes owed to Canada. Cameco is accused of having set up a subsidiary in Switzerland and selling its uranium at below market prices to this subsidiary (transfer mis-pricing), thereby making little profit in Canada, where tax rates are around 30%. The Swiss subsidiary then sells the uranium on the global market at market prices and makes a significant profit, but that profit is taxed at the much lower Swiss rate of 10%. The Canadian federal government argues that Cameco's subsidiaries in tax havens have "the sole purpose of dodging taxes because they performed no business activities: all of the activities were carried out by its Canadian head office."[45]

44. Ibid. p. 8.

Conclusion

The costs mining imposes on environments, local communities and regional and national governments create development deficits that are particularly hard hitting in developing countries. The industry argues that attention should be paid not to the practices of mining companies themselves, but to the weak governance of some jurisdictions in which they operate. This paper has argued that these harmful practices by mining companies also occur in relatively strong governance jurisdictions such as Canada. This review of the ongoing harmful impacts of mining in a strong governance jurisdiction like Canada provides a cautionary tale for Bougainville as it contemplates the role mining might play in its future.

There is no doubt that an argument can to be made that many of the harms described here could possibly be countered by strong regulation. However, it must also then be recognised that large multinational mining companies and their national and international lobby organisations consistently and vigorously resist strong new regulation, and even strong enforcement of existing regulation. This resistance is evident in many specific instances around the world.[46] Broadly it can be seen in the increasing use by mining multinationals of provisions in trade agreements and investor state agreements that allow them to legally challenge countries that try to protect their environments and human rights through legislation, policy or practices that these companies do not see as being in their interest.[47]

If the mining industry wants to demonstrate that it really supports strong governance it should be actively lobbying for regulations to require, among others: that all water bearing tailings dams to be built to the specifications of water reservoirs; realisable bonds that will actually cover the full costs of rehabilitating mines at closure; that only mines be permitted that will not require perpetual care and maintenance; the Free Prior and Informed Consent of Indigenous peoples, and their right to refuse mining on their lands and territories; that fair taxes be paid in the jurisdiction where the resource is extracted; full transparency around environmental and social risk and around financial arrangements, including the disclosure of the beneficial ownership of mines.

The people of Bougainville have experienced environmental devastation, immense social suffering and serious development deficits as a result of under-regulated mining. Perhaps their test for companies that want to mine in Bougainville should be whether these companies can prove they are serious about "good governance" by publicly insisting on strong regulations that prioritise environment protection, human rights, free prior and informed consent, the fair payment of taxes and community-driven economic development.

45. Bruce Livesey, 'Did this company engineer the largest tax dodge in Canadian history?', National Observer, 25 April 25 2016, https://bit.ly/2NCVYvv.
46. In 1997 so-called "Prove it First" legislation was passed in Wisconsin, USA, that "requires that before the state can issue a permit for mining of sulfide ore bodies, prospective miners must first provide an example of where a metallic sulfide mine in the U.S. or Canada has not polluted surface or groundwater during or after mining. So far, the industry has not been able to find a single example where they have mined without polluting water" (Al Gedicks and Dave Blouin 2017). The Wisconsin Mining Association is now leading a push by the industry to overturn this law. http://www.ienearth.org/wisconsins-mining-moratorium-under-attack/ see also http://midwestadvocates.org/news-events/news/keep-wisconsins-prove-it-first-mining-law/.
47. At least nine such cases have been filed by Canadian multinational mining companies under ICSID alone, since 2004. See https://icsid.worldbank.org/en/Pages/cases/AdvancedSearch.aspx.

CHAPTER 4

THE DISTORTING EFFECTS OF THE RESOURCE SECTOR ON NATIONAL ECONOMIES: A CASE STUDY FROM PAPUA NEW GUINEA

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Overview

This paper explores Papua New Guinea's (PNG) economic development experience in order to offer some lessons for a possible future independent Bougainville. The focus is on using traditional economic tools to examine the contribution of the resource sector (ie mining, oil and gas) and the non-resource sector (which includes agriculture, fisheries, manufacturing and wholesale and retail trade) to PNG's economic development. The non-resource and resource sectors are analysed by examining their respective contributions to incomes, exports, employment and the national budget. The paper also considers briefly the implications of a high exchange rate – caused by the influx of resource sector-related foreign currency – on the economy as a whole.

Measuring PNG's development progress should not be limited to economic measures. There are also important social and health characteristics that are vital to understanding a country's level of well-being. Generally, PNG's performance is very disappointing and on many indicators the worst of any country in the Asia Pacific region.

In PNG, it is estimated that[1]

- 39.3% of the population lived below the USD 1.90 per day poverty line in 2014 – the highest rate in the Asia Pacific region for those countries where this information is collected
- the under 5 mortality rate per 1,000 live births is 57
- the prevalence of malnutrition (wasting) among children under 5 is 14.3%
- the maternal mortality rate per 100,000 live births is 215
- the incidence of malaria per 1,000 population is 185.

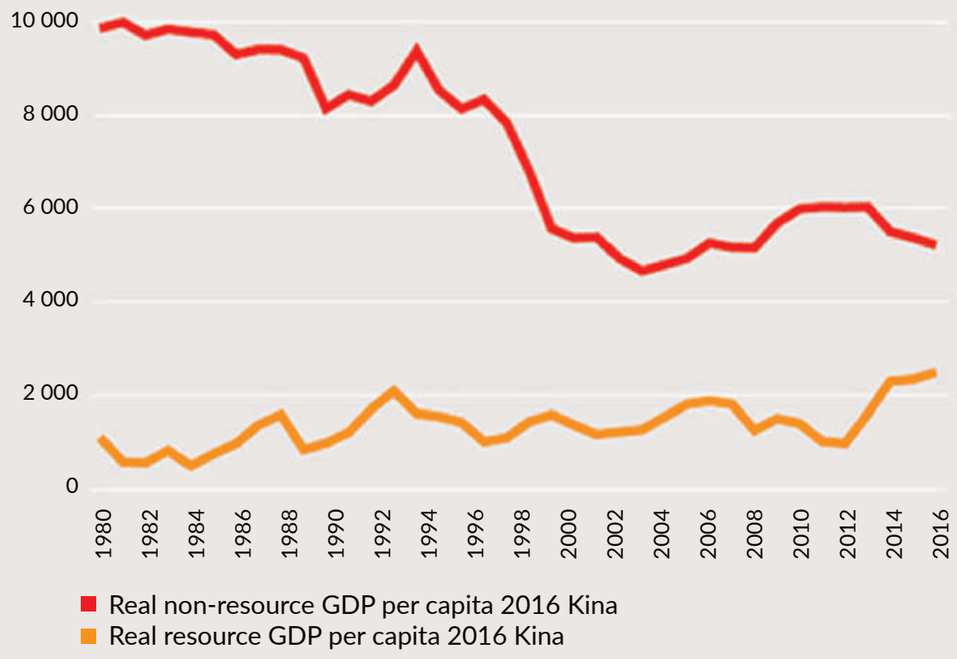
There are inevitable difficulties in suggesting that an alternative development path would have produced better outcomes for PNG. However, PNG's poor outcomes relative to those of its neighbours suggests that economically it would have been difficult to have done worse short of a descent into widespread civil war. A possible future independent Bougainville should be careful of repeating PNG's mistakes.

Impact on incomes

The resource sector has been growing as a share of the economy with strong growth rates while the rest of the economy has declined (see Graph 1). This is a classic indicator of the "resource curse".[2] Specifically, the non-resource sector, after allowing for inflation and population growth rates, has fallen from PGK[3] 9,800 per capita down to just below PGK 6,000 per capita between 1980 and 2017.[4] This is an extraordinary drop in economic living standards of 41%. People in PNG are, on average, over one-third worse off than they were just after independence from Australia. This is a damning development failure. No other country would want to go down such a path.

1. Asian Development Bank, *Basic Statistics 2017* (Asian Development Bank: Manila, 2017) https://www.adb.org/publications/basic-statistics-2017.
2. "The resource curse—that countries and regions with an abundance of natural resources tend to have slower economic growth, weaker development outcomes, and more instability than resource-scarce countries—has been a prominent and recurring theme in the academic literature on natural resource management, and especially those concerned with Africa (see, for example, Sachs and Warner, 1995, 1997, and 2001). (Charlotte J. Lundgren, *Boom, bust, or prosperity?: managing Sub-Saharan Africa's natural resource wealth* (International Monetary Fund: Washington, D.C., 2013)).
3. Papua New Guinea Kina, PGK 9,800 is worth approximately USD 2,950 at today's exchange rate.
4. The best measure of economic well-being is household income (see (Joseph Stiglitz, 2009). This information is not available in PNG. The closest available proxy is non-resource GDP per capita as most of the resource sector is owned by international investors and PNG's population has been growing rapidly.

Graph 1: PNG real per capita incomes 1980 to 2016



At the same time, PNG's resource sector has boomed. It has increased from around PGK 1,000 per capita to PGK 2,000 per capita. Using 5 year averages (to smooth out some of the volatility of the resource sector), this part of the economy has more than doubled – indeed an increase of 129%.

However, the net impact, given the relatively small size of the resource sector, is that total economic income per capita has decreased by 29% since 1980.

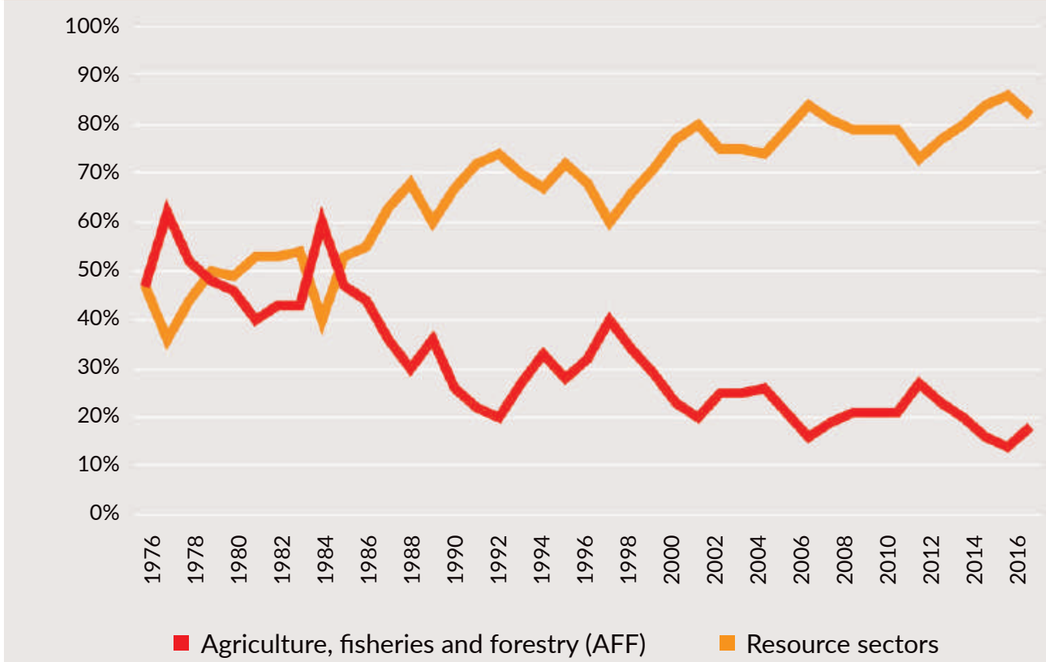
Impact on exports

At the time of PNG's independence, the massive Bougainville Copper mine had been in operation for three years. Even then, over the first decade of independence, exports of agricultural, fisheries and forest products slightly exceeded those of the resource sector. This started to change dramatically from 1985 and over the last 10 years resource exports have averaged 80% of PNG's total exports with agriculture, fisheries and forest products comprising just 20% (see Graph 2). This increasing export dependence on the resource sector may reflect the distorting implications of the resource curse on the exchange rate discussed later in this paper.

This is an extraordinary level of export dependence on the resource sector. However, few of these export receipts stay in PNG. They are held in foreign currency accounts to repay loans that financed the initial investments as well as remitting profits to external shareholders. On the other hand, given the nature of PNG's agriculture sector with greater levels of local ownership, a much larger proportion of foreign exchange earned as exports actually returns to benefit the country. And as will be discussed below, record levels of resource exports has not translated into significant returns to the PNG budget.

This decline in the relative share of agriculture,

Graph 2: PNG - Share of exports - agriculture and resource sectors



Source: Bank Papua New Guinea, Quarterly Economic Bulletins (various issues)

Cocoa beans drying, north Bougainville

Photo credit: Christina Hill

Table 1: Moves in export volumes of PNG's key agriculture commodities

5 year average	Tea '000 tonnes	Copra '000 tonnes	Copra oil '000 tonnes	Rubber '000 tonnes	Coffee '000 tonnes	Cocoa '000 tonnes	Population millions	Logs '000 cubic meters	Palm oil '000 tonnes
1976-80	6.7	93.3	30.1	4.2	46.3	28.7	3.1	510.2	30.7
2012-2016	2.2	34.8	15.8	3.3	52.6	36.3	8.0	3556.2	502.5
Change	-67%	-63%	-48%	-22%	14%	26%	157%	597%	1537%

Hides Gas Conditioning Plant, part of the PNG LNG project, during a blockade

Photo credit: Michael Main

The resource sector employs very few people – some 0.4% of total employment – and, in 2016, less than 5% of formal sector employment in PNG.

fishing and forestry products is not just because resource exports have been so high. When these exports are expressed as a share of the economy (or gross domestic product (GDP)), there has been a steady pattern of decline for the first 15 years of independence, some recovery in the 1990s but a distinct fall again from just over 10% in 2011 down to current levels just over 5%. The extent of this decline can be measured in several ways. In absolute terms of production (see Table 1), there have been falls in exports of tea, copra, copra oil and rubber. There have been slight increases in coffee and cocoa. The major increases have been in logs and palm oil which are those areas with the highest levels of foreign ownership.

The potential returns from agriculture exports could have been much greater if PNG's agriculture sector had received better support including through clear and consistent policy instruments. Potentially, for the six cash crops dominated by smallholders (those on the left hand side of Table 1) PNG could have lifted annual export earnings from PGK 1.2 billion to PGK 4.7 billion if it simply maintained agricultural production at post-independence levels per capita, and had on-going productivity increases of just 1 per cent per year. This has been a major missed development opportunity for PNG. Bougainville's agricultural potential is also substantial and has not been adequately tapped.

Impact on employment

The resource sector employs very few people – some 0.4% of total employment – and, in 2016, less than 5% of formal sector employment in PNG.[5] Indeed, it is the smallest of the measured (or formal) sectors of the economy employing 14,400 people in 2016. The resource sector does have indirect impacts on other sectors, including the services that are provided to the resource sector such as transport and food. Estimates are these can be three to four times as much as the direct employment effects but even with these indirect impacts the resource sector still represents a small fraction of formal employment. Employment does temporarily increase during the investment or construction phase of a resource project. For example, during construction of the PNG LNG project, peak employment was estimated to have reached 21,200 in 2012 but has since fallen back to 2,500 in December 2016.[6]

Formal sector employment is very small in PNG. In 2014, out of an estimated 4.6 million people aged between 15 and 64, formal wage employment was estimated at 465,000 people or about 10% of the 15 to 64-year-old population. The actual labour force has been estimated at 3.1 million, with 2.5 million economically active in the subsistence sector or in the informal economic sector. The overall pattern of formal employment creation in PNG has been extremely disappointing and it has not kept up with population growth. In fact, formal employment has actually started to decline in recent years in absolute terms.

Impact on the national budget

In PNG, resource taxes and dividends have averaged just 13% of PNG total revenues and grants since 1975. So nearly 90% of revenues to fund PNG's budgets and development have come from other sources and sectors of the PNG economy.

These resource revenues are highly volatile. They have moved from lows of under 5% of revenue and grants during the early 1980s (when Bougainville Copper was not contributing much to government revenues due to lower commodity prices), 1990 and 1991 (following the closure of Bougainville Copper mine) and in 2016 (largely due to excessive tax concessions given to the PNG LNG project and Ramu Nickel mine). Even with the PNG LNG project, and Lihir, Ok Tedi and Ramu Nickel mines at full production, the contribution is expected to lift to only 6% by 2022. PNG has been reducing its tax rates on the resource sector down to 30%, it has an ineffective additional profits tax, generous depreciation arrangements over 10 years even though project life is 30 years, has struggled to pay for the equity share it takes in projects (from 22.5% in gas to 30% in oil), allows its royalties and development levies (2% each for the PNG LNG project) to be calculated on a discounted well-head value of production, has granted tax holidays of up to 10 years and has allowed tax credit claims for infrastructure work outside the project site.

Another key feature of PNG's resource revenues is that PNG Governments have tended to spend these expected revenues before they are received. PNG has experienced this recently with the major expenditure expansion in the 2013 Budget, funding items such as a massive decentralisation (and political) program by shifting nearly 10% of the budget to political constituency funds. This is a characteristic of many other countries and is known as the "Presource Curse".[7] The Presource Curse describes the adverse impacts of governments spending up big in anticipation of large resource revenues, and then the fiscal problems encountered when these resource revenues aren't as large as anticipated. PNG

5. The figures for the structure of the labour force are primarily drawn from Table 8.6 and Table A8.2.1 from L Jones and P McGavin, Grapping afresh with labour resource challenges in Papua New Guinea (Institute of National Affairs: papua New Guinea, June 2015). The 2011 Census estimate for formal wage employment in the "Mining and Quarrying" sector was 9,011 has been increased to 14,441 in line with movements in Bank Papua New Guinea's employment index for the "Mineral" sector.
6. Ernst and Young, Papua New Guinea Extractive Industries Transparency Initiative (PNG EITI) Report for 2016 (PNG EITI: Port Moresby, 21 December 2017), p. 32.
7. J Cust and D Mihalyi, 'The Presource Curse 'in *Finance and Development* Vol. 54, No. 4, December 2017.

The underlying revenue crisis facing PNG is the fact the resource sector is paying very little tax.

had a similar experience of spending up big in the early 1990s with Kutubu Oil and new mines leading to rapid increases in spending. An unexpected fall in international commodity prices in 1994 led to a major fiscal and currency crisis.

Resources taxes have another worrying trend in PNG. Average resource taxes are generally falling while average tax rates on the general PNG population are increasing. For the non-resource economy, this measure of average tax rates has increased reasonably consistently from 11.3% in the early 1980s to around 16.7% currently.[8] It slid back somewhat during the economic crises of the 1990s and 2010s, but there has been an underlying pattern of increase. In contrast, although more volatile, average resource taxes have been falling, especially since 1998 and most markedly since 2008, and are now under 5% – less than one-third the level for the rest of the economy.

The underlying revenue crisis facing PNG is the fact the resource sector is paying very little tax. The reasons for this are two-fold. First, the collapse in commodity prices have hurt company profitability and therefore taxes. However, this has happened several times before in PNG's past, but the outcome has never been so bad. The second and most likely reason is the pattern of tax concessions and tax planning used by existing resource projects. For example, the International Monetary Fund is very clear that the PNG LNG project has a low tax arrangement in comparison to similar projects around the world.[9] The Ramu Nickel mine has been given a 10 year tax holiday[10] and Oil Search has been a major user of a tax credit scheme[11] to build major infrastructure for sporting events and political meetings (such as APEC Haus) though projects that have received little public scrutiny and are not tendered for. Further, the increased sophistication of transfer pricing and complex company structures used by large global resource companies offers opportunities to reduce tax liabilities in PNG.[12]

Impact on exchange rate

The resource curse usually manifests itself through two mechanisms. The first is to drag precious labour and capital into resource projects and away from the rest of the economy. In the case of PNG, with a general lack of formal employment and excess capital available looking for good bankable projects, this pattern of distortion is unlikely to be significant. The main exceptions are increased wage costs for domestic skilled labour, as well as rental prices for scarce housing supply.

The second major mechanism for the resource curse is lifting the exchange rate to a higher level due to changes to (or distortions of) the economy caused by the influx of large amounts of foreign currency. This influx of foreign currency increases demand for the Kina and this pushes up the price of the Kina relative to other foreign currencies. PNG's exchange rate – measured by the Real Effective Exchange Rate (which considers how prices in other economies are moving relative to PNG) – has increased, especially since the early 2000s, and with this the county's competitiveness has declined. Looking forward, the PNG Treasury expects the competitiveness of PNG's non-resource sector to continue to decline.

This higher exchange rate effectively acts as a tax on all other types of exports (such as agriculture exports which have declined as a share of exports), a tax on all foreign investment, and a subsidy on all imports and for all external movements of capital (such as buying houses in Cairns or Singapore). Of course, none of these things are desirable in the context of trying to grow the non-resource parts of the economy, and to start reversing the 41% decline in economic living standards discussed earlier.

A lower exchange would benefit other sectors. If for example, the exchange rate was 30% lower (or more competitive) then every coffee or cocoa grower would receive 30% more Kina when they sold their bags of produce at the factory gate or to a commodity trader. This is because prices are adjusted according to movements in international commodity markets which are based on US dollars. As a high level of people's expenditure is on local products (such as costs for schools or food bought at local markets) this has an immediate, positive impact on their costs of living. Partially offsetting these real income gains will be increased Kina costs of some imports such as rice.

Further, a lower exchange rate would make PNG less expensive relative to the rest of the world when it comes to export items such as tourism or down-stream processing of logs or fisheries. Manufacturers and others rightly complain about their high cost structures relative to those in the Philippines or Indonesia for example. This is due to higher energy, transport and security costs. All these elements would be eliminated with a lower exchange rate making PNG a more attractive prospect for investment and down-stream processing, as well as opening other markets for export.

Conclusion

The resource sector has been the major factor behind most of the crises that PNG has faced since independence, including its current economic crisis. The resource sector only accounts for 0.4% of formal employment in PNG and has averaged just 13% of PNG's total revenues and grants since 1975. The resource sector does though dominate exports and it is this domination that serves to distort the economy through changes to the exchange rate. A higher exchange rate makes it harder for non-resource sector exports (such as agricultural products) to complete globally, which in turn deprives PNG's rural population of increased incomes.

This paper argues that the distorting impacts of PNG's resource sector have exceeded any benefits.

This paper argues that the distorting impacts of PNG's resource sector have exceeded any benefits. This is reflected in the resource sector thriving since independence, with high growth rates, while the rest of the economy has slid badly backwards. On average, and measured by non-resource GDP per capita, people in PNG are over one-third worse off than at the time of independence.

An alternative is to focus on areas of comparative advantage that will contribute to more equitable and sustainable development and on those sectors of the economy where there are already high levels of participation, such as agriculture and the subsistence economy. Bougainville, like PNG, has some extraordinary opportunities. It is ethnically diverse and it has huge biodiversity. Its land and seas can support agriculture and fisheries, tourism[13] and new forms of patents and provide new opportunities with greater potential for women, the rural poor and small businesses. Looking back over the last 40 plus years of PNG's development since independence, there has been too much emphasis on the resource sector as a focus for development. Bougainville can learn from this now and need not wait 40 years themselves to draw the same conclusion.

8. Average tax rates are defined as the level of revenues raised by parts of the economy relative to their GDP size.
9. International Monetary Fund, Papua New Guinea IMF Country Report No. 17/411, Washington D.C., December 2017.
10. PNG EITI Report for 2016, p. 41.
11. PNG EITI Report for 2016, p. 125.
12. Tax Justice Network – Australia, Opening Statement/Submission Senate Inquiry into Corporate tax Avoidance, 2017 https://bit.ly/2OEpGzY.
13. See for example Radio New Zealand, 'Adventure tourism growing in Bougainville', 17 July 2018, https://www.radionz.co.nz/international/pacific-news/362002/adventure-tourism-growing-in-bougainville.

CHAPTER 5

CAN PANGUNA SAVE BOUGAINVILLE?

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Christopher Prince has worked in risk management with Commonwealth Bank of Australia, has been an Economic Counsellor at the OECD and has worked in the financing of renewable energy projects at the Inter-American Development Bank in Washington DC. Christopher has a MSc in Economics, Banking and Finance from Paris University Pantheon-Assas and an MBA from HEC Paris (2004).[1]

Introduction

Although there are other potential mining sites in Bougainville, and exploration licences have been approved for some of them, Panguna is the only proven mineral resource on the island and the only site of an existing industrial scale mine. It has therefore been at the centre of debates about whether or not to restart mining in Bougainville. Panguna is also the case for which the best data is available. However, the challenges and constraints facing these other mines will be similar to those facing Panguna.

The Panguna mine also serves as a case study for the debates about mining as a whole. It makes sense therefore to explore the economic viability of reopening Panguna for its own sake, as well as for what a study might reveal about the benefits or otherwise of exploiting other mineral deposits on the island.

The aim of this paper is therefore to examine three sets of questions:

1. What are the various estimates of revenue needs for Bougainville? How would independence affect these needs? What models of government expenditure are these estimates based on?

2. Is reopening Panguna commercially viable from a mining company perspective, and (perhaps more importantly) from an investor perspective? Could Bougainville Copper Limited (BCL) or another operator, make money from reopening Panguna as BCL and Rio Tinto did in the 1970s and 1980s.

3. How might earnings from the sale of copper and gold from Panguna translate into estimates of government income for Bougainville? When would these revenues start to flow? What assumptions are such estimates based upon?

1. The authors would like to acknowledge the work of Roger Moody, whose 2015 paper 'Panguna: Between a Rock and a Hard Place' on the topic significantly assisted the development of this paper.

The revenue needs for an independent Bougainville

Before estimating the potential revenues that the Panguna mine could generate for Bougainville, we must first explore the question of what annual revenues the Autonomous Bougainville Government (ABG) might need in the long term, assuming that the ABG remains, more or less, in its existing form. One estimate puts ABG's total recurrent expenditure for 2017 at PGK 162 million.[2] However, this recurrent budget figure excludes other support received from the central government such as payments for Tuition Fee Free Education. It also does not include any funding for a capital budget. The 2018 budget indicates that Bougainville is expected to receive K105 million in additional capital funding in addition to its recurrent budget.[3] Given that the ABG usually raises only about 10% of its revenues, or around only PGK 20 million in present value,[4] this would place the total budget more in the PGK 240-250 million range.

Estimates of what an appropriate revenue intake for an independent Bougainville vary. Satish Chand has outlined one possible scenario for Bougainville's revenue needs. If one were to make Bougainville's revenue expenditure equal to its current proportion of PNG's expenditure (i.e. 4% of PNG's), this would put its revenue needs at PGK 286 million.[5]

When considering this number, however, we do need to consider what would be an appropriate or desirable expenditure level as proportion of GDP. For example, PNG national government expenditure has varied between 27% in 2013 and 18% in 2017, reducing as GDP grew due to LNG sales and expenditure fell due to budget squeezes.[6] In comparison, Vanuatu's expenditure as a proportion of GDP has been estimated at 17%, whereas that of the Solomon Islands is said to be as high as 43%.[7]

This therefore begs a question, why is Vanuatu's budget as a percentage of GDP so low, compared to the Solomon Islands? This may be because Vanuatu is more efficient in its spending. Thus, another way to make revenues closer to expenditure would be to find ways to reduce unnecessary spending – through initiatives such as reducing the number of 'ghost names' on the ABGs payroll for example.[8]

A Vanuatu-level of government expenditure – i.e. government spending similar to current revenues but without PNG's help – would still mean that Bougainville would have a lot of work to become self-sufficient. How much work exactly? Well, given that the Autonomous Region of Bougainville (ARB) currently gets around 90% of its revenues from PNG, it would have to massively increase its revenue intake. How might it do this? Chand argues that the first step would be to

2. Satish Chand, 'Transitioning to Fiscal Self-Reliance in the Autonomous Region of Bougainville', *ABG Tax & Revenue Summit*, 27 September 2017, 7. http://www.abg.gov.pg/images/misc/3._Chand_2017_Transitioning_to_fiscal_self_reliance_in_the_ARoB_(Chand).pdf.
3. 2018 PNG Budget Volume 2d, 2018, p380. See also Tanya Lahies, '2018 Budget More Strategic', *ABG Media Release*, 29 December 2017. http://www.abg.gov.pg/index.php/news/read/2018-budget-more-strategic.
4. Chand, 'Transitioning to Fiscal Self-Reliance', 3, 7-8.
5. Chand, 'Transitioning to Fiscal Self-Reliance', 11.
6. PNG Budget Database 2017 FBO, Released March 2018, Development Policy Centre, Crawford School of Public Policy, ANU College of Asia & the Pacific. https://devpolicy.crawford.anu.edu.au/png-project/png-budget-database
7. Chand, 'Transitioning to Fiscal Self-Reliance', 11.
8. Radio New Zealand, Bougainville govt rids itself of ghost names on payroll, 5 July 2018, https://www.radionz.co.nz/international/pacific-news/361157/bougainville-govt-rids-itself-of-ghost-names-on-payroll.

Example of basic infrastructure in Bougainville

Photo credit: Christina Hill

double its tax efficiency. However, even if it could achieve this, it would still need to grow its GDP significantly. As Chand has argued, this is likely to take many decades.[9]

An independent Bougainville would need to develop new government capacity in areas such as trade, diplomacy, defence, etc. So, moving to independence is likely to place more pressure on the government's budget. If Bougainville were to move towards independence, it unclear whether and how much financial support PNG would continue to provide.

This, then, is where the case for reopening Panguna and other new mines originates: Bougainville will take such a long time to be self-reliant, the argument is, that mining is the only chance for it to achieve fiscal independence. Indeed, the prima facie argument is strong. The Panguna mine was in operation from 1972-1989. Over that time it extracted between 50 and 90 million tonnes of ore annually, and earned between PGK 190 million and PGK 500 million annually in net sales. Annual tax payments to the PNG government varied although tended to fall between PGK 20 million and PGK 50 million.[10]

Projected earnings from the Panguna Mine

Is reopening Panguna commercially viable? Answering this question requires two sets of calculations. First, what would be the gross earnings from digging up the ore and selling it overseas? Second, what would it cost the company to reopen and then operate the mine?

Let us turn to the first part of the question. Panguna's reserves are mainly copper, although it also produced smaller amounts of gold and silver. The relative sales earnings changed depending on the relative price of copper and gold, but the percentage of per annum sales from Panguna varied in its years of operation between 50-80% for copper and 20-50% for gold. Silver production tended only to yield about 1-2% of sales earnings.[11]

9. Chand, 'Transitioning to Fiscal Self-Reliance', 7-8.
10. Bougainville Copper Limited Annual Report 2009, 32-33.

The ABG has long been clear (since around the year 2010) that the previous operator BCL would be its preferred partner in reopening Panguna. However, after a landowners' meeting in December 2017, the ABG announced in early 2018 that it would not extend BCL another mining exploration license. It appears that that some landowner groups are now talking with other interests including the Australian-headquartered RTG Mining about re-developing Panguna. With Rio Tinto giving away its 51% controlling interest in BCL in mid-2017, there are in any case questions over whether BCL can pull together enough financial backing for the project.

Nevertheless, BCL continues to make the case that reopening Panguna is commercially viable and that it is the company with the experience to do it. Even more importantly, BCL remains at present the only source of any hard data that might enable us to consider the mine's commercial viability.

11. Bougainville Copper Limited Annual Report 2009, 32-33.

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BCL's Estimates

BCL's most recent presentation on the economic viability of Panguna was made to the ABG's Tax and Revenue Summit in September 2017. The analysis does not specify company earnings nor profits. However, it does project possible revenues for PNG and for Bougainville (see next section).

The amount of money that a mine grosses in any given year depends on a number of aspects: the amount of material that is mined, the ore grade, the mineral recovery rate and of course, the price of ore in the market.

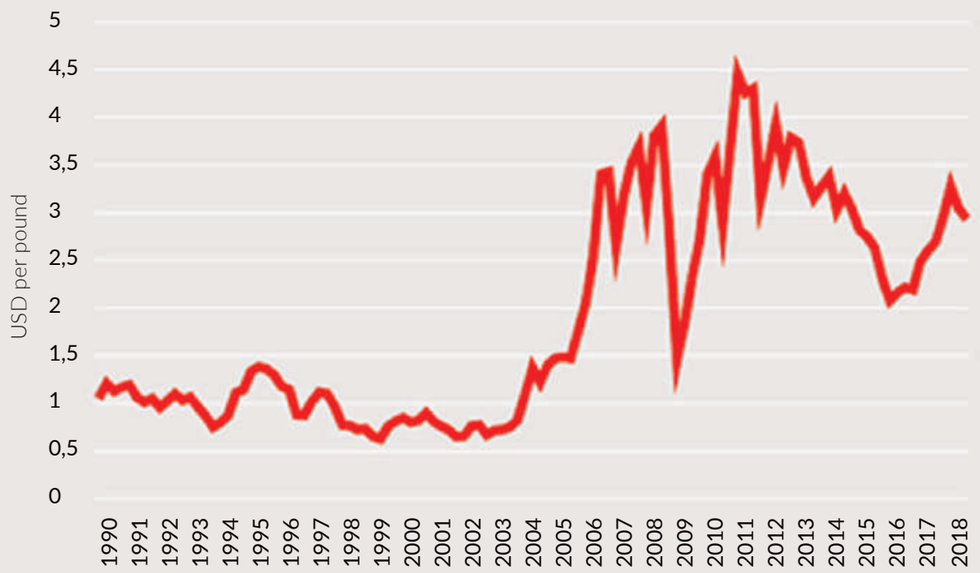
In BCL's 2017 presentation to the tax summit, they stated their assumptions for contained copper and gold production, as well as their assumed copper and gold selling prices (see asterisk items in the table below). Although the BCL presentation did not include gross earnings, it is a relatively simple task to

Table 1: BCL projected annual yields and earnings per annum

	Copper	Gold	Total
Assumes annual milling rate	60 million tonnes pa		
Assumed ore grade	0.40%	0.46 g/tonne	-
Contained ore production*	178,000 tonnes	570,000 ounces	-
Assumes market price (US dollars)*	USD 3.00/lb or USD 6,614/tonne	USD 1,300/oz	-
Annual sales earnings (US dollars)	USD 1.177 billion	USD 741 million	USD 1.918 billion
Annual sales earnings (PGK PNG)	PGK 3.807 billion	PGK 2.396 billion	PGK 6.203 billion

* From BCL tax and revenue summit presentation. Data from BCL does not include potential earnings from silver.

Graph 1: Copper prices historical chart



Source: Macrotrends LLC, Copper Prices - 45 Year Historical Chart[12]

produce them as per Table 1.

If we are to believe BCL's projections, then the mine could bring in gross earnings of as much as USD 1.9 billion or PGK 6.203 billion per year for up to 25 years. This is presumably based either on some sort of expansion of the mine, or the expectation that better technology will allow mining efficiency to increase.

Given these enormous sales earnings, it might seem that reopening Panguna is a bit of a no-brainer. However, these predictions are based on two very important assumptions. The first assumption is an average long-term copper price of USD 3.00 per pound (which produces most of the earnings from the mine).

It is possible that the price of copper may average out to around USD 3.00 per pound over this period. However, as Graph 1 shows, the copper price is very volatile, as are the prices of metals generally. A fall in demand or an increase in supply – because other large suppliers come online for example – could easily see the copper price fall.

Another important factor on which the projected earnings are based are the various assumptions about the amount, quality and accessibility of the mineral reserves. Or to put it another way: how do we know how much copper and gold is actually there, and how easily can that copper and gold be extracted?

BCL's projections assume a contained copper production of 178,000 tonnes per annum. This is higher than the average amount of copper extracted during the life of the mine (166,000 tonnes).[13] However, it is more or less consistent with what BCL was extracting in the final full years of the mine's life (1985 to 1988). BCL's projected contained gold production of 570,000 ounces per annum is relatively consistent with 1980s trends.

12. https://www.macrotrends.net/1476/copper-prices-historical-chart-data
13. Bougainville Copper Limited Annual Report 2015.

BCL have projected the milling of 60 million tonnes of ore per year for at least 25 years. This is higher than historical data for ore milled each year and, with regards the 25 year lifespan, is based presumably on an 'indicated' resource of 1,538 million tonnes.[14] However, as BCL themselves acknowledge, BCL has yet to undertake scoping studies to demonstrate technical and financial viability[15] and as such these figures are unreliable.

Economic viability of Panguna for the mining company

However, if the mine earnings in the BCL presentation seem unreliable, one also must consider the operating and other costs in determining viability. These must be subtracted from sales earnings in order to determine whether the mine is profitable for the company and, perhaps more importantly, for its investors. These operating costs fall into three categories (1) start up costs; (2) waste management costs; and (3) payments made to the government landowners, salaries and shareholders.

Capital costs of re-opening the operation

Due to the conflict, the Panguna mine had to be abandoned in a hurry. As is evident from the many photos that have been taken over the years, bulldozers and other equipment, buildings and roads that were part of the infrastructure of the project had to be abandoned. In a less hasty departure, much of this infrastructure and equipment would have been 'mothballed' – i.e. preserved to the greatest extent possible for later use. The long duration of time and the toll taken on the infrastructure and equipment in a tropical climate has seen further degradation. Reopening the mine, therefore, would not simply be a case of turning up again with staff and commencing to dig. The mine more closely resembles a greenfield site rather than a brownfield site. Equipment will need to be replaced, and infrastructure first demolished and then re-built. Finally, there is also the issue of whether a future operator of Panguna would be liable for cleaning up the environmental damage (see below) which would likely be a significant sum.

So, what would the start-up costs be? The simple answer is that we do not know, as there has been no in depth or detailed study or information to investors or others on what the start-up costs would be. BCL's current estimation according to the 2017 Tax and Revenue Summit presentation is between USD 4 billion and USD 6 billion.[16] Over time, BCL has made a number of estimates of the costs of reopening including 'approximately USD 3 billion' in its 2011 Annual Report and 'in excess of USD 5 billion in the 2013 Annual Report. It is not clear whether any of these estimates included environmental clean-up costs or not. In its 2009 Annual Report, BCL stated that the actual start-up costs could not be properly assessed until a mining pre-feasibility study was completed. Needless to say, no such study is likely to be completed without an exploration license being granted.

Waste management

In the first iteration of Panguna, the mine waste – tailings and waste rock – was simply dumped into the Kawerong and Jaba Rivers. The basic precaution of trying to use tailings dams was never used causing immense and permanent environmental damage onsite and downstream. Additional pollution of the rivers has occurred through Acid Rock Drainage (ARD). This is the process by which water run-off from the mine site becomes highly acidic

14. see Bougainville Copper Limited 2016 Annual Report for Panguna mineral resource data.
15. Bougainville Copper Limited 2016 Annual Report.
16. Bougainville Copper Limited, Development of the New Panguna Project—Potential Revenue Streams, ABG Tax and Revenue Summit, September 28, 2017. https://bit.ly/2PX72VA (henceforth: BCL, Development of the New Panguna Project).

BCL clearly has aspirations, whether Bougainville achieves independence or not, to negotiate a tax arrangement that is more favourable to itself.

which is caused by the oxidation of sulphide minerals founds naturally in the rock. Copper mines are often associated with ARD because they contain iron sufides (ie pyrites). Elevated levels of toxic heavy metals (including copper) may also be present as these metals are more readily dissolved in highly acidic waters. Elevated copper levels are toxic to plant and animal life and in high levels are dangerous to human health. Anecdotally, the Jaba River is understood to be a 'dead zone', and the pictures of the Jaba and Kawerong Rivers show a bright turquoise-blue coloured deposit or stain (due to the elevated copper levels) on the riverbed.

It is impossible to imagine that the people of Bougainville, let alone the Panguna landowners, would sanction a repeat of this sort of environmental damage again.

The question thus becomes, what sort of waste management strategy would any redeveloper of the Panguna resource use, and how expensive would this be? Relatively straightforward tailings management systems can and do fail – as was seen in the 2014 failure of the Mount Polley copper mine in British Columbia (which is discussed by Catherine Coumans in her paper). There are more sophisticated tailings storage mechanisms these days, which generally go under the name of 'integrated tailings management'. Building a highly engineered tailings management system at Panguna, which is in an area of high rainfall and high seismic activity, while not impossible, would be very difficult and very expensive. The cost to design and construct a tailings dam at Panguna could easily exceed USD 1 billion, as might the cost to remediate existing environmental damage.[17]

Once again, it is impossible to know what the costs of tailings management would be without some sort of feasibility study. If any such study has been done, it is certainly not publicly available at this time. What we can say is that the safer the environmental management plan, the greater the cost.

Taxes and revenues

The third unknown that could potentially eat into the profits of any company that wanted to exploit the Panguna resource is the amount of taxes and other payments that a company would need to pay to access and extract the resource. Aside from operating costs, there are four major expenses: payments to the PNG Government (corporate tax and other types of taxes); payments to the ABG (royalties and development levies); payments to landowners (royalties, equity in BCL); payments to staff (salaries and other benefits). The amount of taxes and other revenues that BCL estimates it might pay under the current legal regime are discussed in detail below in the next section.

An independent Bougainville could see new tax and revenue arrangements negotiated, but we have no idea what these might look like. If the people of Bougainville vote for independence, decisions would have to be made as to whether to adopt PNG's current tax code or not. The BCL presentation at the Tax and Revenue Summit says that the project may not proceed 'unless the ABG and National Government can provide assurances as to what taxes will apply in the long term'.

BCL clearly has aspirations, whether Bougainville achieves independence or not, to negotiate a tax arrangement that is more favourable to itself. BCL argues in its presentation that PNG's Additional Profits Tax 'reduces project value and probability (sic) prevents the Panguna mine from ever being redeveloped'. Needless to say, if rates are negotiated down, this may make the project more financially viable, but that will obviously translate into a worse deal for the people of Bougainville.

17. Personal communications, 17 July 2018, Dr Gavin M. Mudd, Associate Professor - Environmental Engineering, RMIT University.

Table 2: BCL Projected Annual Revenues from Panguna Mine (USD million per annum)[18]

	Revenue stream	Standard case assumption*	High case assumption**
Revenues to the ABG	Royalties, development levies	44	53
	Total	**44**	**53**
Revenues to the National Government	Corporate tax (30%)	286	345
	Additional profit tax (30%)	133	178
	Dividend withholding tax (15%)	70	82
	Personal income tac	30	33
	Total	**519**	**639**

* 60 million tonnes per annum
** 90 million tonnes per annum

How much revenue would Panguna generate for Bougainville?

In the first life of the mine, BCL paid taxes on earnings to the PNG Government of approximately 20.2% (9.8% corporate income tax and 10.4% additional taxes). The North Solomon Provincial Government (i.e. Bougainville) received just over 1% of revenues from royalties and other payments.

However, since 1990, the tax code in PNG has changed. Under current PNG tax law, there is a corporate tax rate of 30%, which is calculated on profits (not earnings). There is also an additional profits tax of 30%, which is applied to profit levels if they exceed 15% returns. Moreover, in 2015, the ABG passed a new Bougainville Mining Act, which sets the amount that the provincial government (i.e. the ABG) would receive in terms of royalties, etc. It sets a 1.25 per cent regional development royalty, a 0.5 per cent health and education royalty and a 0.5% production levy.[19] There is also a dividend withholding tax of 15%.

Assuming Bougainville were to remain part of PNG (i.e. no independence for now), BCL has estimated potential revenues breakdown as detailed in Table 2. As the table shows, without independence, most of the revenues would go to the National Government. This could however be partially justified by the fact that the PNG Government currently provides around 90% of the ABG's annual revenues. Obviously, if Bougainville were to gain independence, and it were to maintain similar tax code as PNG, then all the money currently going to PNG Government could theoretically go to a newly independent Bougainville Government.

18. Source: BCL, Development of the New Panguna Project.
19. Bougainville Mining Act 2015, Clause 291, p. 164. http://www.abg.gov.pg/uploads/acts/Act_2015-3-Bougainville_Mining.compressed.pdf.

[...] revenues from Exxon and its partners to PNG have been (and are expected to continue to be) much less than projected in the first few years of production. This could (and most likely would) also happen for Panguna revenues in the early years of the production phase (late 2020s and early 2030s).

If these figures were to be taken at face value, this would amount to a very strong case for the reopening of Panguna. Bearing in mind the exchange rate, even without independence, royalties and development levies alone would boost ABG coffers; and the increased tax take for the PNG Government would be a strong case for the ABG to argue for a large increase in budget support from Port Moresby towards services in Bougainville.

However, taking these figures at face value would be very foolish indeed. First of all, these projections are subject to all the assumptions as regards to earnings discussed in Section 2 above: variations in the price of copper, in volume extracted and in the tax regime. As noted above it is not clear the basis for BCL's projected milling rate of 60 million tonnes per year. The high case of 90 million per year therefore seems highly speculative. They are also subject to the assumptions discussed in Section 3 above, particularly the question of tailings management. A better tailings management system would have huge capital costs as well as ongoing maintenance costs, which would erode profits, thus cutting into the revenues from taxes and royalties.

The second problem with the above figures is that they do not address the question of timing. BCL's timeline has feasibility study being conducted in 2020-21, raising finance in 2022, the construction phase 2023-24, and production from 2025 onwards. With the non-renewal of the exploration license, however temporary, this timing is now impossible. Production (and therefore revenues) would therefore not be likely before 2026 or 2027 – i.e. at least 7 to 8 years away.

The third problem with the above figures relates to the tax concessions that are likely to come to any company – as indicated earlier, BCL has indicated it would not proceed if it had to pay the Additional Profits Tax included in the above table.

There is also a major issue concerning the timing of tax revenues. These will not only fluctuate greatly with international prices, but usual resource tax law allows taxes to be based on profits only after capital costs and debt repayments are taken out. Given the amount of capital investment needed, and the amount of debt any company is likely to need to take on to restart production, this means that for some years after production starts, the project may see little to no company taxes going to the PNG Government (or indeed a future independent Bougainville). Current PNG company tax law allows for all capital costs to be deducted against profits on a "25% declining balance basis". This means that in its first year of operations, if the capital costs of restarting the mine were $US6 billion, then 25% of this could be claimed against profits in the very first year – or $US1.5 billion. Another claim could be made in the second year of $US1.125 billion. Such deductions will be much greater than the profit levels implied by Table 2. Any mine operator would then be in a tax loss situation for many years.

This is indeed what has transpired for PNG LNG revenues. Revenues from Exxon and its partners to PNG have been (and are expected to continue to be) much less than projected in the first few years of production.[20] This could (and most likely would) also happen for Panguna revenues in the early years of the production phase (late 2020s and early 2030s). It would therefore seem prudent to assume that Bougainville will see little financial benefits to its budget bottom line from company taxes until at least 5 years from the commencement of mine production given depreciation tax write-offs.

The final issue that needs to be taken into consideration is the question of risk. As is clear from other papers in this report and previous reports from Jubilee Australia, there is clearly a large part of the Panguna community who are against any mining returning at this time. Leaving aside the ethical and moral questions around forcing or manufacturing consent upon a population with significant and legitimate concerns about any new mine, and considering the issue from a purely financial point of view, the question is still one of concern. Unless a larger player with deep pockets secures the rights to Panguna, the ability of a small company like BCL to find financing to back this project in the face of ongoing landowner discontent about the mine will be difficult.

Conclusion

A number of conclusions can be drawn from the above analysis. It is going to take a long time (decades) for Bougainville to become economically self-sufficient given its current economic activities and trajectory. If Bougainville stays part of PNG, it would likely be dependent on financial support from the PNG Government for some time. If it were to choose independence, the financial situation would likely result in significant dependence on foreign aid. Given all these realities, it is perhaps understandable why many have made the case that mining is the obvious solution to a future dependence either on PNG or on foreign donors.

However, mining's viability as an option would seem to be undermined by several important considerations. First, it seems unlikely, even if mining licenses could be approved, that Panguna is viable enough to make it commercially profitable for a company or for investors without a number of significant assumptions being met. The yields would need to stay as high as they were in the 1980s, the copper price would also need to maintain its recent level, the company may engage in questionable but cheaper environmental practices, the company would need to not meet any landowner resistance, and the tax regime would need to be favourable to the company. That all of these assumptions will prove to be met would seem to be highly unlikely.

Second, even if a company (whether BCL or another actor) was able to restart Panguna, this would not likely bring any significant revenues to Bougainville in the short or even medium term. This is because of the time it would take to start operation and the likely reality of the tax regime that would be negotiated between the mining company and the government. Even if some payments were to come at this point, whether they will provide the sort of financing that Bougainville is said to need remains an open question, and is dependent on many assumptions. It is hard not to avoid the conclusion that the mine may be profitable for the company, or for the government, but probably not to both. It is also an open question whether either the company or the government can make significant money without the risk of continuing environmental destruction on the island.

For at least the next ten years, an independent Bougainville is therefore going to need significant aid either from PNG or other donors whether or not Panguna (or other mines) are opened up. Given that this is the case, the question should perhaps be asked, is it worth the risk for the ABG to push the country down a mining path, or would it not be better to explore alternative paths – that are broad-based and sustainable – for the next decade and see how these bear fruit in the meantime?

20. Paul Flanagan and Luke Fletcher, 'Double or Nothing: The Broken Economic Promises of PNG LNG ' (NSW: Jubilee Australia Research Centre, 2018).

CHAPTER 6

TOWARDS A JUST AND EQUITABLE ECONOMY, AND A GENDER EQUAL SOCIETY

AUTHORS: HELEN HAKENA AND KATE LAPPIN

Helen Hakena is a Bougainvillean leader who lived through the conflict and embargo, and who played a role in bringing men to peace settlements. She founded the Leitana Women's Development Agency in an attempt to find a better development path for women who were denied opportunities as a consequence of the war, the mine and the embargo and who now experience high levels of violence as a consequence. She has also supported climate-displaced women from the Carteret Islands, located north-east of Bougainville.

Kate Lappin has worked to advance women's rights, labour rights and development justice across the Asia Pacific region for more than 20 years. She was the Regional Coordinator at the Asia Pacific Forum on Women, Law and Development for 8 years and in that role collaborated with Helen on Feminist Participatory Action Research and a range of international advocacy campaigns. She is currently the Asia Pacific Regional Secretary for Public Services International.

This paper is based on conversations between Helen and Kate, and conversations between Helen and the women and men in her village, community and across Bougainville. The paper also draws on evidence collected through a Feminist Participatory Action Research project on climate justice Helen conducted between 2013 and 2015.

Introduction

Much of Bougainville is a matrilineal society and women have been acknowledged as the driving force behind the ceasefire, the Bougainville Peace Agreement in 2001 and post-conflict attempts at reconciliation and transformation.[1] In Bougainville land entitlements pass through women to their children. These inherited entitlements are not the same as inheriting land ownership though – instead women inherit the role of custodians of the land. Part of that custodial role is to make sure the land is cared for and used not just for the current family and community but for future generations. Women are born on their land, learn about the land, know their land and tend to their land. Women grow the gardens that almost all the community depends on for sustenance. Women also learn about the plants, the rains, water sources, and the dangers and the remedies that the forests can provide. But this doesn't mean that women have always been able to make decisions either about their own land or about the industries that impact on their land. Patriarchal attitudes, magnified by colonial assumptions about gender roles and power, deliver significant decision-making power and control to men. When women lose land and have no inheritance, they face a sudden loss of identity and community value. Landless women in a matrilineal, yet patriarchal society, have very few survival options and are vulnerable to exploitation.

Despite the central role women have played in the peace process and their role as custodians of land, they have largely been excluded from decision making over Bougainville's development path. The original agreements to open the Panguna mine excluded women and attempts to reform the agreement mainly involved men. The same criticisms can be made of other development decisions where women are largely excluded yet routinely bear the brunt of the negative impacts.[2]

This paper argues that women can, and must, play a leading role in forging a new development path for Bougainville. The paper describes women's experiences of and resistance to mining on Bougainville. Its argues that an extractivist-based economy is not a model for a gender equal society and that gender equality must be at the heart of a just and sustainable economic model for Bougainville. In this context, past attempts at supporting women's economic power are briefly critiqued. The paper concludes by outlining some elements of an alternative model for a sustainable and just economy and therefore future for Bougainville.

Women's experiences of and resistance to mining on Bougainville

The Panguna mine had an irreparable, devastating impact on women. Women lost their ancestral lands and with this their children's future birthright. Women living around the mine lost lands through pollution, and the mine itself and its associated infrastructure. It was men, not women, who negotiated the deals that saw land sold to the mining company. Colonial administrators and foreign corporations imposed their own gendered ideas about property and decision making and approached male leaders, disrupting matrilineal systems.[3] Negotiations were mostly held away from the village, in environments and in ways that were unfamiliar to women who generally don't feel comfortable negotiating outside of the community context. Women received little compensation in return. The mine also changed the nature of the economy and of society. Almost all the employment offered at the mine went to men. The good jobs went to foreign men, the lower paid jobs went to men from Port Moresby or other parts of Papua New Guinea (PNG) and the lowest paid jobs went to Bougainvillean men. The mine directly employed very few women although some jobs were created for women to provide services to the mine and its workforce. Across Bougainville the price of food and other everyday goods increased – far outweighing any income women were able to earn because of the mine, such as selling produce from their gardens at the markets that sprang up around the mine site.

In Bougainville, women primarily manage water resources for their households and villages. Pollution from the mine then impacts

1. Barbara King (2009), Women and Peacebuilding: A Feminist Study of Contemporary Bougainville, PhD Thesis, The University of Queensland.
2. This experience is not unique to Bougainville. Michael Ross found that when extractive industries dominate the economy, women's political influence is significantly reduced and countries "are left with atypically strong patriarchal norms, laws, and political institutions". (Michael Ross, 'Oil, Islam, and Women', American Political Science Review, Vol. 102, 2008 No. 1).
3. Helen Hakena, Peter Ninnes and Bert Jenkins (editors) NGO's and post-conflict recovery: the Leitana Nehan Women's Development Agency, Bougainville (Asia Pacific Press ANU E Press: Canberra, 2006).

Women campaigned to keep the Panguna mine closed

Credit: Rob Z - stock.adobe.com.

Given women's obligations to land it is not surprising that women have been at the forefront of movements to close Panguna and to keep it closed.

women more so than men because women are forced to walk much further to obtain clean water for their families. Some women are forced to use dangerous, polluted water for irrigation, cleaning, cooking and even drinking. When water becomes scarce, either because of pollution or drought, men often take over. Some men have placed locks on their family's water tanks and the distribution of water then becomes a source of power for men.

Given women's obligations to land it is not surprising that women have been at the forefront of movements to close Panguna and to keep it closed. Most recently, in June 2017 women from the 'seven sisters' area of central Bougainville successfully blockaded a meeting at the Paguna mine site where a Memorandum of Understanding (MOU) that might have paved the way for a re-opening of the mine was to be signed. At that time one of the women, Regina Erengmari, said "I don't want mining to be opened, no BCL, no mining. Because land is owned by the women, not the men".[4] The women also won an injunction against the signing of the MOU under Section 53 of the Constitution of PNG prohibiting "unjust deprivation of property", a provision preserved in the Constitution of the Autonomous Bougainville Government (ABG). Finally, in January 2018, the ABG imposed an indefinite moratorium on the site.

Opposition to the Panguna mine and other extractive, foreign-owned industries are born of multiple grievances. Environmental devastation is a central concern as are, the inequalities that these projects create and exacerbate. This includes the inequalities between men and women; between those in the community who profited from the mine and those who didn't; between the Bougainvillean workers and the foreign workers; between the companies who extracted the profit and the local people who received 1% of profit[5] yet suffered the consequences; and between rich, powerful countries and a people whose right to self-governance had long been denied.

Many people have written about the paradox of the 'resource curse': that countries with the most abundant resources suffer with the lowest human development. Less has been written about the way this impacts on women. It's clear that an extractivist-based economy has direct negative impacts for women as women from Panguna have experienced but it also has long-term adverse economic and planning impacts that increase gender inequality. For example, extractive industries re-direct what little state funds there are into infrastructure for the business (roads and ports), into security for the mine and even redirect education funding toward the skills needed in the mine, which again focuses on skills for male workers. Similarly healthcare suffers from reduced public investment. While healthcare services might increase around the mine they can be focused on the health of a primarily male workforce. Finally, higher currencies (which is discussed by Paul Flanagan in his paper) mean alternative industries that women may foster can collapse.

The 'masculinsation' of the Bougainvillean economy caused by a focus on extractive industries and the subsequent conflict and militarisation of the community contributed to a horrific increase in violence against women that continues to plague Bougainville today. A UN study found that 62% of men in Bougainville have admitted to raping a woman.[6] The study places Bougainville as one of the most dangerous place for women outside of a war zone in the world. It's not surprising given extractive industries and militarism both independently fundamentally change the nature of gender relations in society and are associated with high rates of violence against women.[7] [8] Women leaders feel that the respect for community life and the central role women played within the community was eroded during the conflict and many young men were schooled in conflict, rather than community harmony.

The 'masculinsation' of the Bougainvillean economy caused by a focus on extractive industries and the subsequent conflict and militarisation of the community contributed to a horrific increase in violence against women that continues to plague Bougainville today.

The disconnect between women's economic empowerment programs and women's economic power

There have been efforts to increase 'women's economic empowerment' in Bougainville. Yet in practice economic empowerment projects have been mostly about increasing some women's access to credit schemes to establish

4. Eric Tlozek, 'Bougainville Copper Limited's Panguna mine hits roadblock from protesters', Australian Broadcasting Corporation, 17 June 2017, http://www.abc.net.au/news/2017-06-17/bougainville-copper-panguna-mine-suffers-setback/8626762.

5. Bougainvillleans received 5% of the PNG government's profit. The PNG Government originally received only 1.25% of profits which was later renegotiated to 20%. So the largest percentage attributed to Bougainvillens was 1%. (Rory Ewins, The Bougainville Conflict, http://speedysnail.com/pacific/bougainville.html).

6. Fulu, E., Warner, X., Miedema, S., Jewkes, R., Roselli, T. and Lang, J., 'Why Do Some Men Use Violence Against Women and How Can We Prevent It? Quantitative Findings from the United Nations Multi-country Study on Men and Violence in Asia and the Pacific' (UNDP, UNFPA, UN Women and UNV: Bangkok, 2013).

7. Katy Jenkins, 'Women, mining and development: An emerging research agenda' in The Extractive Industries and Society, 1 (2). 2014, pp. 329-339.

With an abundance of resources, a young population and the knowledge that collectively people have already changed the development path of Bougainville, the foundations of a more just future exist.

micro-enterprises or improve access to markets. Despite the term 'empowerment', rarely do these programs lead to increased power for women collectively. Instead they focus on trying to build individual power yet ignore many of the structural barriers to greater economic power for women. While some women benefit from these schemes and non-discriminatory access to financial resources is important, international experience shows us that they do not deliver structural changes or increased collective power to women.

Economic empowerment cannot simply be about having increased access to money through credit, more women working for wages in extractive industries or more women being mine owners. Increased money does not necessarily translate to increased power if the money is then given to or taken by men. For example, the 2013 Bougainville Family, Health and Safety Study reported high rates of economic abuse of women by men: 35.2%of women reported that their male partner had taken their earnings against their will, and 55.4% of women reported that they had been subject to economically abusive acts.[9] Women have not increased power if the process of earning money has decreased their autonomy or influence (which can be the experience of some women employees); or if the increase in wages then leads to increased time demands as women juggle their work obligations with household food production, water and energy management, and child and elderly care. Increased time demands on women can lead to reduced community power when women can no longer participate in community discussions or other civic processes.

Women's economic power will only exist when women are able to make collective decisions over the economic model they want to adopt. Real, participatory processes to work on alternatives to educate women about options; to work with them to trial and then collectively evaluate different strategies; and to make decisions over how they are implemented are required. Increasingly there is a recognition that women should be included in meetings. But too often women feel like flowerpots at meetings who are there for beautifying the meeting. When women are asked how to plan a consultative process, and how women would like to come together to learn and collectively decide, then women will have power.

Towards a just and equitable economy

With an abundance of resources, a young population and the knowledge that collectively people have already changed the development path of Bougainville, the foundations of a more just future exist. The elements of a sustainable economy that aims for gender equality and sustainability must include: investments in and support for education, health and social care; cooperative resources for agricultural production that can be brought to local and international markets; cooperative energy and water management; community managed tourism and service industries; and new forms of international solidarity. Some of these elements are explored briefly in this section.

The elements of a more equitable economy need to redress the symptoms of past failures, restore elements of the shared economy and community life that existed before the

8. Erika Svedberg, 'Militarization and Women: Gendered Militarization', International Studies Association and Oxford University Press, 2012, http://internationalstudies.oxfordre.com/view/10.1093/acrefore/9780190846626.001.0001/acrefore-9780190846626-e-263?print=pdf.
9. Jewkes, R., E. Fulu and Y. Sikweyiya, 'Family, Health and Safety Study, Bougainville, Papua New Guinea', 2013 Medical Research Council South Africa and Partners for Prevention.

Small-scale miners who work in the tailings downstream of the Panguna mine

Photo credit: Christina Hill

conflict and also create new approaches to a 'solidarity economy'. Economic decisions are intertwined with social and cultural lives and the decisions we make need to create stronger and fairer social and cultural lives. This can be done by restoring community owned common land and making sure it is cared for and benefits all and ensuring our economic policies redistribute the fruits of our collective labour, whether it be paid or unpaid. A key feature of 'solidarity economies' is that decisions are democratically made by all involved. If we collectively build new industries, we can collectively decide where profits get reinvested. When women are at the centre of that decision making they often reinvest in common goods – whether that be in healthcare, energy, water or in shared tools for our agriculture.

Because of the conflict a generation of young people were denied education, and this has had long lasting and devastating impacts on Bougainville. Many skilled professionals now come from outside Bougainville to work which means Bougainvilleans miss out on the few jobs that pay a living wage in areas like health, and Bougainville loses opportunities to develop vocational skills. Part of the solution lies in providing education and vocational training to both young people and adults – particularly those who missed out during the crisis. Health education should be a priority as more health professionals and health research is needed to begin to address problems such as maternal mortality and childhood malnutrition. To take one example, there was previously a nurse training centre in Arawa, Central Bougainville, which was burnt down early on in the crisis, but now nurses come from outside Bougainville. Re-opening the centre and expanding it to include a research centre – which could be in partnership with a tropical health research institute – should be a priority given the health needs in Bougainville.

Women have strong agricultural knowledge

To truly re-shape our economy and achieve sustainable development we need stronger democratic participation of women.

yet better coordination to share safe agricultural practices and traditional practices is required. Many women continue to use unsafe pesticides and fertilisers even though the environment is extremely fertile and shouldn't require additional chemical inputs. Agricultural cooperatives and exchange centres where knowledge, equipment and inputs can be shared have proved useful in women's collective farming efforts in other countries. Seed banks or libraries can assist women exchanging information on plants that thrive in Bougainville and in retaining Bougainville's biodiversity.

Women's cooperatives have proven to be economically, environmentally and socially transformative in other countries. In Morocco, for example, women's cooperatives producing argan oil have transformed the lives and relationships of Amazigh women, increased the rate of girl's education and halted the deforestation of large argan forests.[10] In Bougainville, copra, virgin coconut oil and cocoa could benefit from a similar approach. To date, however, efforts to increase production have focused on individual production and attracting foreign investors. Women are often the producers of these products but men have negotiated the sales and benefited from the profits. Women led cooperatives can provide much greater bargaining power and also support education, exchange and support. A cocoa cooperative existed before the crisis but hasn't been effectively re-established despite the interest in increasing cocoa production.

Similar approaches could be utilised for energy. The majority of women and their families live without reliable access to energy. Fuel costs can be high and variable. Bio-gas from pigs has been successfully used by some households but there are limits to the broader uptake of this. Some homes have access to solar power, but there are few skills to service the equipment and solar power is limited to primarily day use. Cooperatives could develop micro-grids and support efforts to give Bougainvillean women access to programs such as the barefoot solar engineers which has begun to spread to the Pacific.[11]

Women continue to be involved in artisanal small-scale alluvial mining (ASM) in Bougainville. The impact on women's health and the environment is alarming, and women and children are known to "suffer dust inhalation leading to respiratory diseases, exposure to mercury and its neurotoxic affects and in some cases cyanide exposure when used in reworking tailings".[12] Yet ASM research in other environments has shown that "women's ASM activities are crucial sources of revenue for themselves and their families, allowing for basic survival, health and education, as well as accumulation activities that improve the status of women and their dependents".[13] Women miners need education and safer processing inputs as well as support for fairer wages and prices that could come through cooperatives designed specifically to support women miners.

To truly re-shape our economy and achieve sustainable development we need stronger democratic participation of women. While there are three dedicated places for women in the ABG, Bougainville has been unable to get much past that quota. In addition to greater representation is the need for greater participation. The

10. Zoubida Charrouf and Dom Guillaume, Sustainable Development in Northern Africa: The Argan Forest Case. Sustainability, 1, 2009.

11. https://www.barefootcollege.org/the-launch-of-our-pacific-womens-barefoot-solar-initiative/.
12. Danellie Lynas, 'Health and safety issues faced by women engaged in small scale mining in PNG - could a flexible and informal training program improve their quality of life?', Proceedings 19th Triennial Congress of the IEA, Melbourne 9-14 August 2015.
13. Doris Buss et al, 'Gender and Artisanal and Small-Scale Mining in Central and East Africa: Barriers and Benefits', GrOW Working Paper Series, Institute for the Studies of International Development, GWP-2017-02.

Bougainville Cultural Heritage Centre

Photo credit: Christina Hill

decisions around Bougainville's development path would benefit from women's input in participatory budget setting processes for example. A community development council involving at least 50% women could compliment the role of the elected Government and work to harmonise development assistance as well as the necessary supporting fiscal policies. The 2030 Agenda for Sustainable Development[14] points to the obligations of governments to establish community partnerships to meet the ambitious agenda.

Some concluding comments

Bougainville is clearly owed reparations for past damage to its environment, society and missed opportunities for its future. It's a clear principle of international law that the 'polluter pays'. The global legal principle of solidarity that underpins the founding of the UN Charter also requires richer countries to provide development assistance of 0.7% of GDP. However, with international aid waning and aid often used as a means of supporting the interests of investors from donor countries, other forms of international solidarity are required.[15]

Bougainvillean women cannot bear an economy based on extraction and exploitation. If Bougainville is to enjoy a gender equitable and thriving community, it must design an economy that benefits all, not just a tiny minority. To do that it needs to challenge the idea that economies must extract and produce financial wealth and instead measure economic success on the ability of the community to improve its health, its livelihoods and reduce violence especially against women. Bougainville must establish new ways of working and new forms of solidarity. Bougainvilleans have shown themselves to be capable of survival in the worst circumstances. Bougainvilleans must now draw on their histories and prove that they have kinder, more creative, more equitable and more sustainable ways to thrive.

14. https://sustainabledevelopment.un.org/post2015/transformingourworld
15. As communities in the Global North seek to transition to sustainable and more caring economies, they often also seek ways to take responsibility for the failure of governments to address the climate and inequalities crises. According to the Transnational Institute (TI), those communities might also seek ways to support global transitions "a key international intervention that individual Transition initiatives (primarily in the Global North) could therefore make would be to link with and support particular commons regimes in the Global South. This could expand the current focus on social enterprise in the Transition movement to include a focus on building economic, social, cultural and political connections between particular localities in the Global North and South" (Tom Henfrey and Justin Kenrick, Climate, commons and hope: the transition movement in global perspective, Transnational Institute, 2015, https://www.tni.org/files/publication-downloads/018138c_tni_climate-commons-hope.pdf).'

CHAPTER 7

FREE PRIOR AND INFORMED CONSENT, DEVELOPMENT AND MINING ON BOUGAINVILLE: CHOICE AND THE PURSUIT OF SELF-DETERMINED DEVELOPMENT

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Introduction

The principle of free prior informed consent (FPIC), as framed in international human rights law (IHRL), is grounded in indigenous peoples' right to self-determination and is fundamental to its exercise. By virtue of their right to self-determination indigenous peoples freely determine their own economic, social and cultural development, freely dispose of their natural wealth and resources, and may not to be deprived of their own means of subsistence.[1] The requirement to obtain indigenous peoples' FPIC arises whenever the measures or activities proposed by external entities, be they State or corporate actors, could potentially place limitations on, or result in infringements of, the enjoyment of this right. The rights to give or withhold FPIC required that consent must be obtained in a manner that: is free from coercion or manipulation; is prior to the authorisation and commencement of activities; and ensures the concerns peoples are fully informed as to the potential impacts on their rights as well as potential benefits. The concerns people must be free to provide or withhold their collective FPIC through their own representatives in accordance with their own processes, laws and decision-making practices and their traditional knowledge and worldviews must be respected.

The concept of obtaining indigenous peoples' consent is not new. As far back as the 16th century, the founding fathers of the law of nations recognised that respect for natural law principles required that indigenous peoples' be able to exercise their "free and voluntary choice" when deciding whether or not to subjugate themselves to colonial rule.[2] However, as power imbalances between indigenous peoples and states amplified throughout the colonial and post-colonial eras, the use of force and coercion facilitated the widespread non-consensual exploitation of indigenous lands and resources, with pre-existing agreements frequently reneged upon. By the late 19th century when Bougainville was first colonised, a positivist version of international law, premised purely on the consent of "civilized" nations as opposed to previous natural law informed conceptions, had essentially deemed native consent superfluous. Only in recent decades, with the emergence of the self-determination based requirement for FPIC under IHRL, has this situation gradually begun to change.

The paper provides a discussion on the self-determination based requirement for FPIC and its relationship with indigenous peoples' right to development under IHRL. The paper then examines the extent to which FPIC is reflected in the 2015 Bougainville Mining Act, building on the analysis already done by Jubilee.[3] It closes with a discussion on the contemporary context within which reopening of the Panguna mine is being promoted and argues for a participatory analysis of all potential developmental options as a pre-requisite for genuine FPIC and self-determined development.

Indigenous peoples' right to self-determination and a new relationship

The dawn of the contemporary human rights era, following the adoption of the Universal Declaration of Human Rights, promised equal rights to all peoples. This included the right. to self-determination by virtue of which all peoples are free to determine their own social, economic, political and cultural development While there has been much debate to the content and the subjects of the right self-determination, its embodiment of the notion of choice is consistently recognised as one of its core features and is also intrinsic to the notion of self-determination that emerges from the UN Declaration on the Rights of Indigenous Peoples (henceforth the Declaration).

One the clearest barometers of the exercise of the on-going aspect of this right to self-determination is the extent to which indigenous peoples, as opposed to outsiders, maintain control over the land and resource base underpinning their subsistence, way of life and development.

The contemporary international law concept of indigenous peoples' right to self-determination is broader than the concept of self-determination which emerged during the decolonisation process. While, independence from Papua New Guinea (PNG) remains a potentially legitimate self-determination option in colonial-like contexts such as Bougainville, self-determination is not limited to this. In other words the exercise of this option does not exhaust the exercise of indigenous peoples' right to self-determination. Instead, indigenous peoples' self-determination, as recognised in the Declaration and IHRL jurisprudence more broadly, is an on-going right that is a flexible and dynamic concept aimed at addressing their diverse realities, worldviews, needs and future aspirations. One the clearest barometers of the exercise of the on-going aspect of this right to self-determination is the extent to which indigenous peoples, as opposed to outsiders, maintain control over the land and resource base underpinning their subsistence, way of life and development. This social, cultural and economic development dimension of

1. Common Article 1 International Covenant on Civil and Political Rights and International Covenant on Economic Social and Cultural Rights. Articles 3, 26 and 32 UN Declaration on the Rights of Indigenous Peoples.

2. Doyle C *Indigenous Peoples, Title to Territory, Rights and Resources: The Transformative Role of Free Prior and Informed Consent* (London: Routledge, 2015).
3. See 'The Devil in the Detail Analysis of the Bougainville Mining Act 2015' (NSW: Jubilee Australia Research Centre, 2015).

The Panguna mine

Photo credit: Christina Hill

self-determination is referred to by indigenous peoples as their right to self-determined development. In other words, their right to govern their lands and territories and make informed developmental choices in the certainty that they will be free to pursue those choices without outside interference. Viewed from this perspective, the opportunity to make an informed choice between the reopening of the Panguna mine (or indeed the opening other mines on the island) and potential alternative developmental options is just as much an exercise of their right to self-determination as is participation in the anticipated independence referendum currently scheduled for 2019.

By affirming indigenous peoples' right to self-determination the UN General Assembly has, in adopting the Declaration, called on all states to build new consensual relationships with indigenous peoples based on equality, and which recognise and seek to strengthen them as empowered decisions-makers and masters of their own destiny. To realise this, indigenous people must not only be free to give or withhold FPIC to particular projects but must also be empowered to participate in the identification and assessment of, and exercise choice between, the range of alternative developmental options possibly open to them. It is only within such a framework that notion of FPIC becomes meaningful and fulfils its purpose as a safeguard and enabler for the self-determination right to determine social, cultural and economic development. Applying this logic to the Bougainville context would imply the conduct of a transparent critique of and nation-wide debate about the premise that independence is not financially feasible without large scale mining.

The nexus of fpic, self-determined development and the right to choose

Self-determination, the right to development and the right to give or withhold FPIC are at their core collective decision-making rights in relation to internally or externally triggered choices. These choices generally pertain to the use of lands and resources and related cultural, economic, spiritual and social matters. Fundamental to realising indigenous peoples' right to self-determination is their ability to give or withhold FPIC to proposals by state or corporate actors that may impact on their lands, territories and resources. The exercise of the right to self-determined development and the requirement to obtain indigenous peoples' FPIC are inextricably interlinked. The former facilitates the exercise of choice in relation to the determination of development plans, priorities and pathways while the latter offers certainty in relation to the realisation of those developmental plans and strategies by preventing the subordination of indigenous peoples' choices to the plans and priorities of external parties. If disconnected from self-determined development, FPIC loses its integrity and risks being transformed into a disempowering concept.

The Declaration, as a synthesis of IHRL as it pertains to indigenous peoples, provides a clear articulation of this relationship between the requirement for FPIC and self-determined development.[4] Article 32 succinctly captures its essence. The first provision, article 32(1), affirms indigenous peoples' right "to determine and develop priorities and strategies for the development or use of their lands or territories and other resources". This right is recognised as constituting an aspect of the right to self-determination affirmed in article 3.[5] The requirement for FPIC affirmed in article 32(2) is effectively a derivate of this right to development, and by extension of the rights to self-determination and to lands, territories and resources. Article 32(2) outlines the mechanism of good faith consultation with the purpose of obtaining consent as the means to guarantee the realisation of the rights affirmed in article 32(1).

The option to consider and evaluate alternative culturally appropriate development options, prior to having to make decisions with regard to proposed developments, is essential to making a free and fully informed choice.

Read in light of the right to development affirmed in article 32(1), the FPIC requirement in article 32(2) therefore affirms a right of choice. The indivisibility of FPIC and self-determined development arises because they are in fact two sides of this same coin. On one side of the coin, self-determined development embodies an indigenous peoples' right to decide its own development priorities. FPIC protects this choice in the face of projects, policies or legislation that could run counter to these priorities or render them unachievable. On the other side of the coin, genuine FPIC is only possible if the community has been afforded the possibility of choosing its development priorities in advance. The option to consider and evaluate alternative culturally appropriate development options, prior to having to make decisions with regard to proposed developments, is essential to making a free and fully informed choice.

Fpic and the 2015 Bougainville mining act

Unsurprisingly, there are opposing views among landowners in relation to the pursuit of large scale mining on Bougainville as a basis for economic development. The Autonomous

4. This emerges from the UN Declaration on the Rights of Indigenous Peoples Articles 3, 5, 11, 18, 19, 20, 23, 32 and 34. It is also reflected in the concluding observations of human rights treaty bodies which affirm the requirement to obtain FPIC in light of common article 1 of the ICCPR and ICESCR. For a discussion on this point see Doyle C (2015) *Indigenous Peoples, Title to Territory, Rights and Resources: The Transformative Role of Free Prior and Informed Consent* (London: Routledge); Doyle, C., & Gilbert, J., (2009) Indigenous Peoples and Globalization: From "Development Aggression" to "Self-Determined Development", in European Yearbook of Minority Issues Volume 8. Leiden: Martinus Nijhoff Publishers, 219-262; Tauli-Corpuz, V., (2008), 'The Concept of Indigenous Peoples' Self-Determined Development or Development with Identity and Culture," Baguio: Tebtebba Foundation UN Doc. CLT/CPD/CPO/2008/IPS/02.

Bougainville Women Human Rights Defenders Forum organised by Nazareth Centre for Rehabilitation (Siwai, November 2017)

Photo credit: Harjono Djoyobisono/ IWDA

Bougainville Government's (ABG) expressed preference has been to reopen the Panguna mine, although in January this year it did impose an indefinite moratorium on mining at Panguna. Conscious of the potential for mining related tensions to erupt, and potentially for history to repeat itself, the ABG, while framing mining as a necessary enabler for financial autonomy and independence, has consistently stressed that landowners would have a veto over mining projects in their lands and that projects would not be enforced on them.

This philosophy underpinned the enactment of the 2015 Mining Act which transfers control of mining from PNG to the ABG. On the surface, the Act contains provisions which mirror FPIC. The Act requires "landowner permission" prior to entering land that is the subject of reconnaissance licences,[6] or prior to entering or disturbing land that is subject of exploration licences,[7] and as part of making applications for a mining lease.[8] In the case of the latter, where the permission is not forthcoming, the Act states that mining leases will not be granted.[9] Written evidence of landowner permission is also required for the expansion of mining lease areas[10] and for mining easements.[11]

The notion of landowner permission, while it appears synonymous with FPIC, deviates from FPIC in some important regards.[12] Unlike FPIC, it does not explicitly include the requirements for those who are potentially impacted to be adequately and independently informed and for their consent to be freely obtained prior to the authorisation or initiation of any activities impacting on their rights. Under human rights law jurisprudence this requirement arises prior to the issuance of exploration licences, while under the Mining Act the requirement to obtain landowner permission only arises after exploration licences are issued. Furthermore, the post exploration licence landowner permission seeking process consists of an unregulated engagement between companies and landowners, with no clarity provided on what should happen if this permission is not forthcoming. In addition, the provisions that render access to land contingent on landowner permission can be overruled, or do not apply, in a number of scenarios.[13]

The law is again ambiguous and somewhat contradictory in relation to mining leases. While it unambiguously states in section 126 that mining leases will not be granted if landowner permission is not forthcoming, it appears to retreat from this in subsequent provisions. Section 142 establishes that a mandatory process of mediation can be initiated in "an attempt to obtain the outstanding landowner permission".[14] If this mediation fails, the Bougainville Executive Council (BEC) is required to "consult with approved landowner organisations, the applicant and other stakeholders; and reach a mutually acceptable decision".[15] As part of this consultation, the BEC is to take into account "whether the mining development is necessary for the rehabilitation of Bougainville and its people from the destruction, injuries, trauma and dislocation suffered during the Bougainville Conflict" and "the importance of the mining development to Bougainville achieving autonomy and fiscal self-reliance".[16] Apart from requiring consideration of "measures that will be taken to prevent or minimise damage and destruction to land, sea, air and water resources", all of the other criteria that are to be considered relate exclusively to the benefits rather than potential impacts or opportunity costs arising from mining.[17]

In order to satisfy the necessity requirement, an exhaustive, transparent and participatory assessment of potential alternatives to mining that could contribute to fiscal self-reliance and rehabilitation of Bougainville and its people would be required.[18] However, there is no reference to such an assessment in the Act. In addition, and critically from a human rights perspective, there is no reference to respect for the principle of proportionality in relation to the potential impacts on indigenous

5. UN Doc. E/CN.4/2003/92 paras 19, 20 & 44; see also UN Doc. A/61/PV.107 at 25.
6. Bougainville Mining Act 2015 Section 91(1).
7. Bougainville Mining Act 2015 Section 105(1).
8. Bougainville Mining Act 2015 Sections 119(1,b,x), 120 (1,b,iv).
9. Bougainville Mining Act 2015 Section 126 (2,c).
10. Bougainville Mining Act 2015 Section 134 (1,b,vii), 135 (3,c).
11. Bougainville Mining Act 2015 Section 189 (b, viii), 191 (2,b).
12. For a more in-depth analysis of various problematic aspects the Mining Act see 'The Devil in the Detail Analysis of the Bougainville Mining Act 2015' (NSW: Jubilee Australia Research Centre, 2015).
13. The requirement can be overruled by the Secretary of the Mining Department when conducting surveys. Likewise, it does not apply to authorized officials who are enforcing the Act, including when taking soil samples or when tenements are being marked out. Bougainville Mining Act 2015 Sections 329, 331 & 238.
14. Bougainville Mining Act 2015 Section 142.
15. Bougainville Mining Act 2015 Section 143(2) a, b.
16. Bougainville Mining Act 2015 Section 143(3).
17. Bougainville Mining Act 2015 Section 143(3).
18. While there is growing recognition of the need to ensure effective participation of indigenous peoples in the planning of development options at a regional or national level, there is limited practice to date of this. The experience of First Nations in Canada with land use planning could provide valuable lessons see for example "BC First Nations Land Use Planning: Effective Practices A guide prepared for the New Relationship Trust" (EcoTrust Canada 2009). Other models, such as Indigenous Peoples' Ancestral Domain Sustainable Development and Protection Plans, which were intended to feed into an Indigenous Peoples' Master Plan in accordance with the 1997 Indigenous Peoples Rights Act, also provide some principles (though practice has failed to live up to them to date) that could inform participatory formulation and assessment of developmental options, see "Guidelines on the Formulation of the Ancestral Domain Sustainable Development and Protection Plan (ADSDPP)" National Commission on Indigenous Peoples Administrative Order No. 1, Series of 2004 available at https://bit.ly/2LdHgJC. Proactive measures taken by indigenous peoples, such as the development of the Autonomous Government of the Wampis in Peru offer some of the most promising developments in relation to peoples' control over, and participation in, land use planning and proactive determination of development strategies see Gobierno Territorial Autonomo De La Nacion Wampis-GTANW Resumen Ejecutivo Recuperando La Autonomia Socio Historica: Construccion Del Futuro Comun Territorios Integrales Para Tarimat Pujut available at https://bit.ly/2N7ZoXr.

[...] while the law is innovative and progressive in a number of important areas, and offers the promise of landowner permission being sought, the limitations and ambiguity in certain provisions provide leeway for its implementation in a manner that deviates significantly from the principles of FPIC and IHRL standards.

peoples' human rights and the benefits to be realised by the Bougainvillean society at large.

potential weakness in the notion of "landowner permission" in the Act is the extent to which it ensures respect for and protects communities' own forms of decision-making. The Act states that "permission must be obtained in the manner that is customary for decision-making for the group or groups comprising the landowners of that land".[19] This is consistent with IHRL's recognition of indigenous peoples' right to maintain and develop their own institutions and to be consulted through representatives of their own choosing. However, this is undermined in the context of mediation processes envisaged under the Act where landowner permission is not forthcoming, as individuals may be required to provide a "written statement" their reasons for refusing permission[20] – a practice that may not be acceptable under many collective customary decision-making processes. Likewise, it is unclear how obtaining landowner permission through a Mineral Resources Forum could be consistent with customary decision-making processes.[21] The BEC's role in the establishment and approval of landowner organisations, its determination of who should mediate where consent is not forthcoming, and its unstated role in the determination of what constitutes a "mutually acceptable decision" where consent is not forthcoming, is also potentially problematic from the perspective of ensuring permission is freely given.

Other concerns in relation to "landowner permission" vis-à-vis FPIC are the apparent one-off nature of the requirement in the Act and the potential for criminalisation of any subsequent dissent to mining projects.[22] The Act's inclusion of a compulsory acquisition clause, allowing property to be taken for "a public purpose, namely mining, exploration for minerals, and other activities ancillary to mining",[23] also has the potential to undermine any protections offered under the landowner permission clauses.

Two of the core safeguards under IHRL that operate in conjunction with consultations to obtain FPIC are impact assessments (including in relation to social, economic, environmental and human rights impacts), and benefit sharing agreements. The Act refers to the need to "avoid or minimize the deleterious, environmental, social and cultural impacts" of mining projects. However, from an IHRL perspective, there is insufficient clarity of the relationship between impact assessments and the process for obtaining landowner permission. As a result, it is unclear how consent sought can be adequately informed. Nor is there any guarantee of independent technical advice regarding potential impacts. A similar issue arises in relation to ensuring fair compensation. While the Act addresses the need for compensation and community development agreements, it does not provide the necessary safeguards and mechanisms to ensure that fair and equitable compensation and benefits are guaranteed in line with IHRL standards.

In conclusion, while the law is innovative and progressive in a number of important areas, and offers the promise of landowner permission being sought, the limitations and ambiguity in certain provisions provide leeway for its implementation in a manner that deviates significantly from the principles of FPIC and IHRL standards. The extent to which it will protect landowner rights in practice therefore remains a function of the political environment in which it will be implemented.

19. Bougainville Mining Act 2015 Section 32(2
20. Bougainville Mining Act 2015 Section 142(2)3b "may request from the relevant persons a written statement of their concerns that have resulted in the decision to withhold permission".
21. Bougainville Mining Act 2015 Section 140(5).

Bougainville today - a new opportunity for self-determined development?

When addressing the requirement for FPIC, UN and regional human rights monitoring bodies have pointed to the importance of striving for mutual agreement between indigenous peoples and the state. However, in so doing they have stressed that indigenous peoples' rights must be respected and that their FPIC is to be obtained as part of this process, in particular in the case of large scale mining. This requirement for FPIC has consistently been framed within the framework of self-determination for indigenous peoples. Mining is one potential path that indigenous peoples may follow in the pursuit of their self-determination objectives. However, it is not, and should not be, presented as the only development option available to them. Experience throughout the world has demonstrated that indigenous peoples are frequently worse off as a result of mining projects in their lands, unless pre-conditions including empowerment of their indigenous governance structures, respect for their human rights, in particular land and resource rights, and obtaining their FPIC are first guaranteed.

What emerges from the Bougainville Mining Act, and the political context in which it was adopted, is the perspective that large-scale mining offers the only feasible developmental path for Bougainville, and that significant efforts will be made to convince communities that this is the case. Despite political pronouncements to the contrary, the Act suggests that mining could ultimately proceed irrespective of landowner views and without necessarily conducting the type of independent broad-based participatory impact assessments and obtaining FPIC as required under international standards.[24] The political consensus in relation to the necessity of mining has led to a scenario in which there appears to have been insufficient in-depth analysis of potential alternative development options. In such a context, those whose permission is being requested are deprived of the opportunity to make a fully informed choice with regard to their own preferred form of development that is consistent with their future aspirations as peoples. The publication this paper appears in may well support such an analysis and deliberation of other potential development options.

Experience throughout the world has demonstrated that indigenous peoples are frequently worse off as a result of mining projects in their lands, unless pre-conditions including empowerment of their indigenous governance structures, respect for their human rights, in particular land and resource rights, and obtaining their FPIC are first guaranteed.

The struggle for independence in Bougainville has been inextricably linked with the right to decide if or how mineral resources should be exploited. Given this past, it would appear self-evident that the success of Bougainville's future independence or autonomy rests on

22. 'The Devil in the Detail Analysis of the Bougainville Mining Act 2015' (NSW: Jubilee Australia Research Centre, 2015).
23. Bougainville Mining Act 2015 Section 2(2).
24. See for example Saramaka v Suriname Inter-American Court on Human Rights (2007) and UN Special Rapporteur on the rights of indigenous peoples reference to the "Akwe: Kon Voluntary guidelines for the conduct of cultural, environmental and social impact assessments regarding developments proposed to take place on, or which are likely to impact on, sacred sites and on lands and waters traditionally occupied or used by indigenous and local communities."

the freedom of its peoples to make informed choices about their development path. Mining may or may not ultimately form part of their chosen developmental options, but the process for determining this must respect the inherent rights of its peoples and withstand the scrutiny of the current and future generations of Bougainvilleans, in particular those who stand to be most impacted. The trauma of imposed environmental, socially and culturally destructive mining in Bougainville reinforces the imperative to obtain FPIC and to empower its peoples to realise self-determined development. FPIC and self-determined development in such contexts embody a strong remedial and redress dimension, and would provide a strong foundation for long-term peace, prosperity, equality and sustainable development, whatever the outcome of the independence referendum.

CHAPTER 8

LAND IN BOUGAINVILLE: THE RELATIONSHIP BETWEEN CUSTOMARY LAND TENURE AND SUSTAINABLE DEVELOPMENT IN MELANESIA

AUTHORS: CATHERINE SPARKS AND JOEL SIMO
Catherine Sparks has lived and worked in Melanesia (primarily Papua New Guinea, Bougainville and Vanuatu) for 25 years. She recently completed a ten-year term as the Melanesia Program Officer for The Christensen Fund, a US-based private charitable foundation that aims to "back the stewards of biological and cultural diversity".

Joel Simo is a Founding Member of the Melanesian Indigenous Land Defence Alliance (MILDA) and is the Director of the Vanuatu Indigenous Land Defence Desk (VILDD). Originally from Aneityum Island in Vanuatu, Joel did his BA Honours in Linguistics at the University of Papua New Guinea. He has travelled and worked extensively throughout Melanesia, including Bougainville.

This paper is an exploration of the importance of customary land in Melanesia, and in Bougainville. Customary land tenure in Melanesia is truly a window to a different way of relating to the land and resources of our planet. But it is not just about land. Customary land tenure is about how people and families relate to the land and to each other – and how they work together and share, so that the land provides for everyone. It is highly diverse and highly complex, and most people outside of rural Melanesia do not understand it.[1] Customary land tenure is about deep histories and deep relationships between land and families – within which land is not a commodity, but part of the community and part of the family. Within Melanesia, Bougainville is unique due to its history of ten years of civil war precipitated by conflict related to a foreign-owned mine.

This paper explores the question of customary land in Melanesia, examining what is so distinctive about it and how this land tenure system relates to rural Melanesian economies. It then discusses the push by outside actors to replace customary land with western models of land tenure. Finally, it concludes by looking at the combined Melanesian resistance

1. Co-Author's note: as someone who grew up in urban Canada, I, Catherine Sparks, was privileged to spend over three years living in rural PNG (1996-99), going with my mother-in-law to work in the food gardens at least a couple of times every week. It was primarily from her (and my father-in-law too) that I gained an understanding of customary land tenure.

These nations are also incredibly biologically diverse, while being among the last places in the world where the people who have built an intimate relationship with the land over many generations still control its use, with 80% of the population living in the rural areas and providing for themselves within the traditional, primarily non-cash, economy.

to this challenge, through MILDA, the Melanesian Indigenous Land Defence Alliance, and the impact that MILDA has had in Bougainville.

The Traditional Economy and Customary Land Tenure in Melanesia

The Melanesian nations of Papua New Guinea (PNG), Bougainville, Solomon Islands, and Vanuatu are culturally and linguistically the most diverse in the world with more than 1,000 distinct languages spoken. These nations are also incredibly biologically diverse, while being among the last places in the world where the people who have built an intimate relationship with the land over many generations still control its use, with 80% of the population living in the rural areas and providing for themselves within the traditional, primarily non-cash, economy. This traditional clan-based regime provides the people with complete food, housing, employment, and other forms of social security, and protects them from scarcities created by the cash economy.[2] The links between customary land and the traditional economy in Melanesia have been described by Vanuatu Member of Parliament (MP) Ralph Regenvanu.[3] Regenvanu explains that, "almost all of this 80% of the population:

- live in settlements (villages) with other members of their traditional extended families, on land that is theirs under the rules of custom;
- satisfy most of their food and other requirements using traditional methods and forms of land, sea and resource utilisation (eg. gardening practices), on their customary land and sea;
- speak their indigenous language;
- are governed by traditional leaders;
- have their disputes resolved within communities by traditional leaders using traditional dispute resolution approaches; and participate in custom ceremonies which cement their place as members of their community." [4]

Moreover, Regenvanu highlights how a high proportion of urban dwellers also participate in and depend on the traditional economy to a significant degree, using kinship networks to access food and other resources and resolving conflicts in the traditional way.[5] While MP Regenvanu is talking specifically about the Vanuatu context, the same can be said of PNG, Bougainville, and Solomon Islands. And thus, because of the continued strength of the traditional economy, there is still no absolute poverty – that is, no pervasive hunger and no homelessness – in rural Melanesia.[6]

2. Anderson 2015, 2; Bennholdt-Thomsen and Mies 1999, 145; Faraclas 2001, 75; and Lepani, Charles, 2008, in Bourke, R. Michael, and Tracy Harwood (eds.), 2009. Food and Agriculture in Papua New Guinea. ANU E-Press. http://press-files.anu.edu.au/downloads/press/p53311/pdf/whole_book_Part_1.pdf, p. vii.

3. MP Ralph Regenvanu has been the Vanuatu Minister for Lands and Natural Resources for most of the time since 2011 and up until 19 December 2017 when he became the Vanuatu Minister for Foreign Affairs.

4. Ralph Regenvanu, "The Traditional Economy as a Source of Resilience in Vanuatu" in *In Defence of Melanesian Customary Land*. Ed. Tim Anderson and Gary Lee (AID/WATCH: Sydney, 2010), p 31.

5. Ralph Regenvanu, "The Traditional Economy as a Source of Resilience in Vanuatu" in *In Defence of Melanesian Customary Land*. Ed. Tim Anderson and Gary Lee (AID/WATCH: Sydney, 2010).

Typical household garden, northern Bougainville

Photo credit: Christina Hill

Importantly, the basis for the traditional economy is a diverse range of systems of customary land tenure.[7] But many people ask – what exactly is customary land tenure? To begin with, it is important to understand that the Melanesian relationship with land is traditionally inalienable and non-commodifiable in nature – a dynamic highlighted by a statement made by the Vanuatu Minister for Lands, Sethy Regenvanu, in 1980, the year that Vanuatu won its national independence:

> For ni-Vanuatu, land is more than simply a commodity to be used for gain and to be disposed of when it has been stripped of its value. Land is an intrinsic part of themselves and their whole being. Land to ni-Vanuatu is what a mother is to a baby.[8]

The Core Value of Reciprocity

While in contemporary 'western' culture people tend to define themselves by their possessions, in Melanesian culture, people define themselves primarily by their relationships – their relationships to an extended family linked to a geographic locality.[9] Systems of customary land tenure are based not on attainment of individual assets and profit, but on strengthening relationships wherein everyone has enough of everything. The

6. Despite occasional short-term food shortages, household food security in PNG is generally high with over 80 percent of food energy consumed continuing to come from garden-grown foods; see Mousseau 2013, 8; and Bourke, R. Michael, and Tracy Harwood (eds.), 2009. Food and Agriculture in Papua New Guinea. ANU E-Press https://bit.ly/2NblYRv. p. 130.

7. Jamie Tanguay, "Melanesian Well-Being Indicators: A Biocultural Approach", in Eleanor Sterling et al. Culturally Grounded Indicators of Resilience in Social-Ecological Systems. *Environment and Society: Advances in Research*, 8 (2017): 68-71; and Ralph Regenvanu, "The Traditional Economy as a Source of Resilience in Vanuatu" in *In Defence of Melanesian Customary Land*. Ed. Tim Anderson and Gary Lee (AID/WATCH: Sydney, 2010).

8. Sethy Regenvanu, Land is what a Mother is to a Baby, *Pipol's Forum*, (12 August 2003), 6-7.

For decades now, various colonising (and neo-colonising) forces have been trying to change the non-commoditised relationship between Melanesian people and their land in order to get them to work more readily within the wage labour economy.

late William Takaku was a famous actor and cultural activist from Pidia in Central Bougainville. When asked about why he was working with communities to organise the Kaur (or Reeds) Festival in Bougainville, Takaku explained that the festival was ultimately about highlighting and revaluing the concept of reciprocity that has been central to Melanesian culture – he said,

> "The Reeds Festival is about sharing. In our culture, 'Taponang' is the sharing of the garden harvest among women, and sharing of fish from the hunt among men. This was the paramount Melanesian biocultural community life done out of loving kindness so that everyone remains equal; so that no one goes home not having a bit of what others have reaped from the land or the sea. It was a distributing and sharing of goods and knowledge which is being replaced by ignorance, greed, and craving in the predictable and yet surprising 'developed' world."[10]

It is this value of reciprocity that is the basis for the traditional economy and customary land tenure.

In a world where the weaknesses and shortcomings of the cash economy are more and more evident every day, there is an urgent need to look for and to other ways of living on this planet. This paper makes the case that Melanesia – in places where its traditional economy and customary land tenure are strong – provides that example. And yet, this unique and critically important system is under urgent threat from the forces of globalisation and commoditisation.

The Challenge to Customary Land Tenure

For decades now, various colonising (and neo-colonising) forces have been trying to change the non-commoditised relationship between Melanesian people and their land in order to get them to work more readily within the wage labour economy. Up to now they have not been successful. However, the process has started and is now well underway through long-term processes of colonisation, including colonial/neo-colonial education systems that change the way people think and change what they believe in. Most outsiders, and now even many Melanesians themselves, do not believe in the validity of customary land tenure – they believe that the land needs to be surveyed and registered in order for the tenure to be legitimate and for the land to be 'safe'. At the same time, foreign aid agencies often describe customary land tenure as an impediment to 'development'[11] and purport the need for 'land reform' in Melanesia – that is, the registration of individualized land titles[12] under centralised state control to make it easier for companies, especially foreign ones, to access and control land.

9. Bernard Narokobi, *Lo Bilong Yumi Yet, Law and Custom in Melanesia* (Institute of Pacific Studies, University of the South Pacific, and the Melanesian Institute for Pastoral and Socio-Economic Service: Goroka, PNG, 1989), p 21.
10. William Takaku, *Tampara Duanta Melanesia Updates, 1 August to 31 October 2010*. (Project Report to Funder.) Awara, Bougainville: Tampara Duanta Melanesia, p 4.
11. AusAID. *Pacific Regional Aid Strategy 2004-2009*. Canberra, Australia. https://bit.ly/2wcIUoT; and Lissant Bolton, 2015, Women and Customary Land Tenure in Vanuatu: Changing understandings in Edvard Hviding and Geoffrey White (eds.) *Pacific Alternatives: Cultural Politics in Contemporary Oceania*. Canon Pyon: Sean Kingston Publishing, p 148-150.
12. There are now laws that allow for registration of group titles as well, but the point is that registration allows for identification of 'landowners' who can then be accessed by companies wanting to access their land for business development.

Upon achieving Independence, the protection of customary land was guaranteed in the Constitutions of PNG, Solomon Islands, and Vanuatu (in 1975, 1978 and 1980 respectively). In PNG, the Constitutional Planning Committee (CPC) Report that informed the drafting of the Constitution states that it is vital to protect customary land rights, and that land rights and use of natural resources should be about trusteeship rather than ownership. The CPC noted that, "The recent report of the Commission of Inquiry into Land Matters emphasized the need to ensure that our people are not deprived of their ancient land rights, stressing that Papua New Guinea does not want to see the emergence of a class of landless people as has occurred in so many other developing countries" and "the basic concept in our society with regard to use of natural resources is that one generation holds and uses resources in the capacity of trustee for future generations".[13] Furthermore, the PNG Constitution and law are supposed to protect customary land, preventing it from being sold, leased, mortgaged or disposed of except in accordance with custom.[14] In its 2008 report, *Review of Incorporated Land Groups and Design of a System of Voluntary Customary Land Registration*, the PNG Constitutional and Law Reform Commission states:

> "...the [customary land] system gives the members of the community self-sufficiency and security, and unites them as a unit. Under existing law, customary landowners are protected from losing their land or becoming a landless class."[15]

Each of the three Melanesian nations has different histories of how their post-Independence land laws have been developed and imposed, but in all cases the goal has been the same – to transfer control of land from the domain of Melanesian custom law to the domain of western-style law.

Independence have been focused not on protecting the land for the ongoing use and benefit of the indigenous communities and their descendants, but on 'freeing up' and 'mobilising' land for neo-liberal 'development'.[16] Each of the three Melanesian nations has different histories of how their post-Independence land laws have been developed and imposed, but in all cases the goal has been the same – to transfer control of land from the domain of Melanesian custom law to the domain of western-style law (developed to protect property and 'rights'[17]), thereby converting the land into a commodity so it can be used by companies for their own profit. And in all cases, the push to 'mobilise' the land for 'development' has come from foreign aid and development agencies – particularly the World Bank, the Asian Development Bank, the Australian Department of Foreign Affairs and Trade (DFAT) and before that the Australian Agency for International Development (AusAID). For example, in 1995 the World Bank imposed a condition that PNG undertake 'land reform' as part of the World Bank's Structural Adjustment Program, leading to massive opposition from

13. PNG Constitutional Planning Committee Report 1974. http://www.paclii.org/pg/CPCReport/Cap2.htm.
14. Almah Tararia and Lisa Ogle, Incorporated Land Groups and the Registration of Customary Land: Recent Developments in PNG in *In Defence of Melanesian Customary Land*. Ed. Tim Anderson and Gary Lee (AID/WATCH: Sydney, 2010), p 23.
15. Papua New Guinea Constitutional and Law Reform Commission, *Review of Incorporated Land Groups and Design of a System of Voluntary Customary Land Registration*. (Report No 5, May 2008). Constitutional and Law Reform Commission: Boroko, Papua New Guinea, p 2.
16. Even in cases where a land law has been amended to make the system less prone to corruption, still the basic reason for creating the laws was to make customary land available for use by outside companies; see also Iati Iati. Customary Land Rights and Pacific Islands: Security & Stability. *Asia Pacific Bulletin*, Number 419 (April 19, 2018), Washington, DC: East West Centre.
17. In Melanesia, there is a critique of the promise of 'rights' – many activists will explain that 'rights' are something small and insignificant compared to the God- and ancestor-given birthright 'power' of having control over / access to customary land.

Participants at the August 2017 MILDA meeting exploring the Panguna mine site

Photo credit: Joel Simo

"Notably, customary land tenure issues have a strong link to the major security issues in the region such as the Bougainville conflict, the Solomon Islands conflict, and the Fiji coups."

- Dr. Iati Iati

civil society. Despite this, AusAID's Pacific Regional Aid Strategy 2004-2009 stated that it would continue to push for 'land reform':

> "The traditional communal systems of land ownership have led to a low level of security of tenure for investors which impacts on the development of the private sector and economic growth. A lack of clarity around land ownership is creating conflict within Pacific societies. While clearly a long-term and challenging issue, Australia will support research, pilot approaches and consider options for progressing this issue."[18]

In 2009, AID/WATCH published concerns that AusAID's $54 million Pacific Land Program was financing support to Melanesian governments in undertaking land reforms that were primarily donor-driven and aiming to enable foreign investment.[19] And yet in 2015, DFAT continued to assert that, "land and land titling is a critical constraint to inclusive economic growth."[20] Dr. Iati Iati, a University of Otago academic from the Pacific, recently focused attention on how land reforms that "even intimate alienation of customary lands, have been very unpopular in the Pacific", while also making links to security and stability in the region:

> "Notably, customary land tenure issues have a strong link to the major security issues in the region such as the Bougainville conflict, the Solomon Islands conflict, and the Fiji coups."[21]

In the case of PNG, the first law introduced whereby customary land could be converted to private freehold land was the Land (*Tenure Conversion*) Act 1963. Land registration under this law results in permanent alienation. In 1987 the Act was amended so that Incorporated Land Groups (ILGs) and other customary groups could apply to register their land. *The Land Act 1996* provided for lease-lease back arrangements,[22] including Special Agriculture Business Leases (SABLs) which have led to the alienation of 5.5 million hectares of customary land.[23] The Somare Government introduced the *Land Registration (Customary Land) Act 2007*, passed in 2009, to further facilitate the voluntary registration of customary land. Under this law, representatives of an ILG apply to the newly created Director of Customary Land Registration to register clan land; upon registration, a certificate of title is issued in the name of the ILG and the ILG can then lease or mortgage the land; customary law ceases to apply to the land.[24]

The 2008 Pacific Land Conference – sponsored by AusAID as part of its Pacific Land Program – was held in Port Vila, Vanuatu. The theme of the conference was 'Making Land Work'.[25] In his official presentation, Steven Sukot, a civil society representative from PNG, stated that in Melanesia, land had been working for generations and was still providing for the needs of 80% of the population living in the rural areas. He concluded by saying that land laws imposed since Independence in 1975 had benefited the multinational companies, not the people.[26] The Australian Secretary for International Development Assistance, however, stressed that "obstacles to economic growth are based on uncertainty over land tenure", necessitating continued land reform.[27] Despite these criticisms, many point to the strengths of customary land tenure systems.[28] In rural Melanesia, while some clans may control more land than others, the central importance of relationships, in addition to cultural norms of redistribution, reciprocity, and generosity, have continued to function to such an extent that even today the overwhelming majority of people has access to enough land to provide food and other basic needs for her/his family.[29] At the same time, studies show that land registration and land law codification in other countries have had primarily negative social impacts, including increased rates

18. AusAID. *Pacific Regional Aid Strategy 2004-2009*. Canberra, Australia, p 29.
19. AID/WATCH, *Australian Aid to the Pacific (The Pacific Land Program) Briefing (Prepared for the Pacific Regional Representative of the Office of The High Commissioner for Human Rights)*, (AID/WATCH: Sydney, Australia, 2009), p 3.
20. Department of Foreign Affairs and Trade, *An Australian Investment to Support Law and Justice in Papua New Guinea, Justice Services and Stability for Development, Investment Design Jan 2015*. p 14.
21. Iati Iati. Customary Land Rights and Pacific Islands: Security & Stability. *Asia Pacific Bulletin*, Number 419 (April 19, 2018), Washington, DC: East West Centre.
22. Almah Tararia and Lisa Ogle, Incorporated Land Groups and the Registration of Customary Land: Recent Developments in PNG in *In Defence of Melanesian Customary Land*. Ed. Tim Anderson and Gary Lee (AID/WATCH: Sydney, 2010), p, 25.
23. Act Now PNG, *Customary Land Registration: Too Dangerous to Touch*, 2017; and Frederic Mousseau, *On Our Land: Modern Land Grabs Reversing Independence in Papua New Guinea* (The Oakland Institute: Oakland, CA, 2013), p 11.
24. Almah Tararia and Lisa Ogle, Incorporated Land Groups and the Registration of Customary Land: Recent Developments in PNG in *In Defence of Melanesian Customary Land*. Ed. Tim Anderson and Gary Lee (AID/WATCH: Sydney, 2010), p, 25.
25. AusAID, *Making Land Work: Reconciling Customary Land and Development in the Pacific: Case Studies on Customary Land and Development in the Pacific* (AusAID: Canberra, Australia, 2018) http://dfat.gov.au/about-us/publications/Pages/making-land-work.aspx.
26. Steven Sukot, *People's Perspectives: Understanding the Relationship between People and Land in PNG and the Struggle to Maintain These Important Relationships* (AID/WATCH: Sydney, 2008) http://milda.aidwatch.org.au/resources/documents/people%E2%80%99s-perspectives-understanding-relationship-between-people-and-land-png-and.
27. Bob McMullan, *Launch of Making Land Work – Pacific Land Conference*. Speech by Australian Government Parliamentary Secretary for International Development Assistance, Pacific Land Conference, 12-13 June 2008, Port Vila, Vanuatu.
28. Act Now PNG, *Customary Land Registration: Too Dangerous to Touch*, 2017; and *In Defence of Melanesian Customary Land*. Ed. Tim Anderson and Gary Lee (AID/WATCH: Sydney, 2010).

The MILDA network sees land mapping and registration as the key tool that has been used over the last 500 years to alienate indigenous peoples from their lands.

of community conflict, rural indebtedness, inequality, and landlessness.[30]

The Melanesian Indigenous Land Defence Alliance (MILDA)

After the 2008 Pacific Land Conference, civil society representatives from PNG and Vanuatu joined together to form a regional body to counter criticism of customary land tenure and to promote the real life narrative of how land is already working for the majority of rural Melanesians. Following on this, the first official meeting of MILDA was held in Madang, PNG, in June 2009. Since then, MILDA members have continued to meet regularly,[31] to build networks and to continue to advocate the strengths of customary land tenure and warn against the dangers of misguided land reform agendas.

The network now includes members from throughout Melanesia – from Maluku and West Papua, to PNG, Bougainville, Solomon Islands, Vanuatu, Fiji, and Kanaky/New Caledonia.

The MILDA network sees land mapping and registration as the key tool that has been used over the last 500 years to alienate indigenous peoples from their lands. And given that Melanesia is one of the very last places in the world where these processes of land tenure mapping and registration are still incomplete, MILDA is working to keep land in Melanesia under customary tenure.

MILDA network members hold that land under customary tenure is within the sphere of indigenous power and control – they know the borders and they know the rules. But once the land has been mapped and registered, it is commoditised and transferred over to a legal system that the majority of indigenous Melanesians do not understand, nor control; a system that requires huge amounts of money to be successful within. In the experience of indigenous peoples here in Melanesia, once their land has been registered they lose control of it and seemingly forever. They have no way of competing with the moneyed people and companies that they are up against. What is more, MILDA members want to continue living within the non-commoditised world of reciprocity and mutual benefit that customary land tenure provides for.

At its second regional meeting, held in Mele, Vanuatu, in 2010, MILDA produced the Mele Declaration, which affirmed the 'commitment to indigenous control of customary land' and defended 'the continued control of Melanesian communities over their land, sea, water, air and natural resources.' It further declared land to be 'a non-alienable resource that cannot be parted with.' (See Appendix 1 for the complete *Mele Declaration*.)

29. Tim Anderson, *Land and Livelihoods in Papua New Guinea* (Australian Scholarly Publishing: North Melbourne, 2015), p 149-50; Ralph Regenvanu, "The Tradi tional Economy as a Source of Resilience in Vanuatu" in *In Defence of Melanesian Customary Land*. Ed. Tim Anderson and Gary Lee (AID/WATCH: Sydney, 2010), p 33; Steven Sukot, *People's Perspectives: Understanding the Relationship between People and Land in PNG and the Struggle to Maintain These Important Relationships* (AID/WATCH: Sydney, 2008); and Paige West, *Dispossession and the Environment: Rhetoric and Inequality in Papua New Guinea* (Columbia University Press: New York, 2017) p 82.
30. Tim Anderson, *Land and Livelihoods in Papua New Guinea* (Australian Scholarly Publishing: North Melbourne, 2015), p 18-19; and A Ganjanapan, The Northern Thai Land Tenure System: Local Customs versus National Laws. Law and Society Review, 28(3), 1994, p 609.
31. MILDA regional meetings: 2009 – Madang, PNG; 2010 – Mele, Vanuatu; 2013 – Honiara, Solomon Islands; 2014 – Lelepa, Vanuatu; 2016 – Buala, Solomon Islands; 2017 – Panguna/Arawa, Bougainville.

> The land has belonged to us – and we to it – since time immemorial. Land is our mother and the source of life for our people. Land secures life, fosters and strengthens relationships that sustain our society. It embodies the link to our past, present and future and therefore sustains everything we do. MILDA members reaffirm the sanctity of land."[32]

MILDA 2017 in Bougainville

In August 2017, MILDA convened in Panguna and Arawa on Bougainville. One main objective of gathering in Bougainville was for youth from other parts of Melanesia to witness first-hand the impacts of large-scale extractive industries, and to learn from the hardships the people of Bougainville had endured – before the war, due to the environmental and social devastation that their societies had faced as a result of mining, and then during ten years of civil war fighting to defend their land and resources. Youth from around Melanesia were able to see how the people of Bougainville had stood up together against those with power and money, united in the belief that they were fighting for a better future for their children. Meeting participants from other parts of the region said that they will never forget visiting the Panguna mine pit, and seeing how the heart of the earth had been torn away and destroyed to feed the insatiable greed of a few.

For the Bougainvillean participants, the MILDA meeting was an important opportunity to share and increase understanding among their Melanesian neighbours about the current situation and process leading up to the 2019 referendum on Bougainville's Independence.[33] The Bougainvillean

[...] the representatives from Vanuatu were able to provide an example of an independent nation that is moving forward without environmentally-destructive large-scale extractive industries and with a focus on the traditional economy.

participants explained that they want political independence, while also ensuring that they maintain control over their land and natural resources. The people recognise that they need laws that truly reflect this key aspiration – laws that will benefit the Bougainvillean people rather than favouring companies and those with money. The local participants explained that they had fought to close down the Panguna mine, protect their land and environment, and achieve Independence.

The MILDA meeting provided an opportunity for participants from all Melanesian nations – those still also colonised (West Papua and Kanaky); those that are independent but have destructive large-scale resource extraction industries, such as logging and mining (PNG, Solomon Islands, and Fiji); and one young independent nation with no large-scale logging or mining, but facing the threat of an aggressive real estate industry (Vanuatu) – to share with those from Bougainville. While the Bougainvilleans voiced their major concern about how they might run their own country without large-scale mining, the representatives from Vanuatu were able to provide an example of an independent nation that is moving forward without environmentally-destructive large-scale extractive industries and with a focus on the traditional economy.[34]

32. Melanesian Indigenous Land Defence Alliance, The Mele Declaration 2010.
33. Leonard Fong Roka, B'ville ex-combatants threaten violence against Panguna family. PNG Attitude, 17 August 2017. http://asopa.typepad.com/asopa_people/2017/08/panguna-ex-combatants-threaten-violence-against-roka-family.html#comments.
34. While Vanuatu does not presently have large-scale mining or logging, it is facing the onslaught of the real estate industry; however, its development and mainstreaming of Indicators of Wellbeing that measure and value the contributions of the non-cash traditional economy are a conscious attempt by the government to start measuring the contributions of customary land to people's everyday lives in order to slow down the tide of land sales; see Tanguay 2017 for more on this.

The meeting produced the Arawa Declaration 2017 (see Appendix 2), which reaffirmed much of the sentiment of the Mele Declaration 2010, and 'the right of all Melanesian peoples, specifically Bougainville, Kanaky and West Papua, to exercise the full process of self-determination towards a referendum for independence without interference from outside influence.'[35]

Conclusion

It is asserted by some that Bougainville needs mining in order to support an independent Bougainville – a narrative based on the assumption that there are no viable 'alternatives' for cash income generation and 'development' of an independent Bougainville. This paper has argued that the attempt to rewrite land tenure and the attempt to reopen the island to large-scale mining are inherently linked – one process supports and enables the other. However, the paper has also argued that an alternative path of development for Bougainville, one focused on land-based traditional economies, is one that is already embedded in traditional Melanesian culture and land tenure systems. It makes the case that the basis for the 'alternative' already exists – being the way of life that most rural Bougainvilleans are already living, operating within a mixed economy that blends the non-cash contributions of the land-based traditional economy supplemented with cash earned from small-scale income generating activities (like sales of surplus agricultural products at local markets, sales of cash crops, etc.).

Through the current global 'development' paradigm in Melanesia, Melanesians' most important asset, land, is gradually slipping away in the name of 'progress' and development models prescribed by foreign consultants and adopted by our governments and elites. These models are paving the way for the indigenous populations to lose their traditional power and control over land. Under the new imposed land registration laws in Melanesia, land becomes an alienable commodity. These laws are changing the intrinsic relationship that Melanesians have had with their land and if not remedied will eventually set us on a path of poverty and exclusion from what has been rightly in our control since time immemorial. These imposed laws are enabling what we call a 'de-customisation of land' that benefits foreign investors and developers with cash – this process has already displaced land from thousands of Melanesians and threatens to transform Melanesian people from communities of self-sufficient traditional producers into impoverished landless wage labourers, willing to work for less than subsistence wages.

Bougainville does not need to reopen the Panguna mine, or any other large-scale mine, to fund its independence – real independence already exists through the traditional economy and customary land tenure. Whatever development path Bougainville chooses to follow from here on needs to ensure that it builds slowly and sustainably, and does not undermine this vital foundation.

35. Melanesian Indigenous Land Defence Alliance, The Arawa Declaration 2017.

CHAPTER 9

GROWING ISLAND EXPORTS: HIGH VALUE CROPS AND THE FUTURE OF AGRICULTURE IN THE PACIFIC

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This paper, which explores prospects for agricultural production across the Pacific islands, offers some valuable insights that may be useful for Bougainville.[1]

'Hidden strength' of Pacific economies

Agriculture is easily the most important economic sector for Pacific island countries – providing the greatest source of livelihoods, cash-employment and food security for more than eight million people across the region. While urbanisation is an increasing trend, most Pacific Islanders live in rural areas and are reliant on local systems of food production. Even in the cities and towns many people shop at outdoor markets stocked with fresh local produce. Typically then, food production dominates the profile of the Pacific's agricultural sector – where 'village-level' farmers grow and distribute a large quantity and varied range of fresh vegetables, root crops, nuts, fruits and flowers. Because many of these farmers focus on growing food for their own families, or to share with others through socially-embedded systems of exchange, traditional food production is often under-represented in national account and has been identified as a 'hidden strength' of Pacific economies.[2] Localised food production also helps many Pacific communities to mitigate rising prices for imported foods. During the global food 'crisis' of 2008 for example (which saw spiraling prices for imported grains, meats, and dairy products) domestic food production helped to ensure food security in Pacific island countries.

With many people growing their own food the Pacific islands have among the lowest rates of monetisation on earth.[3] But this doesn't mean people can get by without cash. Even in the most remote places money is all-important for

1. This is an edited extract of a longer paper that was originally published as an Asia and the Pacific Policy Studies (APPS) Working Paper Series (05/2013) in December 2013 by the Crawford School of Public Policy at the Australian National University. See: https://papers.ssrn.com/sol3/papers.cfm?abstract_id=2371452.

It is widely recognised that in the immediate future agriculture is, and will continue to be, the single most important source of livelihoods for Pacific islanders.

transport and travel, for visits to the doctor, for medicine and family planning, for church and community trusts, for mobile phones and school fees. Cash crops, grown both for local and international markets, play a vital role in communities right across the region. On remote atolls in the Marshall Islands farmers harvest copra to be exported and processed into a versatile vegetable oil, and in the highlands of Papua New Guinea (PNG) more than a million villagers are reliant on coffee for their cash needs. Indeed, it is estimated that around half of all rural households in PNG earn cash from selling coffee beans destined for export.[4] In many island states most commercial agriculture today is carried out by small-scale producers using inherited or negotiated access to customary land. It is the smallholder sector that is fastest growing, particularly in Melanesia, and the sector has proved to be remarkably price-sensitive with many farmers choosing what to grow based on the vagaries of international markets.

It is widely recognised that in the immediate future agriculture is, and will continue to be, the single most important source of livelihoods for Pacific islanders. Other sectors – particularly tourism and associated services – are important in some island states but are unlikely to provide the volume of job opportunities required to meet the needs of growing island populations. Thus, the focus of policy for employment of the bulk of the population, and for economic growth, should be on promoting improved productivity in agriculture.[5]

Colonial-era crops face long-term decline

Whether grown by smallholders or through large plantations, a limited suite of traditional commodities has dominated export production across the Pacific over the past century. Today an emphasis on undifferentiated exports – especially copra, coffee, cocoa and sugar – continues to reflect the priorities of colonial-era plantation economies. For many island countries there has been little diversification of exports in the postcolonial period and 60% of agricultural exports are still destined for European markets.[6]

Unfortunately farmers around the world have faced a long-term downward trend in prices for 'bulk commodities' since at least the 1970s, as global supply has outpaced demand.[7] This has led to smaller returns for growers in the Pacific and to serious stagnation for some industries. International prices for copra for example fell steadily throughout the 1980s and 1990s. For smaller Micronesian states the impacts of falling prices have been particularly pronounced as the islands have few other tradable resource-endowments. Countries like Kiribati and the Federated States of Micronesia continue to export copra at decreasing rates of return (though since 2008 prices have fluctuated, with periodic higher prices).

2. Bamman H (2007) 'Participatory value chain analysis for improved farmer incomes, employment opportunities and food security', in Pacific Economic Bulletin 22(3) 113-125.
3. Feeney S (2010) 'The global economic crisis and the Millennium Development Goals in the Pacific' in Pacific Economic Bulletin 25(1) 136-150.
4. Allen M, Bourke M and McGregor A (2009) Cash income from Agriculture, In Bourke M, Harwood T (Eds) Food and Agriculture in Papua New Guinea, pp 283-424. Australian National University, Canberra.
5. Duncan R (2007) 'Enhancing the labour absorption capacity of Pacific agriculture', in Pacific Economic Bulletin, 22(1) 164-174.
6. Morge-Rofarello L, Swindinksy M, Vanzetti D (2005) Sink or Swin? Assessing the impact of agricultural trade liberalization on small island developing states In Chand S (Ed) Pacific Islands Regional Integration and Governance, pp 55-85, Australian National University, Canberra.
7. World Bank (2008) World Development Report 2008: Agriculture for Development World Bank, Washington DC.

Another key export facing serious decline in terms-of-trade is sugar, a development that is of particular concern for Fiji. The Fiji sugar industry was established in the late 19th Century by the Australian-based Colonial Sugar Refining Company (CSR) when large numbers of labourers were shipped from India to cut cane on newly established plantations. For more than 100 years since, raw sugar exports to Britain have dominated Fiji's export profile and the sector has played a key role in the country's economic development. However, the industry has been heavily dependent on special trading arrangements with Europe, which saw Fijian farmers paid at above-world-prices. When these special arrangements were challenged at the World Trade Organisation (WTO) the European Union decided (in 2007) to withdraw preferential pricing for sugar sourced from its former colonies.

Fiji's experience with sugar underscores the fact that, in a liberalised global trading environment, the island countries simply cannot compete in the export of undifferentiated commodities. In the past trade preferences have helped to ameliorate inherent costs faced by island exporters but the benefits of these preferences are eroding fast. The World Bank acknowledges that it is increasingly difficult for the island states to compete in 'all but a few niche markets'.[8] In the face of these trading realities Pacific states need to develop a more diversified suite of agricultural exports, better targeted at higher-value markets.

There are two important caveats to the trend of declining commodity prices however, namely the potential presented by increasing energy prices (which are driving up prices offered for biofuels) and increasing prices for edible oils (including palm oil and coconut oil). Oil palm production is the fastest growing of PNG's agricultural exports and is increasingly important in the Solomon Islands as well. International prices for copra also spiked in 2008, 2011 and again in early to mid 2017, improving returns to growers and reigniting interest in the sector.

8. The World Bank (2009) Pacific islands development in 3D: Key findings from the World Development Report 2009. The World Bank Washington DC.

Table 1: Regional bounty

Region	Key niche agricultural products
Melanesia	High-value plantation timber, fair-trade sugar, bottled water, virgin coconut oil, coconut products (cosmetics, furniture etc), fresh tuna (sashimi), single-source cocoa and coffee, kava, fresh fruit and vegetables, indigenous nuts, fresh flowers, preserved spices, organic beef, pearls
Polynesia	Virgin coconut oil, cosmetics, black pearls, noni juice, dried organics fruits, spices, single-source cocoa and coffee, kava, fresh fruit and vegetables (particularly squash), indigenous nuts, fresh fish, vanilla
Micronesia	Virgin coconut oil, coconut products, import substitution

Developing countries around the world are increasingly shifting their patterns of production toward higher-value agricultural exports including fruit and vegetables, livestock, cut flowers and organic produce.

Islands of opportunity: new incomes from high-value crops

Developing countries around the world are increasingly shifting their patterns of production toward higher-value agricultural exports including fruit and vegetables, livestock, cut flowers and organic produce. Indeed, some argue that a 'revolution' is occurring as high-value products from developing countries gain a dominant market share in destination markets.[9]

High-value, low-volume exports certainly make a lot of sense in the Pacific context. Island producers are unlikely to compete either on price or volume with low-cost, high-volume producers in South-East Asia for example. Island producers also face inherent cost disadvantages. 'Village-level' production involves small economies of scale, input costs are high, natural disasters are common and transport between islands is often expensive and/or infrequent. In short, growers need to receive considerable returns to compensate for these unavoidable costs.

The key to the future of Pacific agriculture is to focus on high-value, non-perishable, products (see Table 1 for example). In the forestry sector for example, round log exports are likely to decline as island countries face resource depletion (particularly in the Solomon Islands) and as countries move to ban the export of unprocessed logs.[10] However, many high-value plantation timbers are suitable for growing in the Pacific – including sandalwood, mahogany, rosewood and ebony. Recent estimates indicate that there is a worldwide shortfall in production for sandalwood, a product which is in high demand in China, Taiwan, Singapore and Japan. Indeed a 2012 Pacific trade delegation to China found that buyers were willing to pay around AUD 400 per kilogram for the prized wood.[11]

While some Pacific products are already high-value and non-perishable, others require additional processing, which itself helps to create local jobs and retain value in the region. In Samoa, Niue and the Cook Islands for example, a number of companies collect fruit of the Noni tree and process it to create an organic health juice that is exported around the world (particularly to China and Japan). Noni juice has been Samoa's single biggest agricultural export for much of the past decade.[12] There is huge potential for other indigenous plants in the region as well, particularly for kava products and indigenous tree nuts.

Around 200 different agricultural products are currently shipped from Fiji to 20 different export markets and the value of major non-commodity agricultural exports is around FJD 40 million[13] per annum.[14]

9. McGregor A, Bourke M, Manley M, Tubana S, Deo R (2008) 'Pacific island food security: Situation, challenges and opportunities', in Pacific Economic Bulletin, 24(2) 24-42.

10. Secretariat of the Pacific Community (SPC) (2008) Increasing trade in island agriculture and forestry commodities. Paper prepared by the SPC for the Second Regional Conference of Ministers of Agriculture and Forestry. Apia, Samoa. September 2008. SPC, Suva
11. Radio Australia (2012) Opportunities for Pacific from China's economic book. May 29, 2012.
12. Rogers T S, Tuioti-Mariner L, Tuoro M (2009) Agriculture for Growth: Learning from experience in the Pacific Samoa Morinda citrifolia (Nonu) Case Study. Food and Agriculture Organisation (FOA), Rome.
13. FJD 40 million is worth approximately USD 20 million based on current exchange rates.
14. McGregor A, Gonemaituba W, Stice K (2009) Natures' Way Cooperative (Fiji) Ltd: A Case Study of Agriculture for Growth in the Pacific. Food and Agriculture Organisation (FAO), Rome.

Sharing benefits: commercialising community production

Across the Pacific, traditional knowledge accumulated over thousands of years of adaptation to life on small tropical islands continues to determine the nature of much economic activity. A key policy challenge then is to find ways to commercialise traditional systems of farming and improve cash-generating opportunities, without sacrificing community cohesion and local food security.[15] Because Pacific island countries already possess a comparative advantage in the production of tropical timbers, nuts, fruits and vegetables, high-value agricultural exports offer an excellent opportunity to complement traditional economies without supplanting them.

15. Food and Agriculture Organisation (FAO), (2010) Agriculture for Growth: Learning from experience in the Pacific. FOA, Rome.

Sometimes it's as simple as growing food around and underneath high-value crops destined for export. Crops like sandalwood, coconuts, noni trees, indigenous nuts or kava are all suitable for intercropping in smallholder food gardens and village plantations. Indeed sandalwood, grown alongside nitrogen-fixing trees, is an excellent option for soil that is to be left fallow for a time to restore productivity.

While international markets are often fickle, agricultural exports still generally offer more sustainable and broad-based incomes than other sectors like mining and tourism. To maximise benefits policy makers need to pay attention to the inclusion of all community members – that is, both women and men – in the production process and the development of ethical value chains. Understanding how local enterprise fits into the global economy is vital if all members of the value chain are to benefit.

A focus on maintaining quality of supply is

Concilia in her garden where she grows peanuts, taro, banana, cocoa and other fruit and vegetables.

Photo credit: Christina Hill

Papaya

Photo credit: Christina Hill

also important – particularly for fresh fruit and vegetables. A key role for government is to provide training and outreach support for Pacific communities about the exacting demands of export markets (and domestic tourism markets). Growers need to understand when to harvest, and how to best handle, store and transport produce to maximise its value. Community-level technologies such as solar crop dryers, which preserve fruits and nuts for longer periods, increase the range of crops that can be transported for sale in local and foreign markets and ensure community food security in times of natural disasters.

Marketing key to improved returns

The flip-side of high costs associated with island agricultural production is that many places in the Pacific are inherently marketable. Remote and 'exotic' locations, warm and happy people, and 'clean and green' production fire up the imagination for would-be consumers. Sophisticated marketing strategies which use the Pacific 'brand' to stand out from the crowd are one way of targeting discerning buyers who are prepared to pay more for island produce – a price premium that is vital to offset high costs of production. An example of successful marketing for a niche product is that of Fiji water, which has become a drink-of-choice in Hollywood. Indeed, in recent years Fiji Water alone has accounted for up to 20% of all Fiji's exports.[16] A number of agricultural exporters across the region are pursuing similar branding strategies. 'Single-source' marketing is also important, sharing the stories of Pacific producers with would-be consumers. New single-source labeled chocolate bars from Vanuatu are a prime example in this regard.

Another way to stand out from the crowd, and to improve returns to growers, is through fair trade or organic certification. Here, consumers are prepared to pay a price premium for Pacific produce if they know products are good for the environment and for people. In recent years sales of fair-trade labeled products have increased dramatically in Australia and New Zealand (particularly for coffee and chocolate). In Samoa hundreds of farms are certified as organic and a women's business organisation sources organic coconut oil for a multinational cosmetics retailer and helps to export dried organic bananas to New Zealand. Both fair-trade and organic certification can be an expensive process, requiring regular assessment by external auditors, and costs can outweigh returns to growers. Improved returns require farmers working together – through growers' cooperatives for example – to absorb these costs.

Government agencies and private-sector groups can help to market Pacific agricultural produce. Indeed, Pacific Trade and Invest – which has offices in Australia, New Zealand, China, Japan and Geneva – already works hard to link potential buyers with Pacific growers.

16. Lenzer A (2009) 'Fiji Water: Spin the Bottle'. Mother Jones (magazine). Wednesday August 12, 2009.

Quarantine issues are a major barrier

Developing accessible export pathways is key to growing Pacific agriculture. It's no good harvesting high-value papaya or ginger or cut-flowers if there is no way to get produce to consumers who are prepared to pay top dollar for them. A key challenge of course is transport – is there any way to get to market? But perhaps an even bigger issue is market entry. Agricultural economist Andrew McGregor argues that quarantine is the weakest link in the Pacific's horticultural export marketing chain.[17] At the 'sending' end island governments have limited capacity to support exporters by negotiating new market entry and resolving ongoing access issues. In many cases vital infrastructure is missing, such as heat-treatment facilities to remove fruit fly and other pests, or port and air-freight facilities. At the 'receiving' end, developed country governments could do much to speed up the assessment of Pacific produce. The current timelines for clearing biosecurity requirements are agonisingly slow in markets like Australia, New Zealand and the United States.

Key to overcoming quarantine barriers will be cooperation between governments and the private sector to set priorities. Exporters (and would-be exporters) in each island country are often keenly aware of potential markets for their produce, but establishing and maintaining quarantine arrangements with destination countries is a role for government.

Regional cooperation is vital

Growing Pacific exports will require innovative regional cooperation, and in this regard support from the international community is crucial. Current donor-funded projects aim to resolve quarantine issues, improve trade related infrastructure, provide information regarding international market opportunities, improve production techniques, maintain quality of supply, and develop new marketing and branding initiatives. Many of these 'aid-for-trade' projects are subject to short-term funding cycles, and much could be done to coordinate support to would-be agricultural exporters in the Pacific on an ongoing basis. However, the good news is that there is much potential for the export of high value crops and improving exports will reap widespread benefits for Pacific communities and governments for decades to come.

Growing Pacific exports will require innovative regional cooperation, and in this regard support from the international community is crucial.

17. McGregor A (2007) 'The export of horticultural and high-value agricultural products from the Pacific Islands', in Pacific Economic Bulletin, 22(3) 81-99.

CHAPTER 10

BOUGAINVILLE INDEPENDENCE AND ITS IMPLICATIONS FOR FISHERIES: A FRESH APPROACH TOWARDS CO-OPERATIVE OCEANS MANAGEMENT

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Introduction

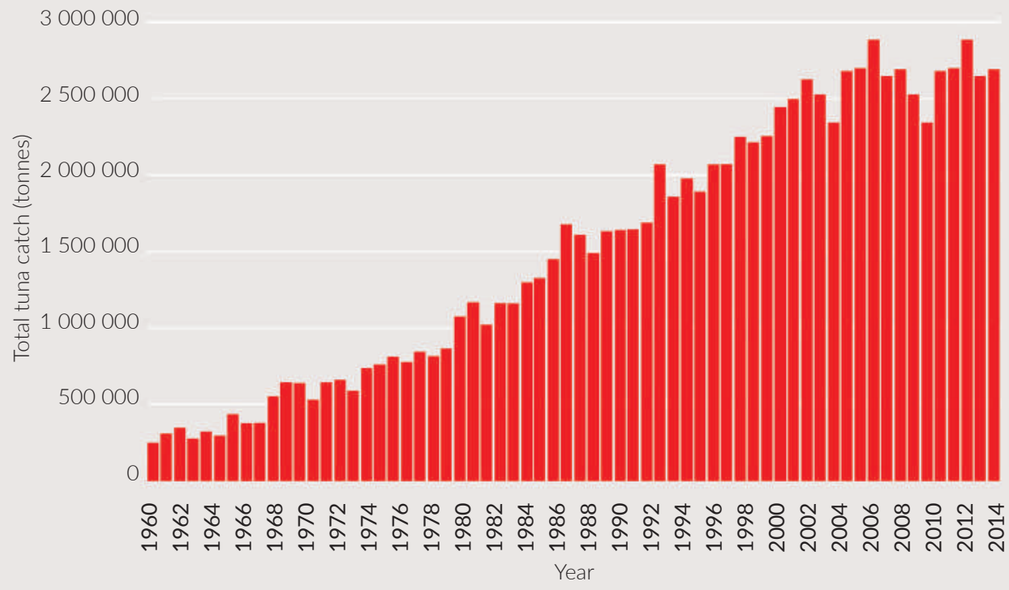
Bougainville's independence, if achieved, will have implications for the international maritime and fisheries relations between Solomon Islands, Papua New Guinea (PNG) and Bougainville in particular, and the wider Pacific Islands more broadly. As an independent state, Bougainville would be entitled to a 12-mile territorial sea and 200-mile exclusive economic zone (EEZ) and the concomitant rights and responsibilities that are often associated with these maritime zones.

In this paper, the ramifications for an independent Bougainville in the context of the current international maritime and fisheries regime are briefly surveyed. It is argued that independence will provide Bougainville with an opportunity to pursue a forward looking, innovative, rights-based approach to oceans management. Furthermore, there is potential for an independent Bougainville to shape its relations beyond the narrow limits of statehood by exploring options that would lead to more collaborative and innovative oceans management while at the same time building on its cultural links with the Solomon Islands and PNG.

Before proceeding, it is important to note that subsistence fisheries are a significant source of nutrients (ie protein) and food security in the Pacific. Further, subsistence and small-scale commercial fisheries supports rural economies across the Pacific and can be an important source of cash income for both women and men.

Fisheries are also an important source of revenue for Pacific nations. Graph 1 gives an indication of the total tuna catch from the Western and Central Pacific Ocean (WCPO). Table 1 provides the value of the catch by national waters of Pacific Island states. These provide an indication of what Bougainville can potentially earn under a well-managed fishery working with other Pacific Island states.

Graph 1: Total WCPO tuna catch (1960-2014)



Source: Tuna Fishery Yearbook 2016, Western and Central Pacific Fisheries Commission, 2017

Table 1: Value of catch by national waters US$ (Millions)

	2014	2015	2016
Cook Islands	51	51	46
Fiji	37	47	46
FSM	269	264	330
Kiribati	1242	936	702
Marshall Islands	168	69	166
Nauru	268	86	195
PNG	562	272	496
Palau	25	10	25
Samoa	5	6	9
Solomon Islands	264	312	326
Tokelau	39	70	25
Tonga	5	9	13
Tuvalu	153	107	184
Vanauatu	27	24	30

Source: Pacific Islands Fourm Fishersies Agency, WCPFC Area Catch Value Estimates, Value of WCPO tuna fishers, 2017.

If Bougainville were to become independent, it would be the newest and youngest country in the modern era since South Sudan became independent in 2011.

Shifting boundaries: what independence will do

States are for purposes of international law traditionally defined as having a territorially-defined boundary, a population and capacity to conduct international relations. There are some states who arguably do not have all three characteristics but are still considered as states. For example, the international boundaries of Israel are in some respects unsettled but no one denies its right to exist as a nation. There are some doubts that Taiwan is a state because China considers it as its Province but this has not stopped some countries from engaging diplomatically with it nor most from trading with it making Taiwan among the top 20 economies in the world. There is also the Principality of Monaco and the City State of the Vatican, whose geographic boundaries are scanty but no one doubts their competence to conduct international relations and no none has refused diplomatic ties with them.

If Bougainville were to become independent, it would be the newest and youngest country in the modern era since South Sudan became independent in 2011. Bougainville would be entitled to a maritime boundary because it will be an ocean state. Thus, it would have the right to claim a 12-mile territorial sea and a 200-mile EEZ. These are rights that it would have under customary international law but in order to avoid any doubts as to the legal powers for it to declare such extended maritime zones, one of its first sovereign acts should be to accede to international conventions where these rights are set out. These include the 1982 *United Nations Convention on the Law of the Sea*[1] (LOSC), and the 1995

Boat used for fishing and travelling around the coast

Photo credit: Christina Hill

Bougainville coastal line

Photo credit: Christina Hill

The status of the biodiversity of its surrounding waters is not well known but one can only assume that it swells with rich seafood, marine organisms and ecosystem properties that have considerable management value.

United Nations Agreement for the Implementation of the Provisions of the United Nations Convention on the Law of the Sea of 10 December 1982 relating to the Conservation and Management of Straddling Fish Stocks and Highly Migratory Fish Stocks[2] (UNFSA). They also include regional agreements such as the 2000 Convention for the Management and Conservation of the Highly Migratory Fish Stocks in the Western and Central Pacific (WCPFC), the Convention establishing the Pacific Islands Forum Fisheries Agency, the Nauru Agreement for the Management of Common Fish Stocks, and the Palau Arrangement for the Management of the Western and Central Pacific Tuna Fisheries which is the overarching umbrella framework that establishes the Longline and Purse Seine Vessel Day Schemes (VDS).

The lines separating Solomon Islands and Bougainville will have to be redrawn on its southern side while new lines demarcating the division between Bougainville and PNG will also have to be negotiated. Article 56 of the LOSC gives states the right to have an EEZ that extend beyond the baselines up to a distance of 200 miles. Bougainville will be entitled to a territorial sea that extends up to 12 miles and to claim a 200 mile EEZ. Its sovereignty would extend to areas where as a Provincial Government and subsequently as

2. United Nations, *The United Nations Convention on the Law of the Sea*, UNGA, (New York: United Nations, 1982).
3. United Nations, *Agreement for the Implementation of the Provisions of the United Nations Convention on the Law of the Sea of 10 December 1982 relating to the Conservation and Management of Straddling Fish Stocks and Highly Migratory Fish Stocks*, UNGA (New York: United Nations, 1995).

Coast near Loloho Beach, central Bougainville

Photo credit: Christina Hill

an Autonomous Region, it has never had to exercise jurisdiction.

The status of the biodiversity of its surrounding waters is not well known but one can only assume that it swells with rich seafood, marine organisms and ecosystem properties that have considerable management value. Its neighbours, PNG and Solomon Islands, have well established tuna processing plants and a rich and diverse coastal fishery and therefore one can only assume that Bougainville also has the same albeit untapped potential. All these rich diverse and valuable ecosystems would fall within the rights of Bougainvillians. Under international fisheries law, Bougainville would have sovereign rights in its EEZ to manage, explore, exploit and conserve the living and non-living resources that are found there.

These rights however are accompanied by certain responsibilities, duties and obligations. These include the duty to ensure the resources are well managed and that measures must be put in place to prevent overexploitation. Administrative, institutional and legislative structures and systems must be put in place to support its fisheries and oceans management policies. These include having the institutional capacity to carry out the necessary enforcement of its oceans management regulations and policies.

The development of the systems and structures as well as the laws that are required for the effective management of its oceans and fisheries are easy because they are matters of process that any independent country are required to go through. However, there is a considerable amount of capacity building that will be required in developing the expertise in stocks assessment, fisheries management, fisheries law, development, economics and especially their capacity in monitoring, surveillance and compliance. In this regard, they can seek the support of existing regional and international organisations such as the Pacific Islands Forum Fisheries Agency (FFA), the Secretariat of the Pacific Community (SPC), and the Food and Agriculture Organisation (FAO) of the United Natons to support build their capacity. Negotiating new international boundary lines will be more complex. These are matters of diplomacy and national interest and for PNG and Solomon Islands reshaping the international boundary lines would ultimately result in the reduction of their current ocean space. Reducing the size of their EEZs would also reduce their fishing grounds. These are sensitive areas where national and economic interests intertwine, and it would require careful navigation.

At the same time, it could also perhaps require fresh thinking and new ways of looking at the oceans rather than the traditional view where the oceans are perceived in terms of the geographic limits of the EEZ and territorial seas. This might be the key to unlocking the complexities that would inevitably be associated with taking a very technical and legalistic approach towards the establishment of Bougainville's EEZ.

Paving the way for new possibilities

Technological innovations have made fisheries management so much easier and with developments in other complementary information technology areas, such as blockchain and cryptocurrency, the challenges of addressing illegal fishing and traceability in the value chain of a fishery are not as pronounced as they once were. Having well defined boundaries is a necessary facet of fisheries enforcement, but in the context of PNG and Solomon Islands and their fisheries relationships with Bougainville, the underpinning policy impetus should be about exploring ways in which they can share in the benefits from the oceans, encourage cross border investments and establish joint development zones. The joint development zone under the PNA-Australia Torres Strait Treaty

Technological innovations have made fisheries management so much easier and with developments in other complementary information technology areas, such as blockchain and cryptocurrency, the challenges of addressing illegal fishing and traceability in the value chain of a fishery are not as pronounced as they once were.

can be used as a possible model. Further, in the case of Bougainville and Solomon Islands, the development of an economic and customs union between Bougainville and the Western and Choiseul Provinces should also be considered.

Pending agreement on the finalisation of the external limits of Bougainville's EEZ, Solomon Islands, PNG and Bougainville could agree on provisional lines. These provisional lines would demarcate for enforcement purposes the outer limits of Bougainville's EEZ. Initially this could be declared as a joint development zone whereby the monitoring of fishing activities could be jointly undertaken in the overlap areas during the transitional phase. Indeed, the EEZs of Solomon Islands, Bougainville and PNG could be declared as a joint development zone for enforcement purposes where reciprocal, joint or individual patrols could be done by authorised vessels from the respective countries. There are economic efficiency gains if this were to be done and would be consistent with regional trends already pursued under the Niue Treaty – which is a broader regional agreement that allows for reciprocal enforcement and patrols that Pacific Island countries have signed. Under this arrangement, the Pacific Island countries are able to have ship rider agreements with US Coast Guard vessels that carry out fisheries surveillance in their EEZs.

As a newly independent country, Bougainville's oceans and fisheries policy framework should be directed at creating jobs for its peoples and ensuring that its EEZ

is secured and its resources are managed sustainably. However, having a joint development zone with Solomon Islands and PNG would contribute towards ensuring that its waters are secured against illegal intruders. Within this broad framework, Bougainville could develop a fisheries policy based on the allocation of long-term rights to incentivize investments in onshore processing to provide jobs. Bougainville has the necessary physical attributes that are required for the development of an onshore fishing processing industry, namely land, water and a ready human power. Developing the right policies will be necessary and having longer-term rights allocated to investors will provide the attraction that investors are invariably looking for when investing in the Pacific. Most fishing opportunities for tuna fishing are rarely if ever issued for more than 12 months. Thus, if Bougainville were to pursue such a policy, it would certainly be a novel approach that would make investments viable.

Almost inevitably, Bougainville would become part of the PNA+[3] and participate in the VDS which would allow it to interact with a broader grouping of Pacific Island countries. As part of its strategic approach towards managing its own space, Bougainville may decide to base its policies around the ecosystems valuation of its entire ocean space. In other words, the value of the ecosystems services provided by the oceans forms the basis on which the monetary value of its EEZ is determined. In a marked departure from the traditional norms currently applied to oceans management in the Pacific Islands, Bougainville could elect to pursue a policy around the notion of the blue economy, valuing the oceans for more than just the licenses that can be generated from the living and non-living resources. They could develop an oceans policy based on the integration of the total value of the ecosystems of the oceans into their domestic economy, with management costs based on the total value of the ocean services. These services could also include tourism.

Conclusion

This paper has only taken a snapshot view of the possible scenarios and options that could inform the development of a comprehensive offshore oceans and fisheries policy for an independent Bougainville. The survey has its limitations in that it has focussed on off-shore fisheries and has not asked questions about appropriate policy interventions relevant to coastal fisheries. It is suggested that Bougainville's interest would be served by pursuing a cooperative approach, leaning towards the creation of joint development zones, having more flexible longer-term arrangements to incentivise investments. In short, it has advocated adopting a Bougavilleandisation approach to oceans management which at its very core should ensure that Bougainvilleans are not bystanders in the development of their marine resources.

3. The PNA is an acronym for the Parties to the Nauru Agreement. The Nauru Agreement countries are the Federated States of Micronesia, Kiribati, Marshall Islands, Nauru, Palau, Papua New Guinea, Solomon Islands, and Tuvalu. The PNA + refers to the fact that Tokelau is a participant of the Palau Arrangement, another agreement consisting of the same grouping of countries and the Vessel Day Scheme. Tokelau is a Territory of New Zealand and is an Observer in the PNA. These grouping countries are the custodians of more than 50% of the World's tuna stocks.

CHAPTER 11

FROM CRISIS TO OPTIMISM: BUILDING BOUGAINVILLE'S FUTURE

AUTHORS: THEONILA ROKA-MATBOB AND CHRISTINA HILL
Theonila Roka-Matbob grew up around Panguna in central Bougainville. She is a qualified teacher, having completed studies at Divine Word University and the University of Goroka in Papua New Guinea, and is an experienced researcher and activist.

Christina Hill's work focuses on human rights, gender and corporate accountability. She is Jubilee Australia's Bougainville 2020 Project coordinator and editor of this publication. Christina travelled to Bougainville in January 2018 where she met and interviewed Theonila.

Christina Hill: You were born during the crisis on Bougainville. What do you remember about that time?

Theonila Roka-Matbob: I remember a lot of things. We are talking about the year 1991 coming up 1992 because I cannot remember anything in the year I was born which was 1990. The volumes of memories I have and that I consider quite significant and distributing at the some time are those like the memory of seeing harms. Being born at that time and growing up I thought that was a normal life every human being lives. Some of the things I remember are gun shots, next neighbours dying, and then hearing stories like that person in that village has been dragged away from his family in the night and he has been murdered or is missing or these other kinds of memories that I have in my mind. Also, I should say there are other very horrific kind of memories I have in my mind is those like seeing slaughtered people and people whose bodies are like crushed in whatever way that is very violent, and seeing the corpse lying on front of me. These are all the kind of memories that I have even today having grown up and already being a mother and married women these are like memories that I have seen yesterday.

CH: Do you remember any good times or happy moments?

TR: I would hardly think of a happy moment I have of my family because having grown up in that period of time when there was just fear. Having being born amid that fear and then growing up all the way until the early 2000s I really don't remember a time where there was some kind of happiness shared in the family, apart from just laughing amongst ourselves, because during that period of time when we were growing up there was always fear in the society. Even if it is in the family we have got to be very careful of what we have say to each other.

Theonila Roka-Matbob

Photo credit: Christina Hill

CH: Do you often wonder how your life might now be different if you were born during a time of peace rather than conflict?

TR: The biggest part of my life that I wonder if it had have been different is the fact that I grew up being fatherless as a result of the crisis. This is something that today that as a mature person, as a grown-up person, I wonder what it feels like to have a father and having growing up saying papa. Recalling my memories back I used to wonder how life . . . life would have probably better than the life that I lived if it was in a time of peace but then there is no point to regret because there are also other positive things I see like if I was born at a time of peace then I wouldn't have this experience to be a voice for the voiceless.

CH: You now have a young son. With some talk of reopening the Panguna mine and the independence referendum scheduled for next year are you worried that history might repeat itself? Or are you more optimistic about the immediate future for Bougainville?

TR: I should say this is the biggest worry being a young mother to a young life because the last thing that I would want to see is the repeat of our history, to see my own son suffering the way I suffered. If there is a possibility that history repeats itself then I would be no different from the life I lived because I am fully aware of the fact that I am married to a Papua New Guinean and due to this kind of misunderstanding people have, especially on the front of racism, I think that my son would be the victim of that if history is to be repeated. But otherwise within myself I am quite optimistic about the future because at that time [of the crisis] I see that a lot of people were not aware of the kind of lies corporations play on indigenous people and today we have a good number of population who are aware of the tricks they play on the lives of people,

The Kawerong River downstream of the Panguna Mine, and next to Theonila's village, showing a blue coloured deposit on the riverbed caused by elevated copper levels in water discharged from the mine site

Photo credit: Christina Hill

like keeping us divided to fight against each other. I think today the level of awareness has gone up compared to back then in the 8os.

CH: What is like to be a young person in Bougainville now?

TR: Being a young Bougainvillean at this point in time, especially the period where we in the transitional period from the conflict era, post-conflict and now we are going into another chapter in the political process of Bougainville, I really feel that within myself and as a person contributing into the nation building in small ways, I should say it is a blessing, it really is a blessing for me. But then on the other hand as I look at my own generation there is the biggest worry. I think that if our generation can have the sense of ownership, can have the sense of service I think Bougainville will at least move some steps further than this. But instead people live a life of selfishness. I should say because at this point in time when if we are to talk about Bougainville's independence, we are talking about a generation who has to be of service because if we can be able to give then we will build the nation. But at the moment I see my own generation, we are so fond of money, building ourselves and not building others and we do not want to render our service for free, we want to render it for money and that is a problem we have. This is the biggest worry that if Bougainville is already developing this culture from my generation then this generation will be controlling the bureaucracy of Bougainville, the administration of Bougainville, and the business sector of Bougainville, then we will become profit oriented and this will be the fall of our nation. Our elders, the generation this is ahead of us, they've lost a sense of patriotism as Bougainvilleans and there's a lot of imitations and our generation seem to copy, we tend to imitate and that is the biggest problem I see.

CH: Are young people given the opportunity to participate in public life? Or are they encouraged to participate in public life?

TR: The community leaders they encourage us to stand up but they do not give us space, this is the problem. To really create that avenue where young people can walk in and exercise whatever potential they have I think this is the biggest part missing in Bougainville. When we come out and then whatever views that we have and when we are trying to come out with it we are suppressed and for that reason most of our young people are going back, they are laying back, they become laid back. The few of us who keep coming out are the ones who force ourselves because we believe that nothing can beat the truth that if we believe that our perspective is for the justice and for social inclusion for every single Bougainvillean. These are the things that keep pushing us.

CH: What needs to happen to change the situation you've just described?

TR: I have the biggest confidence that the only way we will change this attitude, or change this mentality, or change this trend is to go down and tap the shoulders of these very young children coming up. This is the whole reason why I with the support of my family were able to come up with this little school for kids because we believe that real change will come from that generation. My generation is a bit of a confused generation because we have these people who fought for independence, those who fought for liberation, but then we see that they are not living the spirit, they are rather making themselves look as though they lifted the guns to fight against the corporation, to build themselves materially. There is nothing really for my

Inside the school established by Theonila

Photo credit: Christina Hill

> ***My biggest hope for Bougainville is to change the education system.... The reason why I will keep pressing on changing the education system is because I believe that a lot of influences also comes in with the system of education. Having gone through the formal system and having reached university I've realised that a lot of things, a lot of concepts, a lot of theories, that are taught in the classroom are actually challenged by the practices that creates harmony in Bougainville.***
>
> - Theonila Roka-Matbob

generation to look at because the warlords are actually becoming rich and they are suppressing everyone else so really there is no example left for us to see. So, I really believe for young children, like those aged 3 coming up to age 7, these are the people who we really need to look into and then start influencing them, so that is the way we can really change for the good of Bougainville. I am very much positive that if we can influence a good number of children and then by the time that they become youths they are at the stage to question, they will be able to question, and then they will see the difference. Then if a number of our generation come up as leaders later on then we will at least have some people to bank onto because we already tried our best to create, to impart, different perspectives on Bougainville.

CH: What are your hopes for the future and how are you going to get there?

TR: My biggest hope for Bougainville is to change the education system. We'd rather talk about a curriculum that we will develop in the context of Bougainville. This is the whole reason why when I look back into my own life I am thankful for whatever has happened, all the challenges, because then these are the things that we can always use as building blocks to be able to create a new beginning for the young people. If only we can change the education system. The reason why I will keep pressing on changing the education system is because I believe that a lot of influences also comes in with the system of education. Having gone through the formal system and having reached university I've realised that a lot of things, a lot of concepts, a lot of theories, that are taught in the classroom are actually challenged by the practices that creates harmony in Bougainville. Having practiced it for the past 5 years with the school that I developed, I've seen that if we can be able to teach our children the values of the community and then just putting in whatever we believe is necessary from outside then that is the way forward for Bougainville. And the only way that we will be able to achieve this is to teach from the heart, and not to teach simply because we are professional teachers, we have to become teachers who want to change the path that Bougainville is going into which is I believe, that if our leaders are not careful, we are going into a very disastrous period of time.

CHAPTER 12

CONTINUING THE STRUGGLE IN BOUGAINVILLE: POSSIBILITIES FOR GOVERNANCE BEYOND THE COLONIAL-CAPITALIST SYSTEM

AUTHOR: ANONYMOUS

Introduction

What is the problem facing Bougainville today that the referendum seeks to address? Some may view the problem as one of continued colonisation by Papua New Guinea (PNG). In this instance the solution appears relatively straight forward – vote for independence. Others may view the problem as lack of options for economic development to support an independent Bougainville and subsequently the threat of re-opening the Panguna mine in order that Bougainville is able to sustain itself economically. For those of this view, if the cost of independence is re-opening the mine, then this may be too high a price.

This paper takes the position that the referendum is a continuation of the struggle in Bougainville against the 'colonial-capitalist system'. As the term 'colonial-capitalist system' implies, capitalism was introduced and propagated in Bougainville through colonialist intervention. As Kristian Lasslett explains, by the 1960s Bougainville was gradually besieged politically, economically, and ideologically, by an Australian colonial power seeking to induct communities into the logic of liberal capitalism.[1] At the centre of this colonial-capitalist system was a large-scale copper and gold mine (the Panguna mine) operated by the Rio Tinto subsidiary Bougainville Copper Limited (BCL) between 1972 and 1988. With Australia and then PNG governing the affairs of Bougainville, the mine was portrayed as a vehicle through which Bougainville, and PNG more widely, would earn the revenues to secure the form of life enjoyed by the former colonial power and 'progress' towards a successful modern state. However, the mine significantly impacted on communities, including the dispossession of community land and its contents; forced displacement from ancestral homes; imprisonment for resisting the mine's construction; and the large-scale devastation of the surrounding ecosystems, which was experienced as a deeply spiritual and material loss.[2]

Such conditions provided the motivation for the armed resistance that followed, led by the revolution's figurehead, Francis Ona. In a letter written by Ona dated 29 November 1989, he aptly describes the colonial-capitalist system when he explains how "Others have become rich by exploiting us especially the foreigners and a handful black power wielders in Papua New Guinea. We are the 'sacrificial lamb' for the few capitalists whose hunger for wealth is quenchless and unceasing...We are not going to sit by and watch capitalists and their Papua New Guinean political allies exploiting us".[3]

However, while capitalism may still be considered an externally imposed system, the governance arrangements that enable the system to continue to expand in Bougainville today are no longer the remit of a colonial power. Rather, today it is certain groups from within Bougainville that are continuing the colonial-capitalist legacy by arguing that mining is the guarantee that Bougainville can prove itself as an economically self-reliant and modern state. For example, in an obscene perversion of the revolutionary struggle against the colonial-capitalist system, Bougainville's President, John Momis, claims "Francis [Ona] was not trying to end the mine for ever. No – his complaint was about the unfair treatment of Bougainville. He wanted the rights of Bougainvilleans recognised. He wanted fair distribution of the revenue ... We have continued that same struggle throughout the peace process".[4] Similarly, at a ceremony in February 2018 recognising the granting of a mining exploration license in Tunania, Deputy Opposition Leader Timothy Masiu stated, "This is a breakthrough. This is the day that our former leaders and our people have dreamt of and fought for".[5]

Therefore, what if the source of the problem today is not simply independence from Papua New Guinea, but the very failure of the revolutionary uprising to lead to an enduring alternative to western liberal-capitalist governance? In other words, what if the key problem today for Bougainville is the task of transforming governance mechanisms in Bougainville so that they function in a different way? What options has the Government? What are the concrete possibilities for governance that will

1. Kristian Lasslett, *State Crime on the Margins of Empire: Rio Tinto, the War on Bougainville and Resistance to Mining* (London: Pluto Press, 2014).
2. Ibid.
3. Francis Ona, 29 November 1989, p. 3.
4. John Momis, cited in, 'Voices of the People', Jubilee Australia, September 2014, p. 14.
5. Franklin Kolma, 'ABG Grants Second Mining License', *Post Courier*, 8 February 2018, https://postcourier.com.pg/abg-grants-second-mining-license/.

Francis Ona, a leader of the Bougainville Revolutionary Army (BRA), (sixth from left) meets with a group of BRA guerillas at Guava village near the Panguna mine, central Bougainville, circa 1994

Photo credit: Ben Bohane/Australian War Memorial

[...] the concept of 'good governance' is a slippery one and is something that not only seems to defy clear definition, but some would argue it is a concept that has been used to discipline states to conform to the global capitalist system.

move Bougainville beyond a 'colonial-capitalist system'? This paper will explore the notion of 'good governance' and its implications for Bougainville. It briefly discusses liberal-capitalist forms of governance and explores the potential for alternative approaches to governance in Bougainville that can effectively continue the struggle beyond the colonial-capitalist system.

'Good' governance

Governance is a relatively straightforward term that at its simplest refers to the way a government administers state processes, services and systems and makes decisions about the allocation of resources. 'Good governance', in combination with the rule of law and democracy, are seen to be essential to effective statehood. However, the concept of 'good governance' is a slippery one and is something that not only seems to defy clear definition, but some would argue it is a concept that has been used to discipline states to conform to the global capitalist system. For example, under the current global liberal democratic capitalist system, good governance means ensuring the conditions within which economic growth can thrive through enabling foreign direct investment, liberalisation of markets, and privatisation of services. Furthermore, in some instances such as Bougainville, capitalist good governance should facilitate possibilities for resource extraction by transforming land tenure laws. Indeed, this was the governance transformation being implemented by colonial powers in Bougainville that sparked the civil war. For example, Francis Ona argued the state of Papua New Guinea "is an instrument for the few rich to accumulate wealth... the state is the instrument for the rich to suppress the suffering masses. The Parliament House in Port Moresby [capital city of Papua New Guinea] is nothing more than a central market place where the indigenous capitalists exchange large sums of money and make bargains for large foreign loans and investments for personal benefits in the name of national development".[6]

Despite these difficulties with the concept, the Bougainville Peace Agreement (BPA) nonetheless specifically refers to good governance, stating, "the actual date of the referendum will be set taking into account of standards of good governance".[7] In the BPA, 'good governance' is defined as including democracy, participation, transparency, accountability, and respect for human rights and the rule of law. To complicate matters, although not officially stated in the BPA, some commentators nonetheless argue that 'good governance' in the context of Bougainville necessarily includes the ability to be economically self-reliant. Although the referendum would appear to be going ahead, thereby suggesting that the condition of 'good governance' has been met, it remains to be seen whether 'good governance' or lack thereof will be a factor in determining whether PNG will endorse a vote in favour of Bougainville independence should that be the outcome of the referendum vote.

In addition to the explicit policies and regulations of state governance in facilitating capitalist accumulation, Lasslett's extensive work on state crime in Bougainville emphasises the co-existence of a hidden and shadowy underbelly of governance.[8] This underside of governance consists of clientelism, corruption, bribery and misappropriation that ensure government policies serve the needs of particular corporate and economic interests. For example, Lasslett highlights how political leadership in Bougainville has been used to

6. Francis Ona, 29 November 1989, p. 3.
7. 'Bougainville Peace Agreement', 30 August 2001, p. 5.
8. Kristian Lasslett, *State Crime on the Margins of Empire: Rio Tinto, the War on Bougainville and Resistance to Mining* (London: Pluto Press, 2014).

Ceremony in February 2018 recognising the granting of a mining exploration license in Tunania

Photo credit: Franklin Kolma/Post Courier

leverage resistance within landowning communities to have their own private companies awarded lucrative exploration licenses over mineral deposits on Bougainville. Furthermore, groups claiming to represent landowners are now partnering with investors to conduct mineral explorations and moderate elements within what was the BRA have refashioned themselves into a new class of entrepreneurs, working with dubious outside interests, to accumulate capital through a range of industries, ranging from scrap metal through to security services.

The point to be emphasised here is that far from being a transgression of good governance, this shadowy underbelly of liberal democratic governance is the ultimate support for the capitalist system. That is, "democracy, like freedom, becomes a purely nominal, pre-emptive, 'fetishistic' reference which 'abounds in the mouths of our politicians' so as to prevent articulation of alternative discourses – while everyone knows that it functions by undemocratic means".[9] Or in other words, liberal democracy only allows us to choose what does not interfere with the sovereign interests of capital.[10] Indeed, to actually take good governance seriously would undermine these particular economic interests.

Considering some options

This leads to the question of what kind of governance system should replace the existing liberal-democratic representative state? What might an alternative form of governance look like? Perhaps the typical alternative to this form of liberal-capitalist governance are calls for a more indigenous form of governance that respects the preservation of culture and nature. There are two apparent possibilities that come to mind here when thinking of an indigenous-based form of governance. The

9. Fabio Vighi, On Zizek's Dialectics: Surplus, Subtraction, Sublimation (London: Continuum, 2010).
10. Ibid.

[...] a key governance challenge is how one can deploy the state in a different way that, for example, ensures equal distribution of services and resources and regulates the protection and value of culture and the commons.

first is some sort of decentralised governance in which a multitude of local communities govern themselves without, or at least at a distance from, the state. This model of governance may be motivated by a replication of Bougainville during the years of the blockade and is a popular alternative advocated by various social movements including the Zapatista in Mexico and Gandhi's 'constructive program' in India. Typically, such models of governance are based on the premise that the state is an integral part of the colonial-capitalist system, and therefore undoing or overcoming the state is a key goal.

However, there are important problems with this position. Firstly, while the state is indeed an integral part of the colonial-capitalist system, it does not mean the state itself is the problem. Rather, as discussed earlier, liberal capitalism defines and deploys the state in a particular way. Therefore, a key governance challenge is how one can deploy the state in a different way that, for example, ensures equal distribution of services and resources and regulates the protection and value of culture and the commons. While indigenous culture can be used to draw out and highlight the contradictions of the colonial-capitalism system, it does not in any way mean that the 'solution' is indigenous-based governance. Indeed, we cannot ignore that one of the lessons from the decentralised, local 'commune' governance during the years of the blockade was that it did not lead to an enduring alternative to the colonial-capitalist system.

Another example of some relevance to Bougainville is the government of Evo Morales in Bolivia. Bolivia is a majority indigenous country that is dependent on export mining. Morales' government has a base of support underpinned by indigenous social movements and its governance is framed around a discourse of decolonisation and living well.[11] In its eleven years in power, the government has made significant achievements, such as achieving the region's highest growth rate, tripling the size of the economy, reducing poverty by half, and reducing income inequality by one-fifth. However, as Farthing observes, "Nevertheless, the underlying economic structure remains largely untouched. While a new class of (often indigenous) traders and small miners has become wealthy, the traditional elites have not been displaced".[12] Furthermore, governance and politics has largely reverted back to that based on clientelism and political patronage.

Rethinking the possibilities

These examples emphasise the hard reality of what it means to implement an enduring governance alternative in the world of global capital. Indeed when such alternatives do emerge, they "encounter a hostile institution organized to frustrate its plans...the moment one is just perceived as a possible agent of such disturbance, tremendous forces are unleashed".[13] Indeed, this was the experience of young activists in Bougainville who not only took action against the mine but openly advocated for different alternatives. Therefore, as Alain Badiou aptly explains, "the goal of all enemy propaganda is not to annihilate an existing force (this function is generally left to police forces), but rather to annihilate an unnoticed possibility of the situation".[14]

11. Linda Farthing, 'Between Party and Movements', *Jacobin*, 19 August 2017, https://jacobinmag.com/2017/08/bolivia-morales-pink-tide-indigenous-lat-in-america.
12. Ibid.
13. Costas Douzinas, 'The Left in Power? Notes on Syriza's Rise. Fall, and (Possible) Second Rise', *Near Futures Online*, March 2016, http://nearfuturesonline.org/the-left-in-power-notes-on-syrizas-rise-fall-and-possible-second-rise/#en-62-1.
14. Alain Badiou, cited in Slavoj Zizek, *The Courage of Hopelessness* (London: Allen Lane, 2017), p. 57.

Therefore, we need to consider the forces preventing serious consideration of alternatives in Bougainville today. Lasslett's claim that the BPA reintroduced the structural violence that the struggle was seeking to overcome is important here. One could argue that the BPA serves as a form of enemy propaganda in that it exerts pressure on Bougainville to meet a certain set of conditions for governance, including, unofficially, the condition of economic self-reliance, if it wishes to obtain independence. Through this blackmail the BPA serves as the instrument through which the former and current colonial powers control and regulate the possibilities available to Bougainville. That is, Bougainville is guilty if they fail to meet the conditions for good governance, but also guilty if they do because that means giving up on their desire for an independent Bougainville beyond the colonial capitalist system.

What is to be done in this predicament? Perhaps what is required today to overcome this blackmail is not to escape from the state in favour of localised indigenous-based governance, nor to seek some hybrid form of governance that balances the limitations and excesses of both Western and indigenous governance. Rather, perhaps what is required in Bougainville today is a 'governmental event',[15] of transforming the 'culture of governance' in Bougainville itself. Surprisingly, such an event in Bougainville today might assume the form of taking the concept of good governance more seriously than those who espouse it want it to be taken. That is, rather than simply dismissing the condition for good governance (including the addition of economic self-reliance) what if Bougainville accepted it fully as its own condition by actively working to rid the culture of governance in Bougainville of its shadowy underside. This would mean directly addressing the challenge of persistent clientelism, bribery and corruption and initiating democratic and transparent governance, particularly in the economic sphere.[16] To be clear, the aim of shifting this shadowy underside is not to enable a pure liberal democratic governance, but rather to move beyond such a model of governance.

Based on this approach a key question for Bougainville today is whether or not there are any concrete possibilities for such a transformation to take place. What is happening in Bougainville today that could trigger or enable a governmental event? Does a vote either way in the referendum provide concrete opportunities for a governmental event to occur? It would seem that a 'yes' to independence would not necessarily indicate a readiness to break free from liberal-capitalism any more than a 'no' vote would indicate a willingness to remain within it. Indeed, there is a certain ambiguity in the referendum: a decision either way provides no specific content or strategic direction for what comes next.

Somewhat controversially, perhaps one should consider the implications of the referendum for Papua New Guinea. For example, as Francis Ona observed, "The only significant development we have seen since independence [in PNG] is the widening gap between the few rich and the poor majority".[17] Or, in the words of Blaise Iruinu, today "Papua New Guinea now has nowhere to go. Instead of surviving, she is dying. Borrow for investment, borrow for services, becomes a slave to the master".[18] Therefore, what are the implications of a governmental event in Bougainville if it chooses to remain part of the Papua New Guinea state? Could it reverberate across the country to other provinces, delivering Papua New Guinea from its own failed independence?

15. Slavoj Zizek, *The Courage of Hopelessness* (London: Allen Lane, 2017).
16. Indeed, one can learn from recent actions taken by the Governor of Oro Province in PNG, Gary Juffa, in which a group of foreign workers were arrested and heavy equipment seized after authorities shut down an illegal logging operation in the province. Juffa commented that the company was aided by a member of his own administration who provided fraudulent 'forest clearing' authorities (for example see https://bit.ly/2JeEjXN).
17. Francis Ona, 29 November 1989, p. 3.
18. Iruinu, B., Interview – The Panguna Seminars, Arsam International, Bougainville Peoples Research Centre and Fourth World Films, 25 August 2015.

CONCLUSION

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Governments need revenue and how governments secure this revenue is an important policy consideration. It would be a particularly pressing challenge for a future independent Bougainville Government.

What happens in Bougainville in the future is up to the people of Bougainville to determine. Nevertheless, their ability to make wise choices will be dependent on their capacity make informed decisions about their economic and political future. It will also be influenced by the attitude taken by policy-makers outside the country, especially by major aid donors such Australia.

It is therefore unfortunate that the political consensus that large-scale mining offers the only feasible developmental path for Bougainville has led to a scenario in which there appears to have been insufficient in-depth analysis of potential alternative economic strategies.

The aim of this project has been to redress this imbalance. In doing so, we hope that it will inform debate in Bougainville and among policy makers in Bougainville and elsewhere, including in Australia.

It is not our intention to present detailed policy recommendations in this conclusion. However, it is possible to draw out the major themes and conclusions from the papers in this report:

- Bougainvilleans have their own history, knowledge, social institutions, cultural assets, traditional economy and systems of customary land tenure which provides a vital foundation on which Bougainville's future can be built.

- Land is of central importance to Bougainvilleans. Land connects people, regulates relationships, binds the present day to the past and the future. It is the source of social security, and the base for identity, memory, culture, and spirituality.

- Land also supports a way of life that most rural Bougainvilleans are already living. Land allows people to operate within a mixed economy that blends the non-cash contributions of the traditional economy supplemented with cash earned from small-scale income generating activities, such as the sale of cocoa for example.

- As the case study on Papua New Guinea (PNG) clearly shows, converting mineral wealth into positive outcomes for the bulk of the population is a serious challenge. The extractive industries have contributed less to PNG Government revenues and employment than expected, particularly in recent years. In fact the sector has distorted PNG's economy and its currency, making it harder for non-resource sector exports – particularly in agriculture – to bring in revenues.

- The Panguna mine is unlikely to be a significant source of Government revenues, at least in the short to medium term. The argument that self-sufficiency is only possible through mining is, at the very least, questionable. Equally open to question is whether the reintroduction of mining in Bougainville would avoid past mistakes, especially when it comes to environmental consequences and social impacts.

- Much of Bougainville is a matrilineal society and the connection between women and land is inseparable. However, this connection has suffered, and women's position in society has been weakened and marginalised since the period of colonisation.

- Women have been acknowledged as the driving force behind the ceasefire, the Bougainville Peace Agreement in 2001 and post-conflict attempts at reconciliation and transformation. Yet despite the central role women have played in the peace process and their role as custodians of land, they have largely been excluded from decision-making over Bougainville's economic future and social policy.

- It is widely recognised that in the immediate future agriculture is, and will continue to be, the single most important source of livelihoods for Pacific islanders. Thus, the focus of policy for employment of the bulk of the population, and for economic growth and government revenues, should be on promoting improved productivity in agriculture.

- Agriculture is an area where Bougainville

Cocoa farm, northern Bougainville

Photo credit: Christina Hill

enjoys an advantage as there is already a high level of participation in this sector. An economy based on agriculture has the potential to benefit all Bougainvilleans, not just a small minority.

- The challenge for the Government of Bougainville may be to find ways to commercialise traditional systems of farming and improve cash-generating opportunities, without sacrificing community cohesion, local food security and customary land tenure systems.

- Through the current global 'development' paradigm in Melanesia, there is a push by outside actors to replace customary systems with western models of land tenure. The result is that indigenous peoples are losing control over their land and rates of community conflict, rural indebtedness, inequality, and landlessness are increasing. Such a push is inconsistent with Melanesian efforts to keep land under customary tenure.

- Sustainable fisheries also offer the potential for the creation of jobs for Bougainvilleans. An innovative oceans management framework may also build on Bougainville's cultural links with the Solomon Islands and PNG.

- Gender equality must be at the heart of a just and sustainable economic model for Bougainville. This economic model must be one in which women retain their relationships to their customary lands, are able to cultivate it and make collective development decisions that benefit future generations as well as the current generation. Increasing women's economic power must be part of this model.

- To achieve a just and sustainable economic model for Bougainville, and to achieve sustainable development, stronger democratic participation of women in decision-making processes is also needed.

- Finally, some of the papers ask if there is a need to transform the 'culture of Governance' in Bougainville so that government policies serve the needs of Bougainvilleans, rather than particular corporate and economic interests, and so that systems of governance sit more sympathetically alongside local cultures, social systems, and value frameworks.

In summary, the collective wisdom of the papers presented here demonstrate that alternatives to large-scale mining do exist. Many Bougainvilleans are already participating in and developing these alternatives. Bougainvilleans enjoy the benefits the traditional economy and customary land tenure provides through food, housing, employment, and other forms of social security.

Properly supported, innovative approaches that build on what is already done have the potential to support inclusive economic growth and with it increase government revenues. That this growth is likely to be gradual rather than instantaneous is not necessarily a drawback given the doubts about the revenues that would be generated by a reintroduction of industrial scale mining.

Perhaps more importantly, how much revenue a future Bougainville Government might need, and for what, depends on what sort of government Bougainvilleans want, and what sort of a country they would like to become.

APPENDICES

Appendix 1

The Mele Declaration 2010

The declaration of the 2nd annual meeting of the Melanesian Indigenous Land Defence Alliance, held at Mele Village in Port Vila, Vanuatu, 14-19 June 2010

In response to increasing threats to customary land systems posed by the land reform agendas of international financial institutions, aid agencies, governments and elites within our own countries, the second annual meeting of the Melanesian Indigenous Land Defence Alliance (MILDA) affirms its commitment to indigenous control of customary land systems. Recognising that the threats to customary land are directed against the Melanesian Pacific as a region, our intention is to unite and organize on a regional basis, to defend the continued control of Melanesian communities over their land, sea, water, air and natural resources. We assert that the customary land systems are the basis of life and community in Melanesia.

Established in 2009, MILDA is an alliance of groups and individuals united by a shared vision, a common cause, and a commitment to working together. Our members are fieldworkers and community members, women's representatives and mothers, fathers and grandfathers. We include church leaders and traditional leaders, academics, regional NGOs and international supporters. We first came together last year in Madang, PNG, and following from that we came together this year in Port Vila, Vanuatu. We came from Papua New Guinea, Bougainville, Solomon Islands, Vanuatu, Fiji and Australia, and were privileged to have traditional chiefs with us. We came to share experiences, stories and skills, and strategize a regional response to the persistent pressure for registration and leasing of customary land.

Land has always been of the highest value to the lives of our peoples, and so it will be for generations to come. In all Melanesian traditions, land is regarded as a non-alienable resource that cannot be parted with. The relationship which we have with our land is special and unique, and cannot be accounted for through Western systems of value. The Melanesian definition of land is inclusive. Land extends from the surface of the ground to the centre of the earth. It stretches above us to the limits of the sky. It includes the waters of our rivers, streams and creeks. It includes our oceans. The land has belonged to us – and we to it – since time immemorial.

Land is our mother and the source of life for our people. Land secures life, fosters and strengthens relationships that sustain our society. It embodies the link to our past, present and future and therefore sustains everything we do. MILDA members reaffirm the sanctity of land.

The meeting asserted the following:

1. We are opposed to any form of alienation of land from customary landowners, whether by outright sale or through leases which remove landowners' capacity to effectively control, access and use their land.
2. We believe that the ways in which land is used and distributed should be determined by Melanesian custom, and not Western legal systems.
3. We assert the value of traditional economy, which promotes self-reliance amongst our people and communities, and we are opposed to actions and policies which encourage the dependency of Melanesian peoples on others, including the state.
4. We reject all policies which require that customary land be registered as a precondition for business or development activities, and demand that Melanesian governments cease all pressures for customary land registration, whether voluntary or involuntary.
5. We oppose all foreign programs, bribes and inducements to bring about customary land registration in Melanesia.
6. We call for a total overhauling of the current land administration in Melanesia to weed out corrupt land dealings and fraudulent titling. All customary land taken by these means should be returned to customary owners.

The Melanesian Indigenous Land Defence Alliance resolved that it will meet again next year in the Autonomous Region of Bougainville.

The Arawa Declaration 2017

The declaration of the 5th meeting of the Melanesian Indigenous Land Defence Alliance (MILDA), held at Arawa, Central Bougainville, 14-18 August 2017

In response to continued and increasing severity of threats to customary land and sea systems posed by land reforms, land/sea mining, other large-scale resource extraction projects, and other foreign development agendas of international financial institutions, aid agencies, governments and elites within our own countries, the fifth meeting of the **Melanesian Indigenous Land Defence Alliance** (MILDA) re-affirms its commitment to indigenous control of customary land/sea systems in relation to Melanesian ways. We recognise that external threats to customary land and seas are directed against the Melanesian Pacific as a region. We, therefore, are united and organized as a region to defend the continued control of Melanesian communities over our land, sea, water, air and ancestral heritage. We re-assert that the customary land / sea systems are the basis of life and community in Melanesia.

MILDA is an alliance of groups and individuals with a shared vision and commitment to working together united by a common cause to protect our indigenous land/sea extending from the surface of the ground to the centre of the earth and underneath the sea, including our ecosystems, biodiversity, and intangible cultural heritage, the waters of our rivers and streams, and our air. Our members comprise of traditional leaders, community members including men, women, youths, children and people with special needs, churches, academics, regional NGOs, and international supporters.

The Melanesian definition of land is collective and inclusive and includes the sea. Land has and always will be of the highest value to the lives of our peoples, and so it will be for generations to come. In all Melanesian traditions, land is regarded as a non-alienable

resource that cannot be parted with. The relationship which we have with our land and sea is special and unique, and cannot be replaced by foreign value systems. We are custodians of the land and sea since time immemorial.

Land, including the sea, is our mother and the source of life for our people. Land secures life, fosters and strengthens relationships that sustain our society. It embodies the connections to our past, present and future and therefore sustains everything we aspire to. MILDA members, hailing from the Autonomous Region of Bougainville, Fiji, Kanaky / Nouvelle Caledonie, Papua New Guinea, Maluku, Solomon Islands, West Papua, and Vanuatu, reaffirm the sanctity of land and sea.

We declare the following:

1. As Indigenous Peoples of Melanesia we are committed to upholding and safeguarding our Melanesian indigenous traditional and cultural heritage, customs, values and beliefs.
2. We acknowledge and support the value and use of Traditional Resource Management, Traditional Knowledge and vernacular language in the sustainable management of, and cultural links with, the environment and natural resources.
3. We oppose any form of alienation of land and sea from customary landowners, whether by outright sale, leases or acquisition which remove landowners' capacity to effectively control, access and use their land and sea.
4. We believe that the ways in which land and sea are used and distributed should be determined by Melanesian custom, and not by foreign systems.
5. We assert the value of our traditional economy, which promotes self-reliance amongst our people and communities, and we oppose actions and policies which promote the dependency of Melanesian peoples on others, including the State and foreign aid agencies.
6. We say NO to all policies which require customary land be registered as a precondition for business or development activities, and demand that Melanesian governments and aid donors cease all pressures for customary land registration, whether voluntary or involuntary.
7. We say NO to all legislative changes with respect to land and sea resources that take away power and control from our people, and give exclusive rights and control to governments and foreign investors, and call for a review of legislative changes that have undermined our indigenous power over our land/sea and our Melanesian Ways.
8. We oppose all foreign programs, bribes and other methods that take away the right to self-determination over our lands, reflective in Article 3 of the United Nations Declaration on the Rights of Indigenous Peoples, including customary land registration, foreign land and sea (ocean) grabbing, and extractive industries in Melanesia.
9. We are opposed to any form of experimental seabed resource extraction (including exploration activities) from our seas.
10. We call for a total review of the current land and sea administration in Melanesia to eliminate corrupt dealings and fraudulent practices. All customary land and sea acquired by these means should be returned to the rightful ancestral inheritors.
11. We affirm the rights and freedom of all Melanesian peoples, specifically Bougainville, Kanaky / Nouvelle Caledonie, and West Papua, to exercise the full process of self-determination towards referendum for independence without interference from outside influence.
12. We affirm the power and principles of Bougainvillean MATRILINIAL heritage and its vital role in the self-determination process towards the referendum for independence.

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