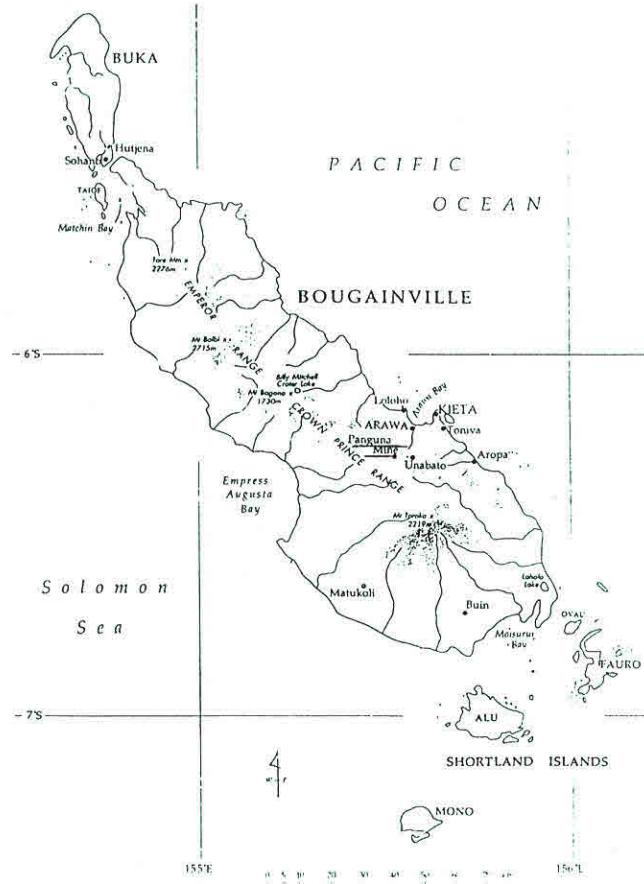


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### The Mining And The Undermining Of Resource Sovereignty And Resource Development In The Bougainville Copper Project

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# The Mining And The Undermining Of Resource Sovereignty And Resource Development In The Bougainville Copper Project

By Jerry Semos and David King

## Abstract

The Bougainville conflict has a 36-year history, including nine years of rebellion or civil war. In 1964, an Australian mining company, Conzinc Riotinto of Australia (CRA) came to Bougainville uninvited. The 1967 Bougainville Copper Agreement (BCA) was set in place despite Nasioi and Bougainville opposition. The resulting civil war underlines the vulnerability of state power and authority. This paper argues that the struggle related primarily to competing resource sovereignty claims by state, capital, and society. This paper asserts that society, particularly the local Nasioi people, not only own the land, but all other resources as well. The paper critiques conventional arguments about the conflict and argues that the principal factor that underlies Bougainville's 'conflict history' is the political, ideological and cultural power struggle between state and society over the control and ownership of resources; and ultimately, the ownership and control of the Panguna mine. For peace to return to Bougainville, a more inclusive integrated model of resource sovereignty is a pre-requisite. The resource development model envisaged would be based on the principles of 'diversity of resource ownership or sovereignty', a compliance with democratic and sustainable standards for mining and a recognition of the three main players of state, capital and society as equal and permanent partners in resource development.

## Rebellion

In 1964, an Australian mining company, Conzinc Riotinto of Australia (CRA)<sup>1</sup> came to Bougainville, uninvited. CRA had been granted prospecting authority by the Australian colonial government without Nasioi landowners' consent. Between 1969 and 1976, the intense local resource struggle was transformed into a popular secessionist struggle. Meanwhile different autonomy movements had been formed, the Napidakoe Navitu, Mungkas Association and the Bougainville Special Political Committee, to support the landowners' and Bougainville's fight for resource rights and ownership claims in the Panguna mine.

In 1975 the Bougainville leaders declared a Unilateral Declaration of Independence (UDI) from PNG, which was rejected by PNG, Australia and the United Nations. Between 1976 and 1986, the struggle was transformed into limited autonomy for Bougainville, called the North Solomons provincial government. To better articulate its interest and concerns, the landowners formed the Panguna Landowners Association (PLA). Indifference left the provincial government and especially the landowners frustrated, which resulted in sporadic violence and road closure by the landowners. The silent struggle, led by PLA, transformed into rebel struggle in the 1988-90 period. Meanwhile the PLA evolved into the Bougainville Revolutionary Army (BRA).

Finally the ongoing struggle found a leader in Francis Ona, a militant landowner, who demanded a K10 billion ultimatum from the PNG government and BCL. As Ona and the BRA were supported by the landowners and local people, they were able to organise an

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<sup>1</sup> In April 1996, CRA merged with its London-based parent company, Rio-Tinto Zinc (RTZ), with the new corporate entity renamed RTZ-CRA. RTZ-CRA has one of the world's largest investments valued at \$AU27 billion.

uprising, resulting in the closure of the BCL mine. In 1989, twenty-five years after its arrival in 1964, CRA's subsidiary company, Bougainville Copper Limited (BCL) left Bougainville in a hurry, pursued by its local rebellious hosts - the Nasioi resource-owners.

The fact that, in Bougainville, a group of young and educated resource-owners could organise and mobilise a small civilian (people's) army and take over the Panguna mine within a few weeks, and the whole of Bougainville within a few months, underlines the vulnerability of state power and authority on Bougainville particularly and in society generally. Since 1989, Bougainville intermittently came under '*society's rule*', bluntly administered by a quasi-military, but fundamentally a people's organisation - the Bougainville Revolutionary Army (BRA).

During this period, the state of PNG, a corporate partner in the BCL project, found its authority and legitimacy to govern and run Bougainville and PNG effectively to have been tested and undermined. The ability of the state to govern and control society, and to earn and secure legitimacy and authority from society had faltered.

The BCL project was the most profitable mine for the company and for PNG. But for the Nasioi and Bougainville people, the mine was excluded their participation. By production year (1972), the BCL project and its supporting infrastructure cost \$AUD400 million (about \$AUD2 billion in 1996's values) to build. In its 17 years of operations, BCL consistently made profitable returns, which supposedly amounted to K20 billion. Over that period, the local resource-owners received K24 million. The project had contributed 45% of PNG's export income, 17% of the government's internal revenue and 12% of PNG's gross domestic income.<sup>2</sup>

This paper traces and explores the root cause of the Bougainville rebellion by examining the relationship between, the three corporate groups - the PNG (colonial and post-colonial) state, capital (RTZ-CRA-BCL) and society (Nasioi-Bougainville). The main theoretical argument relates to competing resource sovereignty claims by state, capital, and society. The state, in coalition with capital, maintained it had sovereign power and rights over resources. However, this paper disputes this contention and asserts that society, as the local Nasioi society on Bougainville has argued, not only owns the land, but other resources as well.

While the Nasioi and Bougainville struggle for land and mineral rights was active and cyclical, it did not transfer into active and real participation in the BCL project. The original colonial policy by Australia, which allowed CRA to hurriedly set up the BCL project without local consent and recognition of claims to land and mineral rights, also became the policy mainstay of the PNG state in the post-colonial period.

We reject the argument by state and capital that the conflict was instigated by '*a band of opportunistic rascals and criminals with inflated expectations*'<sup>3</sup> and we also reject the view

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<sup>2</sup> In 1975 the mining industry accounted for 59% of PNG's total exports, in 1992 it rose to 70%, and surged to 80% in the 1995/6 period. The mining industry constitutes 20% of the PNG government's total revenue. These statistics would increase even more when considered alongside the petroleum industry. In the same period, agricultural production for export (practically all Papua New Guineans participate in this sector) experienced a drastic fall. Source: AIDAB, *The PNG Economy: Prospect for Recovery, Reform and Sustainable Growth*, Canberra: AGPS, 1992, p. 36; *Jobson's Mining Year Book 1995/6*, Sydney: Dun & Bradstreet Marketing, 1995, pp. 693-695

<sup>3</sup> See for example: PNG Government & BCL statements in: *Pacific Islands Monthly*, January 1989 pp. 16-19; also see the a later Prime Minister, J Chan's statement, in the *PNG Post-Courier*, June 21-23, 1996, pp. 1-2; *The Australian*, June 24/5, 1996 & the ABC-TV *Lateline Program*, 25 June 1996. BCL statements are also in: Paul Quodling, *Bougainville: The Mine and the People*, Australia:

that resource-owners were ignorant of (or illiterate about) their traditional and constitutional rights to land and mineral resources. The conflict was not instigated by criminal elements, but that it was created by resource sovereignty/ownership claims, first emerging in 1964 (the year CRA first moved into Bougainville) and continuing thereafter. Besides, the younger generation (the so-called 'rascals and criminals') - armed with '*save blong waitman*' (Western education) and supported by their traditional elders - had been the political agitators and social catalysts for reform to mining and equity agreements.

The paper critiques two arguments about the conflict: Griffin's (1972, 1975, 1990) theory of '*Bougainville ethno-nationalism and identity*' and Filer's (1990, 1992) theory of '*social disintegration and social time-bombs*'. The conflict is also analysed utilising a number of theoretical arguments, such as Migdal's (1985) theory of '*strong society and weak state relations*'; and Hobsbawn's (1965, 1969) theory of '*primitive rebels*' and '*social bandits*'; and the concept of '*environmental racism*'.

The universal factor that underlies Bougainville's '*conflict history*' is the political, ideological and cultural power struggle between state and society over the control and ownership of resources; and ultimately, the ownership and control of the Panguna mine. Society sought, through various means, to be an 'owner/controller/manager' of the mine, but it could not achieve this. This resource sovereignty conflict forced the local resource-owners to permanently close the mine and forced a '*local revolution*' on Bougainville, which in turn forced the state into a crisis of legitimacy and authority on Bougainville. The political, economic, social, human and environmental costs of the conflict to Bougainville and PNG are very difficult to quantify.

For peace and meaningful mining operations to return to Bougainville, a more inclusive, integrated model of resource sovereignty is a pre-requisite. The resource development model envisaged would be based on the principles of '*diversity of resource ownership or sovereignty*', a compliance with democratic and sustainable standards for mining and a recognition of the three main players of state, capital and society as equal and permanent partners in resource development.

Few scholars have provided an adequate conceptualising of the environment and resources as socially-shaped and socially-shaping in both the Western and Melanesian contexts. The general assumptions that the state manages environmental and resource issues in the "public good" or "common interest" of society, or that the state is acting as a neutral arbiter of conflicting interests in society, are inadequate, because the state has other interests, such as supporting economic growth and large private investment.

The idea that environment and resources are seen and valued principally as a means of capitalistic exploitation and surplus appropriation requires closer analysis in terms of society's social, economic and environmental imperatives. Should issues of the environment and resources be primarily seen as part and parcel of society and its needs for survival, or merely a bargaining chip for competing state and business interests? Should the state have absolute sovereignty over mineral and petroleum resources in a state like PNG? This paper argues for a search for alternative political, economic, cultural, legal solutions and paradigms in resource management and development.

#### **Bougainville As A Special Case: Bougainville Secessionism And Ethnonationalism**

Focusing on secessionist struggle in Bougainville gives us one dimension of the conflict, but also within the '*secessionist struggle*' approach, there are other important inter-related factors

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The Centre for Independent Studies, 1991 and 'Bougainville Update - Ninety Years of Bougainville History', *Supplement to the CRA Gazette*, 3 August 1990, vol. 25, no. 4, pp. 2-3

which directly and indirectly contribute to societies, such as Bougainville, taking up secessionist causes. Two positions<sup>4</sup> are Griffin's explanation of Bougainville secession and Filer's theory of social disintegration of society. Modernist theorists argue that integration and homogenisation of ethnic groups in society are carried out through the modernisation processes and economic development programs. As in the Bougainville case, the state and capital, via the BCL project, provided the political and socio-economic institutions with the wherewithal in their attempts to penetrate, pacify and homogenise society. Modernists advocate an assimilated and homogenised society and state.

However, instead of systematically modernising and enlightening society, the process conferred advantages and disadvantages on disparate groups; modernisation made society more conscious of disparities, inequalities and differences between kinship groups, districts, regions and provinces.

A long time analyst and commentator on Bougainville affairs, Jim Griffin,<sup>5</sup> asserts that the Bougainville secessionist and autonomy struggles<sup>6</sup> had been influenced by internal rather than external factors - ethno-cultural rather than political, geo-political rather than economic. Griffin suggests that these dominant ethnicity<sup>7</sup> factors, including skin colour, are quite unique to Bougainville. This is not to suggest that these internal factors did not have potent political and economic ramifications outside Bougainville.

Griffin contends that Bougainville is a special case<sup>8</sup> in relation to the rest of PNG. The '*Bougainville is a special case*' assumption was first formulated by Griffin in the early 70s,<sup>9</sup> and backed by earlier support from Bougainville leaders<sup>10</sup> (including Paul Lapun, John Momis and Leo Hannett). While Griffin has maintained his stand on Bougainville secessionism and

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<sup>4</sup> See below Griffin's critique of Filer's Social Disintegration of Society theory; in: J. Griffin, 'Bougainville is a Special Case', in: R. J. May & Matthew Spriggs (eds.); *The Bougainville Crisis*, Bathurst: Crawford House Press, 1990, pp. 1 - 15

<sup>5</sup> The main readings in which Jim Griffin analyses the concept of Bougainville secession and ethnonationalism are: J. Griffin, 'Bougainville - Secession or Just Sentiment?', *Current Affairs Bulletin*, vol. 48, no. 9, 1972, pp. 259-280; also 'Movements for separation and Secession' in A. Clunies-Ross and J. Langmore (eds.), *Alternative Strategies for Papua New Guinea*, Melbourne: Oxford University Press, 1973, pp. 99-130; see also J. Griffin, 'Ethnonationalism and Integration: An Optimistic View', *Meanjin Quarterly*, vol. 34, no. 3, 1975, pp. 240-249; J. Griffin, 'Bougainville is a Special Case', in: R. J. May & Matthew Spriggs (eds.); *The Bougainville Crisis*, Bathurst: Crawford House Press, 1990, pp. 1 - 15

<sup>6</sup> "Secession is defined as an attempt to establish a separate sovereign state. Secession is quite different from separatism which is defined as an attempt that seeks some degree of self-government short of total independence for a minority in a conflict with the existing state." The Bougainville conflict relates strictly to the former definition. Definitions are taken from: Premdas, 1990, p. 2

<sup>7</sup> Ethnicity has several definitions; this one is favoured: "an ethnic group can be rationally defined as a collectivity of people who (a) share some patterns of normal behaviour and (b) form a part of a larger population, interacting with people from other collectivities within the framework of a social system". "Ethnicity is essentially a form of interaction between culture groups operating within common social contexts". Abner Cohen, 'Introduction: The Lesson of Ethnicity', in Cohen (ed.), *Urban Ethnicity*, London 1974, p. xi

<sup>8</sup> J. Griffin, 'Bougainville is a Special Case', R. J. May & Matthew Spriggs (eds.); *The Bougainville Crisis*, Bathurst: Crawford House Press, 1990, pp. 1 - 15

<sup>9</sup> J. Griffin, 'Bougainville - Secession or Just Sentiment?', *Current Affairs Bulletin*, vol. 48, no. 9, pp. 1972, 259-280; also J. Griffin, 'Movements for separation and Secession', 1973, pp. 99-130

<sup>10</sup> L. Hannett, 'Down Kieta Way: Independence for Bougainville?', *New Guinea*, vol. 4, no. 1, 1969, pp. 8-14; also L. Hannett 'The Case for Bougainville Secession', *Meanjin Quarterly*, vol. 34, no. 3, 1975, pp. 286-293; also see B. Middlemis, 'Napidakoe Navitu' in M. W. Ward (ed.), *The Politics of Melanesia*, Canberra: The University of Papua New Guinea and The Research School of Pacific Studies, Australian National University, 1970, pp. 100-104

ethno-nationalism in the 1990s, most of the Bougainville leadership and population have been sceptical about it and some mystified by it to the extent of passive rejection. A considerable majority has accepted the pragmatic inevitability of constitutional integration of Bougainville with PNG. However, in the 1990s, Griffin's secessionist platform was adopted yet again by the BRA/BIG leadership in the struggle for Bougainville sovereignty. As in the period before PNG's independence, Bougainville sovereignty has been assumed to be the underlying objective for Bougainville.

There are three related factors, Griffin argues, that set Bougainville apart from the rest of PNG, and which had united the Bougainville people into a ethno-nation. These are the skin colour, the culture of its people and Bougainville's relative isolation from the rest of PNG.<sup>11</sup> In other words, Bougainville society is not only ethnically and culturally different from PNG, but also has been historically neglected<sup>12</sup> from the body politic of PNG. According to Griffin, this Bougainvillean nationalism was ethnically driven by a so-called *Mungkas*<sup>13</sup> self-image. Bougainvillean self-image was influenced by geographical proximity to and cultural affinity, with the Solomon Islands:

*"Ascriptively there is the mungkas pigmentation ... which has led to a sense of being a different 'race', and the spatial separation [alienation?] from other Papua New Guineans. With them goes a keen awareness of belonging geographically to the Solomon archipelago, and especially in the south, of affinities with the Western Province of the Solomon Islands. ... The early contact experience of Bougainvilleans tended to entrench a sense of the difference between themselves and other Papua New Guineans".<sup>14</sup>*

In our view, an awareness of ethnic, cultural and geo-political similarities and differences is only the 'stuff' of politics from which any conflict and struggle could occur. The root cause of any conflict and struggle is something more fundamental than 'skin-colour/history' survival and continuity. In the Bougainville case, that something is natural resources and the inherent desire to own and control these resources in order to satisfy basic human and society's needs for existence, sustenance, shelter, conservation and recreation.

Griffin argues that secessionist politics in Bougainville were fuelled by an 'us and them complex'<sup>15</sup> which came to a head in two historical periods; 1969 to 1976 and 1988 to 1996. In

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<sup>11</sup> In the context of PNG Griffin explains the concept of ethnonationalism in this manner: "the people of PNG can for practical purposes be said to belong to one putative biological stock. The only physical difference between them that need divert the popular mind is that of colour, of which Melanesia has a remarkable diversity, ranging from the light brown Motu and Trobrianders of Central and South-East Papua to the jet black of Bougainville and the Western Solomons. Naturally, in conjunction with feelings of ethnicity, differences in colour encourage the sense of ethnonationalism; there is the 'loose talk' of Bougainvilleans or Motu being 'a different race' from, say, Highlanders". Taken from: J. Griffin, 'Ethnonationalism and Integration: An Optimistic View', *Meanjin Quarterly*, vol. 34, no. 3, 1975, p. 241. Griffin also identifies, besides skin colour and ethnicity, factors as such language, regionalism, religious affiliations and custom differences which influence the sense of ethnonationalism.

<sup>12</sup> J. Momis & E. Ogan, 'A View From Bougainville', M. W. Ward (ed.), *Change and Development in Rural Melanesia*, Fifth Waigani Seminar, The University of Papua and New Guinea, The Research School of Pacific Studies, Australian National University, 1971, pp. 106-118

<sup>13</sup> It is a Buin word which means black or dark relating to skin colour. In the 1960s and 1970s the word *Mungkas* had haphazardly assumed the status of a political symbol of the Bougainvillean struggle for resource rights and independence.

<sup>14</sup> J. Griffin, 'Bougainville is a Special Case', R. J. May & Matthew Spriggs (eds.); *The Bougainville Crisis*, Bathurst: Crawford House Press, 1990, pp. 4-5

<sup>15</sup> Griffin, 1990, p. 4

both periods of Bougainville secessionist and independence struggles, the issue most central to the conflict with the state and capital was the BCL project. While Griffin agreed<sup>16</sup> that the BCL project helped integrate Bougainville into a united PNG, he, however, under-rated the economic imperative of the BCL project and dismissed that the extraordinary wealth from the mine was not a determining catalyst for Bougainville secessionism:

*"Bougainvilleans do not want to secede simply because they have extraordinary wealth. ... The omens were clear before the unwanted 'merciless intrusion' of Conzinc Rio Tinto into their land".<sup>17</sup>*

Griffin's concluding remarks about the 1990 activities and struggles of the Bougainville Revolutionary Army (BRA) and leadership against the PNG state have strengthened his case that Bougainville is a unique case; that its future political status and salvation is dependent on this *mungkas* and separate political entity:

*"The events of 1990 have established prima facie what the last 25 years history has intermittently exposed and concealed: that most North Solomonese have proceeded from a sense of ethnic distinctiveness [as with other Melanesian groups] to the terminal loyalty of a ethnonation. ... Ineradicable widespread secessionist sentiment is what makes the North Solomons a special case and any proposed solution which ignores this will founder".<sup>18</sup>*

Griffin assumes the key catalysts that sparked the Bougainville secessionist struggle are ethnicity, culture and geo-political dissimilarities with PNG societies. However, it could equally be rationally argued that the factors of dark skin-colour, cultural affinity and geographical isolation could well fit a number of groups or provinces within PNG, especially parts of New Ireland and Western provinces.

### Political Economy

The political economy perspective *"posits that below the symbolism and rhetoric of subjective ethnic claims for autonomy lurk objective material motivations"*.<sup>19</sup> This study agrees with this line of argument and contends that the *'real reasons'* for secession went beyond Griffin's concept of ethno-nation, per se. The controversial *'objective rational factors'* of resource ownership, equity/wealth sharing and the ownership of the BCL mine were significant to the conflict. These *'objective rational factors'*<sup>20</sup> were practically enshrined in, and symbolised by, the local struggle for recognition of resource sovereignty in the BCL project and Bougainville's struggle for political sovereignty.

Bougainville's *'objective rational factors'* of resource sovereignty, natural wealth and wealth accumulation had been manipulated by a local elite for grassroots mobilisation and solidarity. While the desire by the local elite is for a new social order, ethnic dichotomies and conflicts, articulated by modernisation, must be perceived as a necessary remnant of a deficient capitalist system. Put simply, the local elite exploits factors of capitalism and modernisation to substitute and reinforce ethnicity as an issue of struggle.

The other variant of the political economy school focuses on elaborate statistical data to show disparities in the distribution of resources, jobs, and privileges among ethnic communities.

<sup>16</sup> Griffin, 'Ethnonationalism and Integration: An Optimistic View', 1975, p. 264

<sup>17</sup> Griffin, 1975, p. 246

<sup>18</sup> Griffin, 1990, p. 14

<sup>19</sup> Ibid

<sup>20</sup> Premdas' definition of 'objective rational factors'- Refer to Premdas, 1990, pp. 18-19. Objective rational factors relate mainly to factors of production of land, labour and capital.



Before his secessionist campaign came to a head late in 1989, Francis Ona came up with a set of demands<sup>21</sup> which supports this assumption. In a series of letters to BCL and PNG government, Ona called for the elimination of political and socio-economic disparities associated with the BCL project.

Some peace-making concessions and policy shifts were offered by the state and capital, but Ona lifted his resource sovereignty agenda to greater heights, placing secession and political independence at the top of his plan for Bougainville. From 1990, and after his 4-point demands were disregarded, Ona - mesmerised by real or symbolic power - became a secessionist rebel. But the popular power and sentiments of secessionist regime (such as the BRA) are only temporary and largely dependent on mobilisation and consolidation of factional interest or ethnic groups and their concerns. Focusing on secessionist struggle in Bougainville from an ethnicity and cultural point of view gives us one dimension only of the conflict.

### Modernisation

Griffin's judgment of the strong presence and mobilisation of ethnic nationalism in Bougainville from 1968 onwards came from his reading of Walker Connor:<sup>22</sup> "*reading Walker Connor in 1973 was not so much a revelation as a scholarly confirmation that one's intuitions were correct*".<sup>23</sup> Connor (1971) contested nation-building and integration theorists such as Gabriel Almond (1960) and Karl Deutsch (1966) who advocated the notion which originated from modernisation thinking that "*ethnic identity will wither away as the processes collectively known as modernisation occur*".<sup>24</sup>

The modernisation view<sup>25</sup> assumes that nations that vigorously mobilised factors such as increased urbanisation, industrialisation, schooling, communication and transportation would proceed to national assimilation and homogeneity. By and large, modernisation, homogenisation and integration of societies would be achieved through social mobilisation and social engineering, and hence, so the argument goes, the withering of ethnic identity and diversity.

But Connor challenged the modernisation perspective, arguing that the general global trend was to the contrary. While modernisation brings disparate peoples closer together, it also highlights and exposes socio-economic disparities, ethnic differences and jealousies between groups. Because of these factors Connor concluded that the states were preponderantly multi-ethnic and that ethnic consciousness had been increasing rather than the opposite.<sup>26</sup>

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<sup>21</sup> Francis Ona's and BRA's set of demands to BCL and PNG government included four (4) factors; K10 Billion compensation package, 50% of profits given to resource-owners and NSPG, 50% localisation of BCL ownership within 5 years and consultation on new mining projects.

<sup>22</sup> W. Connor, 'Nation-Building or Nation-Destroying?', *World Politics*, vol. 24, no. 3, 1971, pp. 319-355; also W. Connor, 'The Politics of Ethnonationalism', *Journal of International Affairs*, vol. 27, no. 1, 1973, pp. 1-21

<sup>23</sup> Griffin, 1990, p. 3

<sup>24</sup> Connor, 'Nation-Building or Nation-Destroying?', 1971, p. 321

<sup>25</sup> See for example, D. Lerner, *The Passing of Traditional Society*, New York, 1965 and also E. Hagen, 'How economic growth begins: the theory of social change', in G. D. Ness, *The Sociology of Economic Development: a reader*, New York, 1970

<sup>26</sup> Connor, 1971, p. 332. Connor says: "No particular classification of multi-ethnic states isolated a group which proved immune to the fissiparous impact of ethnicity: whether authoritarian or democratic; federative or unitary; Asian, African, American or European. Neither was the level of economic development determinative. Indeed, the accompaniments of economic development, increased social mobilisation and wider communications, appear to have increased ethnic tensions and stimulated separatist demands."

From this point of view we would agree with Griffin's basic idea that Bougainville is a special case, but not for his notion which concentrates on ethno-nationalistic attachment to and link with Bougainvillean sovereignty or nation. The idea of a common ethnic or cultural ideology propping up and sustaining a so-called Bougainville nation-state has in itself proven ineffective and problematic. This is partly because of the diverse and fragmented politics within Bougainville itself, and partly because the resource sovereignty conflict is missing from Griffin's model of Bougainvillean nationalism.

The post-1989 period of BRA control<sup>27</sup> (definitely, Bougainvillean control) proved politically and socially dysfunctional. Despite filling in a power vacuum left behind by the PNG government, the BRA leadership could not muster an effective structure of control and authority to govern and administer Bougainville. During this period, what exploded in Bougainville was an uncontrollable double-edged civil war; one war fought between and among Papua New Guineans and the other between and among Bougainvilleans themselves, including inter-tribal violence. From anecdotal accounts, more killings and death, especially in North Bougainville, were experienced in the latter part of the conflict. Bougainvillean (or more accurately, BRA) control of Bougainville proved to be a misnomer for a so-called Bougainville ethno-nation.

Colin Filer is partially correct when he says that Bougainville is unique for having one of the world's largest holes situated at Panguna.<sup>28</sup> However, the Panguna mine hole is not unique because the place is centrally advantageous to the conduct of armed insurgency<sup>29</sup> as Filer argues. Rather, the giant hole is socially and symbolically significant because it uncovered and exposed that great '*tambu*' or sacred sovereignty. The *tambu sovereignty* is the heart of society - that which is of the greatest value to the present Nasioi generation and all future Nasioi generations. The '*tambu sovereignty*' is what this study calls traditional resource sovereignty.

Instead of the '*tambu sovereignty*' being held in trust for generations to come, it was washed out to sea as tailing wastes and polluted debris, or shipped out to faraway lands as precious metals for outsiders to use and enjoy. By custom and tradition, resource-owners were prepared to share that sovereignty, but only if interested parties were prepared to share the spoils with the owners or custodians of that sovereignty.

In retrospect, the BCL project was set up along a colonial policy of '*Masta i tok, tok i dai*'.<sup>30</sup> Any sovereignty [whether political, economic or cultural] that adopts culturally discriminatory laws or policy, especially as these relate to resource development in PNG or Bougainville, and continues to ignore traditional resource sovereignty vested in local society, is doomed to fail or to face vigorous challenge.

### Filer's Theory Of Social Disintegration And Social Time-Bombs

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<sup>27</sup> We agree with Peter King's suggestion that BRA was a military product of the PNG state's failure to respond adequately to the original 1989 rebellion. Under the circumstances and with the stakes increased, the promotion of the rebellious PLA to BRA was inevitable, not only to assume local rule in the face of state's political lethargy before the 1990 UDI, but also to stand in as a government after the PNG state abandoned Bougainville in 1990.

<sup>28</sup> Filer, 1990 pp. 77, 79. On page 79, Filer [1990] says "the most important thing which distinguishes the North Solomons from 18 other provinces of PNG, in historical, political, cultural, social and economic terms, is nothing other than the massive hole in the middle of it".

<sup>29</sup> Ibid, p. 77

<sup>30</sup> Translated, the colonial and post-colonial master (Administration or state) or whiteman has spoken or decided, there is nothing else to talk or discuss. Any decision, policy or agreement proposed or made by the master must be heeded and attended to lock, stock and barrel.

Filer seems to lay the warning of time-bombs<sup>31</sup> - explosive by-products of social disintegration resulting from mining colonisation - at the feet of the resource-owners; even though he softens this with the claim that "*mines are potential time-bombs in almost any part of PNG, if those mines operate for about 15 years*".<sup>32</sup>

Filer's exploration of the Bougainville conflict is focused on the dynamics of internal rapid social change brought about by the interplay of three main factors:

- (a) the negative impact of mining colonialism on society;
- (b) the degree of state intervention (or non-intervention) in mining-society relations and;
- (c) society's ability (or inability) to cope with the forces of 'modernisation' or capitalism.

Filer outlines six main theoretical grounds from which to argue the cause of the Bougainville rebellion. These can be summarised as:<sup>33</sup>

- (a) the (Bougainville) rebellion is not uniquely Bougainvillean, but universal;
- (b) the rebellion was caused by the disintegration of society, resulting from the undermining of the kinship system and Melanesian ways, brought about by large-scale mining;
- (c) the social disintegration factors included the social erosion of resource sovereignty claims, resource equity and distribution, and legitimacy of kinship sovereignty;
- (d) the objective of the '*rebels*' was to shut-down the mine in order to put a stop to further social disintegration, while secession and rebellion were a gut reaction to a weak, but brutal state;
- (e) the social origins of the rebellion stem from problematic and conflictual relationships between a weak PNG state, landowning communities and mining companies; and
- (f) solutions - whether political or economic - to mining problems in PNG will be difficult because of political and economic 'safeguards or burdens' in the Constitution about mining.

The general thrust of the factors of social disintegration as outlined above are valid, but a number of key areas, including the real social origins of the Bougainville conflict, the origins of disintegrating factors in societies or communities and the 'sovereignty' uniqueness of the Bougainville conflict in PNG, need review. For example, the proposition that societies are disintegrating is flawed, especially those around resource projects, including Bougainville society. The opposite is actually occurring where society, faced with destructive and domination forces from outside, has looked to younger and educated generations of its people to utilise '*save blong waitman na save blong tumbuna*' to confront or negotiate for favourable results with the state and capital. Societies have been able to strengthen or re-integrate because of the redeeming strength and power of societies maintaining their perpetual relationship with and ownership of the land and its resources.

The crux of Filer's social disintegration theory rests on three inter-related assumptions (and predictions); firstly, that:

*"mines in almost any part of PNG will generate the same volatile mixture of grievances and frustrations within the landowning community. Blowouts will occur with steadily increasing frequency and intensity until there is a major detonation of the time-bomb after mining operations have continued for approximately 15 years"*.<sup>34</sup>

Put another way, the control mechanisms put in place to modernise and industrialise society through mining projects would have the opposite effect, namely: "*a negative, and potentially explosive, social impact on landowning communities*".<sup>35</sup> Also the frustrated and aggrieved

<sup>31</sup> Filer, 1990 pp. 76, 111 - 112

<sup>32</sup> Ibid, p. 76

<sup>33</sup> C. Filer, 'The Escalation of Disintegration and the Reinvention of Authority', 1992, pp. 115-116

<sup>34</sup> C. Filer, 'The Bougainville Rebellion, the Mining Industry and the Process of Social Disintegration in Papua New Guinea' 1990 p. 76

<sup>35</sup> Ibid

society would become the detonation trigger - influenced by the equity and participation agreements blunder - that would set off the social time-bombs to explode.

Secondly, in rebutting Griffin's ethno-nationalistic assumptions, Filer draws attention to the key focus of his study by suggesting, that:

*"the 'Bougainville crisis' is not a unique blemish on the body politic of PNG, but the outcome of a social process which may generally be expected to accompany certain types of economic development but which here, in Bougainville, has reached an extreme and unprecedented form. The possibility with which I am immediately concerned ... is that mining projects in PNG all have a similar disintegrative effect on the social structure of the landowning (or local) community".<sup>36</sup>*

This study agrees with the similar disintegrative effect of mining on PNG society, which basically agrees with the early, similar review by Momis and Ogan in 1971 of *Nasioi anomie* on Bougainville.<sup>37</sup> However, the assertion that the Bougainville conflict is not a unique blemish on the body politic of PNG is historically flawed. The Bougainville conflict has proven to be unique in relation to 'sovereignty struggles' with and within the PNG state. Also, the Bougainville conflict challenged and tested the unity, legitimacy and the power of the PNG state.

Finally, the bottom line of the social disintegration argument rests on the premise, that:

*"the (compensation/forum) package is essential to the project, the package is a time-bomb, but new compensation packages can and have to be negotiated for new projects, if there are any new projects, now that the first time-bomb has gone off".<sup>38</sup>*

The compensation/forum package is not the time-bomb. In *PNG Tokpisin*, but in the context of the Bougainville case, the compensation package would be sarcastically called: '*em gris moni tasol ya*'.<sup>39</sup> The compensation package is a temporary band-aid and 'money' solution,<sup>40</sup> which does not necessarily solve legitimate concerns and claims about lifestyle loss, resource/environment loss and resource sovereignty struggles.

### The Real Social Time-Bombs

The real social time-bomb emanates from the non-recognition, non-confirmation and obliteration of traditional resource sovereignty by state and capital, knowing fully well that society has traditionally exercised ancestral and sovereign (if not constitutional) powers over these resources. For 25 years, the state and capital have tried to maintain a permanent lid over an active form of traditional resource sovereignty in Bougainville society. This was the time-bomb that exploded in 1989, but its imminent warnings have intermittently appeared since 1964. As already mentioned, the state's absolute ownership of and control over society's

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<sup>36</sup> Ibid., p. 79

<sup>37</sup> J. Momis & E. Ogan, 'A View From Bougainville', Marion W. Ward, (ed.), *Change and Development in Rural Melanesia*, University of Papua New Guinea & Research School of Pacific Studies, ANU, 1971, pp. 106-118

<sup>38</sup> Filer, 1990 p. 76

<sup>39</sup> Translated, it means an enticement or bribery to agree or disagree to do something. In the context used, the package would be a superficial lure to a complex situation experienced by society.

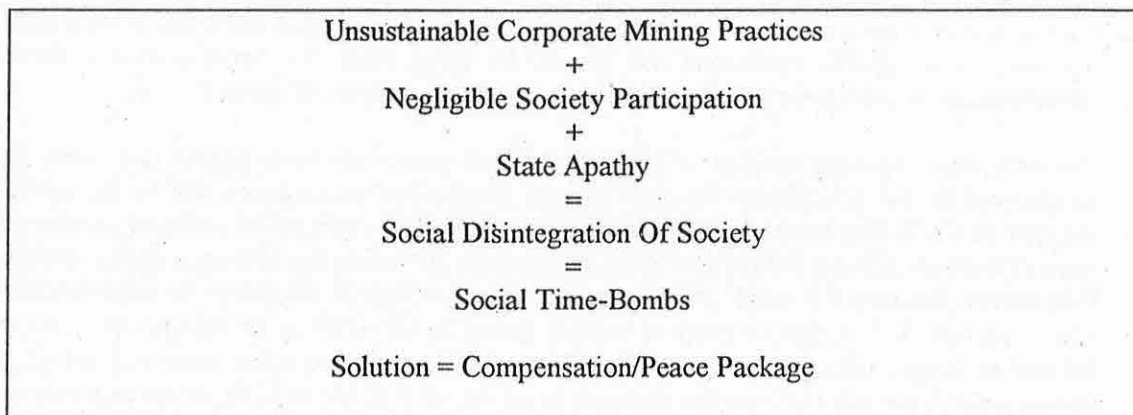
<sup>40</sup> Lop-sided monetary compensation packages do very little in fostering and strengthening social and kinship relations; the opposite actually occurs where 'moni tasol' has weakened and undermined relationships to the point of generating conflict and time-bombs. The politics and disputes over the 1967 5% royalty payment, the 1969 'minor' compensation agreements and the 1980 Road Mine Leases Trust Fund are examples (discussed in the case studies, Chapters 6, 7 & 8) of this situation. Local equity participation that involves all resource-owners, supplemented by compensation packages and commercial/business spin-offs, would provide some long-term and meaningful solutions.

sovereign resources, and not the compensation package, must be considered as the real time-bomb. The compensation package could be interpreted as the spark which let the "resource ownership time-bomb" explode.

From the three factors just outlined, the central focus of Filer's analysis is the landowning community, to which the social disintegration theory is applied. The social disintegration theory stipulates that mining projects have the capacity to make or break society through a vicious 5-cycle process of delineation, distribution, stratification, inheritance and succession. Society, through its kinship networks, is assumed to navigate cautiously through these social cycle storms. As in the BCL case, each cycle or storm is viciously problematic and exponentially cumulative over a period of 15 to 20 years. The bottom line of Filer's argument rests with this assumption:

*"mines are potential time-bombs in almost any part of PNG, if those mines operate for about 15 years".<sup>41</sup>*

The 5-phase analysis of society is discussed in the context of mining agreements/concessions/benefits and their effects on kinship system and kinship obligation towards its members. Put simply, Filer's model of social disintegration-cum-social time-bombs could be illustrated this way:



The suggestion is supported that rapid social change, in which large mining projects are responsible for a five-stage vicious cycle of social disintegration of society, cannot be considered uniquely Bougainvillean. Also, social change, resulting from mining carries a story of a timely warning; warning about time-bombs in other PNG provinces with major resource projects.<sup>42</sup> However, the pre-occupation with the compensation package and its negativity deserves examination. Everything about the mining project, from society's viewpoint, is not wholly economic or *moni tasol*. The emphasis by Filer on the compensation package, and not the neglect of society's resource rights as being the time-bomb, could have come from his perspective on society.

For example, in describing and discussing the merit or demerit of Ona's K10 billion demand<sup>43</sup>, Filer used words which ridicule or belittle society such as '*handout mentality*', '*insanity*',

<sup>41</sup> Filer, 1990, p. 76

<sup>42</sup> Ibid.

<sup>43</sup> Apart from the K10 billion Francis Ona demanded from BCL and PNG government, Ona also demanded 50 % profit, localisation of BCL ownership within 5 years, and consultation on new mining projects. See 'Resource-owners' Submission on a Range of Concerns' to the Independent AGA EIS Inquiry Team, Guava Village Meeting, 16 November 1988: in Appendix section of Applied Geology Associated Ltd., *Environmental, Socio-Economic and Public Health Review of Bougainville Copper Mine, Panguna*, Wellington, New Zealand, 1989

'madness', 'desperation', and 'acute cultural indigestion'.<sup>44</sup> Ona's K10 billion demand went beyond the suggestion by Filer of "the desperation of people suffering from acute cultural indigestion and the myth of Melanesian communism".<sup>45</sup> On the contrary the myth of Melanesian solidarity and communalism has been very much alive and authoritative. Throughout the 25-year period of the Bougainville conflict, the myth of Melanesian solidarity and communalism has been invoked as a powerful and ideological force by land/resource rights activists and Bougainville rebels to validate and legitimise the resources/sovereignty issues in Bougainville.

The K10 billion, plus other 'ownership demands', represented an ultimatum or the last stand on the question of resource sovereignty or ownership. In any Melanesian society or indigenous society, conflicts over 'sovereignty and resource matters' are multi-faceted and go beyond the mere cultural stigmatisation and economic rationalisation. Filer's view that the social time-bombs emanate from the compensation/forum package is incomplete and questionable. Nevertheless, Filer's assessment of the Bougainville conflict has seemed to augment well for the "most enthusiastic support" coming from the mining companies, including BCL.<sup>46</sup>

The modernisation view, upon which the social disintegration theory is based, suffers from a Eurocentric bias, favouring a model of society based on Anglo-American practices, values and institutions.<sup>47</sup> Modernists not only make society the victim of economic development and growth, but also the main cause of any problem or conflict associated with that development. The victims are doubly victimised and blamed for being there- for being a society. Social disintegration theory seems to mirror the 'blame-the-victim' notion of society.

Presently, the modernist analysis of state, capital and society has been largely cast aside, but its ideological and intellectual 'mindset' is very much alive in academia and in the mining industry in PNG. The social disintegration-cum-time-bombs explanation received unreserved support from the mining industry in PNG. Modernists, including the mining industry, assume that society, because it is weak and powerless, cannot withstand the forces of modernisation and capitalism; hence society must or will be forced to integrate or be dominated.<sup>48</sup> But as evident in Bougainville, and also in other parts of PNG and Melanesia, when capitalism or mining used force and violence the opposite occurred, in that, the hidden power and strength of society came to a head in challenging state and capital.

### **The Kinship System And Its Strength**

Filer's main argument in his theory of social disintegration is that the kinship system is undermined by way of benefit distribution which is appropriated during the mining process. According to the Bougainville experience, the kinship system has been strengthened during the Bougainville conflict. Mining in the core of society (for example, Panguna Nasioi) does not guarantee that the integration-disintegration processes would pacify or dominate society and would extinguish society's hold on resources.

The extinction of society is not possible because the periphery and/or remnant of that society (other Nasioi & Nasioi neighbouring/extended kinship system) would make sure that the core

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<sup>44</sup> Filer, 1990 p. 90

<sup>45</sup> Ibid

<sup>46</sup> C. Filer, 'The Escalation of Disintegration and the Reinvention of Authority', 1992, p. 117

<sup>47</sup> R. H. Chilcote, 'Introduction: Dependency or Mode of Production? Theoretical Issues, in: Ronald H. Chilcote & Dale L. Johnson (eds.), *Theories of Development*, London: Sage Publications, 1983

<sup>48</sup> Gradually, integration has occurred and will occur in Bougainville, PNG and Melanesia more through education, communication and other acceptable and nonviolent modernisation means/ways than by violent and unacceptable means/ways.

of society regains its lost knowledge, history and tradition through retribution, compensation or direct sovereignty struggle. Nasioi society sought recompense through various means, including compensation. On two historical occasions, Nasioi society chose direct sovereignty struggle via secessionist revolts, not only to get unpaid compensation and royalty, but to regain ownership and control of the mine and its resources.

Bougainvilleans, Papua New Guineans and Melanesians in general would place their support with society rather than siding with state and capital. The theoretical explanations of Migdal's strong-society-weak-state and Hobsbawm's primitive rebels/social bandits point to the actual reality of the Bougainville conflict; perhaps more convincingly than the notion of the disintegration of Nasioi society. Prior to BRA assuming a secessionist struggle, Ona's resource sovereignty struggle gained widespread support in Bougainville and PNG. If Nasioi society was disintegrating, why did the local struggle and rebellion spread like fire throughout Nasioi-land and Bougainville?

Social disintegration theory assumes a potential time-bomb is created every time society becomes involved with decisions or agreements associated with mining projects. By assumption, there is this somewhat colonial belief that society did not exist at all prior to European contact; or society is being consciously ignored as *'terra nullius'*<sup>49</sup> and that resource-owners have no right to be there in the first place.

### **Bougainville And The Melanesian Ways**

The modernist assumption implicit in Filer's hypothesis stems from *"two myths which prevent us from understanding the implication of the Panguna crisis"*.<sup>50</sup>

- (a) the myth of Bougainvillean nationalism, a rebuttal of Griffin's assumptions about Bougainville's secessionist politics and ethno-nation; and
- (b) the myth of Melanesian communism, a rebuttal of Bernard Narokobi's assumption about the distributive justice of the Melanesian Way.<sup>51</sup>

Political struggles or resistance invoke powerful symbolism in culture, history and religion to legitimise and strengthen their cause. Filer dismisses Bougainvillean and Melanesian self-images as cultural and political diversions<sup>52</sup> in relation to internal political conflict and balance of power shifts between the colonial state and Bougainville District, and later, between the PNG government and North Solomons Provincial Government. If anything, the present Bougainvillean rebellion should be interpreted as a fiery manifestation of the reality of those cultural or ethnic myths. In short, the argument that Bougainvillean nationalist feelings and Melanesian solidarity are just mythical diversions in mobilising political participation is inadequate. Cultural and political myths are powerful and symbolic tools of mobilisation, participation and solidarity - tools that the present BRA leadership has actively invoked.

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<sup>49</sup> Derived from Australian colonial policy that at the time of white settlement, Australia which was known to be inhabited by indigenous people, belong to no-one. Hence all land and resources were claimed by an absentee Crown. This colonial myth reluctantly found its way to other Australian colonies, including PNG. Even today in PNG commentators in the mining industry, government and academia are still 'imprisoned' by this 'terra nullius' and racist debate.

<sup>50</sup> Filer, 1990 p. 78

<sup>51</sup> Refer to Chapter 5, Sections B & C for the discussion of Bernard Narokobi's concept of the Melanesian Way

<sup>52</sup> Ibid, p. 84. Filer says *"there has been a period of twenty (20) years, from 1967 to 1987, in which the myth of Bougainvillean Nationalism has effectively concealed the social impact of the Panguna mine on the landowning community by diverting national attention, first to the balance of power between the colonial administration and the people of Bougainville District, and then to the balance of power between PNG national government and North Solomons provincial government"*.

The vicious cycle of social disintegration will be aborted or at least lessened dramatically when the balance of power shifts to resource-owners and society. Resource-owners or society have to be recognised as equal corporate partners and not just conveniently classed as time-bombers. If one regards resource-owners and society as potential negatives or time-bombers, one is basically playing the same colonial and post-colonial tunes<sup>53</sup> of the Australian Administration (between 1963 and 1975) and successive PNG governments since 1975, and is thereby prone to repeat their mistaken policy of political containment and concealment of social reality.

The resource sovereignty formula recognises the rights of resource-owners as equal to state and capital; recognises society's loss and deprivations (in matters of resource security) and makes society legitimate participants and negotiators in any mining agreement. Traditional resource sovereignty derives its basis and foundation from kinship sovereignty, an age-old tradition that directs all decisions and activities in traditional Bougainville society. Both state resource sovereignty and traditional resource sovereignty could co-exist and should have legitimate and equal value in PNG,<sup>54</sup> if mining and petroleum development were to maintain long-term security and results. Cash crop production and development in PNG seems to validate this traditional/modern co-existence of resource sovereignty.

There is enormous insight into the Bougainville conflict to be gained from Filer's theory of social disintegration and time-bombs. Large mining operations, situated in a PNG society, pose real social threats to society. Nevertheless, Filer's explanation projects an element of scepticism concerning the origins of time-bombs themselves; and whether the kinship system is actually disintegrating or coalescing and strengthening in the face of rapid social change.

### Society And Racism

Society was colonised and 'educated' to accept the introduced *god, gold and glory* (cultural, economic and political hegemony) of the introduced dominant culture, for the sake of national (or State) interest and development. Society's interest and need for self-reliant and sustainable living was deemed insignificant and considered an impediment to national development. Both State and capital interests were assumed to be complementary, but mutually independent. So it was necessary to create new institutions, structures and laws, the purpose of which was to promote the acceptance and legitimisation of the dominant culture and system. In more ways than one, the socialisation and internalisation of the dominant culture (and technology) transfer and its hegemonic legitimacy was an acceptable form of racism.

Through expansionist colonialism and neo-colonialism, racism has had a way of utilising overt and covert forms of power and control to disempower society and its varied cultures and values. In many cases, the colonial and post-colonial State sanctioned discriminatory policies and practices. Sanctioned and justifiable racism had been the historical undercurrent of the Bougainville conflict, a by-product of the 'colonial-racist divide/struggle': it is a struggle

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<sup>53</sup> The colonial and post-colonial policies in relation to the CRA/BCL project are discussed in the Case Studies, Chapters 6 to 9

<sup>54</sup> The issue is not whether the state would lose or forfeit its state resource sovereignty (SRS) powers and compromise its 'national interest' imperatives in revenue collection, service provision and national development. That predicament, which society recognised, is impossible due primarily to the national and international identity of the PNG state. However, the vital issue is whether the state in PNG would share its SRS powers with society and its resource-owners in matters directly relating to mineral/petroleum resource development and equity participation. Actually, shared equity participation through resource development (through cocoa/copra/coffee production has a momentous history in PNG and most of Melanesia.



between State-capital culture and society's culture; between the dominant and the dominated; between empowerment and disempowerment; between State sovereignty over resources and traditional resource sovereignty.

The most accurate account of race relations came from a resident anthropologist, Eugene Ogan, who studied Nasioi society before and during BCL's tenureship in Bougainville. In their dealings with Nasioi resource-owners, Ogan was scathing in his corroborated (with CRA officials) assessment of the colonial administration and CRA, in that, the BCL operations began "*with totally inadequate knowledge of the local social situation and, therefore, with totally inadequate efforts to ensure co-operation of villagers*".<sup>55</sup> Ogan's indictment of antagonistic race relations between State-capital and society prepared the way for the BCL project to face strong opposition from Nasioi society:

*"Strong opposition to the presence and activities of the mining company expressed by the great majority of adult Nasioi must be seen in terms of previous deep-seated dissatisfaction with Europeans and their behaviour towards villagers. In other words, for many Nasioi, CRA is merely 'the last straw', the most recent and drastic example of a long record of Australian exploitations in the island"*.<sup>56</sup>

Also, Douglas Oliver (1973), another American anthropologist and a CRA/BCL consultant since the 1960s, confirmed that most resource-owners "*appear to have become resigned more or less disconsolately to what they regard as another example of the white man's cupidity, deceit and irresistible power*".<sup>57</sup> Equally, a Bougainvillean leader, Leo Hannett (1975), expressed similar resentment, saying Bougainvilleans "*are now made strangers in our own land ... (by) ... heartless outsiders with their heartless machines ... degenerating, humiliating, and dehumanising us with their 'development' at our expenses*".<sup>58</sup>

Oliver and Ogan had lived among and studied different cultural groups especially in Central and South Bougainville. They were regarded by many Nasioi and Bougainvilleans as skilled confidants or '*save man long givim halivim*'. However, Bougainvilleans felt betrayed that these two academics sided and consulted with the company after they had freely given of their '*save*' to them, but used against them in mining talks and agreements.

These race relations criticisms were preceded by earlier protest expressed to the 1962 UN Mission team to Bougainville, in which Nasioi representatives said they had been treated like dogs by Australian authorities.<sup>59</sup> Nasioi people requested the UN Mission team for

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<sup>55</sup> E. Ogan, 'Charisma and Race', A. L. Epstein, R. S. Parker, Marie Reay, (eds.); *The Politics of Dependence*, Canberra: Australian National University Press, 1971, p. 141

<sup>56</sup> Ibid.

<sup>57</sup> D. Oliver, *Bougainville: A Personal History*, Honolulu: University of Hawaii Press, 1973, p. 162; also see L. Hannett, 'The Case For Bougainville Secession', *Meanjin Quarterly*, vol. 34, 1975, pp. 288-9. Hannett expressed similar angry sentiments, saying: "*Where we once walked with our heads high, now we move around with our heads hanging down low ... never quite knowing what to expect from these outsiders, heartless outsiders with their heartless machines slowly eating out like a cancerous growth the soul of our community; degenerating, humiliating, and dehumanising us with their 'development' at our expenses. We are now made strangers in our own land*". Also see J. Momis, 'Taming the Dragon', in Peter Sack, *Problems of Choice: Land in PNG's Future*, Canberra: Australian National University, 1974, pp. 190-9

<sup>58</sup> L. Hannett, 'The Case For Bougainville Secession', *Meanjin Quarterly*, vol. 34, 1975, pp. 288-9

<sup>59</sup> See *Pacific Islands Monthly*, May 1962, p. 138; also see E. Ogan, 'Charisma and Race', in A. L. Epstein, R. S. Parker, Marie Reay, (eds.); *The Politics of Dependence*, Canberra: Australian National University Press, 1971, p. 139; also D. Oliver, *Bougainville: A Personal History*, Honolulu: University of Hawaii Press, 1973, pp. 132-132; also J. Griffin, 'Buka And Arawa: Some Black Thoughts on a White History of Bougainville', *Meanjin Quarterly*, December 1973, p. 449

Bougainville to be administered separately by the United States, rather than by Australia. The harsh treatment meted out to Nasioi and other Bougainvilleans by the Germans and Australians prior to the Pacific War, in contrast with the tolerant and unprejudiced experience of predominantly white American soldiers' altruism and humanity during the Pacific War, was to influence later the idea of a partition.

### Society And Environmental Racism

Environmental racism is characterised by four basic factors;<sup>60</sup> namely, (a) the exclusion of certain groups, (b) the sanctioning of discriminatory policies and agreements by State laws or regulations, (c) institutionalisation and acceptance of injustice and (d) the disempowerment and extinguishment of society's knowledge, history and values. Unlike racism, environmental racism has a fifth dimension, in that, the victims of such racism suffer additional health and environmental insecurity because the victims have been systematically targeted.

Firstly, environmental racism is a practice which does more than just exclude certain (especially minority or peripheral) groups from decision-making and policy-making because of their physical, cultural and historical differentiation. In Bougainville, resource-owners were excluded in meaningful negotiations, equity and resource rights arrangements, environmental and social security agreements, and the BCL board of management. The exclusion of society was intentional and racially/culturally determined.

The mine effectively alienated and disempowered society from its power base and control over its livelihood and resources. Stocks of marine life, wildlife, flora and fauna necessary for subsistence existence were permanently lost. In effect, it was assumed that resource-owners had no right at all, let alone traditional rights to the environment and the resources. Nasioi ownership and rights to resources or the mere fact of their existence in the environment were not perceived as concrete guarantees to involve society in mining negotiations and agreements. Nasioi society's permanent loss of subsistence resources through mining and mining pollution was perceived as peripheral or '*em rabis tasol yah*' to the economic profitability of the mining operation.

A similar assessment of environmental racism among American minorities by Benjamin Chavis and applied by Simmons Buntin in his article, '*Environmental Liberty and Social Justice for All: How Advocacy Planning Can Help Combat Environmental Racism*' clearly articulates the key elements of the resource-owner discrimination discussed above:

*"Environmental racism is racial discrimination in environmental policymaking. It is racial discrimination in the enforcement of regulations and laws. It is racial discrimination in the deliberate targeting of communities of colour for toxic waste disposal and the siting of polluting industries. It is racial discrimination in the official sanctioning of life-threatening presence of poisons and pollutants in communities of color. And, it is racial discrimination in the history of excluding people of color from the mainstream environmental groups, decision making boards, commissions, and regulatory bodies".<sup>61</sup>*

Secondly, the experience of environmental racism in the BCL case supports the notion of the inclusion and acceptance of '*save blong waitman*'<sup>62</sup> and the exclusion and rejection of '*save blong tumbuna*'. From its inception, BCL was indiscreet and ill-advised about the social and

<sup>60</sup> Buntin, *Environmental Liberty and Social Justice for All: How Advocacy Planning Can Help Combat Environmental Racism*, November 1995 (In internet, compiled by Terry Link, <20676tpl@msu.bitnet>)

<sup>61</sup> Ibid., p. 6

<sup>62</sup> Translated, it means Whiteman/European knowledge or ways.

environmental security of society. Prior to the approval of the BCL project in 1967, no Environmental Impact Study (EIS) was undertaken;<sup>63</sup> a prerequisite that is currently a legal imperative. The excuse given was the non-existent or poorly developed EIS legislation in PNG.

BCL's outdated and insensitive views about the Bougainville conflict are reflected in the following statement which was made at the CRA shareholders meeting in Sydney in December 1995, by one of the CRA executives and a former BCL director, John Uhrig. His 1990s views have not shifted or changed from the 1960s/70s views about the Bougainville conflict. Ignoring conventional wisdom and coloured by a measure of arrogance, Uhrig said that

*"the war on Bougainville has nothing to do with the Panguna copper mine. It is an inter-tribal, inter-village problem. Some of the natives have darker skin and fuzziier hair while the others have less fuzzy hair and brown skin".<sup>64</sup>*

It is this sort of naive, simplistic and discredited viewpoints - coming supposedly from skilled miners and managers - that compelled Ona and the BRA leadership to state quite forcefully that CRA or BCL was not needed back in Bougainville to re-develop the Panguna mine.

To discuss the BCL project in terms of the concept of environmental planning and control, let alone discuss sustainable society, would be absurd. Absurd, because the mining project did not have one and because both the State and company ignored calls by Bougainvillean leaders<sup>65</sup> and PNG academics<sup>66</sup> to integrate environmental controls into the project. However, it is this absence of an environmental imperative in the BCL project that makes the study of the Bougainville conflict problematic when examining the project's impact on society.

The only State environmental agreement with BCL, namely the 1971 Disposal of Overburden and Tailings Agreement,<sup>67</sup> basically allowed BCL the discretion to dispose of mining overburdens and tailings as it pleased. The 1971 agreement contained no environmental control mechanisms for controlling or rehabilitating large volumes of mining wastes. Controls and rehabilitation slowly came on stream late in the mid-1980s. These 'innovations' came too late. As we now know, the disposal of mining wastes, including tailings, caused enormous pollution to the Jaba river system and with it wildlife and marine life. In the process, society and resource-owners also lost a rich subsistence.

The 1967 and 1974 BCAs and subsequent agreements contained no environmental control regulations because these measures were deemed unnecessary and irrelevant by both the

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<sup>63</sup> M. Sullivan and P. Hughes, 'Environmental Planning and Applied Geomorphology in Papua New Guinea', *Erdkunde*, vol. 42, 1988, p. 119

Sullivan and Hughes echoed already-known assessment that *"the (BCL) project was commissioned with no regard for its impact on environment, especially aquatic life, and it is unlikely that such a project would gain approval in PNG today"*.

<sup>64</sup> 'CRA Shareholders Meeting' in *Pacific News Bulletin*, March 1996, p. 14

<sup>65</sup> See for example J. Momis, 'Taming the Dragon', in Peter Sack, *Problems of Choice: Land in PNG's Future*, Canberra: Australian National University, 1974, pp. 190-9

<sup>66</sup> See for example M. J. F. Brown, 'A Development Consequence - Disposal of Mining Waste on Bougainville, Papua New Guinea', in *Geoforum*, vol. 18, 1974, pp. 19-24. Brown (p. 27) concluded that *"mining on Bougainville has resulted in serious pollution of the tropical environment"*. He challenged the PNG government and BCL not only to be concerned with the best economic returns, but also *"with the protection of the natural environment, enact legislation so that there can be development without pollution, and ensure that there is a balance between conservation and development"*.

<sup>67</sup> Applied Geology Associates, January 1989, pp. 3.3; 5.3; 6.5.1

colonial and post-colonial State. As the above quotation from the AGA report reaffirms, environmental regulations were not incorporated into the operational plan and program of the BCL project.

The policy of no environmental regulation and protection was enforced in the BCL project despite mining companies in Australia applying stringent environmental controls over their operations. Also, at independence, the new PNG State brought in a so-called 'home-grown' Constitution that vigorously declared environmental control and conservation to be an obligatory national aim (4th aim of 5 national aims) of the State and society. But throughout the 17 years of the BCL operations, the project enjoyed a double dose of colonial and post-colonial environmental vandalism.

Except for two independent studies in 1974 by a UPNG academic, M. J. F. Brown,<sup>68</sup> and the 1977 United Nations Environment Programme,<sup>69</sup> which went largely ignored and numerous in-house BCL studies, there hadn't been any consistent and independent EIS program integrated into the BCL project. As cited above, the most thorough and wide-ranging study by an independent consultant group from New Zealand, Applied Geology Associated Ltd., came belatedly in September 1988, some twenty years after mine impact began. As usual the national government intervened and commissioned the EIS *only after* mounting pressures and violent struggles from the resource-owners.

The AGA EIS report<sup>70</sup> was released in late 1988. The report was very critical of BCL's lack of judgment on environmental matters. The report also contained scathing findings which showed the company to be insensitive and arrogant. Yet in the end, the report reluctantly pointed its fingers at BCL as the main destroyer of the environment in Central Bougainville. In the words of one of the AGA consultants, John Connell, who explained the basic conclusion of the AGA report:

*"The national government then sought an independent inquiry into the operations and impact of BCL; while recognising the justice of many grievances, the consultants expressed the view that although the environmental damage from mining operations was substantial there was no direct evidence of significant levels of chemical pollution and thus it was unlikely that BCL's operations were responsible for the loss of wildlife, declining agricultural production, or a range of human illnesses".<sup>71</sup>*

The resource-owners heard the 'bad news' in a public meeting held at Guava village for all interested parties to the inquiry. However, the findings were not explained with sensitivity and cultural understanding by the AGA consultants<sup>72</sup> resulting in Ona and Nasioi elders storming out. The resource-owners rejected outright the AGA EIS report, branding it a

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<sup>68</sup> M. J. F. Brown, 'A Development Consequence - Disposal of Mining Waste on Bougainville, Papua New Guinea', in *Geoforum*, vol. 18, 1974, pp. 19-24.

<sup>69</sup> See 'Introduction' in Applied Geology Associates, *Environmental, Socio-Economic and Public Health Review of Bougainville Copper Mine, Panguna*, New Zealand, January 1989, p. 1.1

<sup>70</sup> Applied Geology Associated, New Zealand, January 1989

<sup>71</sup> J. Connell, 'Compensation and Conflict: The Bougainville Copper Mine, Papua New Guinea' in: J. Connell and Richard Howitt, (eds.); *Mining and Indigenous Peoples in Australasia*, Sydney: Sydney University Press, 1991, p. 71

<sup>72</sup> Through personal communication, it is told that one of the consultants, Glen McGregor, purportedly said something that was insensitive to the angry Nasioi crowd attending the AGA EIS report meeting. Supporting the general conclusion of AGA EIS report about the acceptability and inevitability of pollution that accompanied mining, McGregor said: "You can't break/eat/cook an omelette without breaking eggs". Ona and his Nasioi elders stormed out of the meeting, knowing that they (and their predecessors) were not privy to any decision or agreement allowing the BCL mine to proceed.

'whitewash' and another of 'whiteman's lie'; they could not accept that BCL was not responsible for all the 'environmental pollution and destruction'; as mentioned above, they went on sabotage raids against the company, destroying several major company installations and property. Later State properties were targeted.

The AGA report became the last straw. For resource-owners, especially the new PLA, it was a matter of no more meetings or consultations, no more protests and demonstrations, no more trust and confidence in the State, company and consultants. They went away and took up arms and fought to drive BCL out. What followed is a tragic history of human suffering, cultural dislocation and environmental degradation, the discussion and analysis of which forms the basis of this thesis.

By environmental definition, having a large mine such as the BCL project and an environmentally friendly society is incompatible and impossible. It is even more incongruous when large mines are situated on an environment where society's basic requirements for food, shelter and leisure directly come from that environment. Decisions about mining on Nasioi land had to be done swiftly and efficiently in terms of realising the project's economic value for the country and company rather than its social, economic and environmental value for Nasioi and Central Bougainvillean resource-owners.

The BCL project is the direct antithesis of a sustainable society. Mining companies in PNG, including BCL, are opposed to or uncomfortable with indigenous resource rights and society's stewardship of resources, both for economic and environmental reasons. Nevertheless, the mining companies world-wide have been pressured and regulated to integrate 'environmental security' measures within their overall plan. In PNG the changes have been agonising as a direct result of the disastrous experience of the Bougainville conflict. The Lihir Gold mine project represents a complete U-turn in its addressing of major 'resource-ownership issues', including the environmental issue. Also for the State, it is a matter of great national interest in securing its authority, legitimacy and control over national development.<sup>73</sup> Policy statements<sup>74</sup> (1995) by PM Chan and DPM Haiveta have directly addressed the issues of resource equity, local/national/international participation and long-term investment strategies for mining and other resource projects.

### Resource Sovereignty

The state maintained that as long as the principle and practice of permanent sovereignty over resources and the environment favoured its interest and that of corporate mining, economic development plans targeted for the CRA/BCL project would proceed uninterrupted. State and capital made sure the project proceeded according to their plans even though local conflict persisted. From the indigenous perspective, the issue of sovereignty and control over natural resources placed society in a disadvantaged position and society was prepared to protest and struggle against this unacceptable situation.

Society disputed and challenged the state's claim to resources, citing other precedents already in existence and practices in countries such as the United States. However, society's challenge and protest proved fruitless to the extent that this did nothing to correct the resource sovereignty imbalance. However, society hoped that in due course the state would do something to correct it or compensate for it. That never eventuated because state and capital were seen by society more as mutual partners and friends.

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<sup>73</sup> See 'Industry lashes PNG mining policy', *Australian*, 21 March, 1995, p. 61; also 'Chan unveils new mining policy', *Australian Financial Review*, 21 March 1995, p. 22

<sup>74</sup> See 'Chan unveils new mining policy' & 'Landowner deal ends Lihir obstacles', *Australian Financial Review*, 21 March, 1995, p. 22; also 'PNG promises mine equity talks', *Australian Financial Review*, 22 March, 1995, p. 25

The study argues that state and capital were together a monolithic and dominant group, unified by their mutual plans of exploiting and developing the mine to generate revenue for the state and the company. The ruling class approach that was adopted, represented by the exclusive state-company negotiations and agreements conducted at the top and the deliberate exclusion of indigenous participation, spoke for itself. State and capital were but a disinterested group, concerned only with their development agendas and schedules to get the mining project into production.

In examining the principle of Permanent State Sovereignty over Natural Resources, it would seem that the principle was biased towards corporate mining. The conservative contention that the state protected and safeguarded indigenous and national interests as well as those of corporate mining was misleading. Ceding or extinguishment of society's interest is no substitute for state interest and/or capital interest. It is the argument of this paper that state's sovereignty and control over natural resources was unilaterally ceded (without society's consent, even to negotiate) to the mining corporation when mining agreements were signed between the state and CRA/BCL in 1967. Society did not accept the state as the Principal arbiter or negotiator in the BCL project.

Conventional wisdom contends that selling natural resources to develop a country's human resources, as well as its economic, social and physical infrastructure, is based on limited common sense. Hence, the logic of engaging in mining development in PNG makes sense. Since PNG wishes to develop its human resources - through the attainment and achievement of formal education, skill training and employment - and PNG has no capital resources to do this, then why not raise capital by realising its natural resources? For some twenty years, PNG has - in inviting mining companies - recognised and done this with mixed results; tending more towards the negative results, as encapsulated in the Bougainville conflict.

There are six main issues of contention for mining companies, the PNG government and PNG society to consider in order to achieve an integrated resource development model, namely.

1. The state has the constitutional legitimacy, but not the popular acceptance, to trade in its people's resources.
2. The mining companies the state invites in have made mistakes that not only reduce the value of the capital raised, but leave companies vulnerable to local, national and international pressures. However, making mistakes should not be an excuse for poor and unreasonable public and community relations.
3. Resource development often is in the 'remotest' parts of the country where government presence and authority is at its weakest. It is necessary, and at times, critical for the government and companies to 'invest' in having and maintaining good relations with different groups of local people in those 'remote' areas.
4. Even if capital is raised it is not spent on developing infrastructure for human resources but on keeping state structures in place.
5. The state has become '*weak*' (in securing society's legitimacy and authority) and '*soft*' (in maintaining discipline and control) over the governing of the country and in managing the entire economy and society.
6. Resource development is not seen as '*blong mipela*', but rather '*em blong ol ya*', by society.

These problems and issues are further complicated by other factors. Generally in PNG, the following issues exacerbate this basic set of problems.

1. The people of Bougainville and of many other areas of PNG have challenged the legitimacy of the PNG state's right or claim to possess or own resources.
2. BCL and Ok Tedi Mining Limited (OTML) have made mistakes, primarily 'technical' mistakes. In both projects plagues of technical mistakes have transformed into legal, economic, political and environmental problems.

3. For the mining companies and the state, all projects are in difficult areas. By chance, local people 'accept' and recognise projects within their area as '*developmen blong mipela*'.
4. State services, provided through the provincial governments, are held back in potential mining areas, waiting for mining revenues to roll in. The cost of running provincial government has added to the infrastructure costs and only weakly aided revenue raising.
5. Agricultural production as well as education and health, which most Papua New Guineans participate in and benefit from, have become weaker. The over-emphasis on, and the stress of mining production may be part of the reason for the decline in agricultural production. The fluctuations in prices for agricultural products also contribute to this decline.

This paper argues that the Bougainville conflict and the resultant mine closure imply and illustrate three main factors concerning PNG's legal system and mining policy which need careful and step-by-step review. These trilateral issues are consonant with '*PNG Ways*' directives and guidelines encouraged since Independence by the PNG Constitution. For long term national interest and development, including the securing of long term mining operations and the prevention of another kinship-based and Bougainville-type revolution, these three areas require attention:

1. the need to review the national legality and practicality of the State Sovereignty Over Natural Resources model, particularly the state's relations with society;
2. the need to review society's direct and indirect participation and involvement in mining agreements and projects; and
3. the need to review mining companies' relations with society and the state.

For a long-term resolution of the Bougainville conflict and a confident re-start of mining development on Bougainville, a general recognition and validation of traditional resource and mineral ownership rights or their equivalent, and agreement over acceptable reciprocal rights, are essential. A repeat of the 1967/1974 BCA with its state-centred SSONR mining policy in Bougainville will be unacceptable and detrimental. In essence, what this means is that just as Bougainville's political status may possibly change with a 'greater autonomy' mandate, likewise, a new SSONR regime could be the political security and economic 'cure' for long-term, secure mining and national development.

The alternative resources/sovereignty model should facilitate and effect the process and framework for a new mining/resource policy in PNG and Melanesia generally; and also facilitate and put together a new mining agreement in a new Bougainville. The tripartite resources/sovereignty model (embracing state, capital and society collaboration) should be guided by the following principles:

1. mandatory equity participation in mining/resource projects;
2. legitimate negotiation rights to equity, benefit and compensation agreements;
3. compensation claims to society and the state for depletion of and destruction to resources, environment and lifestyle;
4. compensation claims to the company for loss of resource production due to society's and/or state's action;
5. legitimate and mandatory provision of protection of and security to resource projects, related projects and infrastructure;
6. legitimate and mandatory participation in conflict resolution using non-violent, formal/informal and local/national methods (international methods would be consented and used only in conflict-of-interest situations) and,
7. ecologically sustainable development (ESD) principle and practice of sustainable mining and resource production, coupled with environmental control and protection.

