

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

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

(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,

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

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 availability 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 availability 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

Papua New Guinea and Bougainville



Reading the papers, one is constantly struck by the importance of land in the Bougainvillean worldview and in Melanesian 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 Melanesian 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 tenure 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](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

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.

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

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).

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

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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.

11. Bougainville Peace Agreement para 134.

12. Business Advantage PNG, Interview: John Momis, President, Autonomous Bougainville Government, 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 Panguna mining and exploration’, Asia Pacific Report, 23 December 2017, <https://bit.ly/2w1YtLN>.

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

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).

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

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

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.

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.

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 provides 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.