

Resource extraction and enchained inequities in Papua New Guinea: A Cultural Political Economy

Bruce Knauff
Emory University, USA

Presented at the European Society for Oceanists (ESfO) 2018 Biennial Conference
Cambridge University, UK
December 2, 2018

In the Session:

“Resource Extraction and Dealing with Inequality in the Pacific”

In this paper, I'll suggest that in Papua New Guinea, the impact of large-scale mineral and petroleum extraction projects presents not just a huge and consistently adverse impact on the communities most affected but a culture of expectation, frustration, and disempowerment, including in areas far removed from the sites of direct impact.

Against this, mining and drilling continue to be seen as the literal golden coin for development and improvement in Papua New Guinea. As such, and this is the crux of my paper, there is a stark if not catastrophic or cataclysmic mismatch between plans and aspirations for resource extraction, and the actual results of these projects in fomenting and escalating contention, inequality, and misery. One simply cannot understand much less address this situation by considering economics even in relation to politics. This is at heart a problem of *cultural* political economy, both national and local, including ideas, beliefs, and values of modernity and progress against which local, regional, and national realities are the observe – icons and testaments to the failure of adequate or acceptable development.

That mining and oil/gas developments are seen as the centerpiece, the holy grail, of Papua New Guinea's economic and social development is evident both in national-level discourse and in local desires for mega-development. On a national and international scale, we can take as Exhibit A an 8-page full color PNG advertising spread in the Wall Street Journal which we found on the newsstands in Atlanta, Georgia. Based on their current advertising rate, this cost about \$2 million, about six-and-a-half million kina, for distribution in the US alone. This is equal to 1 kina and twenty toea for every man and women in PNG over the age of 15 (8.3 million estimated population, of which 64.6% are estimate to be more than 15 years of age).

[Slides]

Under the title, “Find a New Route to Prosperity” one finds that Papua New Guinea is “growing in stature as a global investment and tourism destination.” Under “A Mine of Opportunity,” it is proclaimed that “the taxes and foreign currency that mining generates are...the engine of the country’s development,” and that the mining sector alone contributes more than 50% of the country’s entire export revenue. In addition to existing minesites such as Lihir and Porgera (Ok Tedi with its large-scale ecocide is not mentioned) new projects such as Frieda River, Wafi-Gopu, and Ramu nickel and cobalt are foregrounded, along with LNG projects such as Hides, P’nyang, and Papua LNG. The advertisement declares such projects the centerpiece for PNG’s future development.

[Slides]

In recent years, a range of research has explored the local, regional, and national impact of resource extraction in Papua New Guinea. This work poignantly brings to light key issues concerning inequality, development, and culture in and around mine sites and related areas. But beyond these [...] are larger entrainments of expectation and inequality among people *not* so directly impacted by large-scale resource extraction. They reflect larger regional patterns of inequality, underdevelopment, and reactivity. Across most of PNG, one finds enormous interest, attentiveness, and preoccupation with multinational resource extraction just because it has *not* materialized locally.

In the Strickland-Bosavi area of PNG, these dynamics have been documented among the Kubo, where an LNG exploration camp was established for several years, in a recent book by Minnegal and Dwyer (2017), and Gebusi, who I have studied, who were subject to social mapping along the route of an anticipated LNG pipeline.

[Slides]

Among both Kubo and Gebusi – and in the region more widely, the *hope and promise* of resource development is dashed despite great expectation and local knowledge of major resource development projects anticipated or online elsewhere.

To some extent, this same perspective pertains Papua New Guinea as a whole: mines, LNG projects and other major extraction initiatives are influential not just in their presence; they are in some ways all the more powerfully felt in and by their *absence*.

In a longer version of this paper now in process, I link together the resonating chain of expectations and inequalities at mine sites in Papua New Guinea. I then extend and differentiate these dynamics vis-à-vis areas less directly affected, including by the presence of

their absence as reflected in hope, anticipation, expectation, and fanciful projection if not fantasy. These larger dynamics and trajectories of inequality alternately connect and polarize peoples who are taken to benefit more, or less, from resource extraction in relation to expected and yet compromised reciprocity. These larger dynamics are practically important for the development of new large-scale resource extraction projects in the country.

A Cultural Conundrum?

It is obvious that mining and oil/gas development in Papua New Guinea have major negative consequences. These stretch from the disastrous Bougainville civil war following the bitter Panguna mining dispute with local people (May and Spriggs 1990; Lasslett 2014; Denoon 2000); to the ecocide of major parts of the Fly River system from the Ok Tedi mine (Kirsch 2006, 2014), to the horrific violence and social degradation associated with the Porgera mine (Jacka 2015; Golub 2016), to rising tensions, inequality, and restrictions of social networks even at the “best-case” off-shore mine at Lihir (Bainton 2009, 2010). In a paper on women and work in Lihir, MacIntyre (2015:1) writes,

[SLIDE]

I asked a woman with whom I work: ‘What does money do?’ She replied ‘It makes men drunk and young women single mothers – money has spoiled this place.’ In 1994 Filer predicted various forms of ‘social disintegration’ for Lihir. Great economic inequalities that now exist, violent arguments, once rare, are commonplace. Millions of kina has been spent on beer. The simultaneous introduction of beer, roads, crimes and motor vehicles has its own devastating effect.

Concluding his book on the impacts of the Porgera mine, Jacka (2015:231) states,

[SLIDE]

“In essence, I argue that Porgera is a massive development failure both socially and environmentally. . . [T]he costs of mining in human lives and the degradation of biodiversity far outweigh the benefits of development.” Jacka has recently documented the Porgera-inspired proliferation of Rambo mentaliy, by which young men with expensive high-powered automatic rifles enter the so-called “life market” to kill others repeatedly – until they themselves are killed in return (Jacka in press).

[SLIDE] *Even among those privileged few at Porgera who receive major compensation benefits and relocation housing, Golub (2016:139-40) suggests that their settlement was “considered dangerous, dirty, degraded, and squalid,” and so awash in drunkenness, gambling, prostitution,*

kept women, and unsavory and uncomfortable living conditions that many preferred to go and sleep in their traditional bush houses.

The problems associated with large-scale mining and oil/gas extraction projects are legion in Papua New Guinea; they are practically a textbook case of the extractive resource curse in developing countries: lack of sustainable economic growth; dependency on unearned windfall profits; social and cultural degradation through alcohol abuse, sexual exploitation, and gambling; and skyrocketing problems of national, provincial, and local autocracy and corruption.

And yet -- and yet -- large new resource extraction projects seem to be all that everyone wants and pursues in Papua New Guinea, including at national, regional, and local village levels.

It is generally hard to generalize about Papua New Guinea, as it is about Melanesia much less the wider Pacific Islands. [...] But in this context, the project by Filer and MacIntyre to survey diverse community responses to mining in Melanesia is particularly revealing. In case after case, they find that

[SLIDE] *“in the minds of most Papua New Guinean ‘grassroots’ or village people, mining has become the way to gain wealth rapidly and to ensure that dreams of ‘development’ and ‘modernity’ come true.” (Filer and MacIntyre 2006:216). Hence, as they suggest, though nongovernmental organizations “have tended to emphasize the negative impacts of mining, especially on indigenous communities and their environments,” they nonetheless find that the responses of Papua New Guineans themselves, “testify to the enthusiasm with which Melanesians welcome mining on their land” (ibid.:221). [...]*

For all of mining's negative effects, then, we are left with a burning cultural question – how and why are people up and down the whole food chain, from grassroots villagers to national politicians, so fervently and petulantly desirous of these massive and challenging intrusions? And why, when the obvious results are so often so negative, does [SLIDE] *“the experience of marginality in one project in no way dampen enthusiasm for yet further large-scale projects”?* (Filer and MacIntyre 2006:226). This is not an issue limited to Papua New Guinea. It is global. Inveterate chronicler of American society and culture, Arlie Hochschild (2016), finds a similar phenomena among the huge majority of Trump supporters in her native Louisiana. Despite the enormous and crushing problems visited on residents by petroleum industry refineries, including pollution and local ecocide, sky-rocketing rates of environmentally-caused cancer, and degrading and paltry employment prospects at the facilities themselves, residents support petrochemical industries on their doorstep and are

loath to criticize them. The seeming explanation, in Louisiana as in Papua New Guinea, is, simply, that there seems, at least, to be no other option. [...]

[Blank Slide]

The power of modernity as an increasingly shared assumption of pan-cultural aspiration – the cultural idea that we deserve and are entitled to betterment through a new and better future over time (Koselleck 2004) -- is thrown into relief by New Guinea's diversity. A century ago, most New Guineans had no such notion of time, no notion that time should unfold as an arrow of relentless progress into an unknown but hopeful future. [...] Now, however, the cultural mandate for betterment and progress makes even the most dismal and difficult legacies of mining and its extractive cousins not just acceptable but necessary practically across the cultural board. There is an intractable sense that a lottery ticket for windfall betterment is worth any current risk or price. In the process, hundreds of New Guinea cultures have now become hundreds of inflections of localized and localizing modernities of frustrated desire and entitlement, *not* giving *up* received orientations, but employing and inflecting them in and through the lens of needing and wanting progress, a better future, a more commodified way of life. Local versions of becoming or aspiring to become modern are if anything shot through, pervaded, with an enormous depth and richness of local social and cultural resources as bequeathed by longstanding practices, traditions, and beliefs (see Knauff 2002; cf., Knauff et. al in press).

For sake of time I'll here refer just in passing to two sections of my longer paper.

[SLIDE: Porgera: The golden rainbow goes over the hill - and down the other side]

The first of these analyzes the striking complementarity of two major recent ethnographies of development at and near the Porgera gold mine. Golub's *Leviathans at the Gold Mine* focuses particularly on the extravagant, divisive, and ultimately debilitating and degrading impacts of mining compensation among those few who qualify as local land owners at the mine site itself. Jacka's *Alchemy in the Rainforest*, by contrast, focuses on the effect of resentment, jealousy, and aspiration that leads to internalized conflict and devastating warfare and destruction among those who are *not* direct minesite landowners but who live nearby in the general area. In both cases the results are somewhere between horrific and catastrophic. Finally are accounts by Wardlow who describes the *indirect* impact of the Porgera mine among the Huli, across the provincial boundary some 200km away. She describes how a range of Huli women have been sold off by husbands or brothers for elevated brideprice to wealthy men at Porgera -- only to find that their lives were not only not luxurious and free of work but ensconsed them as degraded servants and sex objects -- reduced in effect to sexual and domestic slavery. Under

these circumstances, some of them actually considered it a positive relief to have contracted HIV and hence be able to leave Porgera and return to their Huli homeland.

The larger point is that a cultural economy -- or an economic culture -- that spirals desire, envy, aspiration, and resentment does not stop at the border of the mine itself, or even at the border of the larger ethnic group within which it is situated. The inequalities spawned become alternately a magnet of attraction from elsewhere and a lightening rod for both internal and external disputes. The abrogation of meaningful reciprocity is often at the cultural heart of Melanesian tensions that intersect with, and inflame, the desires and resentments of modernity. This is a widespread pattern.

What about groups yet further afar, beyond even the penumbra of economic and demographic connections with the mine site itself? Here issues of anticipation, expectation, and projection come strongly into play, including in very remote areas that are hardly on the map of anyone's scheme of development or modernity – except in the experience of local people themselves.

Strickland-Bosavi Area: 'Of Course it Might,' OR, Things in the mirror may be closer than they appear

In the Strickland-Bosavia area, the impact of mining and oil/gas developments is especially evident not by their presence but their crushing absence. Dwyer and Minnegal deliciously expose this dynamic in their early paper "Waiting for Company" (1999) and their new book "*Navigating the Future*," in which they painstakingly detail how Kubo engage the idea that outsiders fail them by not bringing development.

Over decades, Kubo are still waiting for their company. And through waiting, their social relations, their sense of money and individuality in lieu of community integrity, have fundamentally changed.

Further down the line and here requiring yet more radical summary are the Gebusi, whom I've myself studied.

[SLIDES]

Amid decline and departure of virtually all externally supported services and demise of infrastructure, Gebusi have no cash crops, no roads to anywhere, and virtually no wage economy: an average adult daily income of between 10 and 20 cents a day is between 1/10th and 1/20th of the absolute world poverty level of \$2 a day. Like Kubo, they have been tantalized for decades by the possibility but the continuing absence of any resource development or compensation. And yet, as a virtual replacement for this non-economy, Gebusi have developed

robust and elaborate standards of labor, time-sheets, and record-keeping for a host of activities that in theory but almost never are in fact, paid for in money.

Even in the absence of any development at all, then, it's possibility, its potential presence, is quite enough to set expectations in motion, projections made – and rivalries and disputes intensified. “Of course it might!” This without a single kina being given or even asked for in compensation.

In their own way, Gebusi are already in the cultural economy and the economic culture of large-scale resource extraction; it has already changed their calculus of action and expectation.

In wider frame, relative deprivation can create conditions in which “development envy” is great or even greater among those further away. Their motivation and projection, their yearning, can be stronger due to their difficulty and distance of access. The illusion that major resource extraction projects primarily at their center radiating out betrays a bias shared by multinational energy companies and the Papua New Guinea state, namely, that problems outside their very limited area of direct impact lie outside their responsibility or concern. This articulates with attitudes and practices of the Papua New Guinean state.

We can note here the vital importance of issues surrounding *land*, and how these dovetail with new land registration practices now apparently being developed and implemented by the PNG state. This is that land titles should (or must?) be adjudicated, disputed, and resolved legally in court *before* company negotiations and compensations can eventuate. This takes away local potential landowners direct bargaining power about land title with the companies themselves, and making the contentious process of establishing legitimate land owners a contested process mediated and controlled by a corrupt state apparatus. Clearly those with money can buy their way into this process, as reflected prominently among Ipili kinship and marital extension in relation to money. Not to mention the legal and associated bribery costs involved for those well-connected. As such, the new landowner politics, at least as I understand them in Western Province dating from 2016-2017, are likely to have draconian impacts in pre-seeding conflict in development areas.

This is part of a much longer and pervasive pattern whereby potential problems and challenges are known in advance but simply ignored and neglected in the desire to rush forward and get whatever profits and royalties can be had, as quickly and with as few checks and balances as possible – cf. Mining corruption sheet by Bainton. I first studied Gebusi in 1980, when the huge mine at Ok Tedi was just starting to come fully online. There was an extraordinary sense of expectation and progress. The lessons painfully evident from the disastrous closure of the Panguna mine and civil war in Bougainville were already being forgotten and neglected even as

their problems mounted. Over the years, a similar pattern has developed at Porgera, at Lihir, and now set to be repeated in new guises in new mega-projects as mentioned at the the outset of this presentation.

The larger significance of mega-resource extraction projects in Papua New Guinea is their cultural as well as economic centrality in the minds of people across the nation. Against the magnitude of such unearned largess, almost any local development scheme can seem like a two-bit ante, hardly worth the effort. By contrast, the symbol and significance of the development site becomes a huge looming imaginary, potent and powerful by virtue of its very distance from mundane rural realities.

In this context, fragmentation through aspiration and competition can continue as if endlessly. The Ipili mine land-owners at Porgera contest against the Porgera Joint Venture. The Ipili *non*-mine landowners contest against the Ipili elite. Within the Ipili non-elite, those living in villages contest against those living along the Porgera road. On a broader scale, the Huli curry favor with but resent the Ipili. The Kubo resent the Febi. And, if either of them were to get compensation, the Gebusi would resent them as well. Even among Gebusi, with no compensation or viable prospect thereof, resentments arise between those who *might* be able to claim compensation *if* development, and those who presumably or ostensibly cannot. Among the neighboring Bedamini people, an elder man was strangled to death as a sorcerer in 2016 based on the belief that he sent sickness that killed his son-in-law. [SLIDE : Here is a photo I took of the killers posing with their weapons celebrating the execution one month afterwards in 2016.] The reason for this killing as given by the Bedamini was that the older man ostensibly resented his son-in-law as a land-owner who *might* have been able to claim compensation, that is, *if* the P'yngang gas pipeline were ever built as mapped -- and *if* land rights within 5km of the projected pipeline route were ever in fact compensated.

Conclusions

People fantasize, project, but more practically and immediately they yearn, they want the image of that thing out there that they know about, some icon of amazing wealth on earth, including the perceived high value of their own land. People fight with each other based on the hypothetical benefit that large-scale resource extraction might bring. [...] Absence of development does not forestall or efface such effects but can easily magnify a sense of inequality, of being left out and left behind. This is not abjection of *develop-man* in Sahlins' (1992) sense of the term (cf., Robbins and Wardlow 1995). Rather, this is a local inflection or incarnation of a sense of being a suffering subject, of left behind in the tidal development of modernity -- and precluded from benefit by others who stand in one's rightful way (cf., Robbins 2013; cf., Knauft in press b).

In this sense, mega-resource extraction is indeed the pinnacle not only of fantasized projection but of the ultimate inequalities of modern development itself.