1. Large-Scale Mines and Local-Level Politics

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Two Political Economies

Papua New Guinea (PNG) and New Caledonia (NC) have two key things in common. First, they both belong to the geopolitical region known as Melanesia, which was originally defined (by Europeans) in terms of the racial, linguistic and cultural characteristics of its indigenous population. Second, they have comparable levels of economic dependence on the extraction and export of mineral resources. In the past decade, the extractive industry sector has accounted for roughly 80 per cent of the value of PNG’s exports and more than 90 per cent of the value of NC’s exports. In most other respects, these two places are profoundly different.

PNG achieved its independence from Australia in 1975; NC is still technically part of France. Under the terms of the Nouméa Agreement of 1998, NC ceased to be an ‘overseas territory’ and became a ‘special collectivity’, and a referendum on full independence must be held by the end of 2018. Despite the current difference in political status, we shall refer to both of them as ‘countries’.

1 We thank Claire Levacher and Jean-Michel Sourisseau for their comments on a draft of this introductory chapter, but we take full responsibility for any mistakes remaining in this final version.
PNG is much bigger than NC. In 2014, NC had a resident population of 268,767. The estimated population of PNG in that year was 30 times larger. The population of NC is roughly the same as the population of the Autonomous Region of Bougainville, whose government could hold its own referendum on full independence from PNG at the same time as the NC referendum.

PNG is also much poorer than NC. PNG’s gross national income per capita is less than US$2,500; the equivalent figure for NC is 15 times that amount. The distribution of cash incomes is highly unequal in both countries, but even poor people in NC would count as reasonably wealthy people in PNG. If cash incomes are left out of the equation, and human development is measured only by the standard health and education indicators in the United Nations Human Development Index, currently only 15 countries are worse off than PNG out of the 187 independent countries included in the rankings (UNDP and GoPNG 2014: 3).

The vast majority of people in PNG are descendants of the population that existed when the country was first subjected to European colonial administration in the nineteenth century, although the very small proportion of European or Asian descent yields a disproportionate influence over the country’s business activities. NC is more like Tasmania, in the sense that it was first established as a penal colony and then as a settler colony, but a much larger proportion of the indigenous population survived this process of colonisation. Indigenous (Kanak) people now account for less than half of the resident population of NC, but still outnumber those of metropolitan French descent. The balance of the population in NC consists mainly of people who originate from Southeast Asia or other French Pacific territories.

Between 75 and 80 per cent of the population of PNG still live in traditional rural village communities, while the rest are distributed between large and small urban centres, peri-urban settlements and ‘rural non-villages’ such as oil palm estates and resettlement schemes. More than 60 per cent of the NC population live in urban areas, mostly in and around the capital of Nouméa. Indigenous people constitute the majority of NC’s rural population.

Given these similarities and differences, we can now pose the questions addressed in this volume as follows: is the relationship between large-scale mines and local-level politics in PNG and NC quite similar, either because of the way that the mining industry nowadays deals with local
communities, or else because of the way that Melanesian communities deal with the mining industry? Or is the relationship quite different because of all the other differences between the two countries? To refine these questions, we need to briefly consider the way in which the mining industry is organised and regulated in these two countries, and the way in which the division of each country between political and administrative units, or their differing degrees of political independence, is related to the definition of a mine-affected area or a set of mine-affected communities. We may then proceed to develop a single conceptual framework through which to compare the relationship between large-scale mines and local-level politics in different political and institutional settings.

Large-Scale Mining Operations

A large-scale mining operation is here defined, for the sake of argument, as one that produces mineral commodities with an average value of more than US$100 million a year for a period of at least ten years. Although the title of this volume features the concept of a ‘large-scale mine’, we do not think of a ‘mine’ as a place where mineral resources are extracted from the ground, but rather as a group of excavation and processing activities that are integrated into a single whole by means of a network of corporate relationships between the producers. In PNG, each large-scale mining operation occupies and constitutes a distinctive territorial enclave within the country’s borders, with one place of excavation, one processing plant and one route by which the product leaves the country. In NC, the situation is somewhat different because one of its three processing plants derives its raw material from a number of distinct excavation sites located in different parts of the country. Furthermore, some of this raw material is actually exported to a fourth processing plant located overseas that is predominantly owned by a company based in NC, so it is ownership and control of one or more refineries that constitutes the core of each large-scale mining operation.

In calculating the contribution of extractive industry to PNG’s exports, we have included a petroleum project that has been exporting oil on this scale since 1992, and this has recently been supplemented by a liquid natural gas project whose contribution to the value of PNG’s exports will be much greater. However, for the purpose of the present volume, we have excluded oil and gas projects from our definition of a ‘mining operation’: first because the mining and petroleum industries are subject to different forms of regulation in PNG; and second because NC does not yet have an operational petroleum industry with which to make a comparison.
PNG has hosted seven large-scale mining projects in the period since independence, five of which are still in operation. The Panguna gold and copper mine operated from 1972 to 1989, when it was forcibly closed by civil unrest on the island of Bougainville. The Misima gold mine (in Milne Bay Province) operated from 1986 to 2004. The Ok Tedi gold and copper mine (in Western Province) began production in 1984; the Porgera gold mine (in Enga Province) in 1992; the Lihir gold mine (in New Ireland Province) in 1997; the Hidden Valley gold mine (in Morobe Province) in 2009; and the Ramu nickel and cobalt mine (in Madang Province) in 2013. The Ok Tedi, Porgera and Hidden Valley mines are all scheduled to close within the next decade. A large-scale seabed mining project has been approved for development but is not yet operational. Four other prospective large-scale mining projects (in Milne Bay, Morobe, Madang and West Sepik provinces) are currently undergoing feasibility studies, and the Autonomous Bougainville Government has plans to reopen the Panguna mine if it can mobilise popular support for this to happen.

The large-scale mining industry in NC produces only one commodity, nickel, which means that the country’s economy is especially vulnerable to fluctuations in its price. The main island (Grand Terre) accounts for roughly 9 per cent of global nickel production, and still contains between 10 and 30 per cent of the world’s known reserves of this mineral, despite the fact that it has been mined since 1873. Since the 1930s, NC’s mining landscape has been dominated by a company called Société Le Nickel (SLN), which was founded in 1880 and controlled by the Rothschild Bank from 1888 to 1974. Following a bailout by the French Government, it came under the control of a newly established French company called Eramet in 1985. The core of this operation is the Doniambo processing plant in Nouméa, which derives its raw material from four different mine sites. In recent years, the SLN complex has been joined by two other large-scale mining and processing operations—the Koniambo project in North Province and the Goro project in South Province.

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2 It has also hosted a number of medium-scale projects with lower production values, most of which have operated for only a few years.

3 The nickel mining industry in NC also contains a number of small- and medium-scale mining companies, known as petits mineurs, which are not controlled by one of the three big operators, and which tend to move in and out of the supply chain, or raise and lower the volume of their output, with fluctuations in the nickel price (Freyss 1995). These companies have been the focus of recent political debate about the grant of permits for the export of nickel ore to be refined in China.
The PNG Government reserves the right to purchase anything up to 30 per cent of the equity in any mining project for which it grants a development licence, but has generally ended up with a smaller stake or no stake at all. The balance of the shares in all large-scale mining projects has normally been held by foreign investors, including the companies that operate them, but the Ok Tedi project is now an exception to this rule because the former operator (BHP Billiton) decided that it was a liability rather than an asset. When the government has purchased a stake in a large-scale mining project, all or part of it has commonly been held in trust for the provincial government, local-level government or landowning community that hosts the project. These other entities are allowed to choose whether they wish the national government to exercise this option on their behalf.

The PNG Government currently holds a 5 per cent stake in the Porgera project, which is operated by the Canadian company Barrick Gold, and this stake is held in trust for the Enga Provincial Government and the local landowners. A comparable stake in the Lihir project, which is operated by the Australian company Newcrest, was acquired and then sold by the local landowners. The government did not exercise the option to purchase shares in either the Hidden Valley project, which is also operated by Newcrest, or in the Ramu project, which is operated by the China Metallurgical Group Corporation. BHP Billiton bequeathed its shares in the Ok Tedi project to a charitable trust known as the PNG Sustainable Development Program, but this entity was nationalised in 2013, so this project is now wholly owned by the government.

State participation in NC’s three large-scale nickel mining operations is organised through the three provinces. Together they own 34 per cent of the SLN complex and 5 per cent of the Goro project, which is operated by the Brazilian company Vale. The Koniambo project has a very different complexion because it is the result of a political initiative that was part of the process of ‘negotiated decolonisation’ initiated by the Nouméa Agreement in 1998. This project is operated by the Swiss company Glencore (formerly Xstrata), but 51 per cent of the equity is controlled by the Kanak-dominated North Province through its majority of shares.

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4 While each province has its own elected assembly and its own administration, the word ‘government’ (gouvernement) is not applied to this level of political organisation. Although such entities would be recognised as ‘provincial governments’ in PNG, we shall here follow the French practice of assigning political agency to ‘provinces’ and ‘provincial authorities’.
in a company called Société Minière du Sud Pacifique (SMSP), which was formerly part of the SLN complex. SMSP also holds a 51 per cent stake in a nickel refinery in South Korea, and is planning a similar investment in a second refinery in China. The Korean refinery derives some of its raw material from excavation sites owned and operated by SMSP, so the SMSP complex currently consists of two refineries and their suppliers.

Development Agreements

The development of a large-scale mining project in PNG is framed by three different types of agreement that are normally negotiated in the following order. First, there is a compensation agreement between the holder of an exploration licence and the customary owners of the land covered by that licence. Since 97 per cent of the land in PNG is generally held to be customary land, there is no such thing as an exploration licence without customary landowners. Second, there is a development agreement (or mining development contract) between the national government and the project proponent based on feasibility studies that the proponent provides to the government. This type of agreement is linked to the production of an environmental impact statement that must also be approved by the national government. Third, there is a benefit-sharing agreement between the national government, the provincial and local-level government (or governments) hosting the project and the customary owners of the land required for development purposes, which is negotiated through an institution known as the development forum. The project proponent is also represented in the negotiation of this third type of agreement, but a development licence is not normally granted until it has been finalised. The first two types of agreement have been features of PNG’s mineral policy framework since independence in 1975; the third type was added in 1988 in response to political pressure from provincial governments and local community representatives (Filer 2008; Filer and Imbun 2009).

In PNG, development agreements have normally required that national participation be specified in training and localisation plans and business development plans whose implementation is then reported to the national government at regular intervals. These plans are subject to the ‘preferred area policy’, which has come to inform the negotiation of benefit-sharing agreements. The origins of the preferred area policy can be traced back to a pair of decisions made by the newly independent national government in 1976. The first decision was to repatriate a sum equivalent to the whole
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of the royalty collected by the national government, in its capacity as the legal owner of subsurface mineral resources, to the province from which those resources were extracted. This decision was made in response to threats of secession from the province that hosted the Panguna mine, but it would have general application under the new system of provincial government that was put in place at the same time. The second decision was to oblige the future developer of the Ok Tedi mine to give preference in training, employment and business development to the people of the area most directly affected by the mining operation. This decision was not initially meant to have general application, nor did it apply to the Panguna mine. It was justified by the observation that the people living around the Ok Tedi mine were exceptionally poor and therefore deserved this form of affirmative action (Filer 2005; Filer and Imbun 2009).

Considerations of poverty and equity have long since disappeared from PNG’s preferred area policy. The allocation of royalties and the allocation of entitlements to training, employment and business development opportunities are now included in the range of benefits that are subject to benefit-sharing agreements through the development forum. In effect, the preferred area policy creates concentric rings of entitlement to a range of benefit streams that are subject to such agreements, including entitlements to training, employment and business development opportunities. The innermost ring is occupied by the customary owners of the land covered by development licences, the next by ‘project area people’ (however these might be defined), the next by the people or government of the host province, and the outermost ring by the population or government of the nation as a whole (Filer 2005). In the period since the development forum was invented in 1988, there has been a steady increase in the proportion of government revenues from each new resource project that is captured by organisations or individuals in the three inner circles of entitlement. Since 1993, the economic privilege bestowed on preferred areas has been compounded by a tax credit scheme for developers who supply social and economic infrastructure to local communities (Filer 2008).

There is no direct equivalent of the development forum in NC. Instead, there is a recent history of agreements between mining companies and indigenous communities or organisations, a separate history of agreements between mining companies and provinces or municipalities, and some instances of tripartite agreements between company, state and community representatives (Le Meur and Mennesson 2012). There is no clear division between ‘compensation agreements’ and ‘benefit-sharing agreements’,
and most agreements do not conform to the ideal type of a ‘community development agreement’ (O’Faircheallaigh 2013). If compensation and development agreements in PNG have come to be framed by national government laws and policies, the situation in NC is better described as one in which policies derive from the accumulation of agreements (Le Meur, Horowitz et al. 2013).

The recent history of development agreements and policies in NC’s mining sector cannot be understood in isolation from the politics of decolonisation. This was already evident when the Front de Libération Nationale Kanak et Socialiste (FLNKS) identified the Koniambo project as the main vehicle for the redistribution of economic power that was envisaged by the Matignon-Oudinot Agreements of 1988. Before the Nouméa Agreement was signed in 1998, the FLNKS insisted on a separate agreement, known as the Bercy Agreement, which established the feasibility of the Koniambo project by means of an ‘exchange’ of ore bodies between SLN and SMSP. In 2002, the government agency in charge of land reform identified the ‘areas of influence’ of the clans with customary land rights around the future Koniambo project plant site at Vavouto. The result of this inquiry was an agreement under customary law that was designed to settle a dispute that had already caused the plant site to be relocated (Horowitz 2002), but also aimed to forestall any future disputes about the distribution of mining revenues, especially in the form of business opportunities for local enterprises. In this second respect, it seems to have set the precedent for a similar agreement made between Kanak leaders and SLN in 2004. Since 2007, SLN has been party to tripartite agreements that also involve the provincial and municipal authorities and thus enhance their regulatory powers over the mining industry. However, the provincial and municipal authorities were not party to the ‘Pact for the Sustainable Development of the Great South’ that Vale made with the representatives of local customary authorities and indigenous organisations in 2008, and which is widely regarded as another significant landmark in the mineral policy domain. Instead, Vale signed a separate ‘Convention for Biodiversity Conservation’ with South Province in 2009. This might be regarded as a sort of compensation

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5 The Bercy Agreement was signed by representatives of the metropolitan and territorial governments as well as the companies involved in the transaction. The role of the French Government was critical in ensuring that this agreement survived the economic conditions that SLN sought to impose on it.
agreement but, unlike compensation agreements in PNG, it was not an agreement made with the holders of customary land rights in the area affected by the Goro project.

Although questions of land tenure are linked to the participation of Kanak community leaders in development agreements with mining companies, they are not simply articulated in terms of an ‘ideology of landownership’ (Filer 1997), mainly because mining projects have been developed on public land. However, there has been a general shift from demands for the recognition of customary land rights to demands for the recognition of a broader range of indigenous political rights, which include the right to make this type of agreement without making land claims (Le Meur 2010). In this respect, the situation of Kanak communities in NC resembles that of Aboriginal communities in Australia more than it resembles that of the ‘customary landowners’ who dominate PNG’s political system. But as customary institutions have become increasingly central to economic arrangements within (and beyond) NC’s mining sector, they have acquired greater complexity and have been subject to greater regulation. This is why development agreements with local or indigenous communities are not just compensation agreements or benefit-sharing agreements, but also political agreements. And while the development forum could in some ways be seen as the central institution in PNG’s current mineral policy framework, development agreements in NC’s mining sector have not played the same pivotal role in the formulation of mineral policy.

Local-Level Politics

There is no simple answer to the question of what actually constitutes the ‘local’ level at which large-scale mining operations become the subject of local-level politics. There is no necessary correspondence between the boundaries of a mine-affected area and those of a set of political or administrative units, even if each mine-affected area is conceived as a unique geographical space surrounding a large-scale mine. The question of what actually constitutes a mine-affected area is itself a political question, especially if people's inclusion in such an area entitles them to special consideration in the payment of compensation or the distribution of project-related benefits. Project operators have an obvious interest in limiting the size of such an area in order to treat broader social and environmental impacts as externalities for which they cannot be held accountable. On the other hand, there may be some circumstances in
which the boundaries of the area affected by one project overlap those of the area affected by another project, and it is also possible to represent the areas affected by several different projects as part of a larger region which experiences the cumulative social and environmental impacts of all of them. As we have seen, the presence of three large-scale projects or complexes in NC’s nickel mining industry does not mean that there are only three geographical areas that count as areas affected by their operation.

Since the population and the land mass of NC are both smaller than those of the average province in PNG, the gap between the practice of politics at different levels of political organisation is also bound to be much smaller, especially when it concerns the costs and benefits of three large-scale mining projects that make such a big difference to the national economy. But the internal political divisions of the country are not without their own significance. South Province contains 75 per cent of the total population, as well as two of the three nickel refineries; North Province contains 18 per cent of the population, one refinery and several different mine sites; while Loyalty Islands Province contains the remaining 7 per cent of the population and no mining operations at all. The whole country is divided into 33 municipalities or communes, in the normal French manner, but the indigenous Kanak population is also divided between eight ‘customary areas’, each of which has two elected representatives in the country’s Customary Senate, and 57 traditional ‘districts’, each of which has a ‘big chief’. These political spaces can be distinguished from each other by the form and extent of their engagement with the politics of the large-scale mining industry.

Given that Kanaks account for roughly three-quarters of the population of North Province, but only one-quarter of the population of South Province, it is understandable that the large-scale mining industry has become the focus of a specific form of local-level politics that is part of the process of ‘negotiated decolonisation’ initiated by the Nouméa Agreement.

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6 The same point would apply to the Autonomous Region of Bougainville if it were to become an independent country.

7 The SLN refinery (at Doniambo) draws its raw material from several different mine sites. Only one of these (Thio) is in South Province, while the others are in North Province.

8 When a municipality contains more than one traditional district, the name of the municipality may be the same as the name of one of its component districts. All but one of the 33 municipalities belong to one of the three provinces, and all but one of the 57 districts belong to one of the eight customary areas.
Development of the Koniambo project in North Province is seen as a way of ‘rebalancing’ the distribution of economic power between the north and the south in order to compensate for the colonial marginalisation of the indigenous population by enabling them to develop their own economic policies and public investment strategies. On the other hand, the development of the Goro project in South Province has offered new scope for political parties opposed to independence to argue that further decolonisation could discourage foreign investment, while Kanak people living in the area affected by this project have mobilised a discourse of indigenous rights that looks like a ‘weapon of the weak’ (Scott 1985) in a context where they have not had the same amount of bargaining power.

Since the French Government’s contribution to public expenditure in NC accounts for 15 per cent of the country’s gross domestic product, the trade-off between this ‘administrative rent’ and revenues from the mining industry has become a key issue in both national and local-level politics. From an economic point of view, the administrative rent compensates for shortfalls in mineral revenues during periods when nickel prices are abnormally low. From a political point of view, there is a complex game in which both sides try to demonstrate their superiority in managing the trade-off. The loyalist parties claim that the NC Government’s ability to manage the mining industry is an indirect function of the subsidies it continues to receive from the metropolitan government, since these contribute to the country’s high standard of living. On the other side, the pro-independence parties claim that a Kanak-dominated province has shown a superior capacity to manage the mining industry in ways that reduce the need for metropolitan subsidies and hence pave the way for economic, as well as political, independence. The pro-independence parties also advocate a form of state capitalism in opposition to the economic liberalism that is generally favoured by the loyalist parties, and that in turn entails a difference in their understanding of the relationship between local-level politics and economic policy.

As befits a much larger country, PNG has four tiers or levels of political organisation. The second tier consists of the National Capital District, 20 provinces and one autonomous region (Bougainville) that used to be a province. Each of these 22 entities has its own elected representative in the national parliament and 21 of these representatives are known as

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9 The anti-independence bloc contains divergent views about the desirable level of public participation in the SLN complex.
governors. At the next level down, there are 89 ‘open electorates’, also with their own elected representatives in the national parliament, three of which are subdivisions of the national capital, while the rest are known as districts in their own right. The fourth tier comprises 332 local-level governments, each with its own directly elected president who participates in decisions made at the district and provincial levels, but not at the national level. Twenty-nine of these local governments represent towns, most of which are provincial capitals, while the rest represent rural areas.

Since most of PNG’s provinces do not host a large-scale mining project, nor any of the facilities associated with the export of oil and gas, there is an ongoing political debate about the way that national revenues from the extractive industry sector should be distributed between the minority of project-hosting provinces and districts and the majority that cannot currently claim ownership of such a project. The point at issue here is the so-called ‘derivation principle’, which says that a national government should transfer some of the revenue it derives from any economic activity to the lower levels of government responsible for the area where the activity occurs so that these lower levels of government will have an incentive to support this activity. This is a national issue, not a local one, and is only indirectly connected to the distribution of revenues from foreign aid. Foreign aid now accounts for only 3 per cent of PNG’s gross domestic product, and its distribution across the country could not possibly compensate for the effects of the preferred area policy, even if policymakers thought this would be a good idea.

In the context of the mining industry in PNG, local-level politics seems to have a quite distinctive focus on the negotiation and implementation of promises to provide compensation and benefit packages to the customary owners of land in mine-affected areas, but also on the distribution of the contents of these packages among the people who are entitled to a share of them. The size of the enclaves that are demarcated for this purpose varies from one project to another, but the boundaries may also change during the course of the project cycle. At one extreme is the Lihir group of islands, which is comparable in size and population to Loyalty Islands Province in NC, but accounts for just one of the ten local government areas in PNG’s

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10 The Autonomous Bougainville Government has an elected president whose office is distinct from that of the regional member of the national parliament, so the latter is not known as the governor of the autonomous region.
11 There are no local governments in the National Capital District, but there is an ‘assembly’ that represents the district’s indigenous population.
New Ireland Province. At the other extreme is the area now recognised as the one affected by the Ok Tedi mine, which has grown to include all or part of ten out of the 14 local government areas in Western Province, and whose physical extent is greater than the whole of NC’s land mass. The larger the scale of a mine-affected area, the greater the scope for it to be internally divided into separate geographical zones, each of which may then become the site of a distinct set of political activities related to the mining project that affects it.

A mining enclave or mine-affected area cannot be neatly demarcated by lines on a map in the same way that a mine site or plant site is bounded and guarded by fences, gates and signposts. It is also constituted in an institutional and ideological sense, by means of its connections with different political and administrative levels and spaces. These connections can be made of legal rules or administrative norms, the distribution of shareholdings in different companies, networks of patronage or clientelism, or the positions assigned to the practice or promise of mining in different political imaginations (Le Meur, Ballard et al. 2013). The multidimensional nature of the mining enclave or mine-affected area therefore means that local-level politics is not simply politics conducted within a particular physical space, or even at one level of political organisation.

Stakeholders, Actors and Characters

Politics is not like football. The people who ‘play politics’ around the mining industry, at any level of political organisation, are not themselves organised into teams that simply pass a ball of power between them until they score a goal against the other side. World Bank functionaries may like to represent themselves as referees in this sort of contest (Szabolowski 2007), but sporting metaphors cannot do justice to the social and economic context in which different groups of political actors take to a political field, nor to the way in which their relationships develop once they get there.

The Triangular Model

During the 1990s, the politics of the large-scale mining industry came to be regarded, in several quarters, as a triangular contest between the representatives of mining companies, government agencies and local
communities (Ballard and Banks 2003). In the case of developing countries, this triangular model of political relationships could be seen as a substitute for the previous binary or bipolar model in which the representatives of national governments contested the terms of large-scale resource development with the representatives of multinational corporations (Girvan 1976; Bosson and Varon 1977; Cobbe 1979; Faber and Brown 1980; O’Faircheallaigh 1984). But in the case of capitalist countries, the new triangle replaced an older triangle in which local communities were represented as communities of mineworkers engaged in a class struggle with their employers, while governments were represented as umpires in the contest or more often as supporters of the ruling class (Dennis et al. 1969; Burawoy 1972; Bulmer 1975; Gordon 1977; Nash 1979; Williams 1981; Robinson 1986; Moodie with Ndatshe 1994; Finn 1998). So what had really changed if there were still three parties to the contest?

The end of the Cold War is only one part of the answer to this question. During the 1970s and 1980s, the mining industry underwent a process of modernisation that had several different aspects, each of which had its own political repercussions. The process did not begin and end in the space of 20 years in every single part of the global mineral economy, but it went far enough to change the political complexion of the industry in those regions and countries where new mining projects were being developed.

The new mines were typically open-cut (or open-cast) mines in which huge machines were applied to the excavation of very large holes in the ground, and the material excavated from these holes was then subjected to a complex sequence of mechanical and chemical operations in order to separate specific mineral commodities from much larger volumes of waste material. The mechanisation and partial automation of different aspects of the process of extraction was accompanied by an increase in the capital cost of constructing new mines at any particular scale, which added to the cost and complexity of feasibility studies undertaken in advance of mine construction, and made mining companies more dependent on capital markets to finance the cost of construction. But an increase in the rate of extraction or ‘throughput’ also had the effect of shortening the overall period of time that it would take to exhaust an ore body of any particular size, and thus gave rise to a form of planned obsolescence in which the lifetime of a new mine had to be calculated before it could be financed and constructed.
Since many of the new mines were developed in regions remote from existing centres of population and industry, where the costs of exploration were correspondingly high, mining companies sought ways to reduce or avoid the additional cost of building and operating a new township to accommodate their workforce, mindful of the fact that such a town might serve no useful purpose at the end of an operation abbreviated by the increased scale and rate of extraction. As the cost of air transport fell relative to the other costs of exploration, construction and operation, mining companies developed a preference for what came to be known as a ‘fly-in/fly-out’ form of employment, in which most of the workers are flown from their point of recruitment to the mine site at intervals of less than one month, work on the mine for several days at a stretch while sleeping in dormitories, and are then flown out for ‘field breaks’ in their normal places of residence (Jackson 1987; Brealey et al. 1988; Storey and Shrimpton 1988; Houghton 1993; Storey 2001; Markey 2010).

This last feature of the process of modernisation is clearly evident in PNG, where the Ok Tedi project was the last one to incorporate plans for a conventional mining town when construction started in 1982. It is much less evident in NC, where the ‘fly-in/fly-out’ form of employment has only been characteristic of the construction phase of the Koniambo and Goro projects. Most of the workers employed in the operation of the nickel mining industry are local residents who commute to work on a daily basis. This can readily be explained by the number of production sites scattered around a very small country, and by the quality of the road transport network, which is much better than that encountered in any province of PNG. In this respect, the large-scale mining industry in PNG seems rather more ‘modern’ than its counterpart in NC for the somewhat paradoxical reason that PNG is a less developed country. Furthermore, the SLN complex, in contrast to the Koniambo and Goro projects, has a rather ‘traditional’ mode of operation because it has been operating for such a long time.

Regardless of these differences, we still need to consider the political repercussions of this process of modernisation in those places where one or more of its features have been in evidence.

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12 About 7,000 workers were employed in the construction of each of these projects. Most were recruited from Asian countries (Philippines, China, South Korea and Thailand) under special (and some would say unfair) labour regulations.

13 The Koniambo and Goro construction camps are still partially occupied by local workers who work and sleep on site for four or five days at a time and then have two or three days at home.
Since the modernisation of the mining industry was accompanied by the globalisation of all sorts of capital, the new generation of mining projects entailed a surge in development agreements between foreign mining companies and national governments claiming ownership of the mineral resources that were the targets of their investment (Bridge 2004). In the negotiation of these agreements, national government representatives generally tried to maximise the national share of the rents or benefits without creating too much of a dent in the surplus left over for distribution to foreign shareholders and thus making other countries more attractive as investment targets (Daniels et al. 2010).

At the same time, the growth in the scale and rate of extraction made the new generation of mining projects a sitting target for a new generation of environmental activists, and thus put additional pressure on government and company representatives to negotiate a second trade-off between the distribution of economic benefits and environmental costs (Keck and Sikkink 1998). The institutionalisation of environmental impact assessment was one aspect of this second form of negotiation (Paehlke and Torgerson 1990; Petts 1999), but this did not happen overnight, so the new generation of mining projects caused a great deal of environmental damage (and political conflict) before they were subjected to more effective forms of environmental regulation.

In those countries where national governments began to attach environmental conditions to development agreements with foreign mining companies, the prior process of environmental impact assessment sometimes involved a parallel process of social impact assessment and a form of consultation with the representatives of mine-affected communities (Little and Krannich 1988; Howitt 1989; Joyce and MacFarlane 2001). When these communities were identified as groups of people who would suffer most of the negative impacts of a new mining project, efforts could be made to compensate them for the damage, or even to provide them with a special share of the national economic benefit derived from the project. But considerations of environmental justice were rarely sufficient to grant the representatives of such communities a seat at the high table of project negotiations unless they could also be represented as indigenous communities with a special attachment to the land and other things that would be damaged or destroyed (Geisler et al. 1982; Hobart 1984; Howard 1988; Chase 1990; O’Faircheallaigh 1991, 2002; Howitt 2001; Downing et al. 2002). The third point in the new triangle was thus assembled from a combination of demands for environmental justice.
and for recognition of the rights of indigenous peoples (Horowitz 2011). However, it is worth noting that Kanak political parties have been wary of the idea that Kanaks belong to separate ‘indigenous communities’, whether or not they be mine-affected communities, in case this weakens the political case for national independence.

It should now be clear that this type of community bears little resemblance to the traditional community of mineworkers. It is true that the compensation and benefit package delivered to members of a mine-affected community might include a provision for them to be granted special access to employment on the mining project, but this would not establish much in the way of a common interest with members of the workforce recruited from other places, especially if those other workers were long-distance commuters who had their own families or communities somewhere else. In effect, mine-affected communities had now come to be defined as communities united by the social relations of compensation, not by the social relations of employment, even if jobs are still understood to be part and parcel of a compensation package.

This does not mean that the political repercussions of the process of modernisation were self-evident to all the relevant actors at each stage in this process. By 1990, some actors in the mineral policy process were starting to think along these lines because of their engagement with the interests and concerns of mine-affected communities. But there had to be moments of political crisis before the new model of political relationships could be firmly established as a feature of that process at all levels of political organisation. One such moment was the ‘community rebellion’ that forced the closure of the Panguna copper mine in 1989.

The Lessons of Panguna

The construction, operation and closure of the Panguna copper mine on the island of Bougainville, in the period from 1967 to 1989, provides a clear illustration of the process of modernisation and its political repercussions. But, in this case, the illustration also served to inform the new model of stakeholder politics that was applied to the large-scale mining industry at a global scale.

The Panguna mine exemplified the technical innovations that were typical of the new generation of open-cut mining projects. However, because it was commissioned at the very start of the process of modernisation,
no environmental conditions were attached to the licences granted by the Australian colonial administration, so the mine was designed to discharge its waste material directly into the Jaba River. The construction of this most modern mine was also accompanied by the construction of a modern mining town to accommodate the families of a workforce with multiple technical skills. Long-distance commuting was not yet thought to be an economic option for the employment of this type of workforce.

In the short period of time between self-government in 1973 and full independence from Australia in 1975, representatives of the new nation-state renegotiated the Bougainville Copper Agreement that it inherited from the colonial administration and, in so doing, made PNG look like a very smart young Third World country (O’Faircheallaigh 1984). But the resulting increase in the national share of the incomes generated by the new mining project was just one aspect of a longer policy process that also established a set of rules to govern the distribution of these incomes between different groups of national stakeholders. These groups included national members of the mining workforce, the customary owners of land leased to the mining company and the people of Bougainville (or North Solomons) Province.14 Representatives of the national government and the mining company thought that this process had been completed by 1980.

The outbreak of the Bougainville rebellion in 1989 was the start of an entirely new policy process that was not confined by national borders. It was the first in a sequence of ‘bad events’ that eventually forced the captains of the global mining industry to articulate new standards of corporate social responsibility (MMSD 2002; Filer et al. 2008). But the lessons of the rebellion were not easy to learn, since it was not clear whether and how it might have been caused by the negligence of Bougainville Copper Ltd (BCL). Some observers blamed the Australian colonial administration for approving the development of the mine without regard for what Bougainvilleans wanted. Others blamed the national government for failing to share enough of the benefits of the renegotiated mining agreement with the provincial government or local landowners. Since the first phase of the rebellion was organised by a local landowner association, much attention was paid to the grievances that its

14 The name ‘North Solomons’ was adopted by the local advocates of secession when PNG became independent in 1975, and was recognised by the PNG Government when the North Solomons Provincial Government was established in 1976. The previous name, ‘Bougainville’, has been restored as part of the peace process that has led to the grant of regional autonomy.
leaders held against the mine itself. Were they upset about the influx of outsiders taking jobs or doing business with the mine; about the damage being caused to their own land or physical environment; or about the inability of their own social institutions to cope with a rapid process of social, economic and environmental change?

The reason that these questions are so hard to answer, even with the benefit of hindsight, is that the rebellion was not a single ‘event’ with a discrete set of causes. It was a local and provincial political process with deep historical roots that continued to evolve for years after it had triggered a set of national and global policy responses within the mining sector. If all the local and provincial actors who were involved in this process at one time or another had shared a common set of interests and motivations, then the process would not have lasted for as long as it did (Regan 2003).

So what lessons were to be drawn from the events that forced the closure of the mine if the allocation of responsibility or blame is still contestable? The first lesson was that a disaffected mine-affected community had the power to close down a large-scale mining project if government forces were too weak to stop this from happening. The second was that a mining company could not always rely on a Third World government to police and enforce the compensation and benefit-sharing agreements under which it operated. From which followed a third lesson, that mining companies operating in fragile or chaotic political environments had to develop new strategies to manage relationships between all three groups of stakeholders in the triangle.

There may have been a fourth lesson, but it was not quite so obvious to external observers. It could be drawn from the fact that Francis Ona, the rebel leader, emerged from the ranks of BCL’s own workforce. He and some of his fellow mineworkers were not only members of the landowner association that demanded huge amounts of monetary compensation from the company in 1988; they were also responsible for escalating acts of sabotage against the infrastructure of the mine that culminated in the outbreak of armed conflict at the end of that year (Filer 1992). In this respect, the first phase of the rebellion was an ‘inside job’. In the second phase, the company was forced to close the mine because it could not guarantee the safety of its workforce; however, by that time, the rebellious landowners in the workforce were already on the other side of the fence. Nearly all of the workers who lost their jobs in 1989, including
many Bougainvilleans, left Bougainville to look for work elsewhere. The rebellion did not serve their economic interests at all, but nor was it inspired by rational economic calculations on the part of the rebels, and that is one reason why the government and the company were unable to contain it. So the lesson would be that recruitment of more workers from a mine-affected community is not necessarily sufficient to compensate for the negative impact of a mining project on their society and their environment.

The Fourth Corner

The most obvious lessons of Panguna helped to inform the efforts of the World Bank to persuade mining companies and national governments to form a new kind of ‘public–private partnership’ to deal with the social and environmental impacts of large-scale mining projects on local communities. To this end, the bank’s own mining department sponsored a series of regional ‘mining and community’ conferences, one of which was held in PNG in 1998. The bank’s interest in this matter was not the direct result of its previous engagement with the mining sector in PNG or in other developing countries, but was part of a wider effort to show how much it cared about ‘sustainable development’. In this respect, the bank was responding to public criticism of the social and environmental impacts of a sequence of major infrastructure projects that it had funded during the 1980s (Rich 1994; Wade 1997; Fox and Brown 1998; Clark et al. 2003). It was now in the business of sharing the lessons of that experience with an audience of investors and regulators whose complacency had been shaken by a set of scandals and disasters in their own backyards.

The paradox in the World Bank’s embrace of the triangular model of stakeholder relationships is that the bank’s own stake does not clearly belong in any of the three corners. And the bank is not alone. A range of other stakeholders from outside the triangle got mixed up in the politics of the large-scale mining industry during the course of the 1990s. Ballard and Banks (2003: 304) describe this as a ‘fourth estate’ comprising ‘a wide variety of NGOs, financial intermediaries, lawyers, business partners, and consultants’. So why not simply replace the triangle with a rectangle, call the fourth corner ‘society’, and let the World Bank be part of it?

There seem to be two main reasons why academic observers have hesitated to take this step. The first is the risk of confusion between ‘society’ and ‘civil society’. If we think of civil society in the old-fashioned way, as the
set of institutions or organisations that do not belong to the state or the church, then mining companies could be part of it, and so could landowner associations, perhaps even the World Bank. But when people now talk about the relationship between civil society and the mining industry, or civil society and the World Bank, this is clearly not the usage that they have in mind. In their usage, ‘civil society’ simply refers to a group of critics or enemies of whatever institutions or organisations are on the other end of the relationship. In its most inclusive form, the phrase has thus come to stand for all those stakeholders who are opposed to the power of capital in all its manifestations and therefore do not wish to be seen as ‘stakeholders’ at all.15

Those self-proclaimed members of ‘civil society’ who make it their business to attack the mining industry or the World Bank may claim that what they are doing is itself an essential feature of ‘neoliberal capitalism’ (Kirsch 2014). This may well be the case, but it does not mean that civil society, in this narrow sense, is the entity from which the targets of their attack have now decided to seek what they call their ‘social licence to operate’. Some captains of the mining industry discovered their need for such a licence at the same time that some World Bank officials began to sponsor ‘mining and community’ conferences. But there is an important sense in which the World Bank and other financial institutions were more significant members of the ‘society’ from which this licence was being sought than were the members of mine-affected communities or the members of ‘civil society’ who acted as the allies or advocates of those same communities.16 It is not necessary to believe that mining companies deserve a social licence to operate in order to appreciate that there is a large group of actors in the global mineral policy process whose values and opinions are now just as critical to the operation of the mining industry as those of national government or local community representatives (Dashwood 2013; Owen and Kemp 2013).17

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15 Which is not to deny that the World Bank may have its own reasons for not wishing to be seen as a ‘stakeholder’.
16 Some scholars would regard the World Bank’s new-found enthusiasm for ‘community development’ as a straightforward manifestation of neoliberal governmentality (Rose 1999; Li 2007). We have taken a somewhat different position.
17 Recent literature on this subject has stressed the significance of local community support in corporate constructions of the ‘social licence’ (Parsons et al. 2014). Our argument would be that what matters here is the demonstration of community support to a wider social audience, since there is little point in demonstrating its existence to the very people from whom it has been acquired.
The second reason why academic observers have hesitated to adopt ‘society’ as the name of the ‘fourth estate’ is that it may be taken to imply that this is a group of actors or characters with a set of common interests that contrast with those of the other three groups. Each of the other three groups contains a set of organisations of the same general type, whose interests are represented in the way that they are organised. The fourth corner is not occupied by organisations of the same type, unless they are all assigned to the residual category of ‘non-governmental organisations’, so their interests may be as diverse as those of all the organisations in the first three corners. From the windows of the World Bank, it looks as if the global mining sector consists of a number of national governments, each with an agency dedicated to the regulation of the mining industry, a greater number of mining companies large and small, and an even greater number of mine-affected communities, one for each of the mines that affect them. But there is no equivalent plurality of ‘societies’, because national (or subnational) societies are not the authorities from which mining companies seek to obtain their ‘social licence’. This is probably why the World Bank prefers to represent ‘civil society’ as a fuzzy set of actors who could be acting at any level of political organisation (Barma et al. 2012).

But even at the local level of political organisation that is invoked by the title of this volume, there is no large-scale mining project that involves just one company, one government agency or even one mine-affected community. Instead, there is a corporate space, a government space and a community space, each of which is liable to be occupied by a number of organisations or agencies in different relationships with each other, some of which count as political relationships, and within each of these organisations or agencies there are more political relationships. The ‘social space’ may be a residual space, but it is hardly any different in this regard, unless we assume or discover that all the people who enter it only do so as allies or supporters of people who occupy one of the other three spaces, in which case the fourth space virtually disappears.

The basic problem here is to justify the claim that the space occupied by the politics of the large-scale mining industry, at any level of political organisation, has any specific shape at all. If politics goes on inside each of the organisations that occupy this space, as well as between them,

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18 For example, no such licence can be obtained from the ‘societies’ of PNG, NC, France, Melanesia.
then it is surely possible for groups of political actors to be assembled in many different ways in relationship to many different issues. In that case, why should the number of such groups not vary from place to place and time to time? Our argument would be that a rectangular representation of stakeholder relationships in the large-scale mining industry is not in itself an essential and permanent feature of ‘neoliberal capitalism’, but is just a way of representing the conventional wisdom that currently reflects a specific process of economic and technological change at multiple levels of political organisation. That said, we still need to think of more specific ways to represent what political actors actually do with their political relationships, and how these activities vary from one mine site to another.

### The Problem of Collective Agency

In their recent studies of local-level politics at two mine sites in PNG and Indonesia, Alex Golub and Marina Welker both pose the problem of collective agency by asking how individual actors get to ‘enact a mining company’ or ‘personate a mine’ (Golub 2014; Welker 2014). Both clearly recognise that the internal constitution of a mining company is not sufficient to explain the political behaviour of its employees, either in their dealings with each other or in political relationships with external actors who are enacting, impersonating or representing government agencies, landowner associations or tribal communities. All such collective entities, organised or otherwise, are subject to an ongoing social process of construction, deconstruction and reconstruction, from within and without.

Both authors also recognise that the boundaries of such entities are not always clearly demarcated, in the sense that some actors are able to represent both sides of the relationship between two such entities in two different corners of our rectangular model. One obvious and common example of such a ‘conflict of interest’ would be the community affairs manager recruited by a mining company from the community whose affairs he is supposed to manage. Francis Ona is another case in point. He was not a community affairs manager. Indeed, he elected to work night shifts so that he could spend part of the day harassing the occupants of BCL’s Village Relations Office. Some might say that he was only a political actor in his capacity as secretary of the Panguna Landowners Association, but
that would miss the point. BCL kept him on the payroll precisely because of his leadership role in the mine-affected community, but this just gave him more power to disrupt the company’s operations.

Golub and Welker both see their case studies as applications of actor-network theory (Callon and Latour 1981; Latour 2004), but they also echo the agent-based or actor-oriented form of political anthropology that was exemplified in the work of scholars like Turner (1957), Epstein (1958), Barth (1959) and Bailey (1969). Turner’s conception of political process as social drama is especially pertinent here because it entails a clear distinction between actors and the roles or characters or masks that they adopt. In this way, we avoid the semantic confusion implicit in the concept of a ‘state actor’ or a ‘company actor’. The ‘stakeholders’ who inhabit the four corners of our rectangular model are not groups of actors; they are groups of roles or characters that constitute the structure of a political domain. Actors move between these positions at intervals that can vary from an hour to a decade and, in so doing, can function as brokers or gatekeepers at numerous points of intersection between the four corners (Boissevain 1974; Long 1989; Bierschenk et al. 2000). The frequency of such movement in the domain occupied by the large-scale mining industry has accelerated with the process of modernisation and globalisation. And that is one reason why the political process or drama in which the actors are engaged has accelerated the transformation of the political structure that is the stage on which they act. This is how the politics of the large-scale mining industry are subject to the process known as ‘structuration’ (Giddens 1979). The Bougainville rebellion was a perfect illustration of it.

From this point of view, we should be wary of the idea that local-level politics is simply part of the impact that large-scale mining projects have on people living in mine-affected areas. It may be true that the presence of a mining project intensifies relations of competition and conflict between the members of one or more local communities, and causes new kinds of argument about who counts as a community member or representative. But one of the lessons of Panguna is that this sort of impact need not reduce the capacity of such people to make life difficult for other stakeholders or transform the political structure of the industry at a level beyond that of the locality in which they are situated.
The destabilisation of this political structure adds a new significance to the point made many years ago, that local-level politics, as opposed to ‘purely local’ politics, is by definition a form of politics in which some of the actors also act at other levels of political organisation (Swartz 1968). As actors in the world of mining politics have changed their characters or hats with ever greater frequency, so has there been a growth in the number of such actors who play different parts at different levels of political organisation, in what Kirsch (2014) calls the ‘politics of scale’. This is largely a function of rapid change in the technology of communication, not in the technology or organisation of the mining industry. But it does have the effect of reinforcing the position of the ‘mine-affected community’ as the key point of reference in the definition of what counts as ‘local-level politics’, even when representatives of that community engage in political relationships with other stakeholders outside the area where the mine site or the plant site is located (Bebbington 2013).

Politics and Power

If we have so far made an argument about the way that political relationships around the large-scale mining industry have been transformed by a process of economic and technological change, we still need to say more about what actually constitutes political activity within this set of relationships. We have suggested that politics necessarily involves conflict, and seems to involve the exercise of power, but we have not clearly stated what the conflict is about, except to say that it often features demands for greater local control over large-scale mining projects, and the only thing we have said about power is that some of it ‘belongs’ to mine-affected communities.

Two Big Issues

The main reason why the political structure of the large-scale mining industry has a well-defined shape, even while it has been destabilised, is that stakeholders are not contesting an indeterminate number of political issues. There are only two big issues at stake here. The first involves the distribution of the economic, social and environmental costs and benefits of a large-scale mining project. The second involves the problem of representation, impersonation or structuration.
The distributional issue encompasses the social relations of compensation, since that is the way that it typically appears to people representing the interests of a mine-affected community. It does not encompass workplace relations or the social relations of production, except insofar as the wages paid by mining companies or their contractors count as part of the larger package of costs and benefits that is being contested. The modernisation of the industry has split the wage-earners between two groups. On one hand there are those, like Francis Ona, who move back and forth between the community and the company, and can become political actors in one or both of these spaces. On the other hand, there are those who do not count as members of a mine-affected community, and therefore cannot claim to represent it. The terms and conditions of employment at a modern mine site are rarely such as to unite workers in both camps in a political contest with company managers, unless we allow that a ‘modern’ mining operation can have lasted long enough to unite them.

The prominence of the distributional issue as a political issue explains why the process of environmental (and socioeconomic) impact assessment is necessarily a political process, even if it is carried out in a technical or superficial manner (O’Faircheallaigh 1992). In most countries, this process is a legal hurdle that a mining company has to jump over in order to extract a development licence from a national government, and in many countries, the government has little capacity to hold a company to account for the impact of its operations once the licence has been granted. However, there are other institutions that have been created to accommodate the distributional contest at different levels of political organisation, and some of them remain active throughout the mining project cycle.

The representational issue is really just one aspect of the distributional issue, since it revolves around the question of how individuals get themselves or each other into roles in which they can participate in the contest over the distribution of costs and benefits as the representatives of whole groups of other people. For reasons already explained, this issue takes on a life of its own because of the frequency with which political actors move between representative roles, and the consequent appearance of multiple ‘conflicts

19 NC’s new mining code (issued in 2009) constitutes an attempt to overcome this limitation by demanding that mining companies produce long-term action plans covering the entire process of mine closure and its aftermath, but the PNG Government has been making similar demands for more than three decades while still losing the capacity to hold companies to account for their implementation.
of interest’. The representational issue often raises questions of authority or legitimacy, but these questions are best addressed in an empirical analysis of the political process rather than by means of abstract definitions of such concepts. An empirical approach can reveal the extent to which distribution and representation are mutually constitutive issues.20

Occupants of the fourth (social) corner in our rectangular model of stakeholder politics do not normally get involved in the distributional issue as people claiming a share of project benefits for themselves. They may obtain such benefits from people who occupy one of the other three corners, may represent those people in a contest over this issue, and may claim ‘credit’ from this engagement that can be invested in other fields of action. But they may also enter the political process as purveyors of ideas about things like environmental justice or the rights of indigenous people without making any such claim or commitment. World Bank functionaries see their roles this way, even if some members of ‘civil society’ would prefer to place them squarely in the company corner. The presence of this fourth group of stakeholders therefore adds to the complexity of the representational issue.

Political Actors and Roles

Given the complexity of the representational issue, it is no easy matter to determine who counts as a political actor and what counts as a political role. Many political actors are not keen to be known as such, and are therefore quite happy to go along with the old-fashioned idea that a political role is equivalent to a public office, and all such roles must therefore be part of the state. Even public servants will say that they are not political actors if they have not been elected to the offices they hold; they merely serve the public interest by acting on the orders of elected politicians.

Elected politicians in PNG turn this argument on its head by constantly accusing each other of ‘playing politics’, which is surely what they are supposed to do, and then making the same accusation against all sorts of other people as well, while those people make the same accusation against each other. The net result, as in many other countries, is that ‘politics’ appears to be an extremely widespread but very unpopular sort of activity. In PNG this virtual paradox is carried to extreme lengths because of the

20 This is the way that Lund (2002) has previously dealt with the relationship between property and authority, albeit in another context.
sheer numbers of people who compete to be elected as members of the national parliament or as presidents of local councils (May et al. 2013; Schwarz 2013). A member of parliament has every reason to fear that lots of people in his constituency, including local councillors and public servants, are 'playing politics', because dozens of them could be planning to stand against him (or very occasionally her) at the next national election.

This form of political competition is no more intense in the minority of electorates that host large-scale mining projects than it is in the majority that do not. However, there is another form of political competition that is especially prevalent within mine-affected communities, both in PNG and in NC, which is the competition to hold office in landowner associations or so-called landowner companies (which are known in NC as sociétés par actions simplifiées—‘simplified joint-stock companies’). The existence of such entities is authorised by the state, but they are obviously meant to represent the interests of people who belong to the local community. These roles are political because they are an integral part of the social relations of compensation. The proliferation of such roles in the vicinity of large-scale mining projects reflects the level of popular concern with the distribution of project-related costs and benefits (Bainton and Macintyre 2013; Grochain 2013; Golub 2014).

This intensification of local-level politics also entails the reconfiguration of customary leadership in response to the demands of ‘development’ or the demands of legislation. This underscores the capacity of actors to create new roles for themselves, instead of simply acting within the confines of a political structure that is already given as a fact of life. But it also tends to obscure the distinction between public and private domains of political action, because ‘state actors’ and ‘company actors’ get tangled up in a contest in which ‘community representatives’ dominate the distributional issue by sheer weight of numbers, and everyone accuses everyone else of attempting to manipulate the distribution of project-related costs and benefits to their own personal advantage (Filer 1998; Bainton 2009). The boundaries between ‘politics’ and ‘economics’ are also blurred as political orientations encompass the activities of local entrepreneurs (Le Meur et al. 2012; Grochain 2013).

A focus on the distributional and representational issues does have one analytical advantage, for it enables us to ignore forms of political behaviour that are disconnected from these issues. The practice of office politics is no less real than the occupation of political office, but some of the political
relationships that are internal to the organisations that occupy each of the four corners in our rectangular model do not have any bearing on the contest at the centre of the square. The contest creates a number of roles for people representing the state, the company, or even ‘society’, and that number also tends to expand as the contest intensifies. But here again, it is not possible to deduce the content of their political relationships from the way in which these roles are constructed.

**Metaphors of Power**

It is hardly possible to comprehend the content of political relationships without reference to the concept of power. There is a school of thought that actually defines politics as the pursuit and exercise of a certain type of **personal** or **interpersonal** power, which is the power that some people exercise over other people. Personal power is thus contrasted with the **impersonal** power that people may exercise over things or that things may exercise over people. In this school of thought, person A is understood to exercise power over person B if A can get B to do what A wants B to do. This statement of their mutual relationship may be qualified in various ways by reference to the intentions or desires of the two parties, or by reference to what actually gets done, or to the ways and means by which compliance is secured (Lukes 2005; Searle 2009). Max Weber is seen as the founder of this school of thought within the discipline of sociology, when he defined power as the probability of individuals getting what they want in the face of resistance from other individuals. But this was also Machiavelli’s way of understanding politics.

Machiavelli’s version of methodological individualism was a self-conscious departure from the Aristotelian tradition in which politics is understood as the collective pursuit of specific moral goals by the citizens who are members of a political community. Insofar as this activity involves the exercise of power, it is the power to determine what we would nowadays describe as the public interest, which is a form of impersonal power that people exercise over things. Furthermore, it is a form of power that people exercise by virtue of their occupation of specific positions or roles in a political system that might or might not be a nation-state (Easton 1990). We do not have to subscribe to functionalist forms of social theory to see the potential value of this alternative conception of political practice, especially when we are dealing with a situation in which many of the actors appear to prefer the Machiavellian version of politics as an interpersonal power game.
Since we have defined the game in question as a contest over the distribution of costs and benefits, it is all too easy to assume that power is a form of currency that people use to purchase a bigger share of the benefits, or to bear a smaller share of the costs, either for themselves or for the groups or entities they are supposed to represent. If the outcome of the contest, which is the actual distribution of costs and benefits at some particular moment in time, is then calculated according to a single standard of measurement, like money, then we might be tempted to think that we have measured the balance of power between competing economic interests. But all we should have done is to represent political relationships as if they were market relationships between actors who possess the same kinds of assets, the same kinds of values, and the same kinds of goals.

This is clearly not the case. Just because we have defined our political field as a contest, this does not mean that all the political relationships in this field are relationships of competition or conflict that entail the exercise of just one kind of power. The different actors involved in this contest may have all sorts of different ideas about the definition of economic, social and environmental costs and benefits, just as they may have different ideas about what is public and what is private, what is right and what is wrong, who has the power to do what, or who has power over whom.

Participation, Exclusion, Domination

Steven Lukes (2005) took issue with the Aristotelian school of thought, as represented in the work of Talcott Parsons and Hannah Arendt, on the grounds that it simply fails to accommodate what people mean when they talk about ‘power games’ or ‘power struggles’ as an integral part of any political process. He also tried to avoid the methodological individualism that is commonly associated with an emphasis on interpersonal power as the primary form of political power. Lukes reckons that the exercise of authority or influence by political office-holders does not even count as an exercise of political power if there is no conflict between the interests of different actors in a political relationship. On the other hand, he does not assume that political power can only be exercised by individual actors, nor that its exercise must always be intentional, so it cannot simply be defined as the capacity of individuals to realise their own interests at the expense of other people.

21 Benefits may include political positions or roles, which again links the distributional issue to the representation issue.
Lukes conceives the exercise of political power as something that can take place in three dimensions. The first dimension is the one identified in the work of political scientists like Robert Dahl (1961), who pioneered the study of urban American power games in the 1950s. In their ‘pluralistic’ conception of local-level politics, power was indeed defined as the capacity of individual actors to influence decisions on issues that were political because they were controversial, and different actors in the political process therefore had different preferences. The second dimension is the one identified in the work of Bachrach and Baratz (1970), who observed that power can also be used by the participants in any political process to exclude some issues and actors from that process, thus constraining the definition of what counts as a legitimate subject of political debate and whose preferences can make a difference to the outcome. Lukes himself adds the third dimension, in which the power exercised by groups or organisations is not reducible to that exercised by their individual members, and the exercise of power can take place without the appearance of political conflict or debate if it is exercised in a way that prevents people from acting in their own interests.

In the first (1974) edition of his book, Lukes was clearly thinking about this third form of power as the sort of power that is exercised in the political relationship between social classes. One of the first attempts to apply the three-dimensional conception of political power to the analysis of local-level politics is of interest here because it was applied to the relationship between capital and labour in what we would call a traditional mining region in the United States (Gaventa 1980). However, the focus on class can be misleading in two ways: first, because it encourages the reduction of all political preferences to economic interests; and second, because it suggests that the first two forms of interpersonal power are much less important than the third one. In that case, it is easy to suppose that the one key question to be addressed in any study of local-level politics is the question of when, where and how the subordinate party in a binary relationship is able to escape the trap of false consciousness and resist the power of the dominant party (Scott 1990).

Even if we put the traditional form of class struggle to one side, and reframe the question of power as a question about the distribution of economic, social and environmental costs and benefits from large-scale mining projects, we may still be tempted to adopt a one-dimensional conception of the political relationship between mining companies and mine-affected communities as a bipolar relationship of persistent
domination and occasional resistance in which all other stakeholders are simply allied with one side or the other (Kirsch 2014). Yet Lukes himself now concedes that the third type of political power is not always exercised in a zero-sum game between two groups of people with one type of interest in the result (Lukes 2005: 109).

Nor is there any reason to assume that the parties to relationships of domination and dependency, acquiescence or resistance, must occupy different corners in our rectangular model. Such relationships may just as well be found inside a company, a state or a community. The exercise of interpersonal power through relationships of participation and exclusion may likewise involve actors and roles that belong to one corner or to several corners at any particular moment. The common exclusion of women from the politics of the large-scale mining industry is an obvious case in point (Eftimie et al. 2009).

If there is no objective or authoritative basis for deciding where people’s real interests lie, it is obviously more difficult to distinguish different forms of interpersonal power in terms of people’s capacity to either advance their own interests or prevent other people from doing so. Political actors make use of a wide range of material and symbolic resources to secure the support, compliance or silence of other actors in any political process, and we might just as well distinguish different forms of interpersonal power by reference to these different forms of ‘political capital’.

To take but one example, representatives of communities downstream of the Ok Tedi mine in PNG were able to secure the support of numerous ‘civil society’ actors in pursuit of their compensation claims against BHP because of the nature and extent of the environmental damage that they were complaining about. The political capital assembled in this way was then deployed against the mining company in the form of a well-publicised law suit that cost the company its ‘social licence’ to operate the mine, as well as a substantial compensation package, but did not put an end to the environmental damage. The community representatives who gained a partial victory in that legal contest then tried and failed to convert that form of political capital into votes from other people in the mine-affected area when they stood for election to PNG’s national parliament (Banks and Ballard 1997; Kirsch 2014). In this instance, we could say that they had three different degrees of success in the exercise of three different forms of interpersonal power, but these are just three of many possible forms.
The Powers of Things

In most of the vernacular languages of Melanesia, the word that most closely approximates the concept of ‘power’ is the one that signifies a type of dangerous supernatural force that is beyond human control. There is nothing political about this sort of idea, except perhaps in those cases where it is associated with the status of a chief, and thus approximates the well-known Polynesian idea of *mana*, but even then, it represents a supernatural form of traditional authority that cannot be manipulated by its notional owner. In some respects, it is no more political than the power that comes out of a modern power station. Foucault’s concept of ‘biopower’ has similar properties, for it is too pervasive and irresistible to be part of anyone’s power games or power struggles, and may only seem to be political if politics is either identified with the practice of government or conceived as the domination of all individual subjects by a singular and mysterious social (or even supernatural) force (Brown 2006; Searle 2009). So how can the power of things over people get more political than this?

In the present context, one obvious candidate is the power of the mine. Golub (2014) writes about the Porgera gold mine as one of several ‘leviathans’ that are more or less successfully assembled and ‘personated’ by the individual actors who contest the distribution of its costs and benefits. It is not clear whether this construction of the mine as a person distinct from the mining company or its representatives is just a way of paying homage to actor-network theory (Callon and Latour 1981), by showing how individuals assemble social groups, or whether it reflects the way that people in the mine-affected community actually talk. Anthropologists are certainly not the only people who indulge in this form of reification, by talking about a mine as if it were a person.

There is one obvious way in which a large-scale open-cut mine can seem to exercise a degree of impersonal power over its own workforce that goes beyond the executive or supervisory powers of its own managers. The regimentation of the process of production and consumption within a modern mining compound creates a sort of ‘total institution’ in which every individual is subject to the same form of discipline or self-discipline, commonly construed in terms of health and safety, regardless of their status in the occupational hierarchy. Yet this is only an approximation of the power of surveillance exercised in Foucault’s world of extreme discipline: insofar as it works, it takes the politics out of the organisation. The impersonal power of the mine gets to seem a lot more political
when conceived as the power to transform or ‘overflow’ the physical environment (Letté 2009), since this transformation is one of the main bones of contention in the social relations of compensation, as distinct from the social relations of supervision or surveillance. It makes sense for all political actors contesting the distributional issue to represent the mine as a powerful agent in its own right, since none of them need then accept a personal responsibility for what it does to its environment, but what it does is what they have to deal with in their own political relationships. And once the power of the mine ‘overflows’ the boundaries of the mining enclave in the form of a violent reaction, then politics presents a second type of limit to governmentality (Li 2007).

Golub would argue that the power of the mine, in this sense, is not something that it acquires as a result of its design, or as a feat of mechanical engineering, but as a work of fiction that, like other ‘leviathans’, has emerged out of local people’s engagement or ‘entanglement’ with ‘wider networks of power and knowledge’ (Golub 2014: 83). But he goes on to argue that the mine has acquired more power in the local-level political process through which it has been constituted or ‘personated’ than the government that supposedly regulates that process. In other words, the balance of impersonal power between the four corners in our rectangular model is decidedly tipped against the state.

It is a commonplace of political science and political philosophy that the power of the state is greater than the sum of the personal powers attached to roles or positions in the state apparatus, in a sense that is not true of companies or communities. This assumption is commonly associated with ideas about the rule of law or the legitimate use of force. France is just the sort of nation-state that is (or was) assumed to wield this sort of power, but the PNG state looks more like a naked emperor or paper tiger, especially in the vicinity of large-scale mining projects. Hence the observation made by one community leader involved in negotiating the development of the Lihir gold mine, that ‘the State is only a concept’ (Filer 1995: 68). Some social scientists have made similar observations about the ‘state as such’ (Abrams 1988; Alonso 1994), but even if the state is only a product of some political imagination, some states may have more imaginary power than others.

If the PNG state is unusually ‘weak’, this does not mean that politicians or public servants have less capacity to use their offices as sources of interpersonal power, even when dealing with mining companies or mine-
affected communities. If anything, that sort of power is enhanced when it is not constrained by the rule of law (Dinnen 2001). The weakness of the state must therefore be understood as a function of the incapacity of ‘state actors’ to act in concert with each other, or as a function of their capacity to move between positions in different corners of the political rectangle (Clements et al. 2007). Golub has a neat example of this type of mobility in the shape of the Porgera district administrator, whose power was a function of his capacity to represent the mine and the mine-affected community, as well as the state, and sometimes to wear all three of these hats or masks at the same time (Golub 2014: 51).

The Power of Ideology

An ideology is a third sort of ‘thing’, aside from a mining project or a nation-state, that may exercise power over the people involved in a political process by making them think and talk about a political issue in a way that contains a certain sort of bias. The concept of ideology has some of the same drawbacks as the concept of economic interest, since ideologies and interests alike have commonly been seen as the properties of social classes.

If we seek to understand a political process that does not seem to contain any obvious element of class struggle, there may be no reason to think that participants in this process are weighed down with any ideological baggage beyond an understanding of their interests as individuals or as the occupants of specific political roles. The world of Melanesian politics may look like a world without ideology when no distinction can be drawn between the policies of different political parties beyond the self-interest of their leaders (Rich et al. 2006), or when (as in the case of NC) the main point of distinction is the question of how public participation in large-scale mining projects relates to the prospect of national independence. However, those anthropologists who regard all political relationships as variations on a single theme of domination and resistance will say that the ‘end of ideology’ just means the triumph of a single ideology at all levels of political organisation, regardless of any regional variations in ‘political culture’. This is of course the ideology that most of them call neoliberalism, and many associate (a bit hastily) with Foucault’s concept of governmentality (Ferguson and Gupta 2002).
Golub (2014) argues that models of ‘pervasive governmentality’ fail to explain the practice of politics in Porgera precisely because they overestimate the power of the state. But by the same account, a mining company that cannot dominate a mine-affected community, even when it takes on some of the functions of government, can hardly be the vehicle that makes everyone in sight subscribe to a neoliberal ideology when they contest the issues of distribution and representation. This does not mean that ideology has no place in the contest; it only means that the power of ideology is exercised in the construction of political identities and roles, not in the pursuit of class interests.

For example, one of the key things that establishes the identity and the rights of mine-affected communities in PNG is an ‘ideology of landownership’ which asserts that every automatic (or indigenous) citizen counts as a ‘customary landowner’ by virtue of his or her membership in one of the multitude of clans that each own one portion of the country’s total land area. The emergence of this ideology as a form of national identity reflects the social relations of compensation in a resource-dependent economy, and is therefore closely linked to the form of local-level politics in which ‘clans’ have been constituted or reconstituted as collective claimants to ‘compensation’ from large-scale resource projects (Filer 1997). This is what distinguishes the ideology of landownership from ideologies of indigenous or ethnic identity. Golub (2014) obscures this point when he says that members of the mine-affected community in Porgera have come to construe themselves as ‘Ipili’, that is to say, as members of a partially invented tribal community. Community leaders are more likely to represent themselves as ‘landowners’ when dealing with other stakeholders in their political contest, and in so doing they take advantage of the fact that most of these other stakeholders subscribe to the ideology of landownership.

The ideology of landownership may perhaps be conceived as a form of popular resistance to the power of neoliberal governmentality, but there is no reason to assume that it constitutes the only form of national or subnational identity that has an impact on the type of political process that we are considering here (Keesing 1992). In NC, the ideology of landownership is constrained by specific legal provisions for the restoration and redistribution of collective customary land rights under policy reforms initiated in 1978. Where big mining projects are at stake, and it is hard to convert indigenous land claims into formal land rights, Kanak people alternate between the assertion of indigenous rights and
a more inclusive appeal to municipal community interests. At the same time, these tensions raise questions about corporate boundaries and local citizenship, since mining companies are expected to meet the obligations that arise from being accommodated as a stranger of a special kind within the local community (Le Meur, Ballard et al. 2013; Le Meur 2015). In the PNG case, Golub (2014) notes that Porgeran community leaders could represent themselves or their followers as subsistence farmers or indigenous people in their efforts to secure more compensation from the mining company. Political contests over the distribution of project-related costs and benefits also seem to encourage such leaders to represent themselves as ‘chiefs’, even in places (like Porgera) where anthropologists would say that no such roles existed in traditional society.

In one sense, this is simply further evidence of the capacity of political actors in such places to invent new roles that carry the impression of additional personal power. But in another sense it could be argued that an ideology of chieftainship has developed alongside the ideologies of landownership, subsistence affluence or indigenous rights, each with the power to create a different form of cultural identity fit for the same political purpose (Rodman 1987). The ideology of chieftainship asserts that people only ‘play politics’ because foreign forces have corrupted a traditional social system in which chiefs exercised the only legitimate form of personal power, so being or becoming a chief in a local political contest is another way to diminish the power of political roles that do not have this aura of traditional authority (White and Lindstrom 1997). This ploy does not work quite so well in NC, because the roles of great and small chiefs have been officially recognised in the colonial rendition of ‘customary authority’ since the early years of colonial rule. Nevertheless, the Customary Senate does represent the more recent emergence of neotraditional authority at a higher level of political organisation, and that is where the global discourse of indigenous rights tends to be mobilised.

Ideologies of this kind may be understood as forms of nationalism insofar as they construct the idea of ‘the nation’ in specific ways (as a nation of customary landowners, subsistence farmers, indigenous people or traditional chiefs), but they do not resemble the nationalisms of European history because they do not treat state institutions (including modern legal codes) as legitimate expressions of this cultural identity (Appadurai 1990; Foster 2002). They therefore have the effect of creating what Ferguson (2005) calls an ‘ungovernable space’, and in the Melanesian political landscape few spaces are less governable than those which surround
a large-scale mining project (Allen 2013). The regimentation of life within a mining compound therefore stands in stark contrast with the unruliness that prevails on the other side of the fence (Golub 2014). In Bourdieu’s (1977) terminology, such ideologies can even be counted as forms of symbolic violence against any organisation that threatens the boundary of a neotraditional community.

There is no reason to assume that such ideologies have some sort of monopoly over the terms in which people debate the distribution of costs and benefits from large-scale mines in Melanesia. It is also possible to detect a very different ideology, or set of ideologies, in which the mine itself becomes a symbol of modernity because of its power to deliver what most stakeholders, including local community members, call ‘development’. If all actors in a local or national political process agree on a single definition of development, and if it can be shown that this is a ‘neoliberal’ definition, there seems to be much less scope for any construction of ‘culture’ to be more than a passing form of ‘neopopulist’ resistance to the one great power that runs the world. But a closer inspection of what people do mean by ‘development’ in this particular debate suggests that there is no such general agreement, just as there is no general agreement about the definition and measurement of costs and benefits (Martin 2013). The key point is that ‘landowners’ may subscribe to an ideology of development in the same way that ‘developers’ subscribe to an ideology of landownership, not because they agree about the best way to calculate the distribution of costs and benefits, but simply because they want something from the other side. Furthermore, the notion of ‘development’—especially of ‘sustainable development’—may be deployed as a semantic vehicle to align divergent corporate and community interests in the form of a specific local agreement, as in the case of the Goro project (Horowitz 2012).

Politics and Policy

If the practice of local-level politics in the vicinity of large-scale mines is now to be understood in terms of the relationship between interpersonal and impersonal forms of power, how are we to understand the relationship between the political process that runs alongside the mining project cycle at each major production site and the policy process that creates or transforms the political institutions or ‘spaces’ in which the distributional and representational issues are negotiated? If a policy process is understood to be one type of political process, we might suppose that it is set apart
from other types by virtue of the fact that policies are made by governments and are therefore made at a level of political organisation above the level at which the game of local-level politics is played. However, what we have already said about the power of the state should alert us to the possibility that things are not quite so simple.

To begin with, governments do not have a monopoly on the production of policies. Mining companies have policies too; so does the World Bank, and so do many non-governmental or community-based organisations. Indeed, organisations established to represent the interests of ‘local people’ in the negotiation of benefit-sharing agreements are liable to manufacture policies and programs precisely in order to demonstrate their moral superiority over the other parties to the negotiation. A notable example of such activity is the long sequence of policy pronouncements made by the Lihir Mining Area Landowners Association since its formation in 1989, which have certainly seemed like acts of symbolic violence to representatives of the mining company at which they are mainly directed (Filer 1995; Bainton 2010). Beyond the proliferation of actors involved in policy production, agreements themselves can also become the building blocks of policies that change the terms in which the distributional and representational issues are resolved in subsequent agreements (Le Meur, Horowitz et al. 2013; O’Faircheallaigh 2013).

The proliferation of actors and negotiation spaces invariably takes place in a specific political and historical context. In NC, the production of mineral policy is inseparable from the politics of decolonisation, as was already evident when the Bercy Agreement became a precondition for negotiation of the Nouméa Agreement in 1998. The Bercy Agreement was not only the result of strong political action by the Kanak and Socialist National Liberation Front; it also served to illustrate the disjuncture between the French metropolitan state and NC’s different levels of political organisation in negotiation of both the representational and distributional issues in the mining sector. While the process of ‘negotiated decolonisation’ creates an active role for the metropolitan state, both as an umpire and a stakeholder in the negotiation of mineral policy, it also fosters state-making processes within NC, where provincial and local agencies are riddled with moving political fault lines.

That sequence of events contrasts with current bilateral negotiations between local Kanak communities and mining companies about the grant of free, prior and informed consent for renewed exploration of the
so-called ‘forgotten coast’, which is the eastern coast of South Province. In this instance, a two-year moratorium has been imposed at the behest of customary authorities at both local and national levels, supported by indigenous organisations and the pro-independence mayors of the two local municipalities (Thio and Yaté). This moratorium has created space for the conduct of environmental baseline studies and the design of a sustainable development strategy for the area. The negotiation now involves customary, municipal and provincial authorities, and could become a sort of showcase for South Province, which favours autonomy for NC but is opposed to outright independence.

In PNG, the capacity of the national government to complete its own policy pronouncements on the questions of distribution and representation in the mining sector has almost evaporated over the past 15 years, despite (or possibly because of) the ‘technical assistance’ it has secured from the World Bank. The policy process has continued, numerous foreign consultants have been engaged to move it forwards or backwards, but no new institutions have emerged as a result. A mineral policy process is most likely to produce a new political institution or settlement when it is undertaken in response to a crisis in the political relationships around a single large-scale mining project. As we have seen, the Bougainville rebellion was the first in a series of such crises that led some of the world’s biggest mining companies to the conclusion that they had lost their ‘social licence to operate’, and hence to the creation of the institution known as the Global Mining Initiative, followed by the Mining, Minerals and Sustainable Development Project, followed by the establishment of the International Council on Mining and Metals (Danielson 2006; Dashwood 2013).

Some observers think that the Bougainville crisis also inspired PNG government officials to invent the institution known as the development forum (Golub 2014: 102), but this is not so. The development forum was invented in 1988 in response to demands by provincial premiers and local community leaders for a bigger share of the benefits to be derived from the Porgera gold mine and a stronger voice in the negotiation of a benefit-sharing agreement (Filer 2008). Once this agreement was finalised in 1989, the prime minister tried to persuade Francis Ona and his followers to negotiate the same sort of agreement, but to no avail. The conflict on Bougainville was eventually resolved by a peace process that was a different sort of policy process, since it bore no direct relationship to political debate about the costs and benefits of the mine that was now closed (Regan 2010). But once that policy process had led to the establishment of the
Autonomous Bougainville Government in 2005, a more specific policy process was instituted to invest this new government with the power to determine the conditions under which the Panguna mine might be reopened or any other mining project might be authorised (Regan 2014).

Although government officials can reasonably claim credit for inventing the development forum in the first place, this institution did not simply become the more or less governable space in which national and provincial government representatives would henceforth negotiate benefit-sharing agreements with the representatives of landowning communities. Each new forum created an opportunity for the participants to turn a political contest into another policy process by making demands that were inconsistent with existing laws and policies. In the Lihir case, for example, the community leaders demanded a share in the ownership of the mine that was greater than the share the government was prepared to purchase on their behalf. They were only persuaded to moderate their demand when the prime minister undertook to raise the rate at which royalties were levied on all large-scale mining projects, and hence to raise the income that the landowners and their community government would receive from their agreed share of the royalties levied on the Lihir mine (Filer 2008).

From such examples it should be evident that a policy process is not best conceived as a process in which one collection of stakeholders operating at a higher level of political organisation determines the rules by which another group of stakeholders operating at a lower level of organisation will sort out their political differences. A political contest over the distribution of costs and benefits derived from one large-scale mining project can turn into a policy process by changing the rules that apply to the same sort of negotiation in other locations (Le Meur, Horowitz and Mennesson 2013). And if governments do not have a monopoly on the production of policies, the transformation of a political process into a policy process can involve the occupants of any number of the four corners in our rectangular model of stakeholder relationships at any particular moment in time. The transformation may therefore involve a form of escalation, in which the number of actors and roles involved in the process grows larger as an issue gets to be contested in new locations or at larger scales, on different or bigger stages.

When a political process does turn into a policy process, there is no need to assume any change in the way that power is exercised over the outcome. The interpersonal powers of participation, exclusion and domination may
still be deployed, but the first two are likely to be more significant with an increase in the number of actors and roles involved in the process, since it is less likely that all of them will belong to one of two camps and that one camp will score a decisive victory over the other. When the design of political institutions is at stake, impersonal forms of political power are liable to be exercised or resisted with greater intensity, as more of the actors engage in acts of physical or symbolic violence. But whatever happens along the way, the outcome of a policy process will almost invariably change the balance of both personal and impersonal power between the different elements in the political landscape, since any political institution contains its own distinctive forms of social inequality. Changes in the balance of power that result from the transformation of political institutions must then be distinguished from those that result from what Kirsch (2014) calls the ‘politics of time’, in which the capacity of different actors to influence the distribution of costs and benefits from a large-scale mining project diminishes in different degrees as the project moves from the point of being designed to the point of being finally closed.

Case Studies

The papers collected in this volume were not originally meant to address a single theoretical question. Most of them are derived from a conference that dealt with the broader topic of ‘mining and mineral policy in the Pacific region’. We have taken the relationship between large-scale mining projects and local-level politics in two specific jurisdictions—the independent nation of PNG and the French territory of NC—to be one specific aspect of this broader topic. The authors of conference papers relating to this more specific topic were therefore invited to submit chapters to the present volume, while some additional papers were commissioned in order to make the collection more complete. This introduction has been written in response to their submissions, so the ideas that it contains have not necessarily informed any of the other contributions. In this final section of our introduction, we summarise the key messages of each chapter in the light of our conceptual framework.
New Caledonia

Jean-Michel Sourisseau and his colleagues examine the institutional innovations adopted by a set of local actors, claiming at once a customary and entrepreneurial legitimacy, to deal with, and profit from, the structural effects of the Koniambo project in North Province. They show how these different actors got involved, directly or indirectly, in construction of the nickel processing plant, and compare this practical experience of project management with the expectations, hopes and fears expressed by the same actors before the start of the construction process. Their main focus is on the distribution of employment, the structure of the local economy, and the relationship between economic development and social cohesion. They highlight the appearance of an active learning process on the part of these actors, albeit one that requires a certain level of institutional support to reduce the risk of increasing economic inequality and social disintegration in the project-affected area.

Matthias Kowasch examines the Koniambo project from a different standpoint, by looking at the spatial distribution of the social, economic and environmental changes experienced by local communities—especially Kanak communities—since the project’s inception. Three elements are central for the interpretation of these dramatic changes. First, he shows that these communities have been active drivers of these changes and see the Koniambo project as ‘theirs’, even though the provincial authorities have played a decisive role in its implementation. Furthermore, he shows how the creation of a ‘simplified shareholding company’ has played a critical role in mediating the participation of Kanak communities in the distribution of project benefits by managing the distribution of contracts to local entrepreneurs. Finally, he warns that these positive aspects of the relationship between the project developers, the provincial authorities and local communities should not lead us to underestimate the negative impacts of the project in the form of escalating land disputes, rising inequalities, economic exclusion or social disruption.

Christine Demmer explores the origins and consequences of the political conflict that resulted in the closure of the Boakaine mine (in North Province) in 2002, after ten years of operation by the Société Minière du Sud Pacifique, and the recent political debate about the possibility of reopening it. Through this case study, the author raises questions about the identity and authority of the different Kanak actors competing over the management and distribution of mineral revenues in the municipality.
and district of Canala. At stake here is a localised notion of sovereignty in which the struggle for political and economic independence has also been a struggle for control of the ‘modern’ municipality and ‘customary’ district in which the mine is located and a struggle for the recognition of indigenous land rights and traditional chiefly authority. While this study reveals the persistence of the segmentary logic of ‘traditional’ Kanak society in the practice of contemporary politics, it also shows how Kanak demands for participation in the modern mining industry connect with the practice of politics at different levels of political organisation.

Pierre-Yves Le Meur examines another case of political conflict around Thio, one of NC’s oldest mining locations, in 1996. A two-week blockade of the two main mines and the wharf by local Kanak residents resulted in a new agreement between the operating company (Société Le Nickel), the local customary authorities, the municipality and the province. This was a wide-ranging agreement that could be described as an ‘impact–benefit agreement’ because it covered a mixture of social, economic and environmental issues, including customary land rights, access to employment and the prospect of opening a new mine under Kanak ownership and control. The reconfiguration of the local political arena that was prompted by the eruption and resolution of this conflict is analysed from the different local perspectives represented in the substance of the agreement, but also placed in the broader historical context established by the Matignon-Oudinot Agreements of 1988 and the Nouméa Agreement that was signed ten years later. In this broader perspective, the conflict of 1996 can now be seen as the starting point or harbinger of a major shift in the political complexion of NC’s mining industry, from both a discursive or ideological point of view and in terms of the relationships between different political actors and their roles.

Claire Levacher provides another side to this story of political change, and a contrast to the story of the Koniambo project, in her account of the way that discourses of environmental justice, indigenous rights and sustainable development were mobilised by Kanak representatives in their negotiation of the ‘Pact for the Sustainable Development of the Great South’ that was made with the developers of the Goro project in 2008, ten years after the Nouméa Agreement. This agreement was not based on indigenous land claims, but it did coincide with an election that brought

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22 Canala is the name of the municipality and one of the two districts that it contains.
the municipality of Yaté, where the project is located, under the control of an indigenous political association known as Rhéébu Nùù (‘Eye of the Country’). While negotiation of the agreement revealed significant differences in the conceptions of natural and cultural heritage espoused by the members of indigenous and environmental groups, the subsequent alliance between the mining company and indigenous political leaders has been forged at the expense of both a radical environmental ideology and the local influence of the provincial authorities.

**Papua New Guinea**

Glenn Banks and his colleagues ask why and how mining companies in PNG have delivered community development programs to mine-affected communities. They observe that company motivations vary along a continuum that ranges from contractual obligations to corporate philanthropy, with considerations of social responsibility and social licence somewhere in the middle. But regardless of the motivations, they see all such programs as ways of countering the ‘unruliness’ of local-level politics at the same time as they are meant to mitigate negative social impacts, and in this sense they are inherently conservative forms of intervention. Although such programs can make mining companies look like aid agencies, the resemblance is only superficial, because mining companies rarely even pretend to engage local communities in the design and implementation of different projects, while their lack of interest in the monitoring and evaluation of development outcomes reflects a fundamental lack of accountability to any public audience.

Colin Filer and Phillipa Jenkins make similar points in their discussion of the way in which the distributional issue has been negotiated between the stakeholders in the Ok Tedi mining project, but they also focus on the question of how the distribution of power, as well as the distribution of costs and benefits, between the different stakeholders has been modified through the lengthy political and policy process associated with the timing of mine closure. While the Ok Tedi mine is rightly renowned for the extent of the environmental damage it has caused, less attention has been paid to the scale and complexity of the institutional superstructure that has evolved out of a sequence of compensation and benefit-sharing agreements between community representatives and other stakeholders. While the authors question the direction of the causal relationship between the transformation of the mining company into a ‘proxy state’ and the
apparent weakness of political institutions in the mine-affected area, there is no doubt that the political life of this particular mine represents an extreme form of the contradiction between resource dependency and sustainable development at a number of spatial and temporal scales.

John Burton and Joyce Onguglo question the extent to which mining companies in PNG have earned their social licence to operate by means of compliance with the various international standards of good practice to which they have made a public commitment. They also discuss the reluctance of some of these companies to acknowledge that mine-affected communities in PNG are also indigenous communities, whose rights and interests therefore demand special consideration. In some respects, this reluctance may be seen as another type of corporate response to the ‘unruliness’ of these communities, especially those whose leaders look more like warlords than landlords. The PNG Government is also taken to task, not only for its tolerance of corporate hypocrisy, but also because it espouses progressive social policies which it then fails to apply to the benefit-sharing agreements for which the companies are not directly responsible.

Susan Hemer approaches the gender equity issue from a rather different angle, by questioning the effectiveness of the different strategies adopted by the representatives of two women’s associations in their efforts to secure a bigger share of the benefits, or a smaller share of the costs, associated with the development of the Lihir gold mine. While a few of these women have been able to air their grievances on a national, or even an international, stage, and thus secure some kind of support from stakeholders outside their own community, this has notably failed to enhance their status or authority within the male-dominated political life of the mine-affected community. Insofar as male and female members of this community remain committed to a defence of their own ‘customary’ values against the impact of a large-scale mining project, there seems to be very little scope for local women to be ‘empowered’ in ways that would be recognised and endorsed by members of a national or international audience, since they can only gain ‘respect’ for doing things that only women do.

Nick Bainton deals with another form of inequality and marginality in the Lihir community by asking how the leaders of that community can simultaneously patronise and demonise the migrants from other parts of PNG who are not directly employed by the mining company yet still seek to benefit from the economic opportunities that it offers. In some
respects, the growth of this population of strangers underscores the
distinction between the two inner circles of entitlement prescribed by the
preferred area policy, since they have settled on land in close proximity to
the leases held by the mining company, and the customary owners of this
land are also first in line to receive royalty and compensation payments
in respect of these leases. Individual members of the ‘local political elite’
have recruited individual migrants as their clients, either as tenants or
employees, but each individual patron has more to fear from the clients of
other landowners than he can hope to gain from the support of his own
clientele, so the growth of migrant numbers has induced a widespread
sense of ‘civic insecurity’ that now verges on a ‘climate of fear’. So long as
the migrants all have patrons, the local-level government cannot respond to
calls for their wholesale eviction, so these calls are redirected to the mining
company, accompanied by the tacit threat of violent conflict between the
insiders and the outsiders, which could escalate to the point at which it
endangers the company’s social licence. The same problem is far more
acute at Porgera, where the migrant population has long outnumbered the
population of traditional landowners, but the recent history of violence at
Porgera has only served to heighten the sense of insecurity at Lihir.

Anthony Regan concludes the discussion of large-scale mines and local-
level politics in PNG by revisiting the sequence of events that led to the
forced closure of the Panguna copper mine in 1989 and put Bougainville
squarely at the centre of a new global debate about the social and
political impact of large-scale mining operations on local or indigenous
communities. No one is better qualified for this task, since the author
has communicated directly and extensively with all of the main actors
in that social drama, as well as compiling a voluminous record of all the
documentary evidence relating to their actions at the time. From this
evidence, he argues that closure of the mine was not the primary aim
of most of these actors, but he also argues that there were many different
groups of actors, with different interests and goals, who played some part
in a process that none of them was able to control. The point of this
argument is to challenge the conventional portrait of the process as one
that was inspired by the grievances of a single group of ‘young landowners’
from the mine lease areas, led by Francis Ona, who simply wanted to
expel the mining company from their territory. The question addressed
here is not just a matter of historical interest, since the constellation
of political forces that existed on Bougainville in the 1980s was not all
that different from the one that still exists within the jurisdiction of the
Autonomous Bougainville Government. And that is why Bougainvilleans
still hold a wide range of views on the question of whether the Panguna mine should be reopened, or whether another large-scale mine should be developed in the region and, if so, under what conditions.

References


