

7. The cost of the conflict

The politics of numbers of deaths and the politics of humility

Thus far in Peacebuilding Compared we have encountered conflicts in which the most widely quoted estimates of lives lost from the conflict are considerable underestimates as a result of the state concerned keeping out the international media and non-compliant national journalists or issuing official counts that are underestimates intended to downplay the crisis. These are accepted by lazy journalists as good enough and become the dominant estimates. West Kalimantan (Braithwaite et al. 2010) is an example of such a case. In other cases, international advocates with an interest in exposing such cover-ups of killings counter the cover-ups by producing exaggerated estimates of their own. West Papua in Indonesia is such a case where inflated estimates have become widespread (Braithwaite et al. 2010). Bougainville is in the latter group.

What happened was that the international community woke up one day in the 1990s and realised that what had been occurring in Bougainville for years was not just a 'crisis' or a 'rebellion', but a civil war. In Australia in particular, there was some embarrassment that Australian mining and colonial policy played a big part in the causation of the conflict, that the war was being fought with weapons supplied by Australia and that our media and our leaders had downplayed it. Indeed, the Labor governments of Bob Hawke and Paul Keating had worked with the PNG Government to do so. While the Government of the Solomon Islands allowed the BRA access to their internationally uninfluential media on many occasions to get the terrible story of Bougainville out, on the rare occasions when the BRA leaders got to Australia for peace talks, they were kept away from the media. On at least one occasion, it was an explicit condition of Joseph Kabui's visa that he not speak to the media while in Australia.

The intriguing biography of Alexander Downer in Bougainville

Australia was an ineffective peacemaker in Bougainville during the Hawke and Keating governments because, unlike New Zealand, its policy was to not talk to the BRA. Australia believed the secession of Bougainville would be bad for both

Bougainville and Papua New Guinea as a whole. To be fair, Australia consistently supported a peaceful solution after 1991, resisting waves of pressure from Papua New Guinea to provide greater military support, particularly in equipment for the war. Australia came under pressure from Papua New Guinea for allowing senior BRA member Moses Havini to run an information office in Australia. Havini was married to an Australian citizen. Australian government officials consistently refused to meet with Havini and countered the mostly accurate information he was getting out of Bougainville by satellite phone on atrocities that were occurring in the province with counter propaganda to the effect that Havini was a radical revolutionary who was not a credible source. The Australian media mostly bought this and, during the decade when the war raged, downplayed its horror and significance (Watts 1999). Even the more rigorous and progressive elements of the international media misreported or failed to report the Bougainville war. For example, the *Guardian Weekly* of 7 February 1993 reported the Canberra line of the time that the war was all over, won by the PNGDF: '[T]oday most people, apart from a few Australians, agree that the [Bougainville] rebellion has fizzled out' and only a 'handful of leaderless guerrillas are still active' (Watts 1999:33).

Enter Alexander Downer as the new Foreign Minister in the conservative Howard government. Downer had been meeting with Moses Havini and listening. Like his predecessor, Gareth Evans, Downer was Foreign Minister for more than a decade. He was a less distinguished Foreign Minister than Evans, who had major accomplishments such as the brokering of a UN peacekeeping mission in Cambodia, and even more important contributions as a peacebuilder after leaving politics. But Bougainville was Downer's finest moment, though Downer himself saw East Timor as his finest moment when we interviewed him. When we interviewed Downer's Prime Minister, John Howard, he confirmed that he had more or less left Bougainville policy totally in Downer's hands, except at the height of the Sandline crisis.

In opposition, Downer concluded that the Keating government was handling Bougainville badly. In encounters with Bougainvilleans in opposition and government, he was genuinely touched by their plight and Australia's awful contribution to it. One experience that particularly moved him was accidental. His helicopter had a problem that caused it to land in the Bougainville bush. Where he happened to land, Bougainvillean women were conducting one of the many women's peace marches between BRA and Resistance areas, gathering together in the march women from both sides. He sat down with them for a long talk and the women told him what they wanted him to do to support the peace. Downer did what they asked—and more. Even by his own admission, Downer is hardly a humble man. But he showed humility by allowing New Zealand to lead peacemaking in Bougainville. He allowed New Zealand Foreign Minister,

Don McKinnon, to do much of the front-stage work and take the credit for the international brokering of the peace.¹ He did this because, on the advice of his officials, he believed this was best for the peace—as it was. One of those senior officials said this of the two long-serving Australian foreign ministers of our generation:

Downer was well suited to Pacific diplomacy with his free-wheeling approach which in Bougainville was pretty effectively responsive to the players. Whereas Gareth could let his frustration get the better of him there. Gareth was better in Cambodia which was better suited to his analytic approach. He was good at working the UN system.

Politicians are normally not very good at allowing other politicians to run away with the credit when they are mobilising most of the dollars for a peacebuilding effort and doing a lot of the hard diplomatic yards behind the scenes. There is no doubt that Howard and Downer played crucial roles in pressuring Papua New Guinea to renege on the contract it had signed with Sandline and using the Australian Air Force to force down the air-freighter transporting Sandline's heavy equipment to Papua New Guinea. Australia leaked much of the inside story on Chan's war plans with Sandline to the international media to put pressure on Chan—at great diplomatic risk to Australia's relationship with Papua New Guinea—though the story was first broken by Mary-Louise O'Callaghan in *The Australian* (Claxton 1998:102).² Arguably, there was no greater turning point to peace in Bougainville—and to reviving the fading international norm against mercenaries—than the media getting hold of the planned Sandline invasion of Bougainville. None of this is to downplay the role of New Zealand in the peace. It is simply to locate Downer as a leader of a department that also made important contributions and the New Zealand–Australian partnership as effective because of a certain politics of humility.

Whereas New Zealand's military leader on the ground, Brigadier Mortlock, was advising it to go with the BRA view that it would be prudent for the peacekeepers to be unarmed, Downer had to placate the strongly held view of some generals in the Australian Defence Force that this would be most imprudent. Australian generals were particularly shocked when Mortlock also went along with the BRA view that they should not be required to hand in their weapons as a first priority for the peace process, though again senior Australian Foreign Affairs officer Greg Moriarty supported the Mortlock approach (Regan 2001). Most Australian

1 In interviews with senior foreign affairs and military officials involved with Bougainville in New Zealand, and some in Australia, it was said the relationship between McKinnon and Downer was combative. But when we interviewed Downer himself he said he had a good working relationship with McKinnon and Downer respected his great contribution to the peace.

2 Hugh White says he was given the job of leaking the story to Mary-Louise O'Callaghan, but when he called her, she had almost the entire story already—probably from a senior PNG military insider.

generals said they wanted their weapons while the PNGDF were on the ground with their weapons and they also wanted to be able to protect peacekeepers from Francis Ona's forces, should that be necessary. In fact, the deeper reason was that the BRA would negotiate for disposal of weapons to be completed only when a delayed referendum for independence was constitutionally entrenched, and not before then. The top brass in New Zealand also did not warm to Mortlock's approach at first. One New Zealand brigadier, who at first thought Mortlock's support for unarmed peacekeepers among insurgents who were not being disarmed was reckless, told us in an interview that not only did it turn out that this call was right, 'it was profoundly right'.

The risk was not quite as big as it seemed. An Australian Navy vessel with an arsenal was just off the coast of Bougainville during all the years of the peacekeeping operation. While this was never admitted publicly, the BRA leadership was aware of it. If a peacekeeper had been killed in a military attack, the BRA also understood that all the peacekeepers would be withdrawn after armed soldiers secured the withdrawal. This knowledge caused both the BRA and the Resistance to be exceptionally protective of the peacekeepers. For example, in circumstances when an emotionally damaged, drunk ex-combatant was at large with a weapon, locals mounted a 24-hour guard at the peacekeepers' accommodation in a village. It was a unique and complex peace that was being kept here.

When the peace came, Downer derived great personal satisfaction from it. At that point, he put his humility aside and began to tout to Australia and internationally the positive role Australia had played since the election of the Howard government in solving such a major war. In press releases, Downer's advisers settled on the number 20 000 or the more common estimate of 15 000 for the number of deaths caused by the war (Downer 2001:1). The United Nations has also opted for the 15 000 estimate (UN News Centre 2005). Twenty thousand was a big number for such a small population and was widely picked up, reinforcing the appropriate lesson that this was a war that was ignored by the Western world because it was not geopolitically significant in the northern hemisphere. The politics of exaggeration for a good cause is easy to slip into when the only estimates around come from credible sources such as the Australian and New Zealand Departments of Foreign Affairs and statements by the United Nations. But the estimates were baseless.

The elusive count of suffering

The most serious scholar of the conflict, Anthony Regan, has been concerned to offer a corrective to the clear exaggeration in the Downer 20 000 deaths estimate. We judge his statement below to be the most authoritative estimate of the cost of the conflict and more conservative than most estimates in the literature.

The conflict had terrible impacts. For Bougainville, they included the trauma resulting from perhaps several thousand deaths (at least some hundreds in conflict, many more from extrajudicial killings on all sides, and an unknown number caused or contributed to by the PNG blockade of BRA-controlled areas) and injuries; deep divisions among Bougainvilleans; destruction of most public infrastructure and private-sector productive assets; destruction of the capacity of the local state (the Bougainville provincial government's administrative arm); the large-scale dislocation of life for huge numbers, with up to 60,000 of Bougainville's population of about 160,000 living in refugee camps by 1996.³ By the time the peace process began, Bougainville had gone from its preconflict status as the wealthiest of PNG's nineteen provinces to among the most impoverished. For PNG, the impacts included hundreds of combat deaths and injuries, massive economic impacts through closure of the mine (which had contributed about 17 percent of government revenues and 36 percent of gross export earnings), and serious impacts on the capacity of the state, including the undermining of the morale of the security forces (in constant crisis from 1989 to 1997). (Regan 2005a:10–11)

We wonder, however, if it is too conservative in correcting the exaggerated accounts that preceded it on the number of combat deaths on the Bougainville side. We code 1000–2000 as the range for the number of conflict deaths. Regan is right that Papua New Guinea suffered 'hundreds of combat deaths'. Many months before the war's end, the PNG Defence Minister said that 200 soldiers and 50 policemen had died on Bougainville (Dorney 1998:320). He had no reason to exaggerate, so we estimate approximately 300 combat deaths on the PNG side. In insurgencies such as the Bougainville war, the objective of the insurgents is

³ Sixty thousand is often quoted as the best estimate of the number of IDPs. It is probably too low. It does not include as many as 20 000 (most mainlanders, but also educated Bougainvilleans, Chinese and Europeans), who mostly fled to the mainland (but also to the Solomon Islands—perhaps 500 or as high as 2000 [Zale 1997:23]). It is a count based mainly on estimates of the number in care centres, such as Howley's (2002:65) estimate for 1994 of 42 000 and Amnesty International's (1997:6) for 1997 of 67 000. The biggest cause of the undercount is that many counted in 1994 were no longer in care centres in 1997 and unknown numbers in care centres in 1997 were not there in 1994. That is, both numbers fail to count those in care centres at other times. Finally, there were uncounted thousands of IDPs who fled their burning villages to hide in the bush for a period rather than live in a care centre.

not to inflict a larger number of deaths on the superior army with superior weapons and training that they confront. It is to win by not losing and to inflict sufficient losses for the state to conclude that the military losses it suffers are too high a price. The BRA won the war by not losing in just this sense.

The BRA ended the war in a hurting stalemate in which its forces were more optimistic of victory than the PNGDF.⁴ While it had retreated to allow the PNGDF to control most of the territory of Bougainville, the BRA was never defeated in its heartland, and in that heartland and other places as well (from Kangu Beach in the far south to Buka in the far north), it inflicted many significant little defeats on the PNGDF. Even though it was an insurgency in which the insurgents gave a better account of themselves than in most insurgencies, it still recounts as one that fits the pattern of superior state firepower inflicting more deaths on the insurgents than poorly armed insurgents inflict on them (see, for example, Liria 1993). So we assume in the absence of systematic evidence that more than 300 BRA were killed in fighting with the PNGDF. Second, we assume a comparable number of BRA would have been killed in fighting with the Resistance to fighting with the PNGDF. We assume this because the Resistance was on the ground continuously from the time it came into existence, whereas the PNGDF was on the ground only in some places at some times. Moreover, in the place where the PNGDF was on the ground for the longest period, Buka, it stood back and left it to the Buka Liberation Front to do most of the considerable killing of BRA that occurred there. It seems safe to conclude that the number of Bougainvilleans killed in BRA–Resistance fighting on both sides was greater than the number of BRA killed in BRA–PNGDF fighting. So if 300 is a good number for the losses of PNG fighters, if they killed an even greater number of BRA and if an even greater number than that was killed in BRA–Resistance fighting,⁵ the number of conflict deaths was way more than 1000. Hence, our coded estimate of 1000–2000. It remains the case, however, that we can only speculate on the number of deaths caused by the blockade and withdrawal of government services (see Regan 1999:557–9). The death toll from being cut off from medicines and professional medical care was certainly high, especially among the elderly who fled their homes.

4 BRA military leader Ishmael Toroama did not think there was a hurting stalemate at all: 'We were not tired of fighting. Most of our boys did not agree with us because we were gaining ground.' While he agreed there was a lot of exhaustion among his fighters, he saw the motivation for the peace in terms of the effect the war was having on the children, including the fighting boys themselves being brought up in the way of the gun.

5 Some newspapers have reported 2000 Resistance members killed (Claxton 1999:140). This is most implausible; it would amount to the loss of most of their fighters.

The cost for women

The Leitana Nehan Women's Development Agency told us that they had systematic files on thousands of cases of sexual assault, many by the PNGDF, that were all intentionally destroyed in a PNGDF raid on their premises. These included more than 1000 victims of rape (often with multiple rapists) on Buka Island alone (Saovana-Spriggs 2007:128). We will return to the issue of the cost of the war in terms of a legacy of levels of family violence that did not prevail before the conflict.



Figure 7.1 Helen Hakena holds the UN Millennium Peace Prize for Women awarded to the Leitana Nehan Women's Development Agency, with Peter Reddy in the background

Photo: John Braithwaite

The economic cost

In addition to the loss of royalties, taxes, dividends, thousands of jobs in the mine and thousands of others serving the mine community, all other forms of economic activity declined during the war. Many crops were destroyed or abandoned and fishing became dangerous in many places. Copra production

dropped to zero in the early years of the war, then gradually increased to half its prewar level at the end of the war (Lumanni 2005:248). Smallholder cocoa production during the war remained at less than one-third of its prewar peak (Lumanni 2005:255). With considerable development assistance from Australia, the European Union and the UNDP, smallholder cocoa production by 2004–05 had returned to levels similar to the prewar record of 1988–89 (Regan 2007).

Bougainville's micro-finance disaster

One economically debilitating legacy of this conflict is that large parts of Bougainville's banking system have been captured by criminals implementing the philosophy that the best way to rob a bank is to own it. A number of credit unions existed in Bougainville at the beginning of the conflict. All collapsed during the conflict—unable to pay out loans (Shaw and Clarke 2004:12). The institutional collapse associated with civil war allows many kinds of crime to flourish, including financial crime. Micro-finance is important to kick-starting economic development after a war. Conventional Western-style bank finance finds little attraction in lending for investment in post-conflict areas. It is an environment in which credit unions and other models of funding of little people lending to little people are vital to the beginnings of capital investment in business and rebuilding. Bougainville's micro-finance initiatives are, however, weak in comparison with those found in other post-conflict areas.

There have been three legal micro-finance organisations post-conflict—a lot for a population of 200 000. AusAID withdrew funding for one before the scheduled movement from project funding to business funding because of poor management, in spite of early promise (Newsom 2002; Marino 2006:113–14). It was charging 2.5 per cent interest a month on small loans in 2006. Another, funded by the European Union, collapsed as a result of poor management (Shaw and Clarke 2004:12). Two former BRA commanders who ran an ex-combatants' association after they had worked for the other two micro-finance organisations formed another to finance cocoa projects. They had fallen out with other directors of the first two banks. In one case, they described to us the chief executive officer as 'too much of an accountant' who always 'wanted to follow the rules'. This seemed a worrying kind of reason to start a bank.

While micro-finance is vital for creating legitimate opportunities after a war, in postwar environments, it also creates illegitimate opportunities. Prudential supervision of banks is absent on Bougainville's governance landscape. The worst consequence of this has been four pyramid schemes run by Bougainvilleans posing as banks (Shaw and Clarke 2004:12). The largest of these, U-Vistract, created by silver-tongued conman Noah Musingku, has cost a large majority

of the families of Bougainville a significant part of their meagre savings, as well as tens of thousands of others in mainland Papua New Guinea and elsewhere in the Pacific (especially Fiji). The modus operandi has allowed some community and political leaders, even the Chief Ombudsman, to make large profits out of U-Vistract and to spread confidence in the 'bank' from the top down. Even President Kabui was a substantial investor in U-Vistract as were other cabinet ministers in Bougainville and Papua New Guinea.

Noah Musingku hooked U-Vistract up with Francis Ona, who was also a large investor. Musingku conned Ona into believing U-Vistract could make the Me'ekamui alternative government in the no-go zone financially viable. More than that, the bank would make Me'ekamui "the head of the world financial system rather than its tail". Not long before Ona's death, there was a falling out between Ona and Musingku. Nevertheless, Noah Musingku continued to control part of the Me'ekamui brand and, some of the weapons, and he retained five Fijian soldiers, —two of them former peacekeepers, —to train a small private army in his home village of Tonu. In other words, what we have here is a financial fraudster harnessing a combatant brand -name (Me'ekamui) to defend himself from arrest. U-Vistract has been renamed the Royal International Bank of Meekamui. Its web site claims that it manages US\$1 trillion. Noah Musingku has crowned himself His Majesty King David Peii II and as the successor monarch over Ona's kingdom. In a telephone interview with a man who described himself with a chuckle as a spokesman for the King in 2008, John Braithwaite was told, 'President Kabui assured us of amnesty and we assured him we would give him and his men amnesty'!

Thomas Tari (the BRA commander who led the Kangu Beach massacre; Box 4.1) worked with police, who Tari also armed with weapons captured from the PNGDF at Kangu Beach, and led a 'Bougainville Freedom Fighters' attack on Noah Musingku's Tonu 'Royal Palace' in November 2006 in a effort to capture him. After a fire fight that lasted more than an hour, Musingku was wounded, but not captured, and the assault was called off to get a Bougainville Freedom Fighter, who subsequently died, to hospital. In 2010, Musingku remains at large in Tonu, still protected by a dwindling group of armed supporters (Regan 2010).



Figure 7.2 Noah Musingku wearing a crown inscribed 'King' inspects his 'Royal Palace Guards' in Tonu

Photo: *The National*

A mighty cost

While exaggerated accounts of the number killed in the fighting are common, probably considerably more than 1000 were killed directly in the fighting and a larger unknown number died as a result of being cut off from medicines, medical care and their gardens—in many cases as a result of intentional acts of war such as the blockade. Thousands of women and girls were raped. More than one-third of the population lost their homes. A generation of children missed out on an education. All aspects of the export economy collapsed. It is hard to think of a place that has come out of conflict with a more utterly devastated and dysfunctional financial system legacy than Bougainville. The cost of a no-trust banking system in terms of stunted long-term development will be very high, especially if ratings agencies have to assess the financial system of an independent Bougainville and therefore the price it will have to pay for money it borrows.