

## 5. When Cargo Arrives

In PNG, it is still a moot point whether the economic benefits of large-scale resource extraction balance the tremendous social and economic upheaval typically generated by such activities. If there is a willingness to gamble on the hypothesis that the size of the compensation package will offset any negative impacts from the project, then it is also worth remembering that many of the social divisions caused by mining directly result from an inability to reach consensus on the correct way to distribute this pile of money.

The Bougainville conflict, which began in late 1988 around the Panguna copper mine, remains relevant for understanding the changes occurring in Lihir. When Filer (1990) first wrote about the crisis, he was specifically concerned with its social origins. Working from a rather Durkheimian perspective, he sought to understand the local processes of social disintegration — the particular evolution of social anomie. For a long time Bougainville has been considered a ‘special case’. It is for this reason that Filer’s hypothesis appears all the more contentious, since he argued that the events on Bougainville were not unique, but instead represented the general tendency for mining projects to have a negative, and potentially explosive, social impact on landowning communities. This was immediately qualified by the important point that various contingent factors — political and economic, historical and geographical — will affect the operation of this tendency. It is unfortunate that history has vindicated Filer’s seemingly deterministic supposition. In each of the major mining projects throughout PNG (Ok Tedi, Porgera, Misima and Lihir) the processes of social disintegration have unfolded in unique ways. The ‘blow outs’ have not all been the same, nor have they necessarily occurred to the same extent, but in each instance local communities have faced common kinds of problems from the delineation of land boundaries, the distribution of benefits, the stratification of society, the inheritance of resources, and the succession to leadership.

Filer’s analysis of Bougainville partly informed his predictions on the likely impacts of the Lihir gold mine. In a discussion paper presented to the PNG Department of Environment and Conservation (DEC), Filer distilled these impacts down to their base elements: the stratification effect and the demoralisation effect:

The stratification effect follows from the probability that different members of the local community will experience the different aspects of the development process in different forms and degrees, and the process as a whole will therefore give rise to new forms of inequality,

division and conflict within the community. ... The demoralisation effect follows from the probability that the community as a whole will be 'overpowered' by the presence of the project, existing mechanisms of social control will be disrupted and devalued, and local people's respect for 'custom' will progressively be transformed into a frustrating sense of dependency on the project as the source of all their problems and the only source of their solution (Filer 1992b: 6).

Since exploration, the stratification of Lihirian society as a result of the unequal spread of costs and benefits has been the biggest source of internal disruption. To some extent, this has certainly spilled over into a more general form of demoralisation and dependency, although this in no way implies that Lihirians have developed a discourse of inferiority. While the more intangible — but no less important — impacts upon the values and attitudes of the local people are apparent, Lihirians have also developed novel political and cultural responses to the impacts of industrial development. In the following two chapters I will look at these in more detail. In this chapter I am specifically interested in the wealth–modernity nexus and the conditions which gave rise to local political elites who were central to the development of the Lihir Destiny Plan.

## Monitoring and Understanding the Impacts

Mining has reproduced the sort of neo-colonial relations that Lihirians hoped would be lost in the transition to independence. Expatriates occupy managerial positions, receive the highest wages, accrue the most wealth and possessions, live comparatively lavish lives, and enjoy greater freedom and higher status than most Papua New Guineans. On the other hand, Lihirians largely remain subsistence farmers with village-based lifestyles, have comparatively limited purchasing power, are constrained by local values, networks and structural inequalities, and more importantly, only recently began to engage in the sort of market relations that underpin the existence which most expatriates take for granted. At one end of the spectrum is the general manager of the mine, who lives in the biggest house, occupies the most important position within the company, and receives the most income and perquisites. At the opposite end are the many aging Lihirians with few means of acquiring cash, who are reliant upon farming and the generosity of kin for basic items like soap and clothes, or for luxury food like rice and tinned fish. Lihirians readily endorse such descriptions, often for various political purposes, but it oversimplifies a set of exceptionally complex circumstances. Between these two poles lies a range of social, economic and political positions.

Under the terms of the *Environmental Planning Act 1978*, mining companies operating in PNG were required to develop an Environmental Management and Monitoring Program in which they dealt with the question of social impacts. At the time of the Lihir project negotiations in the early 1990s, there were no detailed guidelines on the manner in which companies should address these impacts. Consequently, there has been little uniformity in the monitoring and mitigation strategies employed across mining operations in PNG — if they have been deployed at all.

In Lihir there has been a gradual development of a more comprehensive monitoring program. As a result we now have a very detailed picture of the social impacts that have occurred since mining commenced. Following the original impact studies by Filer and Jackson (1986, 1989), and Filer's (1992b) discussion paper to the DEC, Filer was later asked by Lihirian landowners to provide them with advice on the sorts of impacts they were likely to experience and mitigation strategies they might pursue. A shorter report, which was funded by the company, was written in Tok Pisin and presented to the landowner association (Filer 1994). After the IBP agreement was signed in 1995, the Export Finance and Insurance Corporation (EFIC), which carried part of the risk insurance for this project, required that an impact monitoring program be designed and conducted according to their specifications. An internal program of reporting was developed, mainly because the company and EFIC thought it was too risky to place the results in the public domain. Martha Macintyre was appointed in 1995 as an external consultant to produce annual social impact reports, and in 1997, she was joined by Simon Foale and the assessment work incorporated a more ecological perspective. Both carried on with this work until 2004, producing valuable documentation of the changing social environment (Macintyre 1996, 1997, 1998a, 1999; Macintyre and Foale 2000, 2001, 2003).

Throughout this time, various other consultants and research students have conducted studies on different aspects of Lihirian social change. The company has also carried out its own internal monitoring program through the Community Liaison Department which includes sections for Lands, Community Relations, Social Development, Cultural Information, Public Relations, Business Development, and Social Impact Monitoring, and which now employs over 60 personnel, the majority of whom are Papua New Guinean. This monitoring work was originally coordinated with Macintyre and Foale's program, and included data collection on health and education levels, and on the local economy, as well as maintenance of the Village Population System database. However, the consistency and quality of this program have been uneven, and from 2004 to 2009 suffered a sharp decline, mainly due to variable commitment, limited resources and staff capacity.

The past inability to properly entrench the ‘new competencies’ (Burton 1999) for social impact monitoring and community relations work in the Community Liaison Department, relative to the local context, has not only affected the quality of the work that is conducted, but has regularly exposed the operation to increased risk. Notwithstanding the annual social impact assessment reports, there was limited support for monitoring and mitigation work when the operation was under Rio Tinto management. It would seem that lessons were hardly learnt from Bougainville. Since the Rio Tinto agreement was terminated in 2005, Lihir Gold Limited (LGL) has felt the effect of the Rio legacy as they sought to redevelop these programs. However, the company has also faced problems with its own internal restructuring processes and limited institutional capacity within the Community Liaison Department. The mounting community conflicts and political complexities that jeopardise operations on a daily basis have made it painfully apparent that LGL management must commit resources that match the intensity of the social environment. In the meantime, as LGL works out how to address the gap between stated commitments to international standards of best practice and actual performance on the ground, it is likely that the daily efforts of Community Liaison personnel will be continually absorbed by the fight against real and metaphorical fires ignited by a volatile political landscape.

## From Gardeners to Rentiers

Most Lihirians can exercise various customary rights over different resources and sections of land for subsistence activities, and many even claim an inalienable connection to some of these places. However, not everyone can claim to be a ‘landowner’. While this title appears simple enough, in the Papua New Guinean context it can be rather difficult to precisely define who or what a landowner is (Jorgensen 1997). Landowners are a fabrication of economic necessity and national legislation that simultaneously recognises customary land rights, but also demands a particular conceptual relationship, or separation from the land (see Gudeman 1986: 21). As a result, many Papua New Guineans now find themselves responding to an ‘ideology of landownership’ (Filer 1997a) that merges customary and legal definitions of ownership with expectations of development. However, the ground upon which they act out this ideology must also be productive, or possess some qualities likely to yield economic profit, or at least be subsumed within the broader area that a company, the government, or some outside agent is seeking to use. As Marx stated in no uncertain terms, ‘the worst soil does not pay any ground rent’ (Marx 1909: 867) — that is to say, the amount or the possibility of income is overwhelmingly influenced by the location. Consequently, Lihir has been divided by extremely random means: a

crude distinction is drawn between landowners and non-landowners, or those who claim ownership over land within the mine lease area, and those who do not. At another level, this is conceptualised in the misleading and antagonising split between the so-called ‘affected’ and ‘non-affected’ areas.

In Lihir ‘resource rent’, or the ‘economic surplus’ as economists like to refer to it, is paid in various ways through royalties, dividends or equity payments. Other land-related payments made by LGL include compensation, inconvenience payments and occupation fees.<sup>1</sup> Lihirians rarely use the term rent, instead preferring a mixture of overarching expressions like *winmoni* (profit), or *moni bilong graon* (ground money). As we saw in Chapter 2, there was originally some confusion over the nature of these payments, which people were inclined to lump together under the familiar concept of compensation, partly because the local land tenure system does not recognise any category of payments akin to rent. Landowners now distinguish between royalties, compensation (*kompensesen*) and equity (*ekwiti*), but for all intents and purposes the whole range of payments is ultimately perceived as a form of compensation for resource development. Most non-landowners generally conflate all of these terms as a generic income that belongs to landowners. Royalties are part of the larger benefits agreement made with the Lihirian community, but unlike infrastructure, services, housing, business, investment and employment opportunities — the development consonant with the broader definition of compensation in the Integrated Benefits Package (IBP) — not everyone can receive royalties. Even though Lihirians agreed that everyone should benefit from the project, those with landed interests were not convinced that everyone should be awarded equal status.

When the IBP was signed, the lease areas under customary tenure were divided into 140 ‘blocks’ of differing size, each of which was assigned to a ‘block executive’ nominated by the respective landowning clan. Several of these blocks have been the subject of continuing dispute, causing severe division within villages and between clans. The IBP also provided for payment of various types of compensation to six villages (Putput 1, Putput 2, Kapit, Londolovit, Kunaie, and Zuen) that possess varying amounts of land within the mining lease zone. Not all residents of these villages had equal rights to the land within the lease zones, and in many cases these landowners were not even resident in these villages, instead residing in villages outside the ‘affected’ area. This is most likely the combined result of village exogamy, virilocal settlement patterns and matrilineal inheritance, and the ability of some men to usurp the titles which

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<sup>1</sup> The range of land-related payments made by LGL for various forms of destruction, land use and agreements include: bush slashing or ground clearing; compensation for loss of land and resources or improvements to land (such as houses and gardens); customary payments; extraction of materials from the ground; loss or damage to hot springs; inconvenience (such as dust, noise and traffic); land use; loss of access to megapodes; relocation; royalties; transport provisions; and trust funds.

might have otherwise been claimed by more junior or less powerful men within their clan. The main compensation agreement recognised 90 block executives with either disputed or undisputed claims over one or more of these 140 blocks. Nearly all of these executives were men, and in the cases where women were given seniority, they remained subject to the demands of their male kin. Within the ranks of these 90 block executives there was further division as 58 of these men had customary claims over land in the Special Mining Lease (SML) zone which entitled them to royalty payments, while the remaining 32 executives only had land claims in the other (less prestigious) lease areas. This group of SML block executives contained an even more 'elite' group of core SML landowners who act as family or clan 'heads' and were responsible (or obliged) to distribute mining wealth throughout their respective clans. Tensions have invariably flared when they have failed to share this wealth according to expectations.

Between 1995 and 1997, some K10.5 million was paid out for various disturbances, including K8.7 million in direct compensation payments — much of which was immediately consumed. If we remember that the average per capita annual income in Lihir prior to 1982 was around K65, lives were literally transformed overnight as payments were made for the loss of ground, trees, gardens, gravesites, men's houses and sacred sites, and the relocation of Putput and Kapit villages. Trips were made to Rabaul, Kavieng, Lae and Port Moresby, with the occasional holiday to Australia. Putput soon began to resemble a poor Queensland suburb as people fenced off their hamlets with cyclone wire, made driveways and enjoyed the evening ambience of newly installed street lights.<sup>2</sup> New four-wheel-drive vehicles were bought and crashed, mountain bikes replaced walking, fancy fake gold wrist watches became coveted items, personal stereos continually disturbed the peace, people wore new clothes, and the face of *kastom* was irrevocably changed as pigs were flown in from as far away as Rabaul and trade store items became standard feasting fare. These Lihirians were going to remake their lives as rich modern villagers with a mastery of technology that would be funded by the mining company. In something resembling a giant potlatch, much of this new wealth was instantly devoured — in some cases never to be seen again — confirming earlier predictions that money would simply blow around like rubbish.<sup>3</sup> At least this is how it appeared to people in the 'non-affected' areas.

Initially, most Lihirians considered that it was right for people relocated from Putput and Kapit to have houses built by the mining company and to be

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2 In typical Lihirian irony, the installation of street lights in Putput coincided with local claims for compensation for 'light pollution' from the nearby plant site. It is these sorts of contradictions that have been interpreted by other Lihirians as a sign of greediness. Alternatively, they might also represent an ingenious capacity for extracting concessions from the company by whatever means possible.

3 The Mount Kare gold rush was by far the most spectacular instance of short-lived mineral wealth in PNG (Ryan 1991; Vail 1995).



compensated financially for the lack of access to traditional men's house sites, damage to graves, and the loss of gardens and other agricultural resources. However, people not living in the affected areas soon realised that they would have been content to sit on the sidelines. Filer and Mandie-Filer (1998) noted that the split between the 'haves' and the 'have-nots' was particularly acute around the border areas like Putput 2. These people found themselves living close to their relocated relatives and their ostentatious affluence, yet they simultaneously feared the envy and resentment of the non-affected community who tended to 'lump all Putputs together as a bunch of idle, greedy snobs who deserve to have their houses burnt, their cars wrecked, and their daughters raped' (ibid.: 6). This seems excessive unless we remember that all Lihirians looked to the mine as their source of economic salvation. The humiliation that accompanied the unequal distribution of wealth was easily transformed into disillusionment and emotional hostility. The general objection that 'non-affected' Lihirians continued to have to their 'affected' relatives was the latter's refusal to share their newfound wealth.



**Plate 5-1: Putput village and the processing plant, 2008.**

Photograph courtesy of the LGL archives.

Despite the tendency amongst Lihirians to lump all 'landowners' into the same greedy basket, there are startling differences within this group. Block executives are predominantly male, and are the signatories to the clan accounts into which mining benefits are paid. The original list of 'block executives' and 'block members', as they were then called, was shorn of any matrilineal descendants

— those people theoretically entitled to mining benefits by virtue of clan or lineage membership. It is for good reason that many of these original block executives felt it was unnecessary to include these names. They appealed to customary forms of wealth distribution, which they argued would ensure that the ‘right’ people received payment. However, listing the names of descendents would have enforced some level of transparency, and would have challenged the male bias by which men maintain control over any money and resources — including land that women are entitled to. In the absence of this measure, disgruntled men and women frequently marched down to see the lands officer in the Community Liaison Department to complain about their exclusion and demand their share of payment. By 2010, many of the land blocks in the SML had been further ‘subdivided’ between different lineages, so that the number of blocks rose to 106, and the number of block accounts increased to 242.

Neither the company nor the landowner association has ever tried to calculate the exact size of the landowning population, although it is likely that the entire landowning group is less than a quarter of the total population. Both maintain detailed records of payment to individuals, together with lineage, clan and SML block information. Yet neither has shown much interest in defining the size of this group or explicitly naming the rightful recipients. This may reflect the company’s disinclination to interfere with what it regards as community or family affairs, and the landowners’ continuing belief in the strength of *kastom*.

Only a handful of men fit the classic image that many associate with landowner status. By 2006 a core group of six men had received over K1 million in land-related payments since mining began, and 95 had received between K100 000 and K1 million. There is a larger group of some 214 who over the years had received up to K100 000, and some 1438 people who have received between K10 and K10 000 for various land-related payments. Many minor payments (such as for bush clearing) go to individuals instead of the block account. Generally it is major on-going payments like royalties, and forms of compensation that go to the block account for executive distribution. To further complicate matters, being a member of a particular landowning clan does not necessarily guarantee access to benefits, as payments are generally made at the sub-clan and lineage level.

Classical political economy tended to view rentiers, or landowners, as ‘unproductive consumers’: rent represented nothing more than a tax on the productive system in order to maintain this group in idleness. They were seen to constitute a class of people who had no active relationship to the production of material commodities; they drew revenue but yielded no productive contribution. It is for good reason that in Lihir this group has become the most envied and despised. Apart from arguments about the loss of land, it may be possible to defend Lihirian landowners on the basis of the contribution they



make to the local economy through their ability to spend and consume, or to argue that since no one can charge a price if they do no service, all groups which draw an income must *ipso facto* be productive and their income the measure of their worth to society (Dobb 1972: 67). If ‘landowners’ hadn’t given up their land, then there would be no mine, and hence no development from which everyone can benefit. However, I would be hard pressed to find any non-affected Lihirians who support such rentier apologetics: without the mine there would be no landowners, thus less inequality. It is this kind of abstraction (the justification for rentiers) that Marx was criticising, when he warned against mistaking shadow for substance or appearance for actuality. Crude empiricism will not always provide sufficient insight, but in the case of Lihir, particularly from the perspective of the non-affected people, the reality on the ground makes it increasingly difficult to justify the lifestyle of this emergent class.

Our image of idle landlords who take the fattest lamb from a flock they didn’t tend is complicated by the fact that landowners often also want to be labourers, managers or businessmen, or at least secure employment for their children and other relatives. Moreover, landowners face great pressure to plough all forms of wealth back into customary endeavours. Their prodigal spending habits have often been criticised by other Lihirians and New Irelanders as ‘wasteful’ and ‘irrational’, bringing deep structural and symbolic changes to ceremonial exchange — a point which I return to in Chapter 7 — but this is also a crucial means of redistributing wealth that stabilises Lihir as it teeters on the edge of a socio-economic fault line. Given that Lihirians regard *kastom* as necessary to the public good, boosting the local ‘moral economy’, then it could be argued that, in contemporary circumstances, conspicuous consumption through *kastom* is a precondition for the continuity of *kastom* and the balance of society. In this instance, landowner consumption is productive of the collective good. But for those who have become indebted in ways that they simply cannot reciprocate, or who sense that the basis of their traditional authority is now undermined, it is quite likely they would consider the ‘moral economy’ as a more parochial version of global inequalities where arbitrary differences create and maintain new hierarchies.

## Benefit Streams: Seen and Unseen

By 2006, economic stratification was even more pronounced than in previous years. Other villages around Lihir had begun to receive their share of mining benefits and ‘development’, but the affected areas were still setting the pace. Perhaps the only difference was that non-affected Lihirians were less vocal about their economic status, having grown more accustomed to the new economic order. People were still frustrated and angry about the state of affairs, but many

realised that more sweeping economic changes were not about to arrive. As you drove, walked, rode or even paddled by canoe along the coastline in either direction from Londolovit townsite, there was a noticeable decline in the material standards of living with increasing distance from the SML zone. Driving along the road through Kunaie, Londolovit, and Putput, the streets are lined with power poles, there are cars in the driveways, migrant workers and their families rent houses owned by landowners, men stagger around drunk on royalties and wages, cheap plastic toys imported from Asia lie broken and strewn about the place, women and men seem to have brighter and cleaner clothes, and television sets continuously flicker with music video clips, C-grade action films, State of Origin repeats, and the national broadcaster EM TV.



**Plate 5-2: Relocation housing in Putput village, 2009.**

Photograph by the author.

After ten years of mining activities, a definite pattern for the distribution of mining wealth was established. Wards 1, 2, 3, 8 and 11 have the highest concentration of landowning clans and consistently receive the lion's share of wealth. On average, the remaining wards have annually received well under

K200 000 in land-related payments (see Table 5-1). On closer inspection, geographic distribution is further cross-cut by social divisions and internal differentiations that are not always recognisable. In Ward 2 (Putput 1 and 2), which has received the highest amounts of compensation and royalties, there is a significant difference between different clans, sub-clans and lineages, and men's houses. For instance, in 2006 the Sianus men's house in the Likianba subclan of the Tinetalgo clan received nearly K300 000 in land-related payments. The Unapual and Lepugalgal men's houses of the Likianba subclan of Tinetalgo clan, and the Lakuendon men's house from the Lopitien clan, also received in excess of K100 000. The remaining 34 lineages from a range of clans represented in the villages of Putput 1 and Putput 2 all received less than K100 000, with the majority getting well under K50 000.



**Plate 5-3: Comparatively luxurious expatriate company housing, 2009.**

Photograph by the author.

**Table 5-1: Land-related payments (in PNG kina) by Local Government Ward, 1995–2008.**

Ward	Year						
	1995	1996	1997	1998	1999	2000	2001
1	59 878	1 014 923	257 847	272 230	330 467	499 004	1 248 034
2	258 053	2 438 098	1 803 202	597 444	581 598	532 798	1 049 355
3	98 170	367 606	744 407	401 493	558 538	623 527	759 599
4	–	18 741	1900	4856	7818	27 856	142 827
5	–	1631	2616	1825	2429	2734	6035
6	480	7401	4926	–	–	–	6074
7	32 124	116 628	59 463	166 593	209 031	184 258	130 606
8	1099	875 104	337 798	547 562	252 411	302 356	468 168
9	–	17 178	216 448	126 695	191 795	200 363	305 405
10	–	12 235	–	–	–	–	14 293
11	15 531	643 216	53 580	22 498	20 717	61 303	289 224
12	25	118 496	1347	499	505	750	133 330
13	6486	47 748	13 437	39 451	52 936	60 090	46 938
14	1392	20 267	83 313	54 661	191 732	–	1466
15	36 397	12 802	2850	402	–	–	1440
	2002	2003	2004	2005	2006	2007	2008
1	1 124 306	847 510	1 134 712	960 993	1 676 595	1 810 045	2 648 620
2	1 300 251	1 000 084	1 117 065	1 097 306	1 622 202	1 958 227	2 209 172
3	882 705	815 031	1 260 604	760 430	1 269 168	1 599 561	1 600 362
4	301 866	83 179	129 350	124 018	124 413	187 965	154 757
5	8239	6783	–	–	–	–	33 731
6	11 238	565	200	–	–	–	29 721
7	158 358	116 577	92 663	81 537	141 541	225 713	355 543
8	846 590	445 983	579 954	507 252	699 941	975 391	1 088 135
9	456 593	283 696	390 354	175 916	340 030	463 777	463 781
10	25 596	7185	–	2970	18 379	–	882
11	342 020	305 667	395 691	333 932	444 670	1 623 632	692 977
12	54 453	48 865	52 910	54 490	54 858	61 869	58 347
13	80 346	80 063	29 175	27 768	117 352	65 916	77 140
14	720	–	–	14 220	4295	561	–
15	2160	1570	–	45	553	–	160

Note: payments rounded to the nearest kina; Map 2-2 shows wards. Source: LGL company records.

So while ward or village data may indicate a high level of payment, often this is to particular groups and individuals. Such variations reflect the ownership patterns of SML land and the subsequent eligibility of individuals to mining royalties. At the same time, these figures provide no indication of the distribution of wages and earnings across the islands, which definitely counter



the imbalances from land-related payments. But in Lihir it is the visual signs of wealth that matter. Wages might afford some comfort, but they are still not high enough to afford a lavish lifestyle.

The Village Development Scheme (VDS) included in the original IBP agreement was designed to provide some form of 'balanced' development and to offset the obvious material inequalities between the relocated villagers in Putput 1 and Kapit and the rest of Lihir. The VDS program initially concentrated on the affected area villages (Putput 1 and 2, Londolovit, Kunaie and Zuen). In 1997, the company began constructing VDS houses around Putput and Londolovit villages. By October 1999, around 80 three-bedroom VDS kit houses had been built in Putput 1 and 2. In late 1999, Putput residents hosted a large feast to acknowledge their new houses. K1.5 million had been allocated annually for this scheme, of which K1 million was used for housing, while K500 000 was allocated for health and education programs. The intention was to try and provide some level of parity between the new relocatees and the other affected areas, to avoid complete social breakdown between people in Putput and their immediate neighbours. Inevitably jealousies, tensions and conflicts still persisted.

In 2000, angry residents from Malie Island stormed the Community Liaison office to protest over the plume in the ocean from mining activities. They demanded that they be recognised as an affected area and be given due compensation. The bush material houses on Malie have since been replaced with permanent structures, many of which contain solar electricity. However, the combination of permanent houses and a rising population, which was already an issue before exploration, has placed even greater pressure upon this tiny island.

It was not until 2001 that there was a more equitable distribution of VDS funding throughout the wider Lihirian community. Each of the 15 wards in Lihir now receives an annual VDS budget based upon their population. Individual wards control their budgets through their Ward Development Committees and Village Planning Committees, which are usually comprised of a group of men hand selected by the local Ward Member.

Throughout Lihir, at least 95 per cent of the VDS budget has gone into housing. In 2005, the total VDS budget had increased to around K3.5 million, which was divided between VDS grants for utility services to the affected areas, and VDS housing grants for 66 houses. By 2008, around 700 houses had been built under the Relocation and VDS projects. Over the years, the VDS has been interpreted as a 'housing fund' for Lihirians. What was originally worded in the IBP agreement as 'assistance to improve housing conditions' is now understood by many Lihirians to mean the provision of a new house for everyone. The ways in which the VDS funds have been used so far have set an unfortunate precedent. Most Lihirians expect to receive their own VDS house in the near future. However,



given the costs and the rate of population growth, in 2007 it was estimated by company personnel responsible for the VDS that it would take at least 25 years to build every Lihirian a permanent house. Few people have opted to try and use the funding to improve their existing housing, which in the long run would benefit a greater number of people. Instead, many impatiently wait for what they consider is rightfully theirs.

The frustrations surrounding the slow delivery of VDS houses, coupled with their uneven distribution, have created jealousies and divisions. VDS houses are now flashpoints for continual community conflict; they condense the pressures between nuclear families and the matriline and symbolise material inequality. The ownership and inheritance of permanent structures situated on land held within a system of matrilineal land tenure creates tension between husbands and wives, parents and their children, cross-cousins, and young men and their maternal uncles. Young men who expectantly look to their maternal uncles for support and to inherit resources, such as a VDS house, are feeling increasingly disillusioned as their uncles concentrate upon their own children at the expense of their nieces and nephews. However, when the owners of VDS houses die, it can be particularly difficult for their children to claim ownership of the house if it has been built on their father's land. Often the father's brothers, clan mates and maternal nephews will assume ownership by virtue of the fact that it is located on lineage land. Consequently, some men deliberately build their VDS house on their wife's land to ensure that it can be inherited by their children.

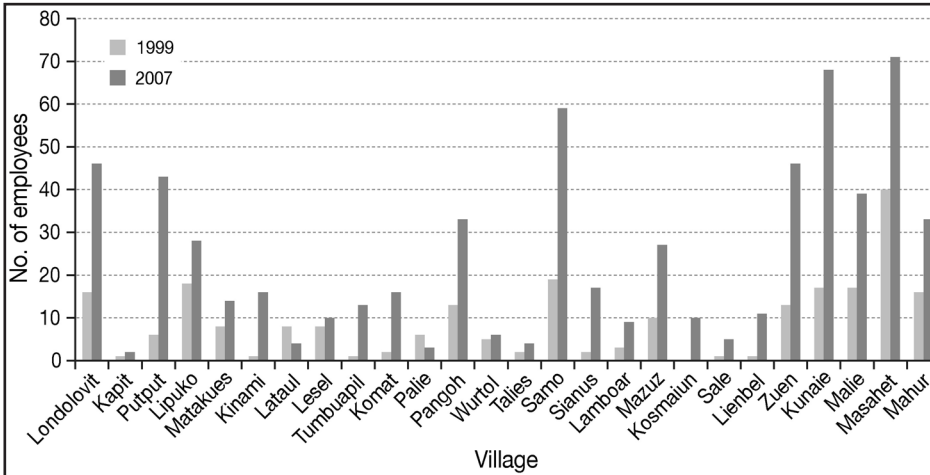
## Pseudo Proletariat

Royalties and compensation are more visibly significant, but not all Lihirians have realised that wages and salaries make a far greater contribution to the local economy. In 2005, the company paid K2.7 million in total land-related payments, which barely rates in comparison to nearly K13 million in Lihirian salaries and wages, or the company's reported net profit of US\$43.9 million in 2004, US\$9.8 million in 2005<sup>4</sup> and US\$53.8 million in 2006. On paper, wages and salaries amply balanced the injustice of royalties and compensation, but in reality, they made a minor symbolic dent because few individuals receive wages or salaries which are comparable to the amounts which people imagine that landowners receive. So while frustration was directed at the differential access to resource rents, the uneven spread of employees between villages similarly exacerbated the sense of inequality. Although Lihirians bargained for

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4 This profit was less than 2004, partly due to the Kapit landslide which claimed the life of two Papua New Guinean employees. The landslide blocked the major road to the township and cut the water supply to the power plant, which caused the loss of almost one month of gold production, reducing gold output by around 100 000 ounces, worth approximately US\$50 million in revenues.

‘Lihir first’ employment policies, wage labourers still comprise a minority of the working age Lihirian population. However, their presence or absence is felt in many ways. Villages closer to the SML zone typically have more workers, while there are fewer in the villages on the southwestern side of Aniolam (see Figure 5-1 and Map 2-2). Similarly, numbers are not evenly spread on the smaller islands: there is a high concentration of employees from Masahet, which partly reflects the higher level of education among Masahet residents.



**Figure 5-1: Lihirian Lihir Gold Ltd employees, 1999 and 2007.**

Source: LGL company records.

Despite these inequalities, wages and salaries constitute the most regular, and the largest, flow of money into the local economy. There was an initial spike during construction, when more than 1000 Lihirians were employed by the company and its contractors, but employment levels then declined. In 2000, the company had around 360 Lihirians on the payroll. In 2002, the company employed 986 staff, of whom 366 (or 38 per cent) were Lihirian, and a total of 90 per cent were from PNG. Of a total 2008 Lihirian population of 14 529 people, 753 Lihirians were directly employed by the company, which equates to roughly 11 per cent of the working age population, comprised of approximately 6720 people. By 2010, there were some 2105 full-time employees, including 697 Lihirians and 1208 nationals, 36 third country nationals, and 164 expatriates.

Even though the mining company is the public face of employment, in reality greater numbers find work with contractor companies and support businesses. In 2004, there were at least 110 companies, organisations and service providers of various sizes (and life-spans) that occupied the surrounding business environment. In 2007 the largest of these were the two Lihirian-owned

companies — the National Catering Service (NCS) with some 561 employees, of whom 438 were Lihirian, and Lakaka Civil Construction with 295 employees, including 143 Lihirians.

As in the case of landowner records, LGL has retained limited information on the wider business and employment population. The size of the overall wage labour population is constantly in flux, as local businesses start up and expand, or go bankrupt and close, as individuals move between employment options, and as new migrants seek to create opportunities. If we include people in vital services such as government, health and education, it is quite likely that by 2008 the entire wage-earning population in Lihir — including Lihirians, other Papua New Guineans and expatriates — was in excess of 3500 people. Naturally, within this group there is a diverse range of engagement with the cash economy, and given the nature of fly-in-fly-out arrangements, not all employees are consistently present.

In a kind of Durkheimian organic process, the sheer diversity of businesses, services and economic activity begins to counter the image of the mining company as the totality of the economy. But if the mine were to suddenly close, the effect would be immediate and profound. It is this reality that lies at the core of the dependency syndrome of which the local political elite were becoming cognisant and sought to address through the development of the Lihir Destiny Plan in order to generate alternative self-sustaining economic activity for all.

Objectively, we might speak of an emerging working class: there is a growing section of the community that is dependent upon wages for their lifestyles (not necessarily their existence). However, the specific conditions in Lihir where people have retained ownership of their land, and where wages and other forms of income supplement a subsistence and ceremonial economy, make it structurally impossible for proletarianisation to be complete. Lihirians have embraced opportunities for paid work, somewhat assisted by 'Lihir first' employment policies, but there has never been a strong workers' union movement (see Imbun 2000), which certainly disadvantages non-Lihirian employees. Lihirian mine workers are more likely to unite as Lihirians or landowners than to express solidarity with other national co-workers, which reflects host community expectations and attitudes towards non-Lihirians. Indeed, Lihirians have elaborated the mutual exclusion of landowners and mineworkers to a degree not found in other mine-affected communities in PNG. Lihirian mine workers are remarkably socially invisible and are largely excluded from positions of leadership within the local community. This seems to partly result from the belief that employment is considered a 'right' for all Lihirians, and partly because male prestige and authority are still firmly embedded within the political economy of the men's house — which is augmented by wages and mining benefits. As we shall see in the next chapter, it is also because the real

political battles are played out between LMALA, the local-level government, the State and the company for control over larger benefit packages, of which employment is just one aspect.

Although the landowners association (LMALA) officially distances itself from industrial disputes, labour and landowner interests converge in practice when LMALA fights to ensure more working opportunities for Lihirians, or when landowning clans threaten to close the mine to attain business and labour hire contracts. It is the distinctive relationship to the project and the processes of production that provides landowners with the clout to keep them in the 'compensation game' (see Wolfers 1992), and often reduces non-landowners to mere spectators. The first genuine stirrings of a labour organisation surfaced during a relatively peaceful strike that lasted for a week in September 2007. But given that the strike largely arose from tensions surrounding certain expatriate managers, Lihirian and non-Lihirian employees were united in a struggle against perceived White hegemony without any real class consciousness.

In the village context, wage labourers are not always differentiated between types of employment, or between skill and income levels. Workers receive a certain amount of prestige due to their identification with the wealth, power and technological sophistication (the 'modernity') of the companies for whom they work. Pride in this association has morphed into a kind of 'industrial fashion' as work boots, uniform shirts and safety sunglasses are paraded with *laplaps*, popular T-shirts, and cut-off jeans, often making it difficult to distinguish the employed from the hopeful (Macintyre 2008). Recognition is accorded to people in office positions or highly technical roles, but this generally does not increase their status (or their authority) over other workers in the village, nor can it immediately be converted into influence in customary realms — except when it comes to financial contributions.

Workers are contrasted with farmers, but not all workers use their employment as the source of their identity. Often only those with high levels of technical knowledge identify themselves on the basis of their employment positions. General labourers are less likely to use their employment status to gain recognition in the village. Simultaneously, Lihirians continually express resentment and frustration over what they perceive as a 'glass ceiling'. While the company has invested in significant training and localisation programs, these have not met the local demand. Lihirian disappointment indicates the unrealistic expectations they had about the roles they would play in mining operations, and as we shall see, employment opportunities also tend to benefit males over females. Since mining began, Lihirians have predominantly filled trainee, operator, clerk, assistant and apprentice positions. By 2007, there were eight Lihirians in the 43 'senior' positions, one 'superintendent', and only three in the 107 'supervisor' positions. The huge discrepancies between national and

expatriate wages continually reinforce this hierarchy. Thus, any prestige gained in the village from being in the company's employ is offset by low status in the employment ladder, accompanied by a familiar feeling of racial denigration.

The growing number of young males disinclined towards garden work, unable to find paid employment, or sometimes simply unwilling to look for it, often expecting employment opportunities to arise by virtue of being Lihirian, might indicate the presence of a growing lumpenproletariat. Disaffected youth with little interest in *kastom* work, no skills, no likely prospects, and a lack of purchasing power, form a disruptive voice within the community, and pose a great risk to operations and community stability. Many are jealous of their paid compatriots, hostile towards 'outsiders' who are seen to be 'stealing' Lihirian jobs, and disillusioned about unfulfilled promises of employment for all Lihirians. Although a high number are regularly moving between short-term work opportunities, the expectation that everyone will find full-time employment remains strong, highlighting chronic dependency and the untenable hopes generated by large-scale resource development. The scarcity of work might add to the prestige attached to employment, but it is also a source of continuing antagonism that reminds people of their unequal access to wealth.

## Keeping the Network Out of View

From the outset, mining has generated real and perceived boundaries within Lihir. As people considered the constraints upon their access to wealth and benefits, many began to reassess their relationships, both within Lihir and with people from neighbouring areas. Old relationships were reformulated or 'cut off', new relationships were created internally, and exchange networks spiralled inwards to avoid losing precious resources to non-landowning clans and non-Lihirians.

Within a matter of years people began describing the people of Putput as 'greedy show-offs'. Not only did they resent them for their wealth, but they no longer felt welcome or equal in their hamlets or men's houses. Some relatives invoked sentiments of traditional egalitarianism in an attempt to coerce Putput big-men to distribute their new wealth in a more even-handed manner. In response, these men gradually sought to cut their networks with demanding and less enterprising kin. After all, they argued, they were the ones who 'sacrificed' their land for the project. Following the emergence of internal boundaries and the exclusiveness of Putput, Lihirians without access to royalties or compensation also began reassessing their relationships with non-Lihirians. The latter were



becoming an encroachment on other benefits such as employment, or local services like schools, hospitals, the police force and government departments — effectively, their development.

Lihirians who receive royalties, compensation and other economic benefits would probably argue they have not severed their social connections in their attempt to control the flow of wealth (see Strathern 1979). Perhaps in one sense this is true, given that these Lihirians are known to host some of the most lavish customary feasts that continue cycles of reciprocity and increase the chains of indebtedness — transactions that underpin social reproduction and keep the network in view. Even so, they definitely seek novel ways to strategically manage these relationships in order to contain wealth within a limited sphere. Moreover, as money has entered the ceremonial economy it has sustained the cyclical image of exchange and relational continuity. Similarly, emerging forms of possessive individualism reveal the connection between different types of wealth transactions, test the moral grounds of relationships, and shape the ways that networks are perceived and employed. Over time, many Lihirians have refined — and in some cases redefined — the ‘rationales of ownership’ and the boundaries of inclusion, coupled with a re-categorisation of non-Lihirians in ways that ideologically shift notions of sociality, obligation and reciprocity.

The strategic management of wealth is not uniquely Lihirian, but has been observed in all of PNG’s large-scale resource development projects (Filer 1990; Connell and Howitt 1991; Gerritsen and Macintyre 1991; Banks 1996). Senior men have often attempted to bolster their positions of authority, particularly through the control of new wealth, justified through the rhetoric of the benevolent big-man supposedly overseeing the interests of his people. For Lihirians, this has been particularly noticeable in the tension between senior mothers’ brothers and expectant younger nephews who look to their uncles for their share of ‘clan wealth’. The tendency for senior men to either use this money for themselves, or to distribute wealth along the lines of the nuclear family, has produced a generation of disgruntled young men who feel cheated out of what is ‘rightfully’ theirs. However, as Filer noted for Bougainville, the contradictions between local custom and the practical distribution of compensation is not just the result of unbridled greed, but perhaps the ‘simple absence of a custom which prescribes the proper way to redistribute rent’ (Filer 1990: 12). To an extent, the scale and form of wealth associated with large-scale resource development will always overwhelm and undermine customary forms of distribution and inheritance.

## Too Many Faces

Migration invariably poses problems for resource development projects, including the added pressure on local resources from the rapid rise in population. As Banks (2006: 263) observed in Porgera, local landowning communities 'shift from being relatively self-contained and known (by the people in them, at least) to being much more diverse and fragmented in terms of people and agendas, and residents experience a loss of control, direction and security in their lives'. During the project negotiation phase, Lihirians were wary of the urban influences which they thought would accompany migration, such as drug use, prostitution, gambling, petty crime, and the importation of weapons, pornography, and more importantly sexually transmitted diseases. These fears prompted local leaders to push for a fly-in-fly-out arrangement. While this has contained the workforce, it has not stopped the flow of people seeking work and other opportunities.

Initially, migrants were arriving on Lihirian shores from within the New Guinea Islands region. In latter years, there has been a sharp rise in the number of people from the mainland, especially the central highlands. Population estimates by the mining company put the migrant numbers at around 5000 people in 2007. However, the data is unreliable, and according to one Community Relations officer, 'the migrant population remains a black hole'. Consequently, Lihirians now attribute new influences to the migrant population, conveniently heaping all responsibility for negative change upon outsiders. These views maintain the polarisation between Lihirians and non-Lihirians. Outsiders are criticised for disturbing the peace and failing to respect local customs and social protocols. Following Koczberski and Curry's (2004: 367) observations in oil palm plantations around PNG, which house large migrant worker populations, these discourses promote and legitimise the political power of the local community and homogenise outsiders.

Nuanced shifts in sociality and fears of outside disturbance or opportunism have been officially manifest in exclusionary policies that seek to remove or refuse entry to all migrants. The Lihir Law and Order Committee, which was established in 2000, and contained members of the local-level government and LMALA, devised a monitoring plan known as the Sengseng Policy, to screen movement in and out of the islands.<sup>5</sup> According to the committee, the greater influx of outsiders is blamed for 'the rapid deterioration of the high moral integrity of the original Lihir society' (NRLLG 2002: 6). Conflating ideas of past and purity, Lihirian leaders were adamant that such malignancy could be stemmed through closed boundaries and limited engagement with outside

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<sup>5</sup> In the vernacular, *sengseng* means to 'move or walk about'.

influences. Future plans have also included an operational unit to carry out the necessary duties of 'border protection', ultimately aimed at installing a visa-like system.

Although some migrants have illegally settled around the mining lease area, many are also accommodated by Lihirians in return for rent or services in kind. The Law and Order Committee took a blanket approach to the situation, theoretically addressing social disturbance and a more deep-seated resentment towards non-Lihirians who use local services and benefit from economic opportunities on the island. However, Lihirian notions of incorporation have made eviction exercises rather difficult. Host communities therefore find themselves in a compromising situation: few have the capacity to manage the migration issues that arise from industrial development, but many also fear future retribution for direct action. Lihir Gold Limited has been reluctant to accept responsibility for the migrant population, claiming that Lihirians have to accept this as part of development. However, LGL is directly implicated. Company managers have continually failed to enforce their own employment policies, which state that non-Lihirians working for LGL and contractor companies must operate on a fly-in-fly-out basis, reside within the company camp, or be provided with accommodation.

It is becoming obvious that economic and population changes associated with large-scale mining have overwhelmed Lihirian notions of hospitality and relatedness. Previous beliefs about the benefits of an expansive and inclusive network have been reconsidered, if not altogether dissolved. Importantly, these changes presuppose a form of possessive individualism: Lihirians have begun to realise that sometimes it is better to limit other people's claims to ownership to certain items and resources, or certain forms of wealth and development. Ultimately, the epistemologies of capitalism, combined with historical experiences and the interpretation of mining through local cosmologies, have become the reference point for considering individual and collective identities. Put differently, the possessive relationship between persons and things in a world of commodity relations has restructured Lihirian relations and social networks.

## The Definition of a Lihirian

The localisation of State functions of policing and border control — the repertoire of gate-keeping procedures — is a crucial component in the construction of Lihirian identity (see Foster 1995b: 15–16). Just as the project of nation making is contingent upon establishing an association between people and some definite territory, separating insiders from outsiders, citizens from

aliens, Lihirian policies are equally geared towards developing a local ideology of belonging. This process was further developed when local leaders explicitly outlined the 'definition of a Lihirian':

The Lihirian MATRILINEAL system of descent confirms a Lihirian identity. Therefore a Lihirian is a person who is born of a full blood Lihirian mother or born of a 50 percent mother or born of a mother who traced her matrilineal link to a Lihirian clan identity. His/her clan membership is a solid fact of his identity no matter where he/she was born (LMALA n.d.).

Underneath this definition, the authors define a Lihirian according to the following criteria:

- A born Lihirian with full and half blood through the matrilineal descent.
- A person from outside inherits rights by fulfilling customary requirements.
- A person from outside is adopted into a Lihirian family and clan and fulfils customary requirements.
- A person from outside that has lived on Lihir since pre-exploration days and fulfils category 2 and 3 (ibid.).

The paper further explains these categories, with four classes of Lihirian blood identity, and three categories of non-Lihirian. These essentially state that one is either 100 per cent Lihirian — that is, both mother and father are able to trace their descent through their mother's line — or one is a variant of this with declining Lihirian status as the blood runs thinner. Those without full Lihirian blood on their mother's side, or who qualify as either 50 per cent or 25 per cent Lihirian must atone for this through fulfilment of customary obligations: long term residence in Lihir and extended involvement with a clan, in both customary exchange and daily participation in labour and men's house activities. Those with no Lihirian blood in their line of descent must illustrate that for at least ten years prior to mining activities their customary obligations have been exclusively with Lihirian people. The primary purpose of these definitions is to verify the identity of Lihirians and non-Lihirians applying for work, particularly for those positions where Lihirians are awarded first priority. Job applications are screened against the population data base maintained by the Community Liaison Department and the applicant is then assigned an identification category.

In constructing their identity vis-a-vis non-Lihirians and the nation state, Lihirians draw considerably on defensive primordial sentiments. The contiguities of blood, custom, language and shared common descent or ancestry

have assumed an ineffable and overwhelming coerciveness for leaders and the community alike. Lihirians regard these ties as more or less immutable aspects of the social person, and as fundamental characteristics of Lihirian identity. It is these points upon which Lihirians articulate a sense of ethnic difference from other New Irelanders and Papua New Guineans, in order to subvert the networks and connections established through historical ties, provincial boundaries and national citizenship. However, the struggle over mining benefits is not always expressed through a neat insider/outsider dichotomy. In 2008, tensions flared between landowning clans that expected to maintain a monopoly on business contracts with the mining company, and other Lihirians seeking similar opportunities. When some landowners began describing other enterprising Lihirians as *ol autsait lain* (outside groups), this further obscured the battle over who were the correct recipients of mining benefits.

## Gendered Disparities

It is no exaggeration to state that Lihirian women have borne the brunt of mining activities. However, just as landowners and non-landowners are far from being homogeneous groups, and have experienced the project in a variety of ways, we should be cautious about drawing simple conclusions about the gendered impacts of mining. The women of Lihir have felt the heavy hand of industrial development, but the male world has also been severely destabilised.

Even though Lihir is a matrilineal society, this does not mean that women traditionally commanded exceptional authority, which appears to contrast with other notable matrilineal societies in PNG. Macintyre recalls how she was originally struck by the muted participation of Lihirian women in public life in comparison to communities in Milne Bay (Macintyre 2003: 122). Part of the disparity arises from the relationship between brothers and sisters, rather than between husbands and wives, although this is also a major factor. There may be a close relationship between brothers and sisters, marked by mutual avoidance and respect, and women regularly defer to their brothers and uncles, but in recent times many men have failed to look after the interests of their sisters and nieces. This is only compounded by the lack of recognition of women's status as landowners in a matrilineal society.

Although a woman can achieve a certain standing as the sponsor of a mortuary feast, or if she becomes the owner of a men's house as the last (or the most suitable) leader within a lineage, generally Lihirian women only display their political skills and speak forthrightly when they are in exclusively female gatherings. In short, women in Lihir, particularly younger unmarried women, are accorded a particularly low status. From the beginning of mining exploration, this ensured



that women were rather marginal to decision-making processes, despite having their own views, concerns and expectations about the impending changes. Women may have been consulted by well-meaning anthropologists, social workers and community relations staff, but they did not actively participate in project negotiations.

Mining is typically regarded as a masculine domain, with its techno-scientific emphasis and the sheer brute force involved in moving mountains of earth. This view was reinforced throughout the construction period as Lihirian men and women saw relatively few expatriate women with trade skills or in the operation of heavy machinery, ultimately demarcating the mine as a very 'masculine' space. This effectively created a convergence between the 'modernity' and the 'masculinity' of the mine.

Initially, Lihirian men were quite reluctant to allow their women to engage in wage labour. Two main reasons predominated: the fear that women would engage in illicit sexual liaisons once they were away from the constraints of village life; and male objections to female economic autonomy. Men were also adamant that women should not be employed in jobs which men considered to be 'masculine' and therefore modern. In many ways these fears have been confirmed. Women have asserted new economic rights and become significantly involved in the workforce. The issue of declining sexual morality, and the rising number of single mothers, may well be related to increased female mobility and outside influences, but it also results from scores of 'mobile men with money' roaming about the island with nothing better to do than hunt for women and beer. The fly-in-fly-out arrangements might contain the large non-Lihirian male workforce, but this has not stopped migrants settling in the villages close to the mine, nor has it stopped Lihirian women from working in the mining camp, and it has certainly done little to temper the behaviour and attitudes of Lihirian men.

The number of females with paid employment has steadily risen, and women are also engaging in the informal cash sector to a far higher degree through market activities and access to micro-finance schemes. While there is a small but growing number of Lihirian women who earn reasonable salaries as secretaries or other office workers, the majority are employed in menial and subservient positions, working for meagre wages in the camp kitchens and laundries or as cleaners. This type of employment has hardly enhanced their social status, economic position or quality of life. More recently, there have been some notable improvements in recruitment policies aimed at promoting gender equity in core mining activities, but like mining operations in Australia, women remain in the minority (see MCA 2006). Most Lihirian men have only begrudgingly accepted that women will become involved in the workforce, although it would appear

that some actively encourage women to seek work, usually in order to access an income. By 2007, there were over 150 Lihirian women employed directly by LGL and more than double this number employed by contractors.<sup>6</sup>

As in many other parts of the world, Lihirian women engaged in full-time employment, or even part-time work, are still expected to fulfil traditional domestic roles like cooking and caring for children. The value placed upon gardening work, combined with the expansion of customary feasting that requires bigger gardens, means that working women must still maintain subsistence and feasting gardens for their family and lineage. The mothers, sisters and daughters of employed women often baby-sit their young children or work in their gardens, for which they gain access to money. However, the relationship is not conceptualised as 'employment', but rather as a means of distributing money to relatives. Macintyre makes the important observation that employment in Lihir has not resulted in major economic change in terms of the dependence of the population on women's labour as subsistence gardeners (Macintyre 2006: 138). Even where households have sufficient income to spend on food, this has not transformed dependence on subsistence to full immersion in the cash economy. Lihirian women — especially those who travel from the outer islands — are now working to a far greater extent (anything up to 12 hours a day), and they remain subsistence producers. As Macintyre aptly stated, 'this is working the double shift with a vengeance' (ibid.: 139).

The greatest impacts upon the lives of Lihirian women have occurred through the disturbances to family life. Women have consistently reported increasing levels of marriage breakdown, domestic violence, rape and child abuse. Many women attribute these changes to male alcohol consumption and the growing presence of outsiders. In the early years of the project, these problems were somewhat confined to the affected villages, but over time they have spread across Lihir. The perception that sexual morality has steadily declined appears to be supported by the number of women who have worked in the camps and given birth to 'illegitimate' children, as well as the number of women who have become pregnant to men who work in the mine. This trend has emerged as a result of women's freedom, but also because employed men have the added attraction of a regular income. Single mothers are frequently stigmatised and treated with contempt by males, who still expect them to remain sexually available. They are often 'punished' and expected to work harder than their married sisters, and are treated with suspicion by other women in the village on the grounds that they are likely to 'steal' their husbands. This partly reflects double sexual standards, but also Catholic theologies that emphasise guilt and shame over mercy and forgiveness.

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6 See Macintyre 2006 for a wider discussion of both Lihirian and other national women in the LGL workforce.

The cultural disjunctures of the past 20 years are often found in the different ways that males and females experience, perform, engage and instantiate modernity. Lihirian males exemplify many aspects of modernity, and are often encouraged to pursue 'modern' lives, while females are symbolic of tradition and are expected to embody the supposed values of the past (Jolly 1997; Macintyre 2000). Men maintain their monopoly on prestige and the gendered distinction between modernity and tradition, partly through the 'micro-management' of their women. Male moral and cultural status is dependent upon constraining women's sexuality, labour, economic activities, wider cultural knowledge and relationships (Wardlow 2006). Lihirian men commonly appropriate the income of their wives, daughters, nieces and sisters for their own personal consumption (often to purchase beer) or for obtaining pigs or trade store food for *kastom*. This is justified through appeals to traditional forms of wealth management, in which big-men controlled any shell money attained by women and men under their authority. Women are not afforded the same freedom to pursue employment, and their spending habits are extremely circumscribed by domestic responsibilities and male prodigality.

Female marginality is amply reflected in the miserable history of the Petztorme Women's Association (Macintyre 2003). The lack of funding and support in comparison to the male-dominated landowner association has done little to promote the well-being of women or increase gender equity in major negotiations. The women's association has been beset by sectarian politics, which provide an excuse for Lihirian men to argue that women cannot organise themselves and should therefore be excluded from the political process. Of course, the same kind of internal disputes have been present in male dominated institutions, although initially the local-level government and LMALA were better able to conceal these divisions and present a united front to the government and the company. However, even if a Lihirian woman did possess remarkable leadership qualities, the local structures of male political domination would not allow her to exercise those qualities effectively.

Lihirian women might not exercise significant economic or political influence, but since the arrival of the mine there have still been some outstanding improvements to women's lives. Health standards have risen dramatically, assisted by better nutrition, safer housing and water supplies, the improved standard of care provided at the Marahun and Palie health centres, increased access to medical supplies around the islands through village aid posts, women's acceptance of biomedical treatment, and in some cases a reduction in the distances over which women have to carry heavy loads. By 2003, there were noticeable improvements in maternal health care and standards both in absolute terms and relative to national standards (Macintyre and Foale 2003: 78). Access to education and levels of female participation have also improved over the life of the project, and

by 2003 were above the national average for rural areas (*ibid.*: 79). While there are complex reasons for these improvements, related to changing ambitions and shifting cultural attitudes, they have undoubtedly been assisted by a reduction in the necessity for child labour in gardens, coupled with opportunities and desire among women for local employment and involvement in local political organisations.

Even as women appear to be gaining some ground, with improved living conditions and assertion of their rights to greater gender equality through employment or political organisation, husbands routinely resort to physical violence to reinstate the hierarchy that Lihirian men feel is central to their contemporary masculinity. The rising levels of abuse and rape are clearly linked to greater levels of alcohol consumption, but such behaviour also draws upon previous concepts of autonomous big-men and their ability to 'control' men and women within their clan. Existing gender imbalances have been exacerbated in this modern context as traditional sexual divisions are recast to support male dominance in new situations. 'Culture' has triumphed over 'democracy' and new liberal values, as men appeal to custom in ways that are both creative and dogmatic. Macintyre (1998b) has described this as the 'persistence of inequality', readily identifiable in the contrasting ways in which men and women benefit from the mine. However, what appear to be traditional gender-based divisions and injunctions that regulate behaviour superimposed over new contexts may in fact be ways of producing new forms of consciousness or means for expressing discontent or insecurities about changing circumstances.

The association between men and modernity, and their increased freedom to pursue modern forms of prestige, also means that, despite their consistent attempts, senior men are less able to 'manage' younger males. The flip side is that there are more autonomous men who are neither 'managed' nor able to 'manage' other men, so their 'management' efforts are transferred to women with greater force. When senior men try to assert control over their younger male kin, they invariably confront difficulties, particularly as younger working men declare their independence and express frustrations about the ownership of their money, and any constraints on their freedom to decide how and when this might be spent. There are always times when older brothers, fathers and uncles expect that their younger working kin will provide financial support for various occasions and needs. Tensions inevitably flare and end in 'shaming' sessions when young men are unable to produce money, or in some cases, flatly refuse to hand over the product of their labour. Men commonly get drunk in order to precipitate arguments that they would ordinarily be too ashamed to make with their relatives (see Marshall 1979, 1982). Given that these arguments are often excused on the basis of alcohol, inebriation has become an institutionalised means for the expression of normally suppressed aggression.

Bachelors are increasingly eschewing the men's house and opting to build their own place or reside in the family house, especially if their family has received a new relocation or VDS house. This allows them a certain freedom to escape the demands of senior uncles in the men's house. Yet simultaneously, senior men have become conspicuously absent from the men's house as new opportunities and activities divert their attention. These absences undermine generational interdependence and ensure that traditional knowledge is not inherited. On Aniolum, collective garden work is often avoided by young males in favour of waiting for a ride to town to *raun tasol* (just go around) — to look in the stores, meet friends, *painim goap* (find sex), or wait around for working relatives and friends who can buy beer and other items. In comparison to their male counterparts throughout the province, Lihirian men are characterised by their purchasing power and ease of mobility. Increased transport options — by sea, road and air — combined with larger incomes enable Lihirian men to travel greater distances more often, to purchase more pigs, to attend other *kastom* events, to seek women, or simply act as 'local tourists'.

Emphasis has since been placed on men's ability to achieve financial success, maintain control over forms of disposable wealth, achieve political success through economic patronage, amass non-indigenous knowledge through education, training, work experience and contact with people from other areas, display efficiency in the national languages of Tok Pisin and English, and to assert direct influence over the domestic family unit. Male prestige has become increasingly 'decorporatised', and linked to individual interaction with the cash economy. Men no longer gain status from their association with particular big-men, and they are less able to rely on members of their lineage for support and security. Consequently, Lihirian men find themselves in a quandary, being caught between the burdens associated with tradition and modernity. The social pressures of Lihirian society at large dictate that men should be able to perform successfully in both realms simultaneously, for their own benefit and, more importantly, for their families, lineages and clans. However, there is considerable stress involved in meeting the demands of families, *wantoks*, clans, work and modern economic success, ensuring that people meet these obligations and goals with mixed success.

Because men and women are shown to 'perform, consume, appropriate, and inhabit very different facets and locations of modernity' (Wardlow 2002: 147), it is clearly difficult to generalise about the experience of modernity even at the local level. As Wardlow suggests in relation to Knauff's (2002) concept of the 'oxy-modern', 'male' and 'female' may well be separate instances of vernacular modernity. The experience of modernity on Lihir is inflected with masculine characteristics, and masculinity might be seen as modern in relation to femininity, which is associated with *pasin bilong tumbuna* (the ways of the



ancestors) or the maintenance of tradition. But this does not mean that all males have equal freedom to be modern in the same ways, that their engagement with modernity does not elicit critique from others, or that they are not all bound by similar ideological constraints from the hyper-reification of customary values. When older males fail to act in ways that accord with these masculine ideals, they are commonly derided as poor community leaders and, in more extreme cases, as morally corrupt. Senior men might be free to pursue individual desires, but they are not exempt from the expectation to personify restraint and dignity.

## **New Elites — New Inequality**

The transformations created through the distinction between landowners and non-landowners, the limited access to employment and the disproportionate opportunities among males and females, have created unprecedented levels of internal stratification that threaten to unravel the very fabric of Lihirian society. Lihir now expresses many of the relationships characteristic of class society. However, in PNG as elsewhere, we cannot solely rely on class analysis as a methodological device through which all social, economic and political phenomena can be interpreted. In some ways, landowners, non-landowners and labourers have begun to imagine themselves as objective groups with their own material interests. Indeed, given that landowner status is somewhat determined by descent, this might even be considered a self-reproducing group. However, overlapping interests such as kinship, moral obligations and an incipient ethnic identity based on control of mine-derived wealth, unites Lihirians and shapes social and economic behaviour, mitigating the social effects of capitalism. Vestiges of traditional society and emotive forms of identification have hardly faded as capitalism developed. These 'non-class' elements continue to exercise considerable influence over the shape of Lihirian history. Indeed, the specific conditions in which capitalism has developed through large-scale resource extraction means that these non-class elements often remain important points of reference for individual and group action. Class is not rendered insignificant, but stratification or inequality can assume other forms.

There are other stratifying elements that are usually identified with 'late capitalism' or even 'post-capitalism', where consumption appears to determine status differentiation in and of itself, independently of the ways that people acquire wealth (Weber 1978: 937; Bourdieu 1984; Appadurai 1986; Miller 1987; Friedman 1994). In Lihir, status differences are closely connected to emergent class structures, but status envy rather than class consciousness has been the phenomenal form of consciousness of inequality. Landowners, and to a lesser

extent employees and business owners, enjoy the ability to live sought-after lifestyles, and to a degree they have socio-economically defined identities and interests that are based on the ability to consume in culturally salient ways.

In recent years, a new political elite has emerged. While they are still grounded in LMALA and the local government, they have more power and prestige than other local leaders. The opportunities presented through mining have enabled these men to achieve a level of authority that has decisively shaped the future of Lihir. Some of them have received company-sponsored education and training in fields like economics and law, developed businesses through their monopoly over royalty payments, gained senior positions within the company or the major contractor companies, and assumed prominent positions within LMALA and the local government. Their lifestyles are wholly different from those of grassroots villagers — including many landowners. They enjoy relative economic freedom to pursue an existence that is simply unattainable for most Lihirians.

Several of these men and their families live at Marahun townsite in housing provided by the company, the government and LMALA, while others have remained in their villages, building their own modern houses. Some have spent time in Australia and abroad for work, training or leisure. Their younger children attend the International School while their older children are based in Port Moresby or Australia. They own four-wheel-drive vehicles, work in air-conditioned offices, and can be found playing golf on the weekend or relaxing after work over a few beers at the Social Club. These men are more engaged and comfortable with expatriates and the national political elite than most other Lihirians. These aspiring men have constructed their identities around new influences from Australia and their relationships with expatriate residents. They have learnt that it is possible to embody foreign values and lifestyles and to simultaneously maintain their Lihirian identities and connections at arm's length — though not at too great a distance, given the size of the island and its population. The classic image of the influential and wealthy elite cut off from their grassroots origins has been displaced by images of a global middle class.

However, they maintain a precarious position. Kin relations place huge expectations upon these men to share their wealth and success. They have to negotiate between keeping their extended network open wide enough to ensure their own security, but tight enough to maintain their wealth and membership of the new elite. They may have garnered individual wealth and success, but their support base remains lodged in their lineages and clans, while their authority is built around the twin pillars of the local-level government and LMALA. Both organisations might represent Lihirian interests, but in recent years they have rarely cooperated, and relations have deteriorated through a bitter struggle over control of the benefits package agreed with the mining company.

Although both institutions have been wracked by incapacity, the peculiar leadership qualities of Mark Soipang have enabled him to dominate the political landscape. Much like the leaders of the local government, his authority rests upon his ability to maintain the support of his clan members and to convince the wider population that he can produce the best possible outcomes for Lihir. But he also relies upon the support of the landowning community whose members provide the economic and political leverage for his power, which in turn enables him to contest the government and the company. His enduring authority may have something to do with historical antagonisms towards the national government which have surfaced in a combination of enthusiasm, tension and ambivalence towards the local form of government. It could also stem from a certain moral high ground asserted by the landowning community, and in the supposition that the local government only exists in its current form, or at least with its sizable budget intended for the benefit of all Lihirians, because of the sacrificial generosity of the landowners. It is this very stance which allowed Soipang — through LMALA — to assume a much greater role in the review of the IBP agreement.

The IBP review ultimately consolidated the leadership of Soipang and his cohort. These men were brought together as the Lihir Joint Negotiating Committee. Together they reconstructed historical desires into a new vision — the Lihir Destiny. Without the review process, it is quite possible that Lihir would be on a similar path to Misima Island in Milne Bay Province, where the community was similarly transformed and its members then left to fight among themselves over some residual trust accounts when the local mine closed in 2005. Political factionalism had a role to play, but it could also be more to do with the shorter mine life on Misima. At the point when Lihirian leaders began devising new strategies for maximising benefits and dealing with the quickening disintegration of their society, Misiman leaders were contemplating the prospect of mine closure and an entirely different set of concerns. It is here that we can see how the range of contingent factors specific to each mining project shapes both the nature of its operations and local responses to them. The social impacts in Lihir are broadly similar to those in other projects in PNG, but the combination of historical aspirations and experiences, local political formations, the review of the benefits agreement, and the anticipated longevity of the mine have provided Lihirian leaders with the platform to re-imagine their future and potentially defuse any sociological time bombs. While the realities of the post-mining Lihir Destiny remain to be seen, at this stage it would appear that Lihirian leaders are trying to steer Lihir on an entirely different course. It is to these very particular and rather unusual cultural and political responses that I now turn.