



**DOCUMENT 65**



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INDIGENOUS AFFAIRS

**People In Between**  
Daniela Renner

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Cover photo: Log Point: *There used to be primary forest before the timber company clear-felled the area to establish infrastructure for the Kumil Timber Project. Today, only scraps of worn-out machinery are lying around.*

**IWGIA Document No. 65**

## **People In Between**

**A Case Study on the Kumil Timber Project.  
Madang Province, Papua New Guinea**

**By Daniela Renner**

**Copenhagen  
April 1990**

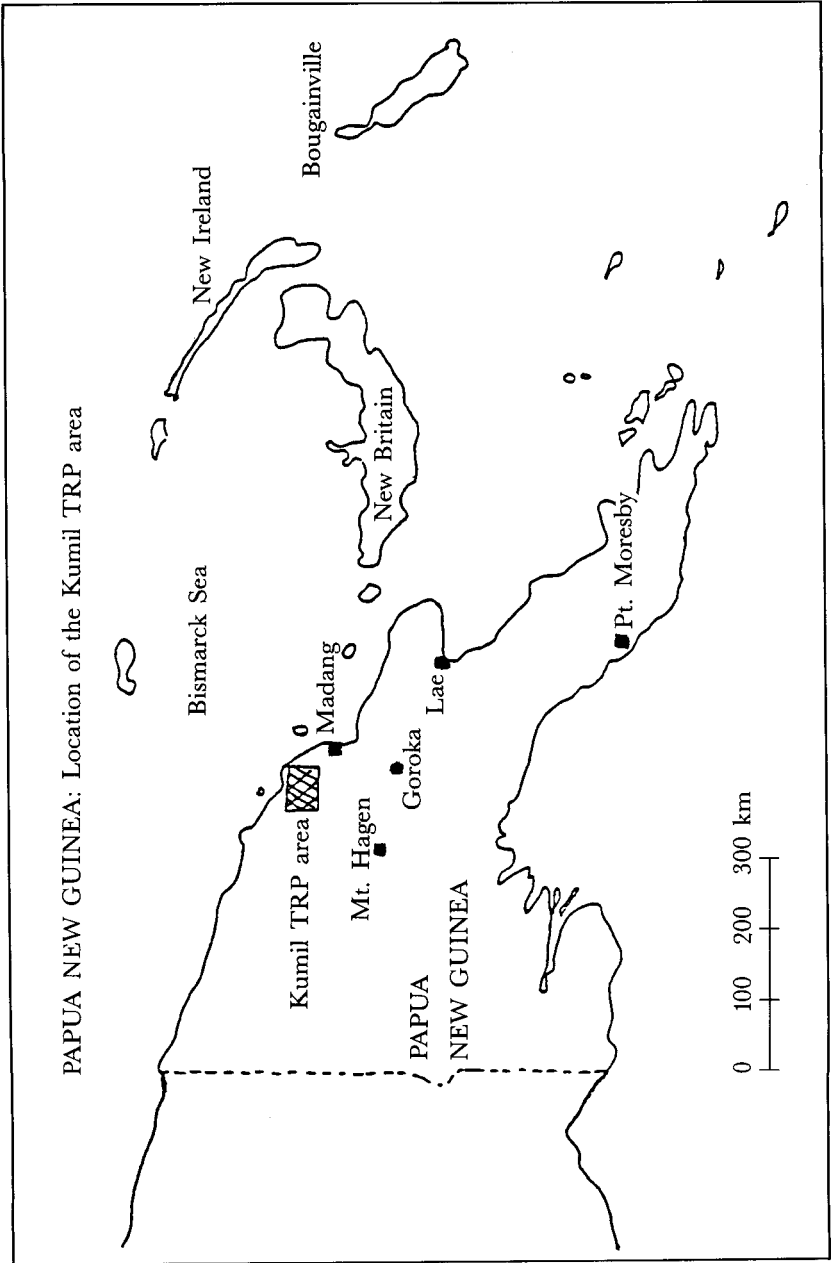
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Daniela Renner graduated with a Masters degree (M.A.) in Anthropology in 1984 from the University of Zurich, Switzerland. In 1984, and between 1986 and 1988, she worked for 3 years in Papua New Guinea, initially for a community and nutrition project of the Morobe Provincial Government, and then for a multi-sectoral consultancy on the Kumil Timber Project in Madang Province in cooperation with a Swiss forester.

This Document is written primarily for concerned and interested people in Papua New Guinea in the hope that it will contribute something to their future, and also for peoples who may find themselves at the receiving end of a timber project.

## Contents

<b>Introduction</b> .....	5
Background .....	5
The Kumil Timber Project .....	10
Method .....	10
<b>I. Timber and “Development” in the Kumil Area: a project is created</b> .....	13
Forestry policy and forestry acts.....	13
Kumil Timber Rights Purchase.....	17
Ulingan Development Corporation – a landowners’ company....	19
The current situation of timber utilisation in Papua New Guinea.	28
<b>II. The Situation in the Kumil Region and the Timber Project</b>	31
Economic conditions.....	31
Socio-cultural conditions.....	41
Political conditions.....	46
<b>III. Discussion</b> .....	53
Criticisms of the Kumil Timber Project.....	53
The landowners’ company: a buffer.....	66
Final thoughts.....	72
<b>Summary of events in 1988 and 1989</b> .....	74
<b>References</b> .....	77
<b>Abbreviations</b> .....	80



Map of Papua New Guinea showing the location of the Kumil TRP area. (Joan Andersen).

# Introduction

The description and discussion of a definite example of a regional project related to “development” and timber extraction in the tropical rainforest in Madang Province, Papua New Guinea(PNG), presents an opportunity to illustrate actual transformation processes concerning the situation of indigenous populations, land rights, economic development, environmental issues and national integration.

Projects of timber utilisation have to deal not only with forestry but also with legal, political, economic and socio-cultural domains. This document will draw attention to the hitherto unexplored complexity of timber utilisation.

## Background

### **Position of Papua New Guinea’s tropical rainforest within the Southeast Asian and Pacific region**

Of the formerly extended rainforests within the Southeast Asian region only little is left; in Thailand, the Philippines, Malaysia (including Sabah and Sarawak) and Indonesia (including Irian Jaya), rainforest was and still is being cut mainly to be replaced by plantations of export monocultures such as sugar cane, rubber, banana, oil palm, pineapple, coconut, etc. (Garbe, 1985; Whitmore, 1985).

In the Asian and Pacific tropical region, Papua New Guinea possess, by far, the largest existing area of closed forest per head of population. The other countries nowadays depend on log and timber imports to meet their needs in wood and wood products.

Does Papua New Guinea have any chance not to be subject to the same process as its neighbours since it has come under pressure from all sides to exploit its forests?

### **Papua New Guinea’s forests and forestry industry**

Of PNG’s total land area of 460 000 km up to 70% of the surface between 0 and 3 500 metres is tropical rainforest (King/Ranck,1982; Whitmore,1985). With an estimated operational forest resource of 500 million m on 150 000 km (*Times of PNG*, 3 March to 5 April 1989), timber is one of the country’s most important natural resource besides minerals (copper, gold, and, in the future, petroleum and natural gas).

The exploitation of these primary resources started before Independence in 1975 under the Australian administration. The first mining project, the Panguna mine on Bougainville Island has been in operation since 1963. The first large-scale timber project in the Gogol area, Madang Province, has been in operation since 1971.

People's protest against mining practices and damages to the environment on Bougainville (*Niugini Nius, Post/Courier of Papua New Guinea; The Times of Papua New Guinea, Wantok* in 1988/89) and past resistance against logging operations in Gogol area (De'Ath 1980) have not yet led to a change in attitudes concerning the manner of primary resource exploitation. On the contrary, a total sellout of the country has been and is happening as constantly new gold fields are being discovered and put into operation.

The same applies to the situation of the rainforest: a high number of large-scale timber projects are operating all along the coasts and islands where land is relatively accessible and exportation of logs overseas by ships rather easy. Only in the mountainous inland is the forest still protected by natural conditions.

However, Papua New Guinea does not have sufficient expertise to utilise its timber and other primary resources, and is dependent on foreign businesses. These foreign economic interests are one with Papua New Guinea's middle classes - the bureaucracy, the political leadership, entrepreneurs and the "big peasant" landowners - in their commitment to foreign investment-led growth.

Apart from direct financial revenues from the sale of timber on the world market, the government requires all foreign companies active in natural resource extraction projects to supply buildings, roads, water and electricity supplies within their project areas.

Papua New Guinea is a special case regarding its potential for development. Compared to many other so-called "developing countries", PNG has some positive features, predominantly the ability of the tropical rainforest to provide a subsistence base for about 70 percent of the population (King/Ranck, 1982). However, the present practice of timber utilisation is affecting the lives of these people directly, completely and fundamentally; and so while the major part of the tropical rainforest still remains, it is vital that alternative methods of timber utilisation are found before the environment is totally destroyed.

Yet reading the newspapers, one has to state that nothing is to be changed in the nearest future: for 1988, 1989, 1990 and 1991, there will respectively be 23, 33, 20 and 18 new large-scale timber projects that are already realised or being planned. Of the 150 000 km of operational forest resource under consideration, some 37 000 km have already been acquired from landowners. (*Times of Papua New Guinea*, 30.3- 5.4.1989).



## Indigenous populations and politics

Until now, the pressure of high population density has only existed in certain regions (Central Highlands and Gazelle Peninsula) and despite an annual growth rate of around 3 %, the population density is low compared with many over-populated countries in Africa or Asia.

Papua New Guinea's 3 million inhabitants make it one of the world's largest indigenous populations (Søftsted, 1988). However, unlike the majority of the cases where indigenous populations have come under majority state rule, the example of PNG is different and perhaps even unique.

The ethno-political situation of Papua New Guinea today is rooted in the traditional composition of the society. There are up to 700 different so-called "egalitarian" societies, most of them with their own language. Although the main features of their mode of production, such as shifting cultivation, hunting and gathering, fishing and pig husbandry, are roughly the same, all these small societies show a broad range of diversity due to environmental and cultural variations (Chowning, 1977). Traditional hierarchies within these societies are based on the relationship between old and young men and between men and women. Relationships between clans of the same ethnic group are mainly regulated by exchange of goods and marriage. Between members of different but adjoining ethnic groups, warfare used to be common.

Through German, English and Australian colonisation, new state stratification has been introduced to Papua New Guinea but there has never been any direct hierarchical arrangement between the ethnic groups of the country. The western-educated political and economic elite of the country is ethnically mixed, but most come from the regions where colonisation began (north coast of Madang, islands of the Bismarck Archipelago and Central Highlands). At present, an awareness of this situation and claims for a role in the control of the country are increasing from other regions.

Generally, in national politics, regional and ethnic feelings prevail, characterised by a strong identification with one's own group and lack of strong national feelings. Political parties are mainly region-based as e.g. the *Pangu Pati* in the North Coast region; the United Party, the National Party and the People's Democratic Movement in the Central Highlands; the Papua Party and the People's Action Party in the Papuan region; the Melanesian Alliance in North Solomons.

By a constant regrouping of those and other forces, the Papua New Guinea government has changed many times since Independence, be it by means of regular national elections or by frequent non-confidence motions.

Before Independence as well as today, secession movements are continuously being discussed. The integrity of the Papua New Guinea state is questioned and threatened.

The creation of provincial governments may be seen as one of the greater political results after independence. A balance between central and regional decision-making and control is sought after. Yet, this search provides a permanent source of conflict and discontinuity...

Regions claim more independence especially where mines and forests are exploited in order to achieve maximum benefit from exploitation and a compensation for damage to the environment. Since primary resources are not equally distributed within Papua New Guinea's territory, the national government seems to fear that more independence to the provinces might widen the gaps between the regions. All the provinces, except Simbu Province, encompass several and different ethnic groups, some of which are being split by provincial boundaries.

### **Land rights and primary resource exploitation**

Another very important aspect of Papua New Guinea's situation relates to the fact that all traditional rights to land and resources are incorporated into modern law, that is, all land and all natural resources belong to the respective local people. These rights are, in most cases, controlled by patrilineal clan-units. Should the state have an interest in utilising timber or other resources, the usufructuary rights have to be bought from the customary landowners. Therefore, resource extraction in Papua New Guinea is fundamentally different from that in other countries where the state is infringing on particular resources of specific peoples. Land and forest are *not forcibly* usurped by the state as they are in the case of the Penan in Sarawak. There, the Malaysian government is exploiting the tropical rainforest and destroying the conditions for the survival of the inhabitants (WWF Panda, 1987; Stuben, 1988) who are now fighting for their rights.

The case of Papua New Guinea also differs from the example of Tanzania where the specific Maasai pastoralist mode of production is endangered because of the interests of the state (Aarhem, 1985).

Papua New Guinea's situation concerning indigenous populations and "development" is more complex.

### **Questions related to "development" in Papua New Guinea**

As landrights in Papua New Guinea -a fundamental human right for indigenous populations (Søftestad, 1988)- are guaranteed by law, so is the right of the local people to their own culture and self-determination. In addition, an open democratic system does explicitly contradict this issue.

What are the problems then?

As shown before, the state has access to usufructuary rights for timber and other resources only with the formal consent of the respective in-

indigenous population. However, a problem can ensue which is related to the manner in which the state deals with the local people. Very often, the people do not receive adequate information about the consequences of selling the usufructuary rights of their timber to the government. Often it seems to be far too easy for the state to get hold of these rights. But the state is not alone in pushing ahead with timber utilisation. Frequently, the local people themselves impatiently demand "development" and are willing to use their forests to pay for it. Only when they have experienced the impact of logging, and only when timber extraction has ruined their environment and living conditions and it is too late, do they understand the consequences. The environment is changed so much that they have to find new conditions of production and new ways of living.

"Development" is a magic word in Papua New Guinea. Changes have proceeded with such a speed that one might think the world is upside-down. Besides their own canoes and visiting boats along the coasts, the means of transportation first introduced to the indigenous populations were US and Japanese military jets operating in the Pacific during the Second World War. Then small aeroplanes were used to discover, colonise and missionise the country. It was first many years later that trucks and cars became known along a few roads. The last vehicle to be brought to Papua New Guinea were Chinese bicycles. Or another example: whereas storekeepers in the bush know how to handle a battery calculator in order to run their businesses, they might, in their vernacular language, not have figures bigger than five.

Different ways of timber utilisation, or even the concept of sustainable forest management, are hardly known. Timber projects are planned and carried out according to international standards not designed to suit the conditions specific to Papua New Guinea. Each new timber project is implemented in an area where the people have had no previous experience of such projects. Because of the ethnic diversity and strong group cohesion, experiences are rarely transferred from one project area to another. Each local group defines itself as different from the others. Furthermore, no one wants to miss a chance.

Both the government and the people talk a lot about a "Melanesian way to development". This concept does not seem to have been clearly worked out and is used blindly to cover the cultural diversity within Papua New Guinea. Tribal background, ethnic variety, deeply rooted values concerning cultural diversity and the equality of different ways of living are rarely taken into consideration in plans for "development projects". On the contrary, one can observe just the opposite. Through the economic, political and ideological influences of a capitalist economy and western "civilisation", the cultural diversity of Papua New Guinea is being diluted. The whole country and its idiosyncracies are being destroyed by relations of de-

pendency on the outside world. Recently, new forms of social conflicts have increased such as violence and criminality in urban areas. Most probably, this has to do with the loss of livelihood and cultural identity.

## **The Kumil Timber Project**

In this light, the Kumil Timber Project in the region of the Kumil River in Madang Province is very significant. In order to set up a timber project, the state normally buys the usufructuary rights for a specific forest area from the customary landowners for a certain period. Then, the state entrusts a foreign logging company with the extraction of timber. In the case of the Kumil Timber Project, the state created a local organisation for the first time in 1983 and 1984: a landowners' company, the Ulingan Development Corporation. The intention was to increase local participation in the timber project. Hence, a triangular relationship was set up between the state, the timber company and the customary landowners.

Local participation in timber utilisation is new and worthy of closer examination. Here we will look at the relationship between the Kumil Timber Project and local conditions. The society has changed very quickly and profoundly during the last 20 to 30 years and it has proved difficult to separate clearly the situation prior to the establishment of the project and its effects later on the people themselves. Therefore we will look at elements of change which are being reinforced by the Kumil Timber Project, what problems the project creates for the local people, the conditions which the Ulingan Development Corporation as a local body has to deal with, and how far the project meets its own aims through this local body.

## **Method**

This Document is based on a consultancy I carried out between January and March 1988 together with the Swiss forester, Christoph Oertle, for the Kumil Timber Project on behalf of CUSO, which is a Canadian governmental organisation for development aid. It has been involved in the Kumil Timber Project since 1986.

When we started work, the Kumil timber project was in great difficulties. The project had not been in operation for seven months. In 1987, the Ulingan Development Corporation had to sack the foreign logging operator because of various offenses in breach of the contract and due to a complete lack of communication with the landowners' company. During the same

year the Canadian volunteers who had been responsible for the management of Ulingan Development Corporation, had terminated their contracts and left the project.

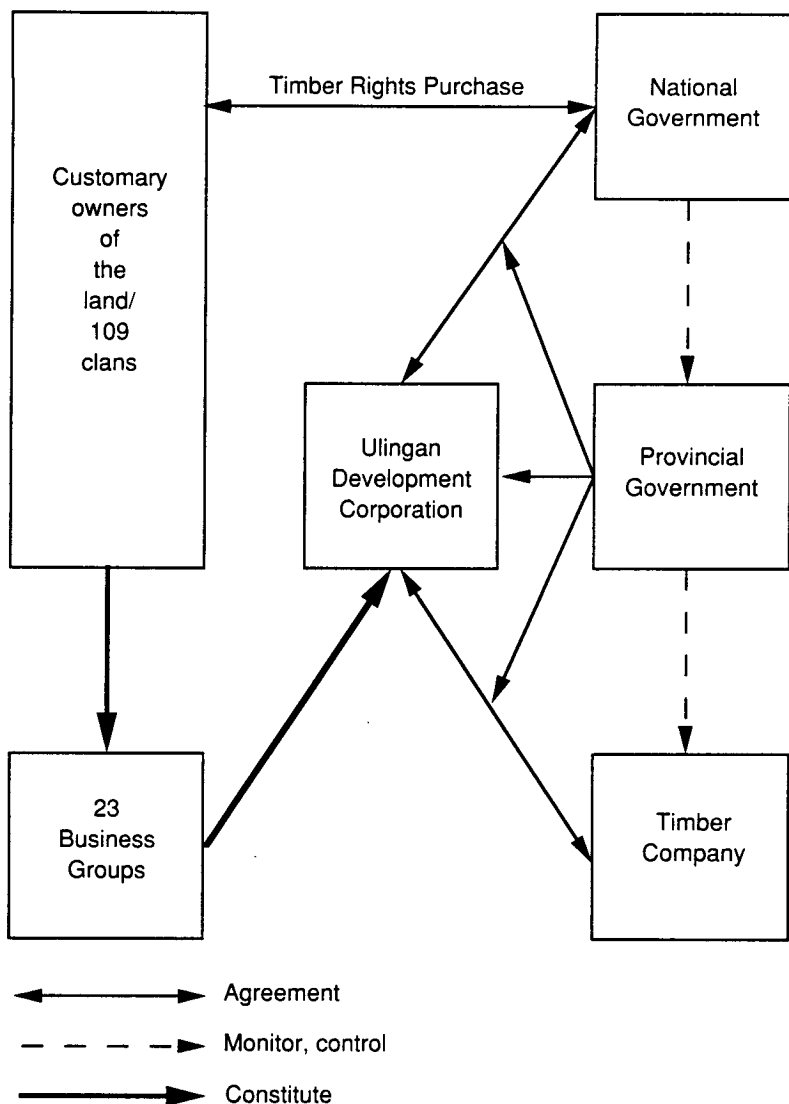
Our task was to assess the situation of the Kumil Timber Project in order to propose a new approach for the future. Our very close co-operation with the directors of Ulingan Development Corporation initiated a profound consciousness-raising process. Many questions and misconceptions relating to the complicated structure and legal situation of the project were clarified. At the request of the directors we also acted as an "interim-management" for Ulingan Development Corporation, mainly to support the company in dealing with complaints and claims against the foreign logging operator. In addition, we attended many meetings throughout the whole project area to discuss the needs of the local people in relation to the timber project and "development". In all these respects, this consultancy was somewhat unusual.

We profited from the wealth of knowledge and willingness to communicate by the project directors and the local people. This contributed to our understanding of the initial stages of the project and the difficulties it had undergone for years. Many government officials participated in this process and helped to collect information.

Section I of the Document deals with the legal framework for timber utilisation in Papua New Guinea and with the establishment and structure of the Kumil Timber Project. Section II describes the project area and preconditions for the project, and the intended effects and unintended consequences of the project locally. Finally, Section III discusses the approach, structure and content of the project seen from both outside and inside.

As this document was concluded in 1988, it includes a summary of events during 1988/89 towards the end.

**Diagram 1: Structures related to UDC**



*Structures related to Ulingan Development Corporation  
(Oertle/Renner, 1988).*

# **I. Timber and “Development” in the Kumil area – a project is created**

This Chapter opens with a clarification of Papua New Guinea’s legal framework for timber exploitation in order to understand the particular position of PNG’s indigenous peoples’ rights to land and resources. There is also environmental legislation which controls timber extraction. This background provides us with the necessary tools and limitations to understand the establishment of a timber project and to compare the actual Kumil Timber Project itself with legal standards.

As in so many cases of timber projects in Papua New Guinea, the Kumil Timber Project is characterised by severe contradictions in its intentions of protecting and conserving natural resources and Melanesian culture.

## **Forestry Policy and Forestry Acts**

During the past decades, Papua New Guinea’s timber resources have gained an important economic significance. International timber companies are interested in exploiting this last large remaining rainforest in the region, after having destroyed rainforests everywhere else in Southeast Asia and the Pacific. The PNG government recognises the importance of expanding its timber industry and developing its capitalist economy.

The Australian administration started to exploit the timber resources in PNG during colonial times. However, attempts to formulate a national forestry policy that takes into account the changing economic, social and political situation, have only been made since the beginning of 1970. This forestry policy ought to be used to improve the forestry acts and regulations of the 1930s.

The first attempt at a national forestry policy in 1973 includes, among others, the following objectives:

- conservation of the resources for the future through sustainable resource management,
- reforestation to be utilised in the future in lieu of natural forest,
- adjustment of the timber utilisation to national needs and needs of exportation,
- implementation of protected zones (for water, for certain species of plants and animals, against erosion),

- setting up of a forestry industry with the participation of the local population,
- research into technologies related to timber utilisation,
- formulation of acts and regulations plus the organisation of forestry authorities and finances.

These objectives have been under discussion since then.

The PNG Constitution requires both the protection of natural resources and the protection of the environment in its historical, cultural and scenic qualities together with its fauna and flora. Besides various other acts (1966 Fauna (Protection and Control) Act; 1982 National Parks Acts; 1987 Environment Planning Act; 1987 Contamination Act; 1987 Conservation Area Act and the two Forestry Acts from the 13th of February, 1976 determine timber utilisation in PNG. These two forestry acts are based on the fact that according to the modern PNG legislation, all land and natural resources belong to the customary landowners, i.e. to the whole population.

According to these Forestry Acts, there are three different possibilities for timber utilisation:

- By means of a *Timber Rights Purchase* whereby the state buys usufructuary rights from the customary landowners, if they agree.
- By means of a *Timber Authority* whereby forestry authorities give permission to a private juridical person to buy timber directly from a defined customary landowner.
- By means of a *Local Forest Area* whereby the state confers on specific local landowners the right to sell their timber to whomever they wish.

Currently, forestry policy and legislation are once more under discussion. Proposed changes concern, among other things, a list of preserved species banned from export, increased export levies and a total ban on raw log exporting in 1991 in order to promote the export of milled timber (Toganarewa, 1989).

### **Timber Rights Purchase**

I will concentrate on timber utilisation through the procedure of a Timber Rights Purchase. In Papua New Guinea, the majority of timber projects take place within the framework of a Timber Rights Purchase. The Kumil Timber Project is such a case. The Timber Rights Purchase procedure is mostly applied to timber projects in large areas.

The Timber Rights Purchase is a contract between the state and the local people. The state buys from the customary landowners the right to cut, remove and sell timber within a defined area for a defined period. The respective population is only permitted to use their timber for domestic use. It is forbidden for them to sell timber. The state may enter the land at any time (Office of Forests, 1979).



In connection with timber utilisation, an area has automatically to be made accessible for transportation of logs. According to Timber Rights Purchase procedures, the state is not obliged to construct roads to the villages in a Timber Rights Purchase Area. Thus it happens that roads and bridges can be built for the sole purpose of logging (Office of Forests,1979). Such roads usually lead into the bush to a dead-end where trucks are loaded with logs and reversed out. Therefore, some roads, built for timber extraction, are not necessarily roads which the local people urgently desire.

The Timber Rights Purchase agreement is only effective if the state and the customary landowners enter into a written agreement that specifies:

- the term during which the usufructuary rights are to be bought by the state,
- the sum to be paid by the state to the landowners for these rights,
- the manner of the payment of the sale price for the rights,
- the basis on which the sum has been calculated,
- and any other matters agreed upon between the state and the customary landowners, such as limitations of timber utilisation, roads or other projects.

There are two conclusions to be drawn from this. First, that a Timber Rights Purchase agreement requires a physical inventory of the forest area under consideration (aerial photographs, random samples). Secondly, the procedures of a Timber Rights Purchase imply a process of information and clarification about purpose, content, meaning and consequences of a Timber Rights Purchase for the respective customary landowners, and also about the landowners' possible influence and rights concerning participation in a timber project. It is the duty of national and provincial forestry authorities to provide this information.

A very crucial point for the people, which moreover, is difficult to understand, refers to the payment they should receive from the state for the usufructuary rights. The sum to be paid to the customary landowners is laid down for the whole country by the Timber Rights Purchase procedures: 2.75 per cent of the estimated sale price of the estimated profitable timber volume in a defined area to be utilised during a defined period. A quarter of this sum is to be paid directly to the landowners as a down-payment when the Timber Rights Purchase agreement is signed. The rest of the sum should be paid as royalties every half year during the whole period of timber utilisation. These royalties are always distributed to the whole population within a Timber Rights Purchase Area irrespective of where the actual logging operations are performed at the time (Office of Forests,1979) (see Diagram 2).

As criteria for the establishment of a timber project are related to the characteristics of the physical landscape and the quality of the forest, the Timber Rights Purchase Area, as defined by the state, often does not cor-

respond to the area covered by a traditional unit of landowners. The size of a Timber Rights Purchase Area is, usually, larger than the area of one clan, local group or ethnic group. (I refer here to the self-definition of groups of people within project areas who distinguish themselves in their own terms from other local and/or language groups of equal rank. In the same way, I do not differentiate between "language" and "dialect", a discussion which, in connection with the situation in PNG, has been going on among linguists for decades (Foley,1986). People who traditionally do not maintain any relationships at all or who only maintain relationships, which are clearly defined by exchange of goods or marriage, find themselves in a completely new type of situation when they suddenly learn that they belong to a common Timber Rights Purchase Area. Such a situation calls for new forms of communication and relationships.

Even though the Timber Rights Purchase is mostly related to large-scale timber projects, no definition exists as to the size of a Timber Rights Purchase Area (Office of Forests, 1979). Regarding the practice of timber utilisation, there are a series of definitions from various acts. Timber utilisation is controlled by the forestry act stipulation of a minimum permissible girth: 50 cm for all species except red cedar with 70 cm.

The state's income from timber utilisation is also regulated by the Timber Rights Purchase framework. Through such a timber project, the national government gets 10 per cent export taxes, and royalties of 2.7 per cent of the sale of exported logs on the international timber market. The provincial government receives royalties of 5.5 per cent (Office of Forests, 1979) (see Diagram 2). It is the duty of provincial forestry authorities to control the quality and volume of logs destined for export.

### **Timber Permits**

The conditions and framework for timber extraction are laid down through the Timber Rights Purchase principle. Any commercial forestry activity can only take place when, on the basis of a Timber Rights Purchase, the National Department of Forests has issued a Timber Permit. In the majority of cases, a Timber Permit is given to a foreign logging operator who is registered in PNG (at the National Investment and Development Authority, NIDA). Only through a Timber Permit is a logging company entitled to be commercially active in PNG.

Logging operators have tended more recently to include some PNG capital, but they are always branches of foreign, mostly transnational, enterprises.

By means of the Timber Permit, the exact extent and content of the programme for timber utilisation and development are defined:

- the minimum and maximum volume of annual logging,
- maximum amount for exportation,
- minimum amount for the local market,
- conditions and limitations of timber utilisation,
- financial guarantees,
- a definition of the infrastructure to be built by the timber company, such as roads and bridges, health posts, schools, government buildings and houses for government officials etc. As those programmes are often determined without much local participation and, therefore, often without exact and sound knowledge of a region, they do not necessarily suit local needs and conditions. To work out such programmes, the government seems to follow certain general ideas and guidelines referring to quality and density of infrastructure to be distributed throughout the country.

In connection with timber utilisation in large areas, the government can demand, through a Timber Permit, the cultivation of a portion of the area in either tree and/or agricultural cash crop plantations.

In the case where a logging operator does not comply satisfactorily with the Timber Permit, the government can withdraw it from the company and transfer it to another one. Therefore, foreign logging companies are subject to control and competition to a certain extent. Unfortunately, however, forestry authorities are not really able to exercise a thorough control of all activities carried out in the forest by these companies.

Until now, the government has always made use of Timber Permits to govern the size of timber utilisation projects which cannot possibly be carried out by smaller nationally-owned organisations.

## **Kumil Timber Rights Purchase**

### **The initiative for the project**

The Kumil Timber Project allegedly has its origin in demands for “development” by the people in the remote and extensive hinterland of Tarikapa (Adinga,1988; Pesam,1988). By “development” the people mean that all settlements scattered in the bush should get a road, that every man should then have his own vehicle, that all goods should be easy to buy, that money should exist in abundance, that all children should go to school and that no one should have to die because of sickness.

While many people do not like to talk about their specific wishes for development, they seem to be fascinated by the word and use it as frequently as possible. Through the impact of the Western world on every sphere of their lives they find aspects of development irresistible.

The initiative for the Kumil Timber Project goes back to a few local politicians who wanted to comply with the demands of the people and, at

the same time, wanted to profit themselves. The wealth of the timber resources encouraged them to make a commercial project. This idea was supported by an Australian businessman who was commercially active in Madang Province (De'Ath,1980) and who saw himself as the future manager of a timber business in the Kumil area (Pesam, 1988). This man was in touch with the National Minister for Forests then (Pesam,1988). From being a joint operation, a plan emerged for the government to enter into a Timber Rights Purchase agreement with the local people for the establishment of a large scale timber project.

## **Region**

In Madang Province, conditions are favourable for the utilisation of tropical lowland rainforest. Towards the coast, the territory is flat and, therefore, relatively accessible and natural harbours allow the timber to be shipped directly from the area. The Kumil Timber Rights Purchase Area is one of six already existing Timber Rights Purchase Areas in Madang Province and covers about 60 000 hectares, including inland forest and a non-forest area along the coast. The Kumil Timber Rights Purchase Area is drained by the Kumil River and several smaller rivers which all rise in the Adelbert Range. Along the coast the rivers have wide flood plains while further inland they mostly occupy deep gorges. The hills are small and rounded near the coast but rise more steeply on the foothills of the Adelbert Range with some peaks of more than 1 500 metres above sea level.

The climate is tropical maritime based on north-west and south-east monsoons. There is not a very wide range of temperature (22 to 31 C), though it is slightly cooler in the wet season between December and March, and from April to November it can be extremely hot and dry. Rainfall is approximately 3 000 mm per annum.

About 1 500 to 2 000 people belonging to seven different language groups live in this area. They usually have houses in scattered settlements, though the population is more dense along the main coast road and in some inland areas around the Ulatepun Community School.

## **Procedure and agreement**

During 1983 and 1984, the Timber Rights Purchase procedure was put into effect in the Kumil region in a unusually short time (Pesam,1988). The government carried out some clarifications of the situation in some villages along the road, such as Pepaur and Tavulte, and the results of this were later applied to the whole extensive and heterogenous area which was declared the Kumil Timber Rights Purchase Area by the National Department of Forests. The Timber Rights Purchase procedure, including the written

agreement, contains several breaches of Timber Rights Purchase rules (Office of Forests,1979). The contract is therefore “non est factum” i.e. invalid.

In 1988, during information campaigns for all villages within the Timber Rights Purchase Area, it became apparent that the people had not been adequately informed about the Timber Rights Purchase and its implications. Even now, many do not know exactly what they have sold to whom, for how much money and for how long. The belief that every settlement will get its own road because the timber company is working in the forest has not become a reality. On the contrary, in the Timber Rights Purchase agreement no such proposals have been agreed upon. It has also never been clarified what “development” should take place in the area.

The people are reacting to their situation and the changes taking place which they do not understand in terms of “cargo-thinking”. This is a reaction to the impacts of Western society on their culture, which has always been particularly deeply rooted in Madang Province (Morauta, 1974).

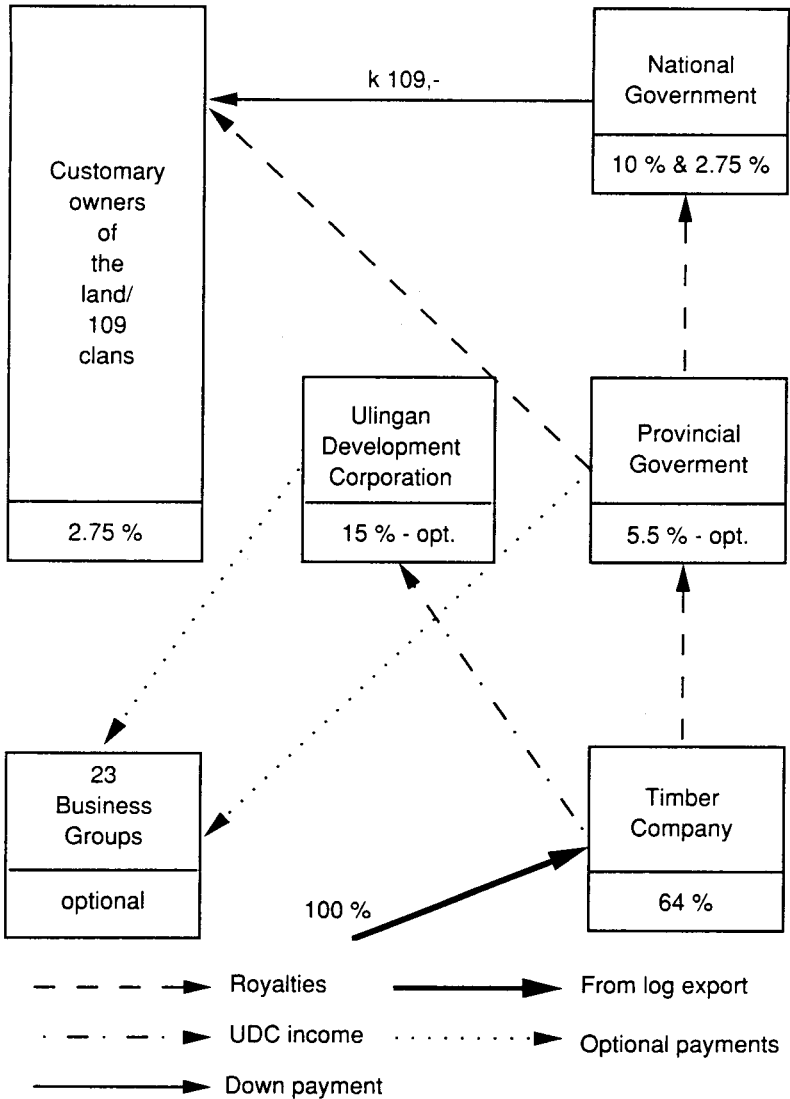
At the time the Timber Rights Purchase agreement was signed, the state paid K109 to the customary landowners i.e. K1 to 109 clans registered by the government officials. This down-payment was exceptionally low. The manual for Timber Rights Purchase procedures recommends paying a quarter of the estimated sale price directly to the local people which is based on the estimated timber volume to be logged (Office of Forests,1979). In the case of the Kumil Timber Rights Purchase, the estimated sale price of timber based on the acquisition of usufructuary rights by the state for 20 years was given as K683 090. Therefore, the quarter to be paid to the customary landowners should have been around K170 770. The government officials called the K109 “shake hands money” and explained to the people that they “would become friends with the national government from now on”. At that time, the national government was an unknown quantity to most of the people and that is still partly true today.

## **Ulingan Development Corporation – A landowners’ company**

### **Background**

For the people in Papua New Guinea who live on, and use land and its resources in clan units, a Timber Rights Purchase situation is uncommon and therefore sometimes hard for them to understand. Certain usufructuary rights to land and resources, namely the ones to forest, are sold to the state and so, the people lose part of their means of self-determination, a right of great importance within Papua New Guinean culture. Unfortunately-

**Diagram 2: Distribution of income**



*Distribution of income related to the Kumil timber project  
(Oertle/Renner, 1988).*

ly, customary landowners only realise this situation when, sometime later a timber company suddenly appears on their land and starts to fell trees extensively with large-scale machinery.

In most of the cases, the state, after having bought usufructuary rights from the customary landowners, deals directly with a foreign logging operator who will get a Timber Permit to carry out the timber business. Then, as the famous timber project in the adjacent Gogol area shows, the local people find themselves confronted with strangers. Very often, cultural and communication problems are unavoidable (De'Ath, 1980).

According to National Department of Forests informants (Tagamasu, 1987), a variety of reasons led to the government creating a new type of structure for the Kumil Timber Rights Purchase and Kumil Timber Project. This resulted in the formation of a landowners' company, the Ulingan Development Corporation. Instead of a Timber Permit being issued to a foreign timber company, this time the local landowners' company was given the Timber Permit, resulting in local influence on the timber project.

The Ulingan Development Corporation, as a locally formed organisation, was to act as a mediator both between the local people and the timber company, and between the National Department of Forests and the timber company (see Diagram 1). As with other timber projects, the timber utilisation was to be carried out by a foreign logging operator with which the Ulingan Development Corporation was supposed to enter into a contract. Financially, the Ulingan Development Corporation was to be a means for the local people to participate in the timber business. The Ulingan Development Corporation was to get around 15 per cent of the sale price of timber overseas (see Diagram 2). In this way, the profits would remain in their place of origin and be invested in further development programmes.

Between 1983 to 1984 the Timber Rights Purchase procedure took place, and the Ulingan Development Corporation was planned and organised by the business development office of the Madang provincial government. This office is responsible for economic development in the province.

## **Structure**

Local enterprises in Papua New Guinea's rural or urban areas are usually based on family or clan-units which organise themselves as business groups to form a legal entity. Such groups constitute themselves in order to attend to common commercial activities (transport, shops, the production and processing of cash crops).

For the Ulingan Development Corporation, this business group structure was adopted but in this case members of the Madang Business Development Office constituted 23 arbitrary business groups throughout the

Below is a breakdown as to shares per clan:

<b>Business Group</b>	<b>Village</b>	<b>Number of clans</b>	<b>Number of shares</b>
Bumagi	Bunabun	4	4
Mabosu	Asumbin	3	4
Mukor	Pepaur	3	3
Aseirua	Pepaur	5	5
Omassi	Tavulte	4	4
Ipo	Ereinduk	3	3
Kumulik	Korak	6	6
Mesi	Meiwok	7	8
Kamiawu	Sikor	7	7
Rarip + Mar	Saramun	2	1
Pasek	Tarikapa	2	2
Yamapur	Papur	2	2
Bosu	Ulatepun	3	3
Jawanut	Misiporo	3	3
Bokamu	Ereibadaw	3	3
Taki	Mawak	3	3
Wasnip	Aleswab	1	1
Kamasi	Waba	4	4
Idumyaya	Uwunpe	4	5
Sasa	Raraiba	1	1
Kasaku	Gugubar	3	3
Waduwadu	Irebadaw	1	1
<b>Total</b>		<b>75</b>	<b>77</b>

Kumul Timber Rights Purchase Area. These Business Groups were to hold a certain number of Ulingan Development Corporation shares and annually elect a Board of Directors. Each Ulingan Development Corporation Business Group consists of one or several clans, each clan usually possessing one share. Consequently, all Business Groups do not dispose of the same number of shares. Business Groups composed of a higher number of clans are located along the more densely populated coast.

However there were some irregularities and the people were not happy. When the Timber Rights Purchase procedure took place, National Department of Forests officials "counted" 109 clans in the Kumil Timber Rights Purchase Area. Nevertheless, provincial government officials registered 75 clans for the same area to whom they issued 77 shares in the Ulingan Development Corporation. In my opinion, the following explanations are pos-



sible. The work done to set up the Kumil Timber Project was generally deficient and was the cause of such discrepancies. As we saw earlier, government officials investigated the coast but hardly made contact with inland people (Pesam, 1988). Those people are now complaining that their clans have never been properly registered and that, therefore, they do not possess an adequate number of shares and votes within the Ulingan Development Corporation. Moreover, the term "clan" is used in a very flexible -and sometimes even individual- way by the local people. Clans are constantly changing through adoption and exchange of children, through marriage and segmentation.

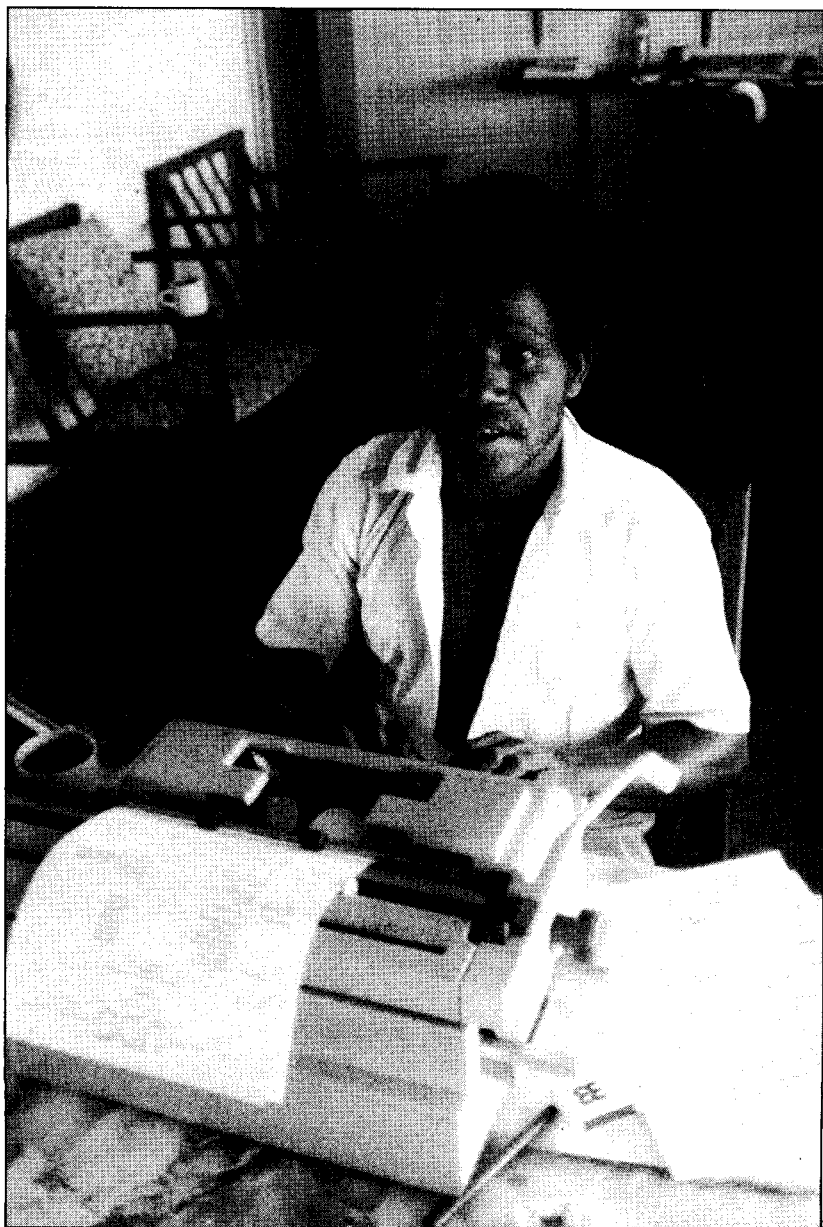
Finally, the Ulingan Development Corporation ruled with a Board of Directors of 9 members. These men are regularly elected by the shareholders at the annual general meeting. No rules exist regarding the election of the members of the Board of Directors within the area. Obviously, there were some periods when the people on the coast were over-represented by directors in relation to the people from the hinterland and, moreover, the coastal people have a much smaller amount of profitable timber resources (Pesam,1988; Samarum,1988). It is easier for people along coastal areas to create publicity for themselves because of the better communication existing there.

The Board of Directors is responsible for deciding the business and general aims of the Ulingan Development Corporation which are not laid down by the Timber Rights Purchase and Timber Permit. In addition, and most importantly, the members of the Ulingan Development Corporation's Board of Directors have, on the one hand, a duty to keep the local people in the "constituency" of the timber project regularly informed and, on the other, to register the problems and needs of the people in order to discuss them in their monthly meetings.

A landowners' company such as the Ulingan Development Corporation needs, like any other enterprise, a management. This job was filled by outsiders when the project was in action. Local competency seems to be hard to find for this position. The first manager was an Australian businessman who had been involved in the Timber Rights Purchase procedures and in the establishment of the Ulingan Development Corporation. Later, two Canadian volunteers. Co-operation between the Ulingan Development Corporation management and the Board of Directors is a precondition for the functioning of the landowners' company as the responsibilities of both are complementary.

### **Content of the project: the Timber Permit**

The Timber Permit given to the Ulingan Development Corporation by the National Department of Forests stipulates a minimum of 40 000 cubic metres and a maximum of 75 000 cubic metres of timber logged per year.



*Melchior Pesam, member of the Board of Directors of Ulingan Development Corporation at his office, writing minutes of the meetings of the Board of Directors.*

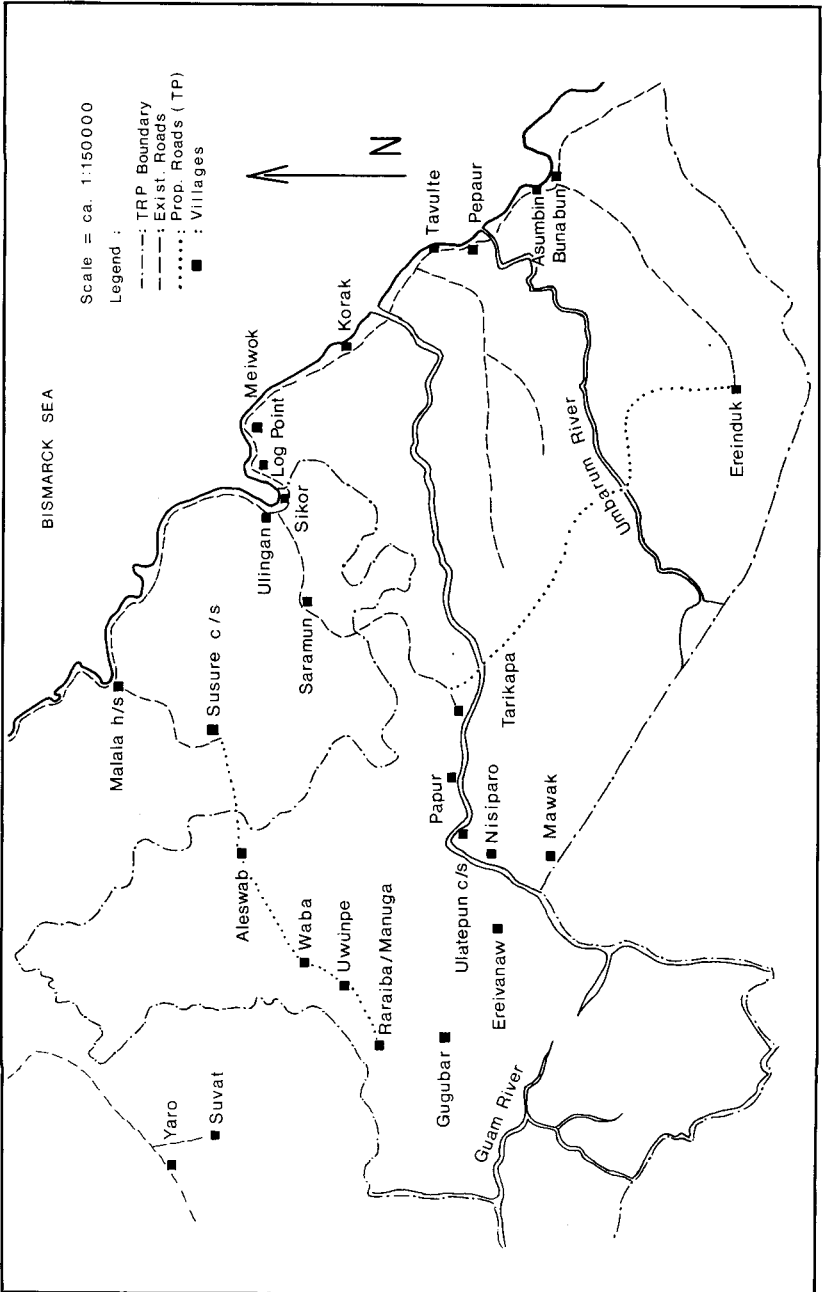
This Timber Permit contradicts the Kumil Timber Rights Purchase agreement in some major aspects. As a condition for the Timber Rights Purchase, the people around Pepaur and Ravulte demanded that certain species of tree (Talis, Red Cedar, Taun, Sis, Tulip, Mon, Planchonella and all fruit trees) and other plants be excluded and, in fact, that they should be protected. In the Timber Permit, these exceptions are not listed. Thus, all plants are considered harvestable.

According to the Timber Permit, the following items were to be constructed within the Kumil Timber Rights Purchase Area: two roads, one from Ereinduk to Tarikapa, and the other from Susure to Raraiba (see Map), and some buildings for the Ulingan Development Corporation and for the provincial government, including a health post at the planned centre at Log Point. Another item in the Timber Permit refers to the planting of a 150 hectare coconut-cocoa plantation. Apart from the timber business, the Ulingan Development Company is expected to open up alternative sources of income capable of future expansion. However, neither the extraction of timber on this scale nor the infrastructure to be built in the Kumil Timber Rights Purchase Area could be accomplished by an organisation like the Ulingan Development Corporation. The landowners' company has neither the finances nor the personnel capable of undertaking such a task and has had to put an experienced logging operator in charge of the project. This was done according to the provision of a Logging and Marketing Agreement which is included in the Timber Permit and permits a contract between the Ulingan Development Corporation and a timber company.

### **Experiences with logging operators within the Kumil Timber Project**

The Ulingan Development Corporation and the local people had two experiences with foreign logging operators between 1984 and 1987. Ottley & Ottley, an Australian enterprise, was in charge of timber extraction from 1984 until the middle of 1986. At the same time, the Australian businessman was in charge of the Ulingan Development Corporation's management by means of his private management agency. Ottley & Ottley undertook clear-felling along the coast of Pepaur-Ravulte and later in the area of Tarikapa where they opened up a small road. The bay of Sikor-Ulingan was cleared so ships could be loaded with logs for export. At the same place, two houses were constructed for the Australian employees of the timber company.

Some so-called "selective logging" was done. But lists of felled trees show that the prescribed minimum girths of 50 cm for all species except for red cedar (70 cm) were frequently ignored. Logs with girths of less than 30 cm are listed and also many trees which should not have been utilised were later sold overseas (UDC,1988). The owners of the forest complain that, on the one hand, there has been a lot of damage to protected areas and trees



*Kumil Timber Rights Purchase Area*

and, on the other hand, a lot of timber was wasted by the timber company; logs were left lying in the bush where they are now uselessly rotting away. Trunks of more than one metre in height are still standing in cleared areas because the trees were cut at the spot where the trunks narrowed, that is, where the roots join the trunk.

In 1986, Ottley & Ottley suddenly declared themselves bankrupt, disappeared and left the machinery at Log Point for scrap. At the same time, the Australian manager left the Ulingan Development Corporation (Pesam,1988; Peters,1988).

Both the provincial government and the local people were interested in continuing the planned timber project and "development" despite having already experienced problems (Pesam,1988). Through the government, contact with Cuso, a Canadian government organisation for development aid, was established (Swale,1988). Between mid-1986 and mid-1987, two Canadian consultants took over the management of the Ulingan Development Corporation. Then, UDC signed another contract with a new logging operator, this time with Madang Timbers, a Malayan enterprise, which had been active in Madang Province for 20 years (De'Ath,1980). This company is part of a transnational consortium.

Soon after the Logging and Marketing Agreement was signed, Madang Timbers showed no intention of complying with the contract (Pesam,1988; Peters 1988). The company contravened several rules of the Logging and Marketing Agreement; among other things, they did not deposit the necessary bank guarantees for the Ulingan Development Corporation or for the national government, they did not take out an insurance for local employees, they did not present the compulsory forest working plan, they did not work in accordance with the agreed timber extraction regulations, and they did not build any infrastructure. When they finally began logging operations, they carried out the harvest work near the coast at Tavulte where the previous timber company had already extensively felled (UDC, 1988).

After repeated written demands and warnings from the Ulingan Development Company to Madang Timbers which remained unanswered, the Ulingan Development Corporation finally dismissed the company in July 1987 (UDC,1988). Since then the Ulingan Development Corporation has had many problems:

- Up until January 1988, Madang Timbers tried to contest the validity of the dismissal and announced legal action against the Ulingan Development Corporation (Pesam,1988; Peters,1988; Damarum,1988).
- The two Cuso volunteers terminated their contracts in mid-1987. Owing to failure on Cuso's part to recruit a replacement, the Ulingan Development Corporation has been left without any management (Swale,1988). The project has not been in operation since then.

- The Madang provincial government exerted strong pressure on the Ulingan Development Corporation to reinstate Madang Timbers (Owet,1988; Pesam,1988; Samarum,1988). The fact that the provincial government holds eight per cent of the shares in Madang Timbers obviously carries great weight (Peters, 1988). In addition, the current Madang Minister for Forests is a landowner and important clan leader in the Kumil Timber Rights Purchase Area. He has admitted that he is strongly pursuing economic interests (Owet,1988).
- The Ulingan Development Corporation gets verbal support from the National Department of Forests (Mantu,1988). But in fact, negotiations between the government and the Ulingan Development Corporation are the responsibility of the provincial government. Understandably, UDC has very little confidence in the negotiations.
- Since Cuso is no longer involved in the Ulingan Development Corporation, the latter is under pressure from various other logging operators to sign a new contract (Adinga,1988; Pesam, 1988; Samarum,1988).

To date, the Ulingan Development Corporation's assets amount to one motor vehicle, one typewriter, an empty house, 150 hectares of unused land and a bank account containing about K 10 000.

As both previous logging operators in the Kumil Timber Rights Purchase Area mainly employed their own staff, very little expertise in timber utilisation has been gained locally. Some local men were employed as casual labourers. Both the Ulingan Development Corporation and the local population felt frustrated and powerless. A considerable part of the forest has been lost with very little benefit to the people. No one knows how the project will continue.

## **The current situation of timber utilisation in Papua New Guinea**

The experiences of the indigenous people in the Kumil Timber Rights Purchase Area in relation to the practice of foreign logging companies are not confined to Papua New Guinea. Only a few forestry projects seem to comply with the general aims for development in PNG and with regulations governing timber extraction (Saulci,1988).

After increasing public pressure, the Wingti government set up an inquiry in 1987 into Papua New Guinea's forestry industry. Reports on scandals concerning timber utilisation by logging operators - partly in cooperation with Papua New Guinea politicians at the highest levels - regularly fill the newspapers. Not only are existing proposals for timber utilisation frequently violated but Timber Rights Purchase agreements and Timber

Permits, as in the Ulingan Development Corporation case, are not complied with. It has become known that both the PNG state and the local people are often cheated of income from the timber business by foreign companies. Furthermore, the profound misunderstanding of the people concerning the meaning and consequences of the Timber Rights Purchase can no longer be ignored.

Saulei (1988), who thoroughly examines these problems, makes the following points regarding the forestry industry in Papua New Guinea:

- Forestry acts and regulations are insufficient and deficient owing to many irregularities. A revision with detailed requirements is urgently needed.
- The fact that the administrative power of the three contracts governing timber utilisation (Timber Rights Purchase, Timber Authority, Local Forest Area) are in the hands of the National Minister for Forests allows pure political decision-making to dominate professional and technical decision-making.
- There is far too little research on the quality of the tropical rainforest in Papua New Guinea, and the consequences of its extraction. These questions are particularly important for the forest in PNG which, influenced by Asian, Australian and circumpolar factors, are especially complex. Existing inventories are aimed at assessing only the economic potential of the resource. Without assessing the complexity of the forest, appropriate planning for future resource management is impossible. Existing data on forestry projects concern single aspects of the complex life of the forest and its inhabitants. If PNG really wants to protect its resources for the future, the whole approach has to be changed. The impact of timber utilisation on the local people has been ignored. Investigations are carried out after a timber area has been designated for utilisation, that is, after a Timber Rights Purchase agreement has been signed. Plans for land use after timber exploitation are drawn up after the exploitation has already taken place, if at all.
- The state does not have sufficient control over foreign logging operators. First of all, this means the financial background of companies should be checked before issuing them a Timber Permit. Many logging operators declare themselves bankrupt during a contract term in Papua New Guinea. They do not provide adequate financial security. It would be worthwhile to ask how many times a timber company has used "bankruptcy" as a means of disappearing quickly from PNG when problems arise. Consequently, in many Timber Rights Purchase Areas there is a high turnover of timber companies, none of them completing their expected term. As a result, relations and co-operation between forestry authorities and logging operators, and between the local people and logging operators are seriously jeopardized and made more difficult than they previously were.

Secondly, current forestry projects in large areas are not adequately monitored and controlled by the forestry authorities. One reason certainly relates to the fact that the latter's financial means and personnel are limited. It is important, therefore, that priorities are set by the National Department of Forests. According to Saulei (1988) it would be preferable for the government to work on fewer but more efficient forestry projects, that is, the National Department of Forests should only develop Timber Rights Purchase Areas according to their own potential. But forestry acts designed to protect resources in Papua New Guinea are criticised as meaningless owing to lack of political and administrative motivation and discipline (*Times of PNG*, 30.3.-5.4.1989).

However, despite all these problems, the National Department of Forests continues to announce new Timber Rights Purchase agreements between the state and local people throughout the country and new contracts with foreign timber companies. The government, as well as the local people, seem to believe in exchanging forest for "development."



## II. The situation in the Kumil region and the timber project

Now that we have looked at the formal structure and contents of the Kumil Timber Project, we can take a closer look at how it relates to the living conditions of the indigenous population and the area concerned. What are the intended effects and unintended consequences of the project on local situations?

### Economic conditions

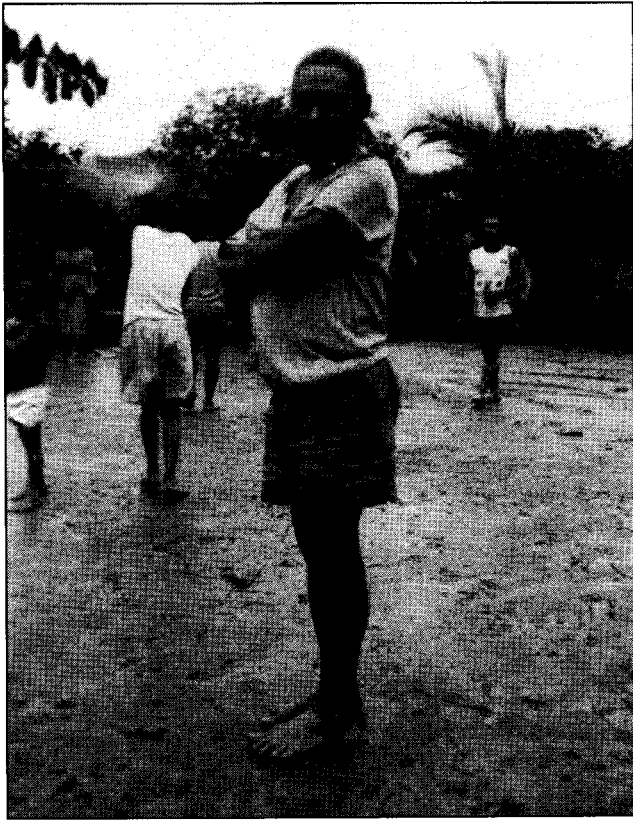
#### Subsistence production – exchange

The population live by subsistence shifting cultivation and the tropical rain-forest provides the entire basis for their livelihood: land for gardens, hunting and fishing grounds, plants for gathering (legumes, spices, mushrooms, nuts, plants for medical and decorative use), protection and shade, water and materials (for houses, canoes and other tools, for ritual items).

The sexual division of labour largely corresponds to that commonly known for horticulturalists (Boserup, 1970): the men clear land and prepare gardens, while women plant, cultivate, harvest and collect food in the bush. Sometimes, men and women are responsible for different plants. Men hunt and make tools and construct houses and fences. Women collect water and firewood for the household and cook the meals. Men prefer to work in groups, especially when working in the forest. Women, however, mostly work individually or with an older daughter or daughter-in-law.

In the interior of the Kumil region, there is enough secondary forest to provide land for gardens. A variety of edible plants grow almost all year round. What people call the “season of hunger” refers to the end of the dry and the beginning of the wet season. This is when their favourite staples, such as certain species of yam and taro, are not yet ready to eat and they have to live on sweet potatoes, a variety of bananas and taro instead. In every settlement, there are some pigs and chickens which scavenge for food. The women care for them and the men kill them for specific purposes.

In comparison with the past, hunting by bow and arrow is less widespread although, according to the people themselves, wildlife (wild pigs, tree kangaroos, rats, birds) is plentiful. They say that they have become lazy since acquiring the knowledge of modern guns. But only a few men own one. Instead of hunting, they prefer to eat Japanese and Aus-



*After the afternoon rain in Gugubar.*

tralian tinned fish and meat. In the hinterland, where access to cash is very limited, access to these goods is limited too. People usually eat little meat and fat and a protein and energy deficiency is apparent, mainly among children and pregnant women (Coady, n.d.). But the people themselves do not seem to recognise this as a type of malnutrition.

The large number of people living on the coast suffer from a shortage of land for gardens. Families and relatives help each other out when food is scarce. Over time, systems of barter have expanded between coastal and inland regions. Staples from the inland are exchanged for fish, salt, coconut, sago, betel nut and chalk from the coast. Formerly, pottery produced by women in Korak, and wooden bowls carved by men around Tārikapa, also played a role in exchange. On the coast, where money as well as a series of small and big trading stores are at hand, families regularly consume ad-

ditional food bought from the stores, such as rice, tinned fish and tinned meat. But even when money becomes short, the people have a relatively good diet because of the availability of fish, coconut and bananas.

Although, up to now, there have been ways of coping with dietary problems, scarcity of land is causing serious problems. The shortage of land with secondary growth suitable for gardens is leading to increased pressure on existing primary forest. Furthermore, the fallow periods are becoming far too short for the land to regenerate. This, together with repeated burning to hunt small animals and, recently, timber exploitation, is causing a rapid extension of grasslands. Only when asked persistently, do the people name problems that might be related to this situation. They recognise an increase in certain sicknesses (diarrhoea, skin diseases like tropical ulcers, fungi and parasites) mainly during the dry season. Women complain of an increased workload due to difficulties in providing enough water for the family and due to the fact that they have to walk far to do their laundry. A water supply, be it a river or a tap in a village, is highly valued and is the place where the women work. Water, therefore is controlled by women.

In patrilineal, patrilocal conditions, rights to land and resources are men's affairs. General collective usufructuary rights are historically justified and traditionally transmitted. Actual usufructuary rights are individually laid down but in a flexible way. There are no completely individual rights. Frequent conflicts over land, both within and between clans, are causes of clan and public disputes.

The fact that clans own different amounts of land and timber resources is important to the Ulingan Development Corporation. Firstly, there are large differences in the quantity and quality of primary forest between the coast and the interior. Furthermore, clans from both areas have different proportions of profitable timber resource. Clans disposing of vast forest areas are accepted as more influential by those with fewer resources. But, irrespective of the amount of forest possessed, all clans registered in the constitution of the Ulingan Development Corporation dispose of one share through their Business Group, which is one vote within the UDC. It follows that the votes of clans owning large timber resources are considered as more important than those of others. This is sometimes true for some inland clans. On the other hand, the high number of clans along the coast with very little forest or none at all, exert a strong influence on the Ulingan Development Corporation.

Women have a say on land matters only under certain circumstances. When a family is living matrilocally - because the man and woman originate from the same village, or a man from a distant place settles down because of employment - a woman may have some influence on land matters. This applies when her father is dead and when she has only younger brothers. In the Kumil Timber Rights Purchase Area many women vendors

of usufructuary rights are listed but the Business Groups of the Ulingan Development Corporation do not (as yet) have any female members. Although women have never spoken at public meetings about the Kumil Timber Project, some of them do seem interested in it and they may have considerable influence on family and clan discussions.

Apart from its material potential, the forest has a strong ideological meaning for the people. According to them, there must always be virgin forest as well as forest which people have utilised only to a small degree. Culture and life itself depend on the forest; life comes from, and goes back to the forest. Important life-controlling powers are located in the forest. Christian missions seem to have had only limited success in destroying these ideas. Nevertheless, present access to the modern means of production raises the question of the people's relationship to their environment and the ecosystems. It becomes apparent that they lack the necessary understanding of the effects of the use of vehicles, bulldozers, chain-saws etc. The reason why they have exerted a limited influence on the natural conditions may be owing to their control over their own traditional technology rather than to a consciousness of the effects of their actions. The move towards maximising sustainability of resources, and not towards maximising output associated with indigenous modes of production (Søftestad, 1988), is promptly relegated in the view of new and unknown technology.



*Market at Malala High School where women from the inland and from the coast sell their subsistence surplus.*

## **Market - Commercial activities**

When subsistence products are not directly exchanged for other foodstuffs or goods within the traditional exchange relationships, the sale of garden surplus provides the main source of income for women. The major market in the Kumil inland region takes place at Ulatepun Community School where teachers and their families are the main clients. Along the coast, there is a constant demand for garden produce. During the dry season demand is particularly high. The market at Malala High School is the biggest regional market along the coast. Women from the Aleswab-Raraiba area sell their garden produce whereas coastal women offer fresh fish and a large quantity of processed foods (sago cake, bread, tapioca pudding, dried and smoked fish and seafood). The supply of inland garden crops exceeds the demand along the coast and the inland people cannot sell as much as they would like. Stimulants are lucrative goods to sell: betelnut and chalk from the coast and tobacco from the mountains. Both contribute to the payment of school fees in many families.

But without roads or transportation, distances are often too far and the produce too cumbersome to take to market. Individual men or Business Groups owning a vehicle make their living by transporting goods and people to and around the market. Other income-generating possibilities consist of furthering independent business activities. Small trading stores scattered in the interior provide some money for a few families but in remote areas where people have little money to spend, this income is not significant. The stock in such bush stores is very basic and people from the hinterland prefer to spend what little money they have from time to time in the bigger, mostly mission-owned, stores along the coastal road where the choice is better and prices are cheaper.

Some people are engaged in individual intermediate trading. An example of this is the case of a man from the mountains of Ereibadaw. He has some grown-up sons who regularly buy petrol for him at a good price in Madang and then carry the 20 litre containers to the village where the father sells the petrol. The Department of Primary Industry supplied some cooler boxes along the coast, for example in Tavulte where the fishing grounds are very rich. Fishermen and fisherwomen can store their catch and sell it later in Madang.

Throughout the Kumil area, young people have formed groups within villages which offer their labour to individuals and Business Groups for work in cash crop plantations.

## Cash crops

Catholic and Lutheran missions started coconut plantations and copra production along the north coast of Madang one hundred years ago. Nowadays, this raw material, which is used for oil production, is experiencing serious competition from other oils (oil palm, soya) on the world market. In Madang Province, copra production had to be supported by EEC funds in 1987.

Some years ago, Australian business people introduced a new hybrid coconut species to their plantations in Papua New Guinea. These hybrids produce more coconut more quickly but are dependent on fertilisers and are sterile with the result that all seedlings have to be bought. At present, the Department of Primary Industry is promoting this species of coconut palm throughout the country and encouraging cash crop production so that the PNG government can participate in international trading.

Along the north coast of Madang, there are huge coconut plantations generally owned by the Catholic mission or by private business people, mostly foreigners. But within the Kumil region, coconut plantations and the infrastructure for copra production are in the hands of small growers. Each family along the coast owns some coconut trees which provides them with a more or less regular small cash income. Coconut growers and copra buyers bring copra to the Madang Copra Board. Oxen and carts are the most popular means of transport both on plantations and in villages and are promoted by the Department of Primary Industry.

The missions introduced coffee as well as cocoa production, and in the 1960s the Department of Primary Industry began to promote cash cropping.

Along the coast, plantations are usually mixed, either coconut and coffee or coconut and cocoa. Transportation being adequate, people are able to sell coffee and cocoa regularly, but the processing of cash crops is problematical and the Department of Primary Industry has taken no interest in the problems with which the cultivators are faced. For instance, the Bumagi Business Group in Bunabun used to operate a cocoa fermentation plant until the users inexplicably refused to pay for its maintenance. Cocoa fermentation plants, unlike copra driers, are too expensive for each family to run individually. At present, people complain because they have to sell wet cocoa beans for K 0.40 per kilo to outside buyers instead of selling dry processed beans for K 1.40 per kilo as before.

In general the problems faced with cash crop production are greater inland and it is less popular. For example at Saramun the people have a fermentation plant and no maintenance problems but no one has access to a vehicle. They are completely dependent on outside buyers who only buy wet beans because they have their own fermentation plants. Therefore, inland, only one 50-kilo sackful of beans can be picked at a time because it

has to be carried through the forest and mountains for up to a day to the nearest access road. In remote areas cash crops are usually badly weeded and pruned and quite neglected.

Before coffee and cocoa trees can be planted, the forest has to be cleared and shade trees planted. This takes several years. No one has ever tried to plant cash crops in thinned-out natural forest.

The decentralisation of fermentation plants might make cocoa production more attractive to growers. An independent Business Group in Gugubar, for example, realised the advantage of having its own fermentation plant in the bush. Producers carry dry beans to the nearby Yoro Cocoa Developers project. They weigh the same as wet beans but fetch a much better price.

The processing of coffee needs a lot less infrastructure. Individual families can afford to buy small hand pulpers. Nevertheless, coffee seems to be even less popular than cocoa. People complain that picking is very hard and in addition, the price of coffee is constantly dropping.

The Timber Permit which the government drew up for the project in the Kumil Timber Rights Purchase Area and which it issued to the landowners' company stipulates an increase in cash crop production. First of all, the Timber Permit states that the Ulingan Development Corporation has to establish its own coconut-cocoa plantation of 150 hectares because, besides the timber business, another commercial activity should be developed to provide a long-term income for both the local people and the government.

However, this project has never been realised. For no clear reason, the government drafted a Logging and Marketing Agreement for the Ulingan Development Corporation which placed the agricultural part of the Kumil Timber Project under the control of the timber company, Madang Timbers. The latter did not take the agricultural component seriously. Representatives of Madang Timbers admitted at a meeting with the Ulingan Development Corporation and members of the provincial government after their notice from the Ulingan Development Corporation that they had never intended to comply with this stipulation in their contract (Pesam, 1988; Samarum, 1988). It would seem that, through this project, the government hoped to induce the local people to participate in cash crop production on the land cleared by timber exploitation. However, because of the conditions and their previous experience with cash crop production, the local people do not seem to be very interested.

### **Opportunities for employment**

There are only limited possibilities for employment within the Kumil Timber Rights Purchase Area. However, the number of educated young people

looking for jobs is steadily increasing. But, while many families are constantly searching for money to meet their needs and obligations such as school fees, taxes, clothes etc., relatively few people migrate to Madang and other more distant centres.

Within the Kumil region, the only employment opportunities are in missions and schools but professionals are usually employed from outside. Missions employ a few local men to work in transport, trade stores or as labourers on the mission stations. A small number of women get part-time jobs as housekeepers. Large private cash crop plantations which employ locals are located on the outskirts of the Kumil Timber Rights Purchase Area.

### **The timber business – local benefits**

These limited sources of income do not meet the increasing demand for wage work by the local people. On all sides, the sale of timber is seen as the easiest way to earn money; the forest, which has always been there, can bring in money and “development” without lifting a finger.

Ideally, people ought to benefit from timber utilisation in the Timber Rights Purchase Area in various ways:

- from non-financial services such as public buildings (schools, health posts) and roads (including bridges and fords) which are often the main interest of the local people.
- from financial benefits such as the down-payment when the Timber Rights Purchase agreement is signed; royalty payments every half year; optional payments on the part of the provincial government to the Business Groups of the landowners' company; from the Ulingan Development Corporation, as their own company; optional payments on the part of the Ulingan Development Corporation to its Business Groups; and income as employees of the Ulingan Development Corporation and the logging operators (see Diagram 2).

In general, the benefits the people have had from the Kumil Timber Project differ greatly from their expectations. Their legitimate demands are not met and false hopes, which are stirred up by the lack of information on the timber projects, are dashed. The people have not gained much in the way of infrastructure. Neither the construction of the road from Malala to Manuga/Raraiba nor that from Ereinduk to Tarikapa has been started. Both logging operators primarily use the timber along the main road on the coast between Pepaur and Sikor. This is easily accessible and cheapest to fell. Further inland, around Tarikapa-Mawak and Aleswab-Gugubar, people have never known if and when their timber would be utilised. Now they are impatient more than ever for a road.



We noted earlier the extraordinarily low down-payment of K 109 by the state to the customary landowners for the acquisition of usufructuary timber rights. There are also several other problems with the financial benefits from the sale of timber. Between 1984 and 1987, the people received two royalty payments from the first timber company, Ottley & Ottley, which declared itself bankrupt in 1986. The payments were K 62 per clan and K 111 per clan respectively (Tagunsi, 1988; UDC,1988). The second logging operator, Madang Timbers, did not pay the local people royalties at all. This contravenes the Timber Rights Purchase procedure which states that every half year, the people should get 2.75 per cent of the sale price of timber (Office of Forests,1979).

Within the Kumil Timber Rights Purchase Area, there was an additional problem with the royalty payments because they were paid to the whole population within the project area but derived from the sale of timber belonging to only a few clans on the coast. Nowadays, as the future of the project is very uncertain, those clans which have lost part or all of their timber resources are claiming money back from the others who received money as a "compensation" for their loss.

If the provincial government's timber business is prosperous, it can make optional payments to the Business Groups of a landowners' company. Presumably, this strategy is a way of pleasing the local people when there are other problems with a timber project. In fact, each of the Business Groups from the Ulingan Development Corporation has a savings bank account containing K 217 from such a payment. These savings books are deposited with the provincial government where they are not easily obtained (Tagunsi,1988). K 217 is not nearly enough for the Business Groups to start up business activities.

By means of a landowners' company like the Ulingan Development Corporation, 15 per cent of the total sale price of the exported timber ought to remain within its area of origin. This money is intended to help further development of the area. The Ulingan Development Corporation received K 150 000 from logging operations by Ottley & Ottley between 1984 and 1986. The major part of this sum was spent by the Australian Ulingan Development Corporation manager for his own salary and expenses. With Madang Timbers, the Ulingan Development Corporation had an income of K 16 000 in 1987. At present, K 10 000 are left in a bank account.

If the financial situation of the landowners' company permits, it could ideally make contributions to its Business Groups in order to support their own business activities. The Ulingan Development Corporation has never made any payments to its Business Groups. This is not surprising considering the Ulingan Development Corporation's financial difficulties and the priorities set by the first Ulingan Development Corporation manager.

Since only a few local men were ever employed by the logging opera-

tors, only a small amount of money was received by the local people as wages. One of the people's main criticisms of these companies relates to this fact.

The Ulingan Development Corporation itself provides an income for the management and for the nine members of the Board of Directors. As the Ulingan Development Corporation was always managed by expatriates, salaries were paid to outsiders. The Australian businessman paid himself an expatriate salary whereas the Canadian volunteers received salaries based on local PNG salaries. The members of the Board of Directors are the only local people regularly earning money through the Ulingan Development Corporation. The Australian Ulingan Development Corporation manager determined a monthly allowance of K 20 and K 50 as a quarterly fee for the Board. Some members of the Board of Directors admit that for many years they were flattered by such payments (Adinga, 1988) and that the position of Ulingan Development Corporation's Board of Directors members has become very prestigious. Some younger Board of Directors members, who are highly motivated and really want to work for the benefit of the people of their area, are against such high payments. They demanded that the sitting fee be reduced to K 7 and the additional fee cancelled. This was at the root of repeated conflicts between the members of the Board of Directors, but aware that Ulingan Development Corporation's financial situation was precarious, payments were lowered at the annual general meeting 1988. This income has more importance for some than for others. In particular, men from the hinterland, where access to money is difficult, seem to depend on this regular income.

Until now, women have not been considered as potential employees, either by the timber companies or by the Ulingan Development Corporation. This has been mentioned by only a few women.

Altogether, the people of the Kumil Timber Rights Purchase Area have enjoyed neither financial nor non-financial benefits from the timber project as otherwise intended in the Timber Rights Purchase framework. They are upset about the disproportion between the amount of timber they lose and the amount of money they gain. But still, many of them have not yet entirely given up hope that a large-scale timber project will do them some good. How many negative experiences will it take to change their minds?

## Socio-cultural conditions

### Seven local language groups – Communication

The Kumil Timber Rights Purchase Area includes seven different local language groups some of which are divided by the project boundary. This has led to a situation where half the people from one language group may be subject to Timber Rights Purchase conditions while the other half may dispose of their timber as they wish.

The seven language groups differ from each other in various ways. For instance, the Bunabun language is understood by the three adjoining groups, the Ereinduk, Pepaur and Tavulte-Korak, each of which also has its own language. One common language is spoken in the Meiwok and Tarikapa area and another one from Ulatepun and to the line running between Aleswab and Gugubar. Mawak people have their own language which is understood by their neighbours. The language groups are very small but there have always been people who know more than one language.

Nowadays, one of the lingua franca of Papua New Guinea, Melanesian Pidgin, is widely spread over the northern part of the Island. A series of factors contributed to this fact: missions, schools, administration, radio stations, a weekly newspaper (*Wantok*) and modern migration within the country. Nevertheless, local language is a very important means of group identification. Whenever possible, people interpret any kind of conflict as an ethnic one.

Parallel with language, there is always an ethnic or cultural distinction to be made. This refers more to the social, political and ideological spheres than the economic. Traditionally, environmental conditions played a part in the variations between groups, such as between coast and inland or between plains and mountains. The introduction of a Western economy has erased economic variations between groups and the strong influence of Catholic and Lutheran missions over the past hundred years has had a similar effect on cultural differences.

The fact that the Ulingan Development Corporation encompasses several different local groups causes various problems. There are no guidelines for dealing with local groups which traditionally clearly marked themselves off from each other. This situation is completely new. There is no procedure to ensure that each language group is represented on the Board of Directors which is elected by the 23 Business Groups; sometimes a language group does not even have its own representative. Each member of the Board of Directors is responsible for a certain part of the Timber Rights Purchase Area which does not necessarily coincide with his own territory of origin. If it does not, the Board of Directors member has a rather difficult job. He may be biased against the local people and they in turn may not

fully accept him as their voice within the Ulingan Development Corporation. This can make the work of the Ulingan Development Corporation very difficult.

Traditional means of communication are still frequently used, particularly in the remote hinterland of the Kumil Timber Rights Purchase Area. Verbal messages work quickly and reliably. For the announcement of small pieces of information or a meeting, a slit drum or, more recently, a piece of metal such as an old car wheel rim is beaten. This can be used for long distances. However, this system is not efficient enough for the transmission of more complex information. The Madang provincial radio station therefore plays an important role nowadays. This radio station is open to all individuals and groups. Many distant settlements have a small battery radio receiver and the owner enjoys a certain measure of prestige as a source of information. In rural areas, newspapers are of minor importance. They circulate, if at all, along the coast. But even there, they are mostly appreciated for the paper, which is used to make cigarettes.

It is mainly the people living inland who complain of a lack of information and communication. The members of the Ulingan Development Corporation's Board of Directors are meant to encourage and participate in regular meetings throughout the whole Timber Rights Purchase Area in order to keep in close touch with the local people and their respective needs and problems. Some of the Board of Directors members do not carry out their duties.

### **Settlement patterns – Social relationships**

The traditional and prevailing settlement patterns in rural areas are connected with the horticulturalist mode of production. People live patrilocally, in patrilineal clans or family-units scattered all over the bush. The settlements are surrounded by gardens. Every few years the houses, made from forest materials, collapse and rot away. New houses and new gardens have to be made. In this manner, there is constant migration within clan territories.

Inside the settlement, kinship and age groups are the most important basis for men's social relationships. Hunting, if it is still carried out, and demanding work such as house building and clearing of land is often done in co-operation with others. Leisure time too is frequently spent together. A married woman has some obligations towards her husband's family. Nevertheless, her relationship with her own family remains important. When daughters marry, mothers lose the women who were formerly their helpers. Compared to men, women are less likely to work in collectives and to live in peer groups.

Marriage is the most important factor regulating relationships between settlements or villages. A married woman is a crucial link between her husband, on one hand, and her father and brothers on the other. A woman's husband and the men in her family are the main partners in an exchange of what was, in the past, prestige goods and today, services. A man's brothers-in-law have a right to preferential treatment over others. For instance, a man owning a car has to offer his services as a driver to his brothers-in-law at any time they need it.

As a result of modern migration within the country, marriages between people living long distances apart have become more common. In addition, young people nowadays prefer to choose a marriage partner themselves rather than being subject to the wishes of their fathers who want to establish exchange relationships with certain clans in the area. Such modern marriages may threaten the previously clearly defined reciprocity between the families of the wife and husband, particularly when a marriage is between members of two different ethnic groups or when their families live very far apart. Conflicts often result and the woman may come under pressure from both sides.

Patterns of settlement and relationships have greatly changed as a result of the influence of missions, the state and the modern economy. Large settlements have grown up in certain places, particularly where roads have been built. There, houses are often made from planks of wood with corrugated sheet-iron roofs and there are facilities such as electricity from a diesel generator, water tanks, trading stores, installations for the processing of cash crops, health posts, schools etc. The population is not only larger than in traditional settlements but it is mixed ethnically. Besides the local people who live by subsistence production and partly by paid labour, outsiders employed as professionals move in with their families (Morauta, 1974).

Both the churches and the administration have introduced new types of organisation in these settlements. In some places, people are united every evening by a church service. Women's groups and community-work days have been established. Women's groups or adult groups are brought together on certain days to maintain their surroundings (to cut grass, to clean areas of public buildings such as schools, missions, health posts, government offices, and to repair roads etc.).

Bunabun, Ulingan, Meiwok and Ulatepun, within the Kumil Timber Rights Purchase Area, are examples of large settlements or centres. People from inland started to migrate towards the coastal road a long time ago. Many people from other parts of PNG have also settled there. The people have noticed changes in relationships between individuals and groups. As a result of a growing horizontal and vertical differentiation of the population, new types of social conflicts have emerged. Despite one hundred years of missionary work, sorcery is seen as the explanation for tensions as well



*Log Point: There used to be primary forest before the timber company clear-felled the area to establish infrastructure for the Kumil Timber Project. Today, only scraps of worn-out machinery are lying around.*

as a means to control them. This may now be even more important than in the past.

The Kumil Timber Project has encouraged the trend towards intensive colonisation of the coast. From 1984 to 1987, the centre of the project was located at Log Point. Employees brought in by the timber companies were provided with housing. There was a sawmill, a workshop and a storage area where logs were chemically treated and then loaded on ships. Houses were built with local materials for casual labourers, but these are now inhabited by people from Meiwok and the rest of the centre no longer exists. According to the Timber Permit, there should have been more infrastructure concentrated on this spot including an office for the Ulingan Development Corporation, more houses for employees and a health post to be handed over to the provincial government later on.

In this context, it is interesting to look at another regional project, Yoro Cocoa Developers, at Yoro. When this project was initiated 25 years ago, an opposite strategy was pursued. As Cargo Movements were again becoming established near the coast of Bogia, some Catholic missionaries decided to establish a project with the local people in the hinterland of Yoro to prove to them that through their own efforts conditions could be improved. Samarum, 1988).

In the beginning, the local people were forced to work. Nowadays, the Yoro project is completely owned by the people. A road leads to Yoro where a variety of economic activities are taking place. At first, cocoa and coffee were promoted and the necessary installations for their processing were constructed, but later, timber utilisation (by means of the Timber Authorities) was added. A sawmill and carpentry workshop were set up. Means of transportation were bought and a mechanical workshop was built. All the professionals in this project are local men. The management of Yoro is generally conducted by Cuso consultants while casual work is divided between those interested men and women on a rotation basis. In this way, everyone has access to some income, in addition to subsistence production and some cash crop production.

While Papua New Guinean migrants will usually establish contact with the local people, white people working on such a project usually live very differently. At work, they separate themselves from the Papua New Guineans by using the work hierarchy, and their private lifestyle is different altogether. Their social life is orientated towards other whites living within a large region. For instance, the Australian Ulingan Development Corporation manager spent most of his time in Madang. Employees of Ottley & Ottley and later on, of Madang Timbers used to live in large houses on the hill above Log Point. The Cuso consultants used to stay at Yoro, outside the Kumil Timber Rights Purchase Area. Still, many local people said they had appreciated the arrival of people of another kind. They were fascinated by Australian and Malayan strangers, their different looks and habits, new kinds of social events.

### **Schools – Youth**

The first schools of the region were set up by missions. Quite a lot of the present old people attended classes for a few years during their childhood. Now, community schools (Grades 1 to 6) are government run, though some of them are still supported by the Church. Parents have to pay a small school fee and are supposed to participate in monthly meetings of the Parents and Citizens Association where they are allocated work tasks around the school and receive information.

Along the coast, where an adequate number of schools exist, every child can attend classes. But where schools are rare, for example in Ulatepun and Susure, many children live too far away to be able to attend. Those children not attending school work in the tasks assigned to them according to the sexual division of labour within the traditional society.

The regional high school (Grades 7 to 10) is situated at Malala. This school is under the control of the Catholic Church and, therefore, extremely well provided for (24-hour power supply, production of their own teaching

aids, means of transport, and a trading store). With space for 1 000 male and female students, this school is very large by Papua New Guinea standards. The school fee is K 250 per year which is the same as everywhere else in PNG. For many people, this amount can only be raised if members of the whole clan jointly contribute. In this way, a group of people invests in the future of one elected girl or boy, hoping they will reap the benefits later when the young person gets a well-paid job. However, often such hopes meet with disappointment. The majority of young people return to their villages after completing grades eight, nine or ten and only a few succeed in getting a place in further education or find employment in Madang or elsewhere.

Western-educated young people can have serious problems when they return to their families and find themselves confronted with a traditional lifestyle. They feel totally alienated from their own people after living a Western lifestyle for years and being introduced to different values by modern teaching. All of a sudden, they find themselves doing hard physical work in subsistence gardens, cash crop plantations and in the village. They have to respect the Elders and conflict between generations has become a question of conflicting cultures. This situation can be particularly hard for young women, where the contradiction between traditional and modern gender roles can be especially acute.

A growing number of young people who do not live in the villages through choice started some activities partly to cope with such problems. Many young men earn money individually on other people's cash crop plantations while women are called upon to assist their families. Some people formed youth clubs in order to give themselves something to do and many of the clubs have social aims. Sometimes, the members give their labour free to old, sick or isolated people and repair or construct houses, work in subsistence gardens, collect water and firewood etc. This way, young people have gained a lot of approval within the community.

## **Political conditions**

### **Democracy - Hierarchy**

In Papua New Guinea, traditional societies are usually small and egalitarian with a long tradition of democratic decision-making. Clearly defined groups of clan leaders - women and young men excluded - debate on public affairs until an accord is reached. However, such agreements do not necessarily mean the end of a discussion. At any time, a debate can be recommenced if one of the participants no longer approves of a previous arrangement. Decision-making is an endless series of compromises from which all



the people concerned try to benefit as much as possible. Clan magic may also be of importance in taking decisions (Sack,1973).

Traditional hierarchies and authorities are based on the relationship between old and young men and the relationship between men and women. Under the influence of German, English and Australian colonisation, new types of hierarchy and power and new principles of democracy were introduced which the new Papua New Guinea state took over when independence was declared in 1975:

- stratification of political structures from the levels of village committee, local government council, provincial government to national government,
- a system of deputyship; a deputy often has to represent a whole group which has not yet reached any accord,
- clans or local groups necessarily having to identify with larger units than in the past,
- a procedure of election related to the principles of majority and minority,
- the final validity of decisions recorded in writing and no longer controlled by one social group, but by legal authorities.

There are many problems with the implementation of these new organisational principles. Well known systems clash with new and unfamiliar requirements which seem very abstract to the people. Whereas traditional policy-making aims at guaranteeing the continuity of the existing situation, "development" is the slogan for the current Western type of politics.

### **Local Government Council**

The people are most aware of the Local Government Council (LGC) as an introduced democratic structure. The Australian administration began to set up this institution in the 1970s (Fenbury,1980). Each province is divided into several districts and sub-districts which are the basis of the Local Government Councils.

The population of the Kumil Timber Rights Purchase Area belongs to two different districts and, therefore, to two Local Government Councils. The boundary follows the Kumil River, which is the most prominent natural border within the region, with Madang District in the east and Bogia District in the west. However, the Kumil Timber Rights Purchase Area encompasses only a part of each of both Districts. The part of the Kumil Timber Rights Purchase Area which belongs to the Madang District, belongs to the Sumgilbar Local Government Council; the part belonging to the Bogia District forms part of the Almani Local Government Council. Both Local Government Council headquarters are located outside the Kumil Timber Rights Purchase Area but both have a strong influence on the respective populations within the Kumil Timber Rights Purchase Area.

The primary duty of the members of the Local Government Council is to collect head taxes. The taxes go to the provincial government which, in return, distributes money for village development (water supplies, schools, aid posts, roads etc.). Many people disapprove of this "hidden" exchange of money and consider the government as something abstract and untrustworthy. They prefer to spend their money directly on their projects themselves. As the government's financial means never meet the demands of the local people, Local Government Councils usually compete amongst each other for government money which can lead to disputes between the Local Government Councils.

It is not only the duty of members of the Local Government Councils to find out people's urgent needs, there are also village committees to assess conditions in the settlements. The other function of these village committees is to settle private and public conflicts. Cases have to be brought to the police only if a conflict cannot be settled. In PNG, the police operate at the village level.

It is not surprising that, at its establishment in 1984, the Ulingan Development Corporation was conceived by the local people as an alternative to the Local Government Councils. First of all, many people are not familiar with the political structure and function of the Local Government Councils. Secondly, a lot of people are dissatisfied about the (exaggerated) demands of the villagers and the Local Government Councils' "inefficiency". Thirdly, there is also a confusion about the Ulingan Development Corporation because it is both a public and a commercial body.

Both organisms, the Local Government Council and the Ulingan Development Corporation, deal with "development". Consequently, members of the Ulingan Development Corporation's Board of Directors were, and are, seen as rivals to Local Government Council members. Even now, some people think of the Ulingan Development Corporation as a substitute for the Local Government Councils and feel it should be responsible for all public matters. After the Ulingan Development Corporation was set up, many people refused to pay taxes to the Local Government Council (Adinga, 1988). As a result, the Local Government Councils were not only weakened financially, but their legitimacy as a whole was questioned.

Members of the Ulingan Development Corporation have also suffered from misplaced expectations of the local people. They sometimes have difficulties in distinguishing themselves as individuals from their role as Local Government Council members. A Local Government Council member can often be strongly supported by his own personal followers, who are mainly men from his own clan or local group. When there is a conflict of interest, such groups oppose each other according to traditional alliances.

Communications and public relations between the members of the Local Government Council and the Ulingan Development Corporation's

Board of Directors are rather difficult. Sometimes discontented individuals or groups threaten a member of the Board of Directors or Local Government Council with sorcery. This kind of pressure can lead to the neglect of public duties.

High demands are made on a member of the Local Government Council as well as on a member of the Ulingan Development Corporation's Board of Directors. He has to have social prestige and, at the same time, the experience and knowledge necessary to deal with the modern world (for example to deal with government representatives, business people, money and legal matters). Therefore, it can be difficult for the people to elect the "right man" for such positions. Old men have prestige, but they often lack the education necessary to manage current economic and social situations. Their wisdom is redundant in this context. Young men dispose of more modern knowledge, but lack a general maturity and experience of life. Hence, they do not necessarily have the social standing to fill an important public position. According to the opinions of today's influential men, women combine all these disadvantages.

### **Provincial and national government**

A Timber Rights Purchase Area and an undertaking like the Ulingan Development Corporation are subject to the interest and political power of the provincial and national governments for a variety of reasons. Both governments draw income from timber projects. Moreover, project areas are defined as "economically interesting zones" and are important for the infrastructure which is built. The people living in a project area are socially, politically and ethnically recorded, and, if necessary, controlled.

Several political representatives have economic interests in the Ulingan Development Corporation. Some regional deputies within the national government repeatedly approached the Ulingan Development Corporation to try to persuade it to undertake a lucrative timber and cash crop business in return for not being "too critical" of the logging operators. In most cases, they were business people, who saw themselves as potential managers of the Ulingan Development Corporation (Samarum,1988).

The Madang Provincial Minister of Forests is very interested in events which relate to the Kumil Timber Project. As he is an important clan leader within the area and has a large timber resource at his disposal, he strongly supports the idea of developing a profitable large-scale timber business now and a cash crop business later on (Owet,1988). It is well known that politicians who succeed in bringing "development" and open the way for Western economy in their region have a good chance of re-election. When the Ulingan Development Corporation fired Madang Timbers in mid-1987, the Madang Provincial Minister of Forests urged the landowners' company

until January 1988 to repeal the decision. Between July and December 1987, the radio broadcasted several propaganda items on the part of the provincial government against the Ulingan Development Corporation saying that UDC had "stopped development" within the Kumil region (Pesam,1988; Samarum 1988).

At one particular stage, the relationship between the Ulingan Development Corporation and the provincial government was especially precarious. As papers show, the Madang provincial government demanded in 1987 that Cuso's PNG headquarters withdrew the two volunteers working for Ulingan Development Corporation's management (UDC,1988). Provincial government officials accused these volunteers of interfering in affairs which were not of their concern. In accordance with the UDC's Board of Directors, and, as they believed, in the interest of the local people, the two Ulingan Development Corporation's managers had started to control the activities of the logging operator, Madang Timbers. They discovered various contraventions of the contract with the Ulingan Development Corporation and began to criticise Madang Timber. Thus, a competitive situation between the Ulingan Development Corporation's managers and the provincial government was created. For reasons not fully known, the Provincial Minister of Forests and other people within the provincial government were not very interested in controlling Madang Timbers. On the contrary, when the Ulingan Development Corporation complained about the violation of the contract by Madang Timbers, the provincial government urged the Ulingan Development Corporation to interpret the Logging and Marketing Agreement "loosely" (Pesam,1988; Samarum,1988).

Whereas the provincial government and, in particular, the Minister of Forests are concerned solely with economic interests, the protection of the environment and any contraventions by the logging operator of the contract with the Ulingan Development Corporation are a subject for the National Department of Forests and the National Minister of Forests (Horik,1987; Mantu,1988). In the case of the Kumil Timber Rights Purchase, the Timber Permit given to the UDC was also contravened.

The Ulingan Development Corporation realised repeatedly that the national and provincial Ministries of Forests had different, or even opposing, ideas about the problems and interests of the Ulingan Development Corporation. Several times, the Ulingan Development Corporation received confirmation from the National Minister of Forests and from the National Department of Forests officials that their dismissal of Madang Timbers was valid and that the Ulingan Development Corporation had a right to compensation from that enterprise (Horik,1987; Tagamasu,1987). But, since the Ulingan Development Corporation has had no management, some serious problems were posed for the Board of Directors. For those men who lived scattered throughout the project area, it was impossible to main-

tain the necessary contact with the national government through their monthly meetings. This communication problem may have been one of the reasons why the National Department of Forests put the Madang provincial government in charge of the problems of the Ulingan Development Corporation. But it is also questionable how far the National Department of Forests was able, and really willing, to deal with the case of the Ulingan Development Corporation, since the U D C remains a sort of complicated pilot project related to a Timber Rights Purchase. Under the present circumstances, it is very doubtful if the Ulingan Development Corporation's problems and the local people's interests will ever be clearly examined.

### **Development aid organisation**

The Ulingan Development Corporation was susceptible to another political influence: that of Cuso, its partner organisation. Members of Cuso in Papua New Guinea admit that they neither formulated sound ideas about timber utilisation in PNG nor explicit conditions for participating in the Kumil Timber Project after having been asked by the government in 1986 to become involved (Swale,1988). Rather, Cuso's engagement in this project seems to have been sort of an emergency act. When they sent volunteers to the Ulingan Development Corporation in 1986, they had in mind, first of all, to offer a more adequate, open and just management to this landowners' company than the one the Ulingan Development Corporation had experienced before under the Australian businessman. The Ulingan Development Corporation no longer ought to be subject to financial exploitation by its own management. Another important aim was to co-operate closely with the nine Board of Directors members. Their decision-making capacity should be strengthened. Cuso wanted to ensure that the Ulingan Development Corporation was the local people's company (Swale,1988) since the previous manager had taken all the important decisions by himself.

In the course of practical co-operation with the Ulingan Development Corporation, Cuso started to collect information relating to the forestry industry in Papua New Guinea (Swale, 1988). In the beginning, it had little understanding of the different methods of timber utilisation and their consequences for the ecosystems and, consequently, for the people. Now, after having had dealings with Madang Timbers, Cuso stands firm by the statement that it is no longer willing to support any kind of timber project. It insists that a project programme and methodology must show clearly that a timber resource will be utilised in a sustainable way. This means that the forest as the basis of rural life has to be absolutely guaranteed for the future.

Because of this point of view, the Board of Directors members of the Ulingan Development Corporation are now very uncertain whether the Kumil Timber Project will be able to count on future support from Cuso.

If, despite experiences with large scale logging operations, the local people still vote for the same kind of timber project – a timber project without any sustainable resource management – Cuso will have to pull out of the Ulingan Development Corporation. This could mean that the Ulingan Development Corporation might again be open to exploitative management by a private management agency as it was before. In principle, the future of the Kumil Timber Project is in the hands of the local people. The Ulingan Development Corporation's 23 Business Groups and the nine Board of Directors members are the ones to take any decision.

But what is the role of a development organisation if not to support people's learning and awareness process, especially in this very complex situation where important decisions are being taken with long-term effects for the forest as the basis of livelihood for the indigenous population. Without an organisation like the Ulingan Development Corporation, the people of the Kumil area will again be totally defenceless against outside interests, manipulation and pressure and also at the mercy of their own lack of experience.

### **III. Discussion**

In this last section, I will look at the Kumil Timber Project more closely, first, at its approach and development, then at the contradictory situation of the landowners' company. Finally, I will suggest some ideas for development.

In Papua New Guinea, the timber resource has certain protection from economic interests. The Constitution requires that the natural environment and Melanesian cultures be protected. Forestry acts and a variety of other acts limit timber utilisation so that timber resources may be protected and form the basis for the livelihood of the people and the wildlife. Furthermore, the local people have certain rights to land and resources. Legally, the state cannot force any utilisation of resources against the wishes of the people.

In practice, timber extraction in PNG is often far removed from the theoretical prerequisites. The question of whether the existing legislation for timber utilisation is sufficient was raised when we looked at Saulei's criticism of the forestry acts in the last chapter. However, a fundamental criticism of the Timber Rights Purchase structures is a very difficult and complex task and here we will only deal with the major problems which present themselves in relation to the Kumil Timber Project.

Chapters I and II dealt with the Kumil Timber Project and the difficulties related to it. The origin of this timber project and the people's experiences were not dependent on the existence of land rights or limitations to timber utilisation in Papua New Guinea. Both the people within the Kumil Timber Rights Purchase Area and members of the Ulingan Development Corporation's Board of Directors lack an understanding of, and identification with, the Kumil Timber Project; it is something new and strange. They consider that through no responsibility of their own, their environment has been destroyed owing to logging operations and they no longer know what their future will be.

#### **Criticisms of the Kumil Timber Project**

##### **Project development from above versus control from below**

A Timber Rights Purchase is a state tool used for the implementation of timber projects. Generally, in Papua New Guinea, there are strong ties between the local people and provincial politicians. These local representatives feel an obligation to care for the "development" within their constituency although, in practice, they frequently promote their own particular interests. National politicians are also influenced by their allegiance to their

own people and place of origin; however, their political experience makes them aware that, in order to be re-elected, they have to represent regional, or even national, interests. In this aim they know that visible success is important and there is strong rivalry with other politicians. "Development projects" offer good opportunities to acquire a strong image but, partly for this reason, there is always the danger that in the projects the local people will be overlooked.

We will try to determine to what extent local factors concerning the Kumil region were taken into account when the Timber Rights Purchase and the Ulingan Development Corporation were established, and the project programme – the Timber Permit – was designed.

When an extensive project is initiated and developed by "outsiders" and "from above", it is crucial for the local people and local conditions to be in agreement with, and to support the project as much as possible. If a timber project does not begin with a consideration of the natural environment and its present utilisation by the local people, irreparable harm may be done to both. Once the people become aware of the effects of the project on their lives it is usually too late to do anything about it. If a project does not take all economic, political and socio-cultural conditions into account, there is a danger that the local people will neither accept nor take part in the project. At best, a few individuals may benefit but such a situation will aggravate existing tensions between generations, between women and men, and between subsistence producers and wage labourers.

### **Timber Rights Purchase Area: the boundaries and size**

When the Kumil Timber Rights Purchase was established the local people received no information or clarification about it and government officials did not clearly investigate the area. The 60 000-hectare project area is very heterogeneous and does not easily form one unit.

The people of the nearby project at Yoro also belong to the same local language group. The forest belonging to all these people is a large common resource area. The Yoro project started with timber utilisation some time ago. Individual trees are felled on a small scale and cut into planks by small mobile saws which are carried around in the bush. In the Yoro carpentry workshop, timber is further processed and used for furniture and houses. Some of the timber is sold in local markets. For the people in Gugubar-Raraiba it would be very feasible to have their timber utilised by the Yoro project in the same way but because the Timber Rights Purchase boundary is in the middle of the common forest area, this is impossible. All the rest of their commercial activities, such as transport, cocoa and coffee processing and marketing, savings accounts, etc. are already handled through the infrastructure of the Yoro project.



The Kumil Timber Rights Purchase Area does not correspond with local administrative units. The Kumil Timber Rights Purchase Area covers part of two different districts and Local Government Councils. One part of the Kumil Timber Rights Purchase Area belongs to the Bogia District and is influenced by Bogia District authorities while the other, although belonging to Madang District is administered by the Madang provincial authorities. Thus, the Kumil Timber Rights Purchase Area is subject to various influences at different levels. This was particularly relevant when the Bogia District authorities supported the Ulingan Development Corporation in their fight against Madang Timbers and the interest of the provincial government.

The disparity between timber resources from the coast and the inland areas was not considered when the boundary was defined. This situation has led to a severe imbalance within the project. Similarly, the experience of the local population was not taken into consideration when defining the Kumil Timber Rights Purchase Area and they see no logic in it.

### **Business groups: an ill-conceived democracy**

The concept of a landowners' company suggests project development from the grassroots. On the contrary, the background for the Ulingan Development Corporation is based upon the government's experiences of timber projects in other areas where the National Department of Forests gave the development plan -the Timber Permit- to a foreign timber company. As we saw earlier, the Ulingan Development Corporation was set up by the Madang provincial government according to Western ideology and standards. The board of directors was elected and 23 Business Groups set up in a very short time between 1983 and 1984. Had the people themselves created the 23 Business Groups and had a real say in the setting up, structure and size of the Ulingan Development Corporation, the process would have taken much longer.

The local people complain that the 23 Business Groups were set up artificially, that they are meaningless, unrepresentative and distributed haphazardly over the Timber Rights Purchase Area. In contrast, business groups initiated by the people themselves are usually independent family or clan business groups which are based upon a background of traditional relationships and reciprocal agreements within the community. The former merely serve the purpose of voting for the Board of Directors each year. Apart from the fact that they have a savings bankbook, kept by the provincial government, and as we saw earlier, they have not received any money from the Ulingan Development Corporation with which they could develop their own small business activities. Expectations have been raised but nothing has materialised. Members of the Business Groups are frustrated by this

situation and drained by efforts to maintain the whole Business Group structure of electing a chairman, secretary and treasurer every year. With their initiatives and strength lost, the people are, at the same time, afraid they will not get anything from the provincial government if they give up the Business Groups.

The local people consider that the Board of Directors does not represent the local situation at all. They reflect neither the number of clans nor the distribution of profitable timber resources. The 23 Business Groups have created an imbalance to which the people are very sensitive and therefore they do not accept the Business Group votes within the Ulingan Development Corporation as democratic. As each clan owns only one share, the financial significance of the Business Groups for the Ulingan Development Corporation is small. The purpose behind the constitution of such Business Groups was to integrate the landowners' company into the population but it was clear at the Ulingan Development Corporation annual general meeting in 1988 that the people do not consider it integrated. They decided to modify the election system and gave each Business Group, irrespective of the number of clans it comprises, three votes. This must be seen as an attempt by the people themselves to correct, at least partly, the mistakes made when the Ulingan Development Corporation was set up.

The members of the Board of Directors are well aware of the size of the project area and its contradictions and struggle with the situation.

The Local Government Councils present another difficulty. This structure is responsible for public matters and the people are now slowly coming to understand and accept it. However, it has always been, and still is, seriously jeopardised by the setting up of the Ulingan Development Corporation. The provincial government is causing problems for itself. On the one hand, it wants to encourage institutions like the Local Government Councils and spends money on them. On the other hand, the progress of the activities of the Local Government Councils is jeopardised by the same government's responsibility to landowners' companies. The newly developed conflicts over the competence and functions of members of the Local Government Councils and the Ulingan Development Corporation illustrate a process of disintegration.

### **Centralisation versus equality – power through size**

A centralised organisational body like the Ulingan Development Corporation is not traditionally Melanesian. Among other things, the members of the Board of Directors have a high degree of responsibility and decision-making power which most of them have not the experience to carry out.

There is no guaranteed continuity within the Ulingan Development Corporation. A member of the Board of Directors who has gradually be-

come more or less aware of his function and the timber project, may not be re-elected at the next annual general meeting. Here, cultural background may be seen to play an essential role. Within the traditionally egalitarian societies, leading positions are not permanent or hereditary. Men of a certain age continually compete for leading positions within a group. In the same way that subsistence and prestige goods are circulated amongst the people, roles within a group are also constantly distributed (Morauta, 1974). Today people still have a preference for these methods.

Therefore, rotation within the Ulingan Development Corporation's Board of Directors is high. In 1988, there were only two people who had been members of the Ulingan Development Corporation since 1984. Perhaps because of the inevitable disappointments the people suffer from the Kumil Timber Project, they continually place their hopes in new persons. Only recently has there been an Ulingan Development Corporation's management which was aware of such problems. They understand that if there is no continuity of support the discontent of the local people over the Kumil Timber Project and the discomfort of the Ulingan Development Corporation's Board of Directors will continue.

It must be noted too, that the experiences of the people in relation to the Kumil Timber Project have led to a new type of awareness. The fact that they have the organisational structure of the landowners' company, has given them a feeling of a new kind of power. The people of the Kumil region would not have succeeded in their fight against the timber company and the pressure of the government, if they had not had this organisation, and had operated only as much smaller units. The Ulingan Development Corporation has gained a large measure of awareness among the Papua New Guinea population as a whole.

### **The right to self-determination: state versus local people**

The Papua New Guinea state formally proclaims that its indigenous populations have the right to self-determination but in practice it contradicts itself. The right to self-determination of indigenous peoples is seen as a threat to the state's sovereignty and its right to self-determination as a national state unit (Søftestad, 1988).

Therefore, in my opinion, there is a great danger inherent in the Timber Rights Purchase procedure because it gives the local people rights to dispose of land and resources according to modern Papua New Guinea legislation. These rights are not the same as the traditional rights of the people. Therefore, it is the duty of the state to inform the local people clearly and fundamentally about a Timber Rights Purchase when government officials start negotiations about usufructuary rights for a timber project. Only when they are completely informed, can the local people make a decision

as to whether they want a project on their land and, if so, what kind it should be. Only under these circumstances can the specific item included in the Timber Rights Purchase procedure which refers to the conditions and specifications given by the customary landowners be properly applied (Office of Forests, 1979).

If the state, as in the case of the Kumil Timber Rights Purchase, presents itself in the form of officials promising the “friendship of the national government” to the local people, distributing one *Kina* each per clan and shaking hands with everybody, then the people are being denied their right to self-determination. The Kumil Timber Rights Purchase agreement, which has not been legally signed, is an additional scandal showing how the state can push through its own interests regardless of the wishes of the local people.

### **Example: Roads**

The needs of the local people in relation to infrastructure were not considered when the Timber Permit was drawn up, although they had been often expressed. The people of the Kumil region were interested in upgrading the road from Uligan to Tarikapa and continuing it further to Mawak. But the Timber Permit for the Kumil Timber Rights Purchase specified a road between Ereinduk and Tarikapa. The people are not at all happy about such a project. There seems to be no need for it since the inhabitants of those places have not previously communicated or done business together. The Ereinduk people travel to the coast to sell their cash crops and are, therefore, interested in upgrading the existing road to Pepaur. The other Timber Permit road project, from Susure to Raraiba, is not really wanted by the people either. Instead, they would like a much shorter and easier road connection to Yoro, where an installation for cash crop processing and other means of transport already exist.

Both government-proposed roads would not have received the approval of the people if they had been consulted. The reasons why the government drew up the road projects in the Timber Permit are not known.

### **Centre versus periphery**

By means of a Timber Rights Purchase, the framework for a large-scale timber project is laid down comprising the large-scale extraction of timber annually from an extensive area. Implicit in the project is the idea of an exchange of timber for “development”. This approach is based on a technical-economical understanding of development (roads or other infrastructure, income generation). This again is based on the Western idea that by means of the exploitation of natural resources and later, cultivated resources, profits from the hinterland can be drawn off to the centres.

This is illustrated both by the strong interest of the Madang provincial government in a Kumil timber project “at any cost” and by the plan to establish the project centre on the coast where there is some infrastructure already. This would incite migration from inland to coastal areas as people become aware of the development of centres and young people in particular show an interest in leaving the periphery of the project area in search of money and prestige elsewhere.

This is inconsistent with the government’s intended “development” of remote rural areas by means of timber utilisation. As we saw before, the inland people of the Kumil Timber Rights Purchase Area feel strongly that they have been neglected because of the concentration of project activities along the coast until now. When the inhabitants of Sikor Meiwok, on whose land the Ulingan Development Corporation centre was erected and may even be extended, showed little interest in the timber project, some groups active among the Saramun people proposed the establishment of a project centre further inland where people are more dependent on the Ulingan Development Corporation as an employer. They were ready to give land to the Ulingan Development Corporation.

### **Extent of the project – dependencies**

The programme for the Kumil Timber Project which was designed by the National Department of Forests is determined by international standards. The Timber Permit requires 40 000 - 75 000 cubic metres of logs to be harvested annually. The timber business is directed towards exportation. Cash crops must be planted on 150 hectares of land and a variety of infrastructure has to be constructed.

Quite apart from the fact that the local people did not participate in the design of such a programme, the extent and contents of such plans are unintelligible to the majority of the people who, therefore, are not critical of such a project in the beginning. The feeling that “finally something will happen” comes as their first reaction.

As a consequence of the “development” programme tied to the Kumil Timber Project, there is nothing left for the landowners’ company to do other than to enter into a contract with a foreign timber company. Thus, despite the fact that the local body, the Ulingan Development Corporation, holds the Timber Permit, the Kumil Timber Project falls into foreign hands. It is the timber company which decides the work-styles and technologies to be used for logging operations. The local people do not have a say and it is this situation that determines their attitudes towards their passive role and their expectations in relation to “development”.

I have never understood how the minimum and maximum volumes of timber to be utilised are decided, whether and to what extent this is seen

as adequate by the National Department of Forests, and whether and to what extent this is directed by foreign companies as a condition of operation in Papua New Guinea.

If timber utilisation is to meet Papua New Guinea's specifications and interests to a certain degree, the forestry authorities must control foreign logging operations in the bush. These operators have only their own economic interests in mind. It has become apparent that the extent of project areas as well as project programmes formulated by Timber Permits are, as we can see from the Kumil Timber Project, not only inappropriate for local conditions, but also inappropriate for the capacity of the forestry authorities. As Saulei (1988) pointed out, one reason for this may be related to the government's constantly limited means. In addition, I suggest that we should consider the following questions: a) whether forestry authorities are aware enough of the necessity to control existing logging operations, and b) whether they are aware of the importance of discussions on present and alternative practices of timber utilisation and their impact on the environment, its wildlife and the indigenous population.

### **Who is making money out of the Timber Project?**

As the profit of the sale of timber is unequally divided between the local people, the state of Papua New Guinea and timber companies, government officials should ask themselves whether the situation really meets the interests of the whole country.

In most cases, the local people do not know that by signing a Timber Rights Purchase agreement, they accept an income of 2.75 per cent of the total sale price of their timber. Often, people do not get enough information about this matter from government officials but even in situations where they are clearly informed about the financial aspects of the timber project, many people may find it hard to understand the meaning of the figures.

In addition, it seems to be very important to clarify the significance and quality of a modern contract. A Timber Rights Purchase agreement cannot be changed and controlled by the local people themselves as they are able to, when handling their own matters through verbal agreements. A Timber Rights Purchase agreement has a protocol in writing, it covers a long period of time and is finally validated and subject to legal control by outside authorities.

With the Kumil Timber Rights Purchase procedure, the initial down payment by the state to the customary landowners was K109 instead of about K170 770. The current National Department of Forests officials do not know the reasons for this. It cannot simply be said that the state cheated the people out of their income as shown by the low down payment because the difference between the two sums could have been paid later to the local

people as regular payments every six months. But this never happened. So, the people from the Kumil Timber Rights Purchase Area have never received a payment which has been due them for four years. If they had been given the regular downpayment at the beginning of the project, a different situation might exist today. For instance, some clans or Business Groups would probably have invested in their own independent business activities, such as small animal husbandry (chicken and other fowl, guinea pigs, sheep etc.), cash crop plantations and installations for processing and transportation.

The royalties of 2.75 per cent of the sale price of the timber to be paid to the customary landowners every six months were never given as outlined in the procedures (Office of Forests,1979). But even where royalty payments are correctly distributed, they seem to provoke problems in many Timber Rights Purchase Areas. In practice, it is shown that these payments, both as a single rate every six months and as a total rate for the whole period for the sale of usufructuary rights, are so small that the people cannot possibly invest the money. The intention behind the concept of such payments cannot be fully realised. In exchange for their timber, the people should get a regular income on a long-term basis allowing them to pay for their business activities, or for their children's school education. In fact, each family member gets only K1 or K2 from such a payment every six months. This small amount of money buys only a few cigarettes, a bag of rice or a tin of fish. Some clan leaders keep the money intended for their clan members for themselves and arrange a beer party for the men (De'Ath,1980).

The people feel that they have been deceived when they get a ridiculous amount of money for their valuable timber. Each cubic metre is sold for about K200 on the international market but they are powerless to fight for a better price for themselves. Within the Kumil Timber Rights Purchase Area, the Ulingan Development Corporation is held responsible for this bad business practice.

It is the timber company which makes big money out of the timber business. At least 64 per cent of the sale price of timber stays in their hands. If -as in most cases of timber extraction by means of a Timber Rights Purchase- there is no landowners' company like the Ulingan Development Corporation, its 15 per cent also belongs to the logging operator. Customary landowners as well as the Papua New Guinea government always get the same amount as stipulated by the Timber Rights Purchase procedures (Office of Forests,1979). From their income of 64 to 79 per cent, the timber company has to build certain items of infrastructure within the project area according to the Timber Permit given to them.

Timber companies employ a range of strategies to increase their profits. It has been frequently revealed in Papua New Guinea that timber companies sell timber for artificially low prices overseas to a branch of the

same transnational consortium to which they themselves belong (this is known as transfer pricing). Correspondingly, the rates to the relevant local people and to the Papua New Guinea government drop considerably as they are only laid down in percentages of the sale price.

### **Ecosystems - culture: timber exploitation and cash crops versus subsistence production**

The timber business should not be looked at only from a financial point of view. The entire ecosystem is heavily interfered with as a result of timber exploitation over large areas, but especially when existing regulations are violated. Thus, the subsistence livelihood of the people is gravely endangered because the renewable resource, the forest, diminishes.

During the course of talks with the local people within the Kumil region, it became apparent that they do not know how to manage areas affected by timber utilisation. Their experience is that on areas cleared by felling, secondary growth does not develop as it does on forest land cleared for gardens. Up until now, the relationship of the local people with large areas of land cleared with heavy machinery is not clear. In most cases such land is not used at all. This impression is supported in another large-scale timber project in Madang Province, the Gogol Timber Rights Purchase Area, where people do not utilise felled areas. They were attracted to this land at one time by the thought that they would not have to do the onerous work of clearing the land themselves with their own limited tools. But since then, people have gained a lot of experience and because of the now well-known dangers of flooding and soil erosion, they have refrained from planning gardens on such land. Furthermore, they believe that the natural spirits which formerly lived there, are very upset due to the massive encroachment on their area, and therefore, the gardens will have no success at all (De'Ath, 1980).

Through the logging operators' methods of timber utilisation, part of the scarce forest belonging to some clans on the coast, was removed and another part severely damaged. Many logs and tree stumps still remaining are totally valueless. Any spiritual meaning they had for the people has been lost. At many places, protected trees were felled, such as fruit trees and many other plants. Their owners lost a part of their means of subsistence which had been their traditional heritage and which they had tended and planted for their offspring. There was no regard for the need for open space around watercourses, cemeteries, other ceremonial places and settlements.

No investigation has been carried out by the forestry authorities into the extent and type of damage done to the forest and its inhabitants in the Kumil area. The local people along the bay of Sikor-Uligan, however, noticed a remarkable decline in the amount of fish and seafood after the first



timber company had treated logs with chemicals before rafting them to the ships in this natural harbour.

Due to the decrease in forest and the increase in grassland, coastal people find it very hard to get enough land suitable for their gardens. Therefore, they encroach upon the remainder of the primary forest. Although there have been trials in Papua New Guinea for many years (Wau Ecology Institute, Morobe Province), the people have not yet succeeded in developing a more intensive and sustainable horticulture appropriate for grassland.

A realistic outcome of the Timber Permit for the Kumil Timber Rights Purchase Area will be that, within only 10 to 15 years, a considerable part of the population will have to live under completely new economic conditions. Subsistence production will be impossible. A change from subsistence production to cash crop production and wage labour affects the whole culture of these people. The consequences of such sudden changes cannot be foreseen by the people concerned.

The contents of the Timber Permit for the Kumil Timber Rights Purchase Area do not take local conditions into account. The utilisation of the environment by the local people and their practice of cash crop production were never reflected on in the specifications for the Timber Permit.

Cash crop production is considered as a way out of the difficulties experienced by subsistence producers along the coast. Inland, the local people are intent on linking themselves more with the capitalist economy by means of cash crops. The present critical situation of cash crops is, unfortunately, not taken into account. Instead, "development" is accompanied by ideas typical of the "green revolution": intensive mono-cultivation of hybrid species of cash crops which are dependent on fertilisers and pesticides. This will have the effect of threatening the balance of the ecosystem and forcing the people into an extensive net of new dependencies, in particular a growing dependency on income for basic foodstuffs, for fertilisers and pesticides, and on world market prices for their cash crops. Within a short time, these people will become "poor" as their financial means fail to meet their mounting needs and demands. The trend in migration to the outskirts of towns will increase and, with this, unemployment and social conflicts. The wealth of Papua New Guinea and the advantage for the local people - guaranteed subsistence production for everybody - will be sacrificed without any alternative.

Another consequence of cash crop production affects the relationship between the people and the land. In a situation where land is abundant for garden cultivation and long term fallow, the land can be used collectively. But as land for gardens is increasingly in short supply in certain regions, and as scarce land is used more and more for cash crop plantations, a tendency towards individual and permanent land ownership may develop. If land can be owned this way, it also can be bought and accumulated.

In Papua New Guinea everyone has had access to land and resources but now this situation is under serious threat. If land continues to be utilised as it is at present, then in the future there will be people without adequate access to land and resources. Land and resources, once the basis of all life and culture in Papua New Guinea, will become of purely economic interest as they are in the Western world. This will completely alter Papua New Guinea.

## **Women - Men**

Another consequence of this kind of economic "development" and the consequences of cash crop production is on the sexual division of labour and the status of women. Other examples within Papua New Guinea show a strong social change (Sexton,1980).

It is mainly the men whose primary interest is in cash crop production. This may partly be related to patrilocal residence and patrilineal descent and men's disposal of land and resources as in the Kumil area. But more importantly, "development" projects, such as the Kumil Timber Project, are designed by male government officials - sometimes supported by international agencies also mostly represented by men - for the male part of the population. "Development" therefore, often relates primarily to men's living conditions and interests.

When family units, as small growers, start to produce cash crops, the responsibility for subsistence, supply of water and firewood remains with the women. But a woman now has much less support from her husband and older sons who are involved with the cash crop. And so, her workload increases. In addition to this, many women also work on cash crop plantations. Women's working conditions are frequently aggravated by the fact that men wish to establish their new cash crop plantations on the best soil and on land nearest to home to increase production and ease transport. Subsistence gardens are pushed aside onto land which is located further away and onto poorer soils. Women have to walk longer distances to go to their workplaces or, to avoid covering the distance daily, are forced to carry heavier loads in their string bags than they already do. Women's working days become considerably longer and more of a burden.

When cash enters the family economy, by means of cash crops, traditional female subsistence work is often considered backward and inferior. For many people, an irregular cash income is considered more valuable than a woman's regular and dependable contributions to the family economy. Even women themselves often differentiate in this way.

Money can cause many new kinds of conflicts within families. Who controls the money has an influence on a family's standard of living. Whereas men tend to spend money on personal luxuries (beer, cigarettes,

bus rides to town), women use money for the welfare of the family (food, clothes, petrol, soap, etc.).

This situation can be seen in the Kumil Timber Project. The programme, as outlined in the Timber Permit, gives no consideration to the role of women and their possible development. Indeed, women themselves hardly seem to discuss their needs and the changes affecting them. This may be attributed to the nature of women's traditional role and gender relations in society and their inexperience in dealing with the profound and far-reaching changes which are taking place.

#### **Four years of the timber project: views of the local people about the future**

Due to the knowledge gained from experience of timber utilisation over the past few years, and because the people are now much more aware of the heterogenous conditions within the Kumil region, there are many options concerning the future of the Kumil Timber Project.

Along the coast near Pepaur-Tavulte, where the people experienced the methods of timber utilisation of foreign logging operators, there are groups who refuse everyone access to their forest. However, through the existing Timber Rights Purchase situation, they can be forced to allow more tree-felling. Similarly, they are not permitted to carry out their wishes to cut single trees, by means of small mobile saws. The state bought the usufructuary rights for 20 years and now it controls the timber resource. Therefore, the Timber Rights Purchase structure is not flexible enough to allow people to benefit from their learning process. On the contrary, they are hindered.

For some clans within the same area, compensation claims for their destroyed forest are their main concern. They are not interested in a further common future with the Kumil Timber Project. They want to leave the Timber Rights Purchase Area, but they cannot.

Other coastal peoples from Korak-Sikor who do not own a timber resource or only a very small one, have a strong interest in large-scale logging operations in the hinterland of the Timber Rights Purchase Area. As they are included in this Timber Rights Purchase Area, they benefit from timber utilisation and, additionally, have easy access to employment due to the planned project centre close to their villages.

The people in the hinterland of Tarikapa, whose demand for a road was allegedly the origin of the Kumil Timber Project, see a logging operator as the only possibility to get a road. This hope contradicts the actual Kumil Timber Rights Purchase agreement and Timber Permit where nothing like that has been specified. When informed of this fact, the people could not believe it and became upset. They are still surrounded by immense forest areas and so they say that the price of development is not their concern.

Within the Aleswab area, both old and young men agree there should

be small, locally controlled timber projects. The old people want to conserve the forest as their ancestors did. The young men are motivated by a wish for their own income because they can see that very few local men were employed by the timber companies. It is only the men with large families and extended families who are still convinced that a timber company, undertaking large-scale logging operations, would be an advantage.

People around Gugubar feel too removed from the possible project centre of the Kumil Timber Project near Ulingan. They wish to leave the Kumil Timber Rights Purchase Area and join the Yoro project, which is much closer to them and already offers a range of business activities and infrastructure. The members of the Yoro project are also of the same language group.

These conflicting interests can barely be dealt with, let alone solved, under the present Timber Rights Purchase-Timber Permit situation. What is more, they represent a heavy burden for the landowners' company, which is "their" local body within this context.

## **The landowners' company: a buffer**

The example of the Ulingan Development Corporation illustrates the contradictions between the idea and the reality of a "landowners' company" in a timber project within a Timber Rights Purchase framework. The Ulingan Development Corporation has a struggle on all fronts. In order to show the contradictions more clearly, I would like to have set out the aims and objectives the government had from 1983 to 1984 which led to the idea of the landowners' company and the setting up of the Ulingan Development Corporation. However, from talks with National Department of Forests officials (in 1988) it was not clear to me what the intentions were of those in office during 1983 to 1984, so I will put forward my own interpretation of the aims of a landowners' company.

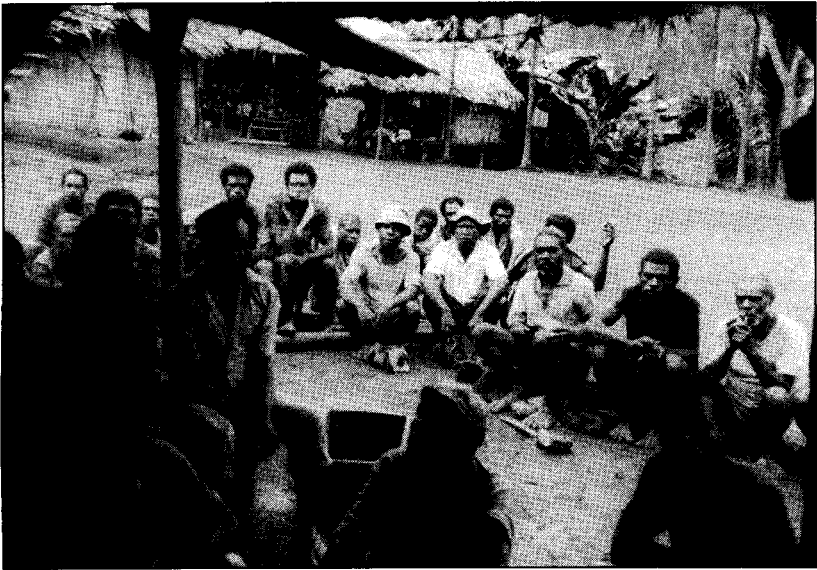
Financially, by means of a landowners' company, 15 per cent of the sale price of timber can be retained within the area of its origin. Business Groups own the Ulingan Development Corporation shares. If the Ulingan Development Corporation's business allows, yields can be distributed to those Business Groups. Thus, by means of a landowners' company, a rural region can develop a monetary economy and, therefore, national interests. Up to now, the financial aspects have not developed as intended for the landowners' company.

By means of a local body including members of the Board of Directors and Business Groups, the Kumil Timber Project ought to be better integrated with the local population than other timber projects without a

landowners' company. But, as shown before, these new structures do not fit in well with local conditions, and to a certain extent they even contradict them.

It is not clear to what extent local decision making was intended in the timber project. The location and extent of the project area and general conditions for timber utilisation are defined by the government by means of the Timber Rights Purchase-Timber Permit situation. With regard to the choice of a logging operator, the Ulingan Development Corporation has the legal right to choose such but, in practice, this choice is extremely limited. In Madang Province, there are only a few powerful timber companies. Furthermore, as it is impossible for an inexperienced landowners' company to know the necessary selection principles and procedures, the choice of a timber company has to be entrusted to the National Department of Forests.

It seems that the intention was for the landowners' company to act as an intermediary between the state, the timber company and the local people. This has proved to be a very difficult task for the Ulingan Development Corporation. Pressure is placed on the Corporation, its Board of Directors and the management, by all parties involved in the Kumil Timber Project. The Ulingan Development Corporation's representatives are blamed for the failures of the project and the fact that it has been out of operation for a while. In my opinion, there has not been enough understanding of the contradictions of the Ulingan Development Corporation.



*Village meeting in Gugubar where information on the Kumil Timber Project is given to the customary landowners.*

## **Ulingan Development Corporation – Local people**

As I see it, the principal problems of the Ulingan Development Corporation are mainly caused by the fact that the landowners' company was founded after the establishment of the Kumil Timber Rights Purchase. The members of the Board of Directors were never involved with the initiative for the Kumil Timber Project, the setting up of the Timber Rights Purchase, its location, size and content. The Timber Rights Purchase agreement, a contract between the state and the customary landowners, was a precondition for the timber project.

However, since the local people have no clear idea about the nature, type and consequences of the Timber Rights Purchase, they direct their complaints, criticisms and wishes concerning the Timber Rights Purchase, and the Kumil Timber Project as a whole, towards the Board of Directors members and the Ulingan Development Corporation's management. Although the Corporation is meant to belong to the local people themselves, they think of it as "something from outside", something from the state and, at the same time, as a private enterprise conflicting with their particular local interests. Their criticisms of the manner in which the Timber Rights Purchase was established or of the royalty payments should be directed towards the government. But instead they think that the Ulingan Development Corporation illegally enriches itself with money which should go from the timber company to the provincial government and, from there, to the customary landowners, the clans. Since the local people have never received their money in full, the Ulingan Development Corporation is accused of mismanagement. But it is the state and the timber companies which have failed to ensure payments according to the Timber Rights Purchase.

When the local people complained about the destructive practices of the foreign logging operators, the Ulingan Development Corporation was again a target for their frustration and rage. This is because the timber companies did not communicate with the local people. The people use the Ulingan Development Corporation as they please, either as their public voice or as their scapegoat for any problems related to the timber project.

The Business Groups, who themselves are part of the Ulingan Development Corporation, often strongly criticise the Ulingan Development Corporation for mismanagement. The landowners' company is its own worst enemy because of the discrepancies between the number of clans and number of Business Groups and the distribution of profitable timber resources within the area. The people do not feel they are adequately represented by these business groups and that power is justly distributed amongst them. Within the Business Groups there is the belief that money destined for the Groups is set aside by the Ulingan Development Corporation for its own use. Moreover, the Business Groups have an ambiguous role

because of their lack of function. In fact, it would be difficult enough to set up this type of new structure even if they corresponded more closely with the local conditions. An atmosphere of mistrust prevails. Therefore, on several occasions the Business Groups strongly opposed the Board of Directors members whom they themselves had elected.

Where the actual political bodies, the Local Government Councils, do not meet the expectations of the local people, the disappointment, as well as sanctions of the latter are frequently projected on to the Ulingan Development Corporation's Board of Directors members. In this way, unnecessary public conflicts develop between the representatives of the Local Government Council and Board of Directors and their followers.

### **Ulingan Development Corporation - Government**

While the Timber Rights Purchase and Timber Permit were formulated by the government without any local participation, the Ulingan Development Corporation as a Timber Permit holder was made responsible for the realisation of the project programme. The problem lies in the fact that the Ulingan Development Corporation is not capable of undertaking the timber project alone and had to engage a timber company over which it had no control. The task of monitoring and controlling logging operations had to go back into the hands of the national and provincial forestry authorities. The Ulingan Development Corporation became a turntable between the state and the timber company.

In order to meet its responsibilities, the Ulingan Development Corporation is absolutely dependent on the government's assistance. As mentioned earlier, the state does not fulfill its duties for a number of reasons but it is the Ulingan Development Corporation which is called to account for the non-compliance of the Timber Permit by the state's own authorities. If the Kumil Timber Project is not carried out according to the Timber Permit, the National Department of Forests can withdraw the Timber Permit from the Ulingan Development Corporation, which in turn would threaten the UDC's existence. Therefore, the local people could lose their body at any moment.

The inclusion of a timber company complicates the Kumil Timber Project. The extremely difficult situation for the Ulingan Development Corporation is influenced by contradictions between the National Department of Forests and the Madang provincial forestry authorities. Apart from the present conflicts of interest between the national and provincial forestry authorities, there is a general problem in Papua New Guinea of disputes about competence between national and provincial governments. Many of the duties of the two government bodies are not yet clearly defined, so that current politics in PNG are persistently affected by conflicts at these two lev-

els. The Timber Rights Purchase-Timber Permit concept, however, requires a clear identification of duties and competent national and provincial forestry authorities.

The Ulingan Development Corporation has several times found itself at the mercy of other bodies. The National Department of Forests makes demands on the Madang Provincial Forestry Authority concerning the control of the Kumil Timber Project; the Madang Provincial Forestry Authority is not able to meet the demands (besides the fact that there is a clash of interests mainly due to the present Forestry Minister, over which the National Department of Forests has little control), the Ulingan Development Corporation and local people are left to face the unresolved situation.

### **Ulingan Development Corporation - Timber companies**

From the point of view of a foreign logging operator, a landowners' company like the Ulingan Development Corporation is seen to interfere in the timber business compared to other Timber Rights Purchase timber projects which operate without such a local body. Firstly, because of the landowners' company, the timber company gets about 15 per cent less income from the timber business, that is, about 64 per cent instead of about 79 per cent. Secondly, the landowners' company is responsible for local interests and, apart from all the difficulties, has a certain strength to act in the interests of the local people.

From a logging operator's perspective, a landowners' company is mainly an object of exploitation. In the first case, with Ottley & Ottley, the Ulingan Development Corporation was simply cheated out of its income. The UDC remained in the dark about dealings between the timber company and the then Australian manager. By suddenly declaring themselves bankrupt, Ottley and Ottley disappeared without making any other payments to the Ulingan Development Corporation or the local people. In the second case, with Madang Timbers, the Ulingan Development Corporation fought against this company because of its offences against the Logging and Marketing Agreement, without any support from the provincial government. The Ulingan Development Corporation is still battling for compensation.

### **The management of the Ulingan Development Corporation**

Besides being dependent on a logging operator, the size of the Kumil Timber Project, both physically and in scope, makes it necessary to have a board of managers to run the Ulingan Development Corporation. These people and institutions have come from the outside so far. At present, there is not any pool of local experience for such a task. This further complicates the



Kumil Timber Project and makes the Ulingan Development Corporation seem remote.

Concerning the private business manager for the Ulingan Development Corporation, the landowners' company was taken advantage of in the beginning. There was no opposition from the local people through the Board of Directors towards filling the position from the outside. But because of their negative experiences, part of the local people and the Board of Directors have developed a certain awareness. They began to look for an alternative to a private management agency and sought co-operation with an organisation for development aid.

The two Cuso volunteers tried, in accordance with the aims of their organisation, to make the situation of the Kumil Timber Project clearer to the local people. At the same time they worked for local salaries and everyone was aware of this. Nevertheless, the relationship between the Ulingan Development Corporation and Cuso contained some problems for the Ulingan Development Corporation.

As a condition for the recruitment of volunteers, Cuso demanded that the local partner organisation, the Ulingan Development Corporation, guarantee their salary, housing, an office and a project vehicle. When the first two Cuso volunteers left the Ulingan Development Corporation, a vicious circle had come into being. They left the project when it was at its most difficult stage. Madang Timbers was given notice which it did not accept and the Ulingan Development Corporation was completely run down because of the first logging operator, Ottley & Ottley, and the previous manager.

At present, the Ulingan Development Corporation urgently needs further professional support to tackle outstanding affairs, to encourage the Board of Directors and local people to be still more aware of various methods of timber utilisation and their impacts on the environment, to assess the situation and to make new plans for the future together with the local people. From its political stand, Cuso would be very interested in continuing such support but, in accordance with its principles for development, it expects some material contribution and security from the Ulingan Development Corporation. However, the Ulingan Development Corporation at present is no longer able to provide the necessary local contribution and Cuso will not pay for the entire project because its approach to development is based on the concept of "help to self-help". This means co-operation with local bodies which have a certain material independence and sense of responsibility for the project which gives people strength. The Ulingan Development Corporation has become completely dependent on outside support. Still, if an organisation like Cuso will not provide the necessary support to the landowners' company, the local people will again be defenceless against outside interests in their resources.

## Final Thoughts

The Kumil Timber Project is very complex and, consequently, difficult to understand fully. It is primarily concerned with timber utilisation and the transition from independent subsistence production to a capitalist economy by means of cash crop cultivation. As to its structures, the landowner's company, the Ulingan Development Corporation, was intended to be a means whereby the local people of the Kumil Timber Rights Purchase Area could identify with the Kumil Timber Project as their own. But in reality the Ulingan Development Corporation is thwarted by the Kumil Timber Project's real reliance on the state, on timber companies and on external management. Within such a project, there will hardly ever be conditions for self-determination by the people.

The fact that the project and the people depend on powerful outside influences contradicts the legal situation in Papua New Guinea, which states that all land and natural resources belong to the respective local peoples. In theory all doors to a real development by the people are open. The legal situation favours the local people in Papua New Guinea, unlike so many other countries where tropical rainforest is utilised by the government against the interests of the local people, who have to fight for their rights.

However, the reality in Papua New Guinea differs from the theory, and the indigenous people here have given away their rights to land and resources without knowing the full implications of what they are doing. In order for the people to fully exploit their situation, Papua New Guinea's rural people need another approach to development.

One has to ask the question of how *all sectors of the population* can share the development process as, only in this way, will people benefit in the long term. This can only come about by starting with the heterogeneous, often contradictory, local conditions and to pay attention to the whole project from their perspective. Women should be as important as men, the young as important as the old and subsistence producers as important as cash crop producers and paid workers.

As regards the timber utilisation method, one must be aware of the facts: without a sudden and fundamental change of the newly introduced harvest methods, the days of Papua New Guinea's tropical rainforest are counted. Soon, it will find itself in the same situation as the neighbouring countries in the Southeast Asian region: whereas they were formerly rich in forest, they now depend on log and timber imports.

When one talks of "sustained yield forest management" in Papua New Guinea (Kisokau, 1989) this should include a resource management based on sustained production which exploits

forest in a way that provides regular yields of forest produce without destroying or radically altering the composition and structure of the natural forest as a whole. Thus it is more than maintaining the rate of production at the low level of natural forest which merely replenishes natural mortality. It is used in the sense of enhanced production through silvicultural practices while conserving the protective role of the vegetation and the genetic pool of all species other than those regarded as weed species and which compete with and suppress favoured timber trees (Wyatt-Smith, 1987).

While this is, indeed, a modern forestry concept for the management of tropical moist forests, it is in fact part of traditional resource utilisation in Papua New Guinea. For shifting cultivation, forest has always been more or less clear-felled. As can be observed in many parts of Papua New Guinea, for instance in the Wau-Bulolo valley or in the Central Highlands, this system is not very compatible with high population pressure. Even when traditional technology has been used, like stone and iron axes, anthropogenous landscapes of grass have developed where there was forest before. But contrary to this practice of cutting parts of the forest in order to make gardens, people always used to utilise trees of smaller sizes for their basic needs selectively.

Modern forest management should be based on this traditional practice rather than on cutting forest as practised in shifting cultivation. Only in this way, can the necessary living conditions for PNG's indigenous peoples and, consequently, the well-being of the nation, be guaranteed.

Such a resource management is at the base of "sustainable development," namely "development that meets the needs of the present without compromising the ability of future generations to meet their own needs" (quotations from Søftestad, 1988; Our Common Future, 1987). This should be the framework and the limit of everyone's self-determination in this world.

## Summary of Events in 1988 and 1989

In the meantime, a series of happenings have fundamentally changed the situation of the Kumil Timber Project and thus of the local people.

At the annual general meeting in March 1988, shareholders of the Ulingan Development Corporation gave a weak endorsement of a Board of Directors' proposal to demand from the National Department of Forests a suspension of the Timber Permit for the Kumil Timber Rights Purchase Area for one year. This suspension was to release the Ulingan Development Corporation from economic pressure on the part of the government. Before resuming any timber harvest, a participative study on the actual situation and further consciousness-raising processes should be carried out. This new approach to the assessment of people's interests and the forest resources should have formed the basis of a sound forestry and community development plan. Informed about this, the national forestry officials verbally showed some interest (Kontengera, 1988).

In the same period, a new timber company, Northern Lumber, based in Singapore with some citizens from Papua New Guinea sitting on its board, started lobbying with the Board of Directors of the Ulingan Development Corporation. They wanted to sign a Memorandum of Understanding to contract Northern Lumber to harvest the Kumil Timber Rights Purchase Area. Without letting the National Department of Forests know, six of nine Ulingan Development Corporation Board of Directors' members signed such an agreement in May 1988. Northern Lumber drew up another Logging and Marketing Agreement with the Ulingan Development Corporation which proved to be just a copy of that between Madang Timbers and the Ulingan Development Corporation.

At this point, forestry authorities stepped in and warned the Ulingan Development Corporation that such an agreement would not be accepted and that the landowners' company was in danger of having its Timber Licence revoked by the National Department of Forests due to non-performance. It is likely that the government was not in favour of any agreement with Northern Lumber because it still had intentions to reinstate Madang Timbers to operate the Kumil Timber Rights Purchase Area (Mullins, 1989 a).

Under pressure and with no support, the Ulingan Development Corporation's Board of Directors cannot be considered as functioning in a regular fashion anymore. Lack of access to information and lack of communication were the main problems. Government officials showed themselves "concerned" that the landowners' company does not represent the people of the Kumil region any longer. In fact, landowners became more openly split:

- People around Asumbin, Bunabun, Ereinduk, Papaur and Tavulte are firmly against any outside logging contractors. They favour a modest timber harvest in the future, with less damage to the environment, and with more control over, and more benefits from timber sale.
- In the Tarikapa region in the interior where the whole claim for "development" apparently started, people founded a new landowners' group, the Papir Development Corporation. Their option is further large-scale logging by a foreign enterprise in order to get the roads and infrastructure they demand, and to have access to employment.
- A part of the Bunabun people started doubting whether to join this new group, or to take action to definitely quit the Timber Rights Purchase Agreement. Yet as long as the said agreement is not reviewed by the National Department of Forests, people are bound by the constraints of such a document.

Subsequent to the widening gap between the interests of landowners, social tensions are increasing.

Once more supported by a Cuso initiative such as the Business Enterprise Support Team in Madang, the Ulingan Development Corporation succeeded in December 1988 in making use of the Madang Timber's K 50 000 bank guarantee which was due to expire by the end of 1988. The Ulingan Development Corporation set up a trust, with the National Department of Forests as beneficiary, to anticipate the possibility that the government would come after the landowners' company for unpaid taxes and royalties (Mullins, 1989 a).

In January 1989, the persistent latent menace to the Ulingan Development Corporation became reality: the National Department of Forests withdrew the Timber Permit from the landowners' company (Mullins, 1989a and 1989b). Apparently, the government intends to eliminate the influence of this local people's organ in order to "finally" open up the way to a lucrative timber business. The Kumil Timber Rights Purchase Area was advertised, then foreign timber companies were invited to compete for the Timber Permit. The concerned Kumil people were not informed about it (Mullins, 1989a and 1989b).

With the loss of the Timber Permit, the Ulingan Development Corporation has become meaningless. The landowners have no legal basis any longer to either control eventual further logging operations within their forest, or to draw the extra share of 15 percent from timber sales. Without the landowners' company in place, there is a high likelihood that future environmental damage and abuse of logging agreements will go completely uncontested since the government appears to be neither interested in, nor capable of controlling logging practices of contractors.

As a reaction, landowners called a meeting in March 1989 to request the absolutely necessary assistance from the province to finally do away with

the illegal Kumil Timber Rights Purchase agreement between themselves and the National Department of Forests (Mullins, 1989a and 1989b). As long as the Ulingan Development Corporation was in possession of the Timber Permit, the landowners, now aware of the illegality of the Kumil Timber Rights Purchase, "accepted" this document on condition that nobody pressured them into doing anything they did not want to do.

Slowly but steadily, the Ulingan Development Corporation has acquired some strength during the past month. Not surprisingly, provincial officials refuse to assist the Kumil people in their attempts to cancel the contract regarding their transmission of usufructuary timber rights to the state, in order to regain their full self-determination.

To recover control over their timber resources, and thus over their environment, the Kumil people will need to terminate the existing Timber Rights Purchase agreement since this has given all power to the national government. But to contest even this illegal contract will apparently be a large undertaking, likely to require sound organisation and significant funding, neither of which is locally available in any large measure. It is uncertain who will be a partner to the Kumil people in this rightful quest.

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## Abbreviations

Cuso Canadian governmental organisation for development aid

DPI Department of Primary Industry

TK *Kina* = Currency of Papua New Guinea.

K 1 buys 1 kg of rice plus a small tin of fish or meat.

1988 minimum wage for employees: K 37 for a fortnight, i.e. 10 working days.

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#### Video cassettes

- No. 1 Volkmar Ziegler and Pierrette Birraux, directores (anthropologist: René Fuerst) - *Indian Summer in Geneva*: Indigenous Peoples from the Americas at the United Nations (50 min. Switzerland, 1985) - Grand Prix of the Indigenous Peoples Film Festival, Caracas 1989.
- No. 2 Peter Elsass, director and anthropologist - *Earth is our mother*: Arhuaco in Colombia and Bari in Venezuela (50 min. Denmark, 1987).
- No. 3 Lode Cafmeyer, director (anthropologist: Gustaaf Verswijver) - *Green Puzzle of Altamira*: Kayapo in Brazil and Yaminahua in Peru (50 min. Belgium, 1989).

#### Documentos en Castellano

- No. 1 Ricardo Falla: Masacre de la Finca San Francisco Huehuetenango, Guatemala (17 de Julio de 1982). Septiembre 1983.
- No. 2 Robert Barnes: Pesca de Cachalote en Lembata: Consecuencias de un Proyecto de Desarrollo en una Comunidad Indonesia. Julio 1984.
- No. 3 Jean Pierre Chaumeil: Entre el Zoo y la Esclavitud: Los Yagua del Oriente Peruano en su Situación Actual. Noviembre 1984.
- No. 4 Torben Retbøll (red.): Timor Oriental: La lucha continua. Mayo 1985.
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- No. 7 Pierre Rossel (red.): Turismo: La Producción de lo Exótico. Junio 1988.
- No. 8 K. R. Chowdry, D. V. Subba Rao, G. Krishnamurthy y G. Narendranath: A la Sombra del Dique Srisailámico.
- No. 9 Susana B. C. Devalle El Colegio de México: La Problemática Indígena en el Pacífico. Junio 1989.



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Madang Province, Papua New Guinea - an area of tropical rainforest. With the proliferation of transnational timber companies, "development" has come to the area. Papua New Guinea's more than 700 societies have now become dependent on commercial logging.

This document deals with one such project - the Kumil Timber Project. In contrast to other areas of tropical rainforest, land and resources are incorporated into Papua New Guinea law. This means that all land and natural resources belong to the respective local people. These rights are, in most cases, controlled by patrilineal clan units which have usufructuary rights. In principle, therefore, resource extraction in Papua New Guinea is fundamentally different from that in other countries. In practice, however, factors like ethnic diversity and deeply rooted cultural values are rarely taken into consideration in planning for "development projects."

The Kumil Timber Project is such a case showing all the problems with timber utilisation in the transition from independent subsistence production to a capitalist economy.



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