

While it leaves many questions about the future of mining unanswered, the peace agreement has introduced several differences with regard to legislation and revenue-sharing arrangements, which could prove important if mining were to resume. Bougainville will be able to impose many forms of taxes related to mining operations. Corporate taxation, however, will remain a national government power, as will customs duties and the value added tax on consumer goods and services. In this way, if mining were to resume and result in a revenue bonanza for Bougainville, it would nevertheless be required to contribute to PNG government revenues.

While the specific terms of revenue-sharing are subject to further negotiation, the state (including the national and provincial governments) and resource developers appear to have learned valuable lessons from the conflict. Most important, a more direct involvement of landowner communities in consultations about resource development and in the sharing of benefits from resource projects is seen as important to conflict prevention.

As Colin Filer has noted, the conception underlying PNG's immediate pre- and postindependence policy on resource rents was that, as the owner of the resources in question, the state appropriated the revenue for investment in pursuit of long-term economic growth, reduction in resource dependency, and equalization of development between different parts of PNG.⁵⁸ Landowners were compensated mainly for inconvenience. In large part influenced by the Bougainville conflict, the conception underlying policy since 1989 recognizes, at least tacitly, that landowners also have a legitimate claim to the mineral and forest resources found on or under their land—although the law still asserts state ownership. Negotiations around the Porgera gold mine in 1989, for example, produced a process to ensure that landowners are closely involved in negotiations prior to and during the development of extractive operations. While the national government remains responsible for negotiating the project agreement directly with the resource developer, the process involves a "development forum," a tripartite negotiating process in which the national government, the provincial government, and landowners negotiate the division of benefits between themselves.⁵⁹ Developers have also been more active in involving landowners in employment and business opportunities. This process and a set of principles about the distribution of benefits now apply to all mining and hydrocarbon projects in PNG.

This more participatory approach seems to provide a basis for reducing the likelihood of conflict between resource developers and the state, on the one hand, and landowners, on the other. However, in a

country such as PNG, where small societies remain so autonomous and the state remains so weak, there are reasons for caution. First, landowners have also learned from Bougainville. The threat of "creating another Bougainville" is regularly heard in the context of disputes over natural resource extraction operations elsewhere in PNG. Further, the prospect of additional benefits to landowners and provincial governments under the new mining regime is contributing to other problems. Some arise from the activities of what Filer calls "secondary claimants," especially groups who claim that the wrong landowners have been compensated, contributing to localized conflicts in relation to some projects.⁶⁰ The revenues flowing to the Southern Highlands Provincial Government from the Kutubu oil project, for example, have contributed to several years of intense and destructive intergroup fighting.

Despite improved policies, then, revenue-sharing and compensation issues could again become a source of controversy if mining in Bougainville were to resume. Economic issues are also important in terms of the limited options available for economic development in Bougainville, and the stresses that these limitations are already beginning to cause. Dameng's vision of a Bougainville without mining continues to have wide appeal, but there are many who oppose it, and who want rapid economic development at any cost. These two distinct approaches to Bougainville's development, which were at the heart of the conflict, provide the potential for continuing tensions and renewed conflict, unless the government of Bougainville is extremely creative in its policies.

Assessing the Role of Economic Factors in the Bougainville Conflict

As this study has shown, economic factors connected to natural resource abundance in Bougainville were deeply implicated in the origins of the conflict. A close contextual analysis, however, suggests that theories of conflict based on a dichotomy of greed and grievance stand in need of qualification.

First, the economic factors that precipitated the Bougainville conflict cannot accurately be captured by the concept of "greed." It might be argued that the younger landholders and disgruntled mine workers who initiated the rebellion were motivated by a desire to reap larger personal benefits from the mine. If the mine had continued operating, presumably new revenue-sharing arrangements would have been to their direct benefit. However, at no point did their positions or their behavior suggest a unique agenda of self-enrichment. Consistently, they

fought for more equitable compensation, both for marginalized landowners and for Bougainville as a whole. In other words, the key issue for Ona was more equitable revenue redistribution, or socioeconomic justice.

Likewise, neither the rebels nor the cause for which they were fighting profited from the mine during the conflict. To use Collier and Hoeffler's terminology, natural resource abundance did not provide an "opportunity for rebellion" by serving as a source of funding for the rebels that would add to the feasibility of rebellion. Aside from some looting of mine-related properties at the outset, the copper mine was effectively an "unlootable" resource; without the capital and skill of BCL, the rebels could not keep the mine going, let alone derive revenue from it. While securing better economic concessions from the mine may have made rebellion an attractive option at the outset, mining wealth did not contribute to the persistence of the conflict in any significant way.

Bougainville did possess a large number of undereducated young males with limited economic opportunities, a factor that, in the context of abundant natural resources, Collier and Hoeffler cite as an indicator of risk of greed-driven conflict, insofar as the lack of other opportunities reduces the costs foregone to would-be rebels. In a context where alternative sources of rural incomes were shrinking due to the PNG government's hard-currency strategy and falling cocoa prices, mining revenues were subject to increased claims by Bougainville's economically marginalized groups. While this combination of factors certainly enlarged the risk of conflict for Bougainville, the data do not necessarily support Collier and Hoeffler's greed-based explanation. The effect of exclusion and impoverishment of Bougainvilleans—who received limited economic benefits from the considerable revenues of the mine—was as much an increased sense of grievance as it was an increased opportunity for rebellion.

Accordingly, Bougainville also demonstrates that there is no place for a standard set of policy responses when violent conflict involving natural resources does occur. One major policy implication of greed-driven explanations is that conflict would be mitigated or ended by reducing rebel access to sources of revenue associated with lucrative natural resources. Doing so would undercut both the means and the ostensible motive for rebel groups to continue fighting. In the Bougainville case, however, the rebel groups were denied access to resources, de facto by the closure of the mine and de jure by the PNG government's imposition of a naval blockade in rebel-held areas. Yet this did little to shorten the conflict or to enhance rebel dispositions for a negotiated solution.

As for the relationship between "unlootable" natural resources and separatism, the situation at the outset of the Bougainville conflict is consistent with Ross's analysis; the grievances of local people—both landowners and semi-skilled mine workers—to receive a "just" share of the mine revenue triggered the acts of violence that precipitated the conflict. But if grievances about actual or perceived inequities in the distribution of revenue from an "unlootable" resource contribute to separatist conflicts, then one would expect the separatists to seek to maintain the resource so as to be able to exploit it if separation is achieved. What is perhaps unusual when Bougainville is compared to other cases is the additional set of rebel agendas supporting permanent mine closure, the most important being Damien Dameng's Me'ekamui Pontoku Onoring. Dameng's program might be characterized as an economic agenda, but only in the loosest sense, as it was based on achieving a different model of economic development—a Bougainville society based on traditional social structures with an economy relying largely on subsistence and small-scale cash-crop agriculture, developing at its own pace. Again, this agenda was also inherently a political one, insofar as its main goal was a just society, appropriate to the needs of Bougainville, as envisioned by Dameng and his supporters.

This issue points to a methodological shortcoming of the "greed versus grievance" analysis. This analysis is largely based on attempts to understand group behavior in conflict situations on the basis of inferences about responses of rational actors to economic incentives and costs involved in the choice to engage in conflict. Rational actors faced with economic opportunities with low economic costs are expected to take advantage of them. But the "rationality" of the actors depicted by the theory is that of people with long involvement in the modern economy. The Bougainville case demonstrates a different sort of rationality, according to which actors outside the modern economy may pursue quite different goals. There is no doubt that Damien Dameng was a rational actor. Indeed, there are many parallels between the role he and his movement played and analysis by Patrick Chabal and Jean-Pascal Daloz of the apparent "retraditionalization" of Africa evident in the resurgence of ethnicity, witchcraft, and other cultural traits. Chabal and Daloz argue that these trends are not evidence of increasing backwardness—that is, irrationality—but rather of the development of Africa's own multifaceted path to modernization.⁶¹

For many Bougainvilleans, the aim of rebellion was not to harness the mine to a free and independent Bougainville but to have an independent Bougainville free of mining, as well as all other economic activities threatening traditional society. This highlights another pitfall

in making too rigid a distinction between political and economic factors. Ross's analysis takes as given that, in cases such as Bougainville, it is economic grievances that drive separatism. Other studies of separatist movements, however, argue for the primacy of political claims based on ethnic identity. Still others suggest that these factors are not easily disaggregated; just as some separatist groups may invoke identity to mask self-serving economic motives, other groups "pursuing ethnic political purposes may put their demands in an economic form to gain wider legitimacy for them."⁶² Political mobilization around Bougainville ethnic identity did not occur primarily because of grievances about unfair distribution of mine revenues. In fact, ethnonationalist mobilization predated the mine, while some mobilization aimed at its outright rejection. This suggests that much of the debate about distribution of revenue might in fact have been a way of enhancing the legitimacy of Bougainvillean ethnic separatist demands.

Overall, the "greed versus grievance" debate tends to focus on the economic agendas of rebel groups. But states and other entities with economic interests also play a role in conflict, especially where natural resources are concerned. In Bougainville these included both BCL and the PNG government—different parts of which had distinct interests. The lines dividing BCL and the state were blurred by the PNG equity stake in BCL and the dividends thereby derived. This blurring had its impact on Bougainvilleans, who tended to perceive the two as intimately connected. Both BCL and PNG had vested interests in maximizing their own returns from Bougainville mining, interests that dictated Bougainville's relatively small share of mining revenue. In this way, the PNG government and BCL contributed to the origins of the conflict. Indeed, it may well be the case that if the PNG government had been less eager to keep the mine operating in late 1988 and 1989, its response to the rebellion may not have been so brutal and the conflict may not have escalated as it did. If, as is likely, Ona and his group attacked the mine as part of an ambit claim for further concessions, and if, as seems certain, it was the state-sponsored violence directed at keeping the mine open that transformed the rebellion into wider conflict, then it is likely that had the state and BCL agreed to close down the mine white negotiations proceeded, the conflict may never have developed.

In this regard, the Bougainville case suggests a further qualification of the relationship between resource dependency and conflict risk posulated by Collier and Hoeffler. They find that where natural resource exports revenue exceed 32 percent of GDP, the risks of conflict decline, because governments are then likely to have sufficient revenue to build a military capacity strong enough to reduce the feasibility of rebellion.⁶³

In PNG, revenue from mining, petroleum, agriculture, fisheries, and forestry as a percentage of GDP has been above 40 percent every year since the late 1970s.⁶⁴ There is no evidence, however, that the higher revenue proportion in PNG helped to avert or reduce violent conflict. The critical issue in the Bougainville case was the incapacity of the PNG government to utilize mining revenues effectively and fairly.

This is not to suggest that the PNG government or BCL were driven exclusively by economic greed. Government policy on mining revenues was, in principle, directed toward justice—investing in sustainable economic growth for the country as a whole and the equalization of development between parts of PNG. In retrospect, however, it is clear that PNG's policies failed to take sufficient account of landowner and wider interests in Bougainville, and so could not be sustained. As for BCL, the company put considerable effort into community relations. From the late 1970s onward it had enjoyed a good relationship with the NSPG, and generally was supportive of the NSPG's positions in relation to mining-related issues.⁶⁵ While its understanding of the situation it was operating in was limited, as evidenced by its failure to understand the extent of the complex tensions building in Bougainville in the 1980s, it was not alone in that regard, for neither did the NSPG nor the PNG government. When the conflict began, BCL initially welcomed the security forces for the protection it needed to continue its mining operations, and provided some material support. Despite some claims to the contrary,⁶⁶ there is as yet no credible evidence that BCL took any direct part in the operations against the BRA. The company also wisely did not attempt to play a mediating role in the conflict, although it did offer significant inputs to the joint PNG/NSPG proposals in mid-1989 for a major development package directed at resolving the conflict.

Conclusion

Based on the evidence from Bougainville, the conceptualization of economic factors that may contribute to conflict as "greed" and of political factors as "grievance" is an unhelpful, and indeed misleading, dichotomy. Economic factors can themselves give rise to legitimate political grievances. In the Bougainville case, political and economic factors are closely interwoven—at least they cannot be meaningfully separated. The main causes of the conflict were the specific and generalized grievances of many Bougainvilleans toward BCL and the PNG government over mining. While these grievances were very much economic in nature, they were also inherently political: for Bougainvilleans, the struggle over mining

operations and revenues was part of a longer and larger ethnonational struggle to redress Bougainville's historically marginalized political status. Without an understanding of Bougainville's specific historical and cultural context, it would be difficult to understand the interplay of the various political and economic factors that operated to produce the outcomes that occurred.

The Bougainville case highlights the importance of the policies and capacities of the state and the resource developers, in both generating and preventing conflict in natural resource-dependent countries. The capacity of the state is critical in terms of its ability to develop coherent policies that reduce the risk of conflict occurring and to reduce conflict when it does occur. In settings such as PNG, where states with weak capacity and legitimacy confront strong but politically and economically marginalized societies, there is a likelihood that natural resource extraction will pose severe challenges for security and development. The safe and successful management of these challenges depends on finding ways by which outside actors, including resource developers, can help to strengthen and support legitimate and effective governance by state authorities. At the very least, much more attention needs to be paid to understanding the historical, cultural, and political context in which resource extraction activities occur; to assessing the likely political and other impacts these activities will have on local social, economic, and political relations; and to engaging both the national government and the local community in development projects that are consensual and mutually beneficial.

Notes

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1. See, for example, Mats Berdal and David M. Malone, eds., *Greed and Grievance: Economic Agendas in Civil Wars* (Boulder: Lynne Rienner, 2000); Paul Collier and Anke Hoeffler, "Greed and Grievance in Civil War," World Bank Policy Research Working Paper no. 2355 (Washington, D.C.: World Bank, 2001); Mary Kaldor, *New and Old Wars: Organized Violence in a Global Era* (Stanford: Stanford University Press, 1999); David Keen, *The Economic Functions of Violence in Civil Wars*, Adelphi Paper no. 320 (Oxford: Oxford University Press for the International Institute for Strategic Studies, 1998); and Michael Klare, *Resource Wars: The New Landscape of Global Conflict* (New York: Metropolitan Books, 2001).

2. Paul Collier and Anke Hoeffler, in a large-number study, find correlations between instances of rebellion and the access of rebels to funding and low

levels of foregone costs of rebellion for rebel fighters. They find that the risk of conflict occurring is highest for countries where primary commodity exports are relatively high, peak danger being when the value of such exports is 32 percent of GDP, after which risk declines. Concerning costs foregone, they find that low foregone earnings tend to increase the risk of conflict, with low rates of male secondary school enrollment, low per capita income, and falling growth rates all proxies for costs foregone. They are not clear, however, as to how low earnings facilitate conflict, accepting that there may be a grievance element involved. See Collier and Hoeffler, "Greed and Grievance in Civil War."

3. Paul Collier and Anke Hoeffler, "On the Economic Causes of Civil War," *Oxford Economic Papers* 50 (1998): 563-573; Paul Collier, "Doing Well Out of War," in Berdal and Malone, *Greed and Grievance*, pp. 91-111.

4. They focus on economic factors that provide opportunity for building a rebel organization—in particular, access of rebels to sources of funding and lack of other economic opportunities, which results in low levels of foregone costs for rebel fighters. See Collier and Hoeffler, "Greed and Grievance in Civil War."

5. See Michael Ross, "Natural Resources and Civil War: Evidence from Case Studies," paper prepared for the World Bank/University of California at Irvine workshop on "Civil Wars and Post-Conflict Transitions," Irvine, May 18-20, 2001.

6. That is, not able to be extracted and transported by individuals or small teams of unskilled workers. So drugs, alluvial gemstones, agricultural products, and timber are relatively "lootable," while deep-shaft minerals, oil, and natural gas are relatively "unlootable." See Chapter 3 by Michael Ross in this volume.

7. *Ibid.*

8. Yash Ghai and Anthony J. Regan, "Bougainville and the Dialectics of Ethnicity, Autonomy, and Separation," in Yash Ghai, ed., *Autonomy and Ethnicity: Negotiating Competing Claims in Multi-Ethnic States* (Cambridge: Cambridge University Press, 2000), pp. 242-265.

9. *Ibid.*; Eugene Ogan, "The Cultural Background to the Bougainville Crisis," *Journal de la Société des Océanistes* 92/93, nos. 1-2 (1991): 61-67; and John Terrell, *Pre-History in the Pacific Islands* (Cambridge: Cambridge University Press, 1986).

10. For more detailed discussions of these and many other aspects of colonialism in Bougainville, see Jill Nash, "Paternalism, Progress, Paranoia: Patrol Reports and Colonial History in South Bougainville," in Naomi McPherson, ed., *In Colonial New Guinea: Anthropological Perspectives* (Pittsburgh: University of Pittsburgh Press, 2001), pp. 111-124; Eugene Ogan, *Business and Cargo: Socio-Economic Change Among the Nasioi of Bougainville*, New Guinea Research Bulletin no. 44 (Canberra: Australian National University, 1972); Michael Oliver, *Black Islanders: A Personal Perspective of Bougainville, 1937-1991* (Melbourne: Hyland House, 1991); and Terence Wesley-Smith, "Development and Crisis in Bougainville: A Bibliographic Essay," *The Contemporary Pacific* 4, no. 2 (Fall 1992): 407-432.

11. During the twenty years following World War II, Bougainvilleans were deeply resentful about the racist treatment they received and about the failure of the administration to meet promises made during the war that their conditions would be improved—especially for those who supported the United States and Australia against the Japanese. For discussion of the impacts of World War

II, see Oliver, *Black Islanders*; and Hank Nelson, "Bougainville in World War II," paper presented to the conference on "Bougainville: Change and Identities, Division and Integration," organized by the State, Society, and Governance in Melanesia Project, Australian National University, Canberra, August 2000. I am grateful to Damien Dameng and James Tanis for information about continuing resentment in Bougainville concerning Australia's alleged failure to honor promises made in World War II.

12. See James Griffin, *Bougainville: A Challenge for the Churches*, Catholic Social Justice Series no. 26 (Sydney: Australian Catholic Social Justice Council, 1995), p. 11; Oliver, *Black Islanders*, pp. 86–89; and Max Rimoldi and Eleanor Rimoldi, *Haitalis and the Labour of Love: A Social Movement on Buka Island* (Oxford: Berg, 1992).

13. See Griffin, *Bougainville*, p. 11.

14. For more on the development of Bougainvillean identity and the process of its politicization, see Ghai and Regan, "Bougainville and the Dialectics of Ethnicity"; Jill Nash and Eugene Ogan, "The Red and the Black: Bougainvillean Perceptions of Other Papua New Guineans," *Pacific Studies* 13, no. 2 (March 1990): 1–17; and the works referred to in note 17.

15. See Ogan, "The Cultural Background"; and Nash, "Paternalism, Progress, Paranoia."

16. See Anthony J. Regan, "Bougainville: Beyond Survival," *Cultural Survival Quarterly* 26, no. 3 (2002): 20–24.

17. See John Connell, "Compensation and Conflict: The Bougainville Copper Mine, Papua New Guinea," in John Connell and Richard Howitt, eds., *Mining and Indigenous Peoples in Australasia* (Sydney: Sydney University Press, 1991), pp. 55–76; Herb Thompson, "The Economic Causes and Consequences of the Bougainville Crisis," *Resource Policy* 17, no. 1 (March 1991): 69–85; James Griffin and Melchior Togolo, "North Solomons Province, 1974–2000," in R. J. May and A. J. Regan, eds., *Political Decentralisation in a New State: The Experience of Provincial Government in Papua New Guinea* (Bathurst: Crawford House Press, 1997), p. 357.

18. Connell, "Compensation and Conflict," p. 55.

19. There is an extensive literature on the impact of the mine, including Richard Bedford, and Alexander Mamak, *Compensation for Development: The Bougainville Case*, Bougainville Special Publication no. 2 (Christchurch: University of Canterbury, Department of Geography, 1977); Donald Denoon, *Getting Under the Skin: The Bougainville Copper Agreement and the Creation of the Panguna Mine* (Melbourne: Melbourne University Press 2000); James Griffin, "Napidakoe Navitu," in R. J. May, ed., *Micronationalist Movements in Papua New Guinea*, Political and Social Change Monograph no. 1 (Canberra: Australian National University, 1982), pp. 113–138; Alexander Mamak and Richard Bedford, *Bougainvillean Nationalism: Aspects of Unity and Discord*, Bougainville Special Publication no. 1 (Christchurch: University of Canterbury, Department of Geography, 1974); Ogan, *Business and Cargo*; as well as the works cited in note 37. See also the bibliography in Terence Wesley-Smith, "Development and Crisis."

20. See John Connell, "Compensation and Conflict: The Bougainville Copper Mine, Papua New Guinea," in John Connell and Richard Howitt, eds., *Mining and Indigenous Peoples in Australasia* (Sydney: Sydney University Press,

1991), pp. 55–76; Herb Thompson, "The Economic Causes and Consequences of the Bougainville Crisis," *Resource Policy* 17, no. 1 (March 1991): 69–85; James Griffin and Melchior Togolo, "North Solomons Province, 1974–2000," in R. J. May and A. J. Regan, eds., *Political Decentralisation in a New State: The Experience of Provincial Government in Papua New Guinea* (Bathurst: Crawford House Press, 1997), p. 357.

21. See John Dove, Theodore Miriung, and Melchior Togolo, "Miming Biteness," in Peter G. Sack, ed., *Problem of Choice: Land in Papua New Guinea's Future* (Canberra: Australian National University Press, 1974), pp. 181–189.

22. Information supplied to the author by numerous members of landowning lineages in the mine lease areas.

23. For more detail on the agreements, see Denoon, *Getting Under the Skin*, pp. 80–99, 186–192; Oliver, *Black Islanders*, pp. 134–135, 153–155; and Paul Quodling, *Bougainville: The Mine and the People* (Sydney: Centre for Independent Studies, 1991), pp. 23–28.

24. Denoon, *Getting Under the Skin*, p. 92.

25. See, for example, R. Garnaut, "The Framework of Economic Policy-Making," in J. Ballard, ed., *Policy Making in a New State: Papua New Guinea 1972–77* (St. Lucia: University of Queensland Press, 1981), pp. 193–210; and Raymond F. Mikesell, *Foreign Investment in Copper Mining: Case Studies of Mines in Peru and Papua New Guinea* (Baltimore: Johns Hopkins University Press, 1975).

26. Denoon, *Getting Under the Skin*, p. 192.

27. Quodling, *Bougainville*, p. 34. The average exchange rate for the PNG kina over the period in question was approximately U.S.\$1.1.

28. Connell, "Compensation and Conflict," p. 55.

29. Approximately 4,500 Bougainvilleans lived in the mining lease areas in the late 1980s.

30. Of importance here were arrangements under a 1980 agreement with BCL under which compensation for social inconvenience went to a landowner entity that by the mid-1980s was widely believed to be largely benefiting members of a new elite, who were increasingly reviled by leaders of younger landowner groups. More generally, see Anthony J. Regan, "Causes and Course of the Bougainville Conflict," *Journal of Pacific History* 33, no. 3 (November 1988): 269–285.

31. See, for example, Griffin, "Napidakoe Navitu"; Denoon, *Getting Under the Skin*, pp. 171–181; Mamak and Bedford, *Bougainvillean Nationalism*; and Oliver, *Black Islanders*, pp. 178–191.

32. In fact, however, secession continued to be discussed at meetings in Bougainville in 1972.

33. Bougainvilleans tend to refer to the generally lighter-skinned people of other parts of PNG by the pejorative term "red-skins." See Ghai and Regan, "Bougainville and the Dialectics of Ethnicity"; and Nash and Ogan, "The Red and the Black."

34. Terence Wesley-Smith, "The Non-Review of the Bougainville Copper Agreement," in Matthew Spriggs and Donald Denoon, eds., *The Bougainville Crisis: 1991 Update* (Canberra: Australian National University in association with Crawford House Press, 1992), pp. 92–111.

35. Griffin and Togolo, "North Solomons Province."

36. These included rapid population increase and land pressure, reduced returns from cash crops, increased economic inequalities, heightened resentment against outsiders, labor disputes among the semi-skilled Bougainvillean mine workers, and the prospect of BCL extending its mining operations. See Regan, "Causes and Course."

37. For more on the issues concerning the origins and unfolding of the conflict touched upon in the following paragraphs, see Ron J. May and Matthew Spriggs, eds., *The Bougainville Crisis* (Bathurst: Crawford House Press, 1990); Regan, "Causes and Course"; Anthony J. Regan, "Why a Neutral Peace Monitoring Force? The Bougainville Conflict and the Peace Process," in Monica Wehner and Donald Denoon, eds., *Without a Gun: Australia's Experience of Monitoring Peace in Bougainville, 1997-2001* (Canberra: Pandanus Books, 2001), pp. 1-18; and Spriggs and Denoon, *The Bougainville Crisis: 1991 Update*.

38. In the Nasioi language of the people of central Bougainville (in whose area the Panguna mine site is situated), Me'ekamu'i Pontoku Onoring involves complex concepts loosely translatable as "government of the guardians of the sacred land." It was a movement led by Damien Dameng to restore traditional customary ways. When first initiated in 1959 during the colonial period, it opposed the colonial government and outside influences; by 1988 it became a key player in the coalition of Bougainvillean groups opposed to both the PNG government and the Panguna mine. For more on Dameng and Me'ekamu'i Pontoku Onoring, see Regan, "Bougainville: Beyond Survival." On formation of the "New PLA" and its relationship with Dameng, see Quodling, *Bougainville*, p. 58.

39. Applied Geology Associates, *Environmental Socio-Economic Public Health Review: Bougainville Copper Mine Panguna* (Wellington: Applied Geology Associates, 1989).

40. I am grateful to James Tanis for this insight.

41. See Oliver, *Black Islanders*; Griffin and Togolo, "North Solomons Province"; Peter Sohia, "Early Interventions," in Andy Carl and Lorraine Garasu, eds., *Weaving Consensus: The Papua New Guinea-Bougainville Peace Process*, Accord no. 12 (London: Conciliation Resources, 2002), pp. 16-23; and Anthony J. Regan, "The Bougainville Political Settlement and the Prospects for Sustainable Peace," *Pacific Economic Bulletin* 17, no. 1 (2002): 114-129.

42. John R. Kaputin, *Crisis in the North Solomons Province: Report of the Special Committee Appointed by the National Executive Council* (Port Moresby: Department of the Prime Minister, 1992).

43. Regan, "Causes and Course."

44. Oliver, *Black Islanders*, p. 217.

45. Regan, "Causes and Course"; and Regan, "Why a Neutral Peace Monitoring Force?"

46. For analysis of the Sandline affair, see Sinclair Dimmen, Roy May, and Anthony J. Regan, eds., *Challenging the State: The Sandline Affair in Papua New Guinea* (Canberra: Australian National University Press, 1997); Sean Doraney, *The Sandline Affair: Politics and Mercenaries and the Bougainville Crisis* (Sydney: ABC Books, 1998); and Mary-Louise O'Callaghan, *Enemies Within: Papua New Guinea, Australia, and the Sandline Crisis—The Inside Story* (Sydney: Doubleday, 1999).

47. See, for example, Bob Breen, *Giving Peace a Chance: Operation Lagoon, Bougainville 1994—A Case Study of Military Action and Diplomacy*, Canberra Papers on Strategy and Defence no. 142 (Canberra: Strategic and Defence Studies Centre, Australian National University, 2001).

48. For more concerning the origins and unfolding of the Bougainville peace process, see Rebecca Adams, ed., *Gudpele Nius Bilong Pis: Peace on Bougainville—Trove Monitoring Group* (Wellington: Victoria University Press, 2001); Monica Wehner and Donald Denoon, eds., *Without a Gun: Australia's Experience of Monitoring Peace in Bougainville, 1997-2001* (Canberra: Pandanus Books, 2001); Anthony J. Regan, "The Bougainville Political Settlement"; and Andy Carl and Lorraine Garasu, eds., *Weaving Consensus: The Papua New Guinea-Bougainville Peace Process*, Accord no. 12 (London: Conciliation Resources, 2002).

49. Communities were often responding to deep-rooted cultural imperatives vital to the small-scale stateless societies of Bougainville, imperatives directed to maintaining balance within and between societies through reciprocal exchanges, as well as peacemaking and reconciliation ceremonies when conflict disturbed balance.

50. Carl and Garasu, *Weaving Consensus*; and Regan, "Why a Neutral Peace Monitoring Force?"

51. Generally, see Tim Curtin, "Economic Development in Papua New Guinea, 1975-2000," in James Chin, ed., *Contemporary Papua New Guinea* (Port Moresby: University of Papua New Guinea Press, forthcoming 2003).

52. Lincoln Agreement on Peace, Security, and Development in Bougainville, January 23, 1998.

53. For more on the political settlement, see Regan, "The Bougainville Political Settlement"; and Carl and Garasu, *Weaving Consensus*.

54. Under the PNG constitution, two votes of at least two-thirds absolute majority, with the votes being separated by at least two months, were required. The votes were achieved on January 23 and March 27, 2002.

55. Under the agreement, Bougainville will be regarded as self-reliant once the amount of tax revenues generated by economic activities in the province exceeds the amount of the PNG government's grant to Bougainville to meet "recurrent" costs of providing government services.

56. Bougainville Copper Ltd., *Bougainville Copper Limited Annual Report 2000* (Melbourne: Bougainville Copper Ltd., 2001).

57. Statements to this effect have been made at a number of public meetings in Bougainville that I attended.

58. Colin Filer, "Resource Rents: Distribution and Sustainability," in Ila Temu, ed., *Papua New Guinea: A 20/20 Vision* (Canberra: National Centre for Development Studies, 1997), p. 222.

59. A "basic mining package" originating with the Porgera project provides for three main changes when compared to arrangements in Bougainville: (1) increased revenue for landowners, through receipt of 20 percent of the 1.25 percent royalty (up from a 5 percent share), with provincial governments receiving 80 percent of royalties (down from 95 percent); (2) increased revenue for the provincial government, through payment of a special grant valued at 1 percent of the value of production; and (3) potentially increased revenues for both provincial governments and landowners through rights to purchase part of state equity in the project in question on favorable terms. *Ibid.*, pp. 240-241.

60. *Ibid.*

61. Patrick Chabal and Jean-Pascal Daloz, *Africa Works: Disorder as Political Instrument* (Oxford and Bloomington: International African Institute, James Currey, and Indiana University Press, 1999).

62. Peter Larmour, "The Politics of Race and Ethnicity: Theoretical Perspectives on Papua New Guinea," *Pacific Studies* 15, no. 2 (1992): 99, discussing the analysis of Anthony Smith, *The Ethnic Revival* (Cambridge: Cambridge University Press, 1981).

63. Collier and Hoefler, "Greed and Grievance in Civil War."

64. Bank of PNG, *Money and Banking in Papua New Guinea* (Port Moresby: Bank of PNG, 1998); and Bank of PNG, *Quarterly Economic Bulletin*, June 2001 (Port Moresby: Bank of PNG, 2001). I am grateful to Tim Curtin for assisting me by locating and analyzing these data.

65. For example, in relation to the 1981 review of the mining agreement. See Wesley-Smith, "The Non-Review of the Bougainville Copper Agreement."

66. For example, in the claims made in a class action launched in 2000 in a U.S. court by some Bougainvilleans against BCL. See *Alexis Holyweek Sarei et al. v. Rio Tinto plc and Rio Tinto et al.*, U.S. District Court, Central District of California, Western Division, no. 00-11695 MMM AIJX.

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Kosovo: The Political of Conflict and Peace

ALEXANDROS YANIP

AN EXAMINATION OF THE POLITICAL ECONOMY OF CIVIL WARS HAS RECENTLY emerged in international relations debates as a new analytical approach claiming to improve our understanding of internal conflicts and to identify more effective international responses. The political economy perspective offers a complementary role in the analysis of conflicts by shifting, to some degree, attention away from the traditional political analysis of conflicts to their seemingly neglected economic factors and dimensions. The underlying proposition, central to the recent "greed and grievance" debate, is that economic factors—such as the economic motivations and agendas of belligerents, whether rebels or governments—can in some cases be more important elements in the outbreak and evolution of an internal conflict than political or other factors, thus requiring an appropriate adjustment of policy responses.¹

A major consideration in understanding domestic conflicts, and one that helps to better situate the political economy perspective, is that each war is the product of its own particular geopolitical, geographical, political, socioeconomic, and cultural context. All of these factors, including the socioeconomic ones, have historically been central elements in the analysis of conflicts. The post-Cold War interest in the political economy of conflict originated in the examination of conflicts in Sudan, Sierra Leone, Liberia, Angola, the Democratic Republic of Congo, and Cambodia, in which competition over natural resources appeared to be both a central element of conflict and principal barrier to peaceful settlement. In all these cases, the political economy approach claims to have discovered new ground in the analysis of internal conflicts. While this claim is questionable, the political economy perspective has indeed contributed to a renewed recognition of the need for a more

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