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PATHS IN THE JUNGLE
Landowners and the Struggle for Control of Solomon Islands' Logging Industry

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A thesis submitted for the degree of Doctor of Philosophy of The Australian National University

Canberra
2001
I hereby declare that this thesis is my own work and has not been submitted for any other degree in the same or other form to any other university.

[Signature]

Tarcisius Tara Kabataulaka

15 August 2001
ABSTRACT

This study discusses the nature of power relations in the Solomon Islands logging industry. It examines how stakeholders struggle for control of the industry, and how that influences logging outcomes. In particular, the study examines how the contestation for control between stakeholders affects the participation of indigenous landowners and the nature of their benefit from the industry. It shows that the ownership of a huge percentage of the country's forest land does not guarantee control of the logging industry. This is because of the relative nature of power relations and the complexity of both internal and external factors that influence the ability of a particular stakeholder to exercise power.

The role of landowners is important given that more than 80 per cent of forest land in Solomon Islands is customary-owned and indigenous landowners have either influenced, or have the potential to influence, the logging industry in a significant way. The industry has had an immense impact on the country's economic, social and political landscapes over the past two decades, and had both negative and positive impacts on the lives of many Solomon Islanders.

The involvement of foreign companies, the weakness of state policies and administration, the lack of political will to make changes, the role of non-government organisations (NGOs), and the involvement of foreign governments and international aid agencies have all contributed to the political, economic and environmental legacies of the Solomon Islands logging industry in the past two decades.

It is often argued that Solomon Islanders are not benefiting as they should from the industry. Proponents of this argument usually assert that if there is an increased landowner participation in the logging industry, there would be better outcomes. The term 'better outcomes' is often used to refer to good environmental practices and greater economic returns for landowners and the country in general. However, while it is true that landowners should participate meaningfully, the study shows that because of the continuous struggle for control—both within landowning groups and between
them and other stakeholders—landowner participation may not necessarily produce better outcomes.

Further, the nature of power relations is such that it is not possible (and indeed not desirable) for one particular stakeholder to have control over the logging industry. Different stakeholders may have power over certain aspects of the industry and not others. While landowners, for example, have control over land, they often do not have access to nor control of financial and technological capital, or the making of policies and legislation. The study argues that the ability of stakeholders to exercise control over the industry is determined by both internal and external factors.

While this study deals specifically with logging in Solomon Islands, the experiences outlined here may contribute to an understanding of the politics of land-based natural resource development in general.
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<th>Full Form</th>
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<tr>
<td>ADB</td>
<td>Asian Development Bank</td>
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<td>CBSI</td>
<td>Central Bank of Solomon Islands</td>
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<td>CFC</td>
<td>Christian Fellowship Church</td>
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<td>CDC</td>
<td>Commonwealth Development Corporation</td>
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<tr>
<td>CEMA</td>
<td>Commodity Export Marketing Authority</td>
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<td>DSE</td>
<td>Development Services Exchange</td>
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<tr>
<td>ECD</td>
<td>Environment and Conservation Division</td>
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<tr>
<td>EEZ</td>
<td>Exclusive Economic Zone</td>
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<td>EU</td>
<td>European Union</td>
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<tr>
<td>FAO</td>
<td>Food and Agriculture Organisation</td>
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<td>FD</td>
<td>Forestry Division</td>
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<tr>
<td>f.o.b.</td>
<td>Free-On-Board</td>
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<tr>
<td>FRMU</td>
<td>Forest and Revenue Monitoring Unit</td>
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<td>IFI</td>
<td>Integrated Forest Industries Limited</td>
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<tr>
<td>ITTO</td>
<td>International Timber Trade Organisation</td>
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<tr>
<td>MFEC</td>
<td>Ministry of Forests, Environment and Conservation</td>
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<td>NCP</td>
<td>National Coalition Partnership</td>
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<tr>
<td>NGOs</td>
<td>Non-Government Organisations</td>
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<td>NNGTC</td>
<td>North New Georgia Timber Corporation</td>
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<tr>
<td>NTFP</td>
<td>Non-Timber Forest Products</td>
</tr>
<tr>
<td>PDD</td>
<td>Project Design Document</td>
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<tr>
<td>PFF</td>
<td>Police Field Force</td>
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<tr>
<td>PM</td>
<td>Prime Minister</td>
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<tr>
<td>PNG</td>
<td>Papua New Guinea</td>
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<tr>
<td>SFM</td>
<td>Sustainable Forest Management</td>
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<td>SINFIP</td>
<td>Solomon Islands National Forest Inventory Project</td>
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<td>SIFIA</td>
<td>Solomon Islands Forest Industries Association</td>
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<tr>
<td>SICHE</td>
<td>Solomon Islands College of Higher Education</td>
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<td>SIFMP</td>
<td>Solomon Islands Forest Management Project</td>
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<tr>
<td>Abbreviation</td>
<td>Description</td>
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<tr>
<td>SIAC</td>
<td>Solomon Islands Alliance for Change</td>
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<td>SINURP</td>
<td>Solomon Islands National Unity and Reconciliation Party</td>
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<td>SIDT</td>
<td>Solomon Islands Development Trust</td>
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<tr>
<td>SIG</td>
<td>Solomon Islands Government</td>
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<td>SLA</td>
<td>Standard Logging Agreement</td>
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<td>SOPTA</td>
<td>Sawmill Owners and Timber Producers Association</td>
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<tr>
<td>STL</td>
<td>Solomon Taiyo Limited</td>
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<tr>
<td>SWIFT</td>
<td>Solomons Western Integrated Forest Trade</td>
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<tr>
<td>TCUP</td>
<td>Timber Control Unit Project</td>
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<tr>
<td>TFAP</td>
<td>Tropical Forestry Action Plan</td>
</tr>
<tr>
<td>UN</td>
<td>United Nations</td>
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<tr>
<td>UNEP</td>
<td>United Nations Environment Program</td>
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<tr>
<td>UNCSD</td>
<td>United Nations Commission on Sustainable Development</td>
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<tr>
<td>WTO</td>
<td>World Trade Organisation</td>
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<td>WWF</td>
<td>World Wildlife Fund</td>
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Chapter One

INTRODUCTION
The Issues and Questions

In the past two decades, Solomon Islands forests have been rapidly logged to meet the timber demands of mostly Asian (especially Japanese, Korean and Philippine) markets. Logging contributes enormously to the country's economy and has, over the years, attracted widespread local and international attention. This is partly because of the continuous struggle for control of the Solomon Islands logging industry, increasing awareness about poor logging practices, and the loss of potential revenue due primarily (but not exclusively) to poor government policies and weak administrative systems. Along with these developments, there has been an increasing demand by customary landowners\(^1\) not only to participate in the industry, but to be its primary beneficiaries and have control over it as well.

For Solomon Islands, the issue of landowner participation in the logging industry is vital, given that about 87 per cent of the country's land is legally recognised as customary land. This is unlike countries where the state controls a significant portion of the forestland, as in Canada, where 94 per cent of forestland is publicly owned, or Indonesia, where the state controls 74 per cent (Abramovitz 1998:38). Because of the significance of customary landownership (and hence, forest ownership), one would expect landowners to be influential participants in the Solomon Islands logging industry. In practice, however, past legislation and government policies either do not reflect the opinions and needs of customary landowners, or pay only token recognition. This has led to widespread discussions

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\(^{1}\) The term 'landowner' is used here to refer individuals or members of a tribe or clan who claim authority and exercise control over a specific piece of land. Here, those referred as 'landowners' are the ones who, because of their membership to a tribe or clan that claims ownership to a piece of land, have control over the land whatever is on it, including trees. These are the people whose consent must be sought if a forest area is to be logged. In this study, the pidgin term, lanona is used as a transliteration from the English word 'landowner'. For detailed discussions on the concept of landownership and the changing notions of landowner, see Chapter Four.
and expressions of concern about how customary landowners participate in and benefit from the logging industry.

In the past years, this issue has been raised at both national and local levels. In introducing the Forestry Bill 1999, the former Minister for Forests, Environment and Conservation, Hilda Kari, stressed that the Bill was designed to ensure that Solomon Islander landowners received maximum benefit from the development of forestry resources (Solomon Star, May 26, 1999). Such a statement epitomises the political recognition of the need for customary landowners to participate in and benefit from the logging industry. Further, it raises the need to explore the nature of landowners' participation and how it could be improved. As Enoch Sila, leader of the Sarabani landowning unit in North Choiseul states: 'lan ia hem blong mipala ia, so mipala mas kontrolem logging' (The land is ours, so, we must control the logging) (interview, April 17, 1998). Sila's statement illustrates the fact that, generally, landowners do not want to be mere recipients of logging royalties, they also want to have some degree of control over the industry; over how it is managed and how the benefits from the industry are distributed.

The issue of landowner participation is often influenced by the relationships that landowners have with other stakeholders—the state, logging companies, non-government organisations (NGOs) and aid agencies—who also have an interest in the industry. Further, landowners' participation and the degree of control they have over the logging industry is affected, not only by the role of other stakeholders, but also by the dynamics within landowning groups: the diversity of interests and contestation for control by members of the landowning unit. Landowners' ability to influence the logging industry is determined, in other words, not only by external (national and international factors), but also by internal factors within landowning groups.
Currently, discourse on landowners' role in the Solomon Islands logging industry is influenced by the general underlying assumption that active landowner participation in the logging industry will produce better (or at least a different) outcome from that produced by foreign-owned logging companies. Cassells and Scheyvens (1999), for example, outlined how eco-timber production by SWIFT in the Western Province is anticipated to enhance the sustainable harvesting of forest resources because it involves small-scale timber production by landowners. As a result of the assumption that landowner participation will produce better outcomes, there is an attempt to encourage landowners not only to apply for and hold logging licences, but also to own and manage logging companies. But such an assumption raises a number of questions that need to be investigated: is it true that more landowner participation and control over the logging industry will produce better logging outcomes? What are the factors that influence the nature of landowners' participation in the logging industry? How does landowner participation (or lack of it) influence logging outcomes? Who is the landowner? These are some of the questions that this study investigates.

The central argument of this study is that customary ownership of land does not necessarily result in landowners' control of the logging industry. Power struggles between and within stakeholders are such that, while landowners control a huge percentage of forested land, they do not have control over other important factors that influence the exercise of power over the industry. These factors include information, capital (both financial and technological), policy-making and the enforcement of regulations. Furthermore, landowners' ability to influence and control logging outcomes is affected by political dynamics within landowning

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2 The SIAC Government's Statement of Policy (SIG, 1997) includes the objective of enhancing landowners' participation in the logging industry.
groups. Landowning groups have diverse interests and opinions regarding the logging industry. These have often been exploited by logging companies and the state to exert control over the industry and the benefits accrued from it.

Given the above questions, the central argument of this study is that increased landowner participation and control of the country’s forest land does not guarantee control of the logging industry. This is because the industry is characterised by competition for control—there is an intense and continuous power struggle between and within stakeholder groups. Within this context, while landowners compete with other stakeholders, their position in the national and international arena is weakened by their lack of organisation and the competition that goes on within landowning units. As a result, in many instances certain individuals within landowning groups who have connections with foreign-owned logging companies and links with the state structure become powerful and influential over the rest of the group. Further, it could be argued that the reason landowners have not participated effectively in the logging industry is not necessarily because other stakeholders have prevented them from doing so, but primarily because they have not organised themselves in a way that would enable them to participate effectively. Because of the absence of organised customary landowner representation, even if government policies and legislation explicitly cater for more landowner participation, that would not necessarily produce better logging outcomes. The study argues that the nature of landowners’ participation in the logging industry is influenced as much by the politics within landowning groups as it is by the broader politics between landowners, logging companies, the state and other stakeholders in the industry. Land, therefore, is only one variable in a complex interaction between many variables in the struggle for control of Solomon Islands' logging industry.
Secondly, the study argues that increased landowner participation and control of the logging industry will not necessarily produce better logging outcomes. This is because of the competing interests and struggles between and within landowning groups. Further, landowners, like other stakeholders, are interested in quick income. There is an assumption (often misconceived) that large-scale logging will provide development and improve peoples’ general standard of living.

This argument is based on the premise that participation is primarily about power relations. In this case, the logging industry is the venue in which the relations of power are exercised and contested. Hence, the nature and degree of a stakeholder’s participation in the logging industry depends on its capacity to exercise power. That capacity is, in turn, dependent on a stakeholder’s ability to organise itself in such a way that it could have access to information, capital and other factors that are necessary in assisting it to interact successfully with other stakeholders. Because power is relative and interactive (see Olsen and Marger 1993) the nature of landowners’ participation in the logging industry is dependent, to a great extent, on how effectively they are able to manipulate their interaction with others in such a way as to benefit them.

This study tells a number of stories that will assist us understand the nature of landowners’ participation and the context in which it occurs. It will take us on a journey along winding paths through a jungle of inter-relationships between different stakeholders who often have competing interests and continuously contest for control of Solomon Islands forests. There are many paths which criss-cross in ways that have left some previous travellers confused and unable to see why Solomon Islander landowners react towards logging in particular ways. I trust, however, that with my knowledge of the jungle and your patience we will be able to find the path which leads to the other side, to a better understanding of the
landowners’ role, and how they benefit (or do not benefit) from the logging industry.

In the last three decades, Solomon Islands and its citizens have been exposed to large-scale commercial logging—either as landowners, state officials, logging company employees, or as story tellers who have recounted how logging has affected the lives of Solomon Islanders. Most of these stories are about landowners losing control: their forests logged, the royalty money mismanaged, and their hopes for development evaporating amidst the politics associated with the industry. Often these stories and experiences relate to issues of ownership, access and control of land and the forests on it. They are about power, about the ability of stakeholders to control forests, the extraction of forest products (in particular timber), markets, and the benefits accruing from the industry.

One story comes from a remote village on the island of Guadalcanal, where a man and his son went on a drinking spree after receiving royalty payments from a Korean logging company. They were sitting on a log at the log pond near their village drinking the Australian beer, Victoria Bitter, when the man patted his son on the shoulder and said, ‘inu ko inu dalequ, inau a lan ona’ (drink, drink, my son, I am a landowner). Behind them was a pile of logs that had been harvested from forests on their land and was awaiting shipment to Japan. Next to the pile was a billboard on which was written: ‘Hyundai Forests (SI) Ltd. This is a Private Property. Trespassers will be Prosecuted’. A few days after the drinking party, the man and his son were broke and had to borrow money from relatives and friends.

This story illustrates three things. First, it reflects the fact that often the sense of power and control landowners acquire through logging is temporary, disappearing as soon as logging stops. Secondly, logging may also be a source of self-
destruction; this is manifested in the drunken state of mind in which the Guadalcanal man made the statement to his son. Thirdly, the man’s statement reflects the link between land, landowners, logging and the issue of power over the industry. For the man in this story, the ultimate outcome was powerlessness: losing control of timber, the products of his forests, to Hyundai, a Korean company. The story raises the question of who has real power over the logging industry.

The story also highlights gender and generational issues. The absence of women in the above story is significant. In nearly all instances women have been either marginalised or not involved at all in either the logging process or the distribution of the benefits acquired from logging. Nowhere in the cases cited in this study has there been a female signatory to timber rights agreements. This is despite the fact that logging has had tremendous impact on the lives of women. Generational differences are also important in the struggle for control of logging operations and the benefits gained from it. In many cases, younger generations have become dominant over elderly Big Men because of their access to information and connections with those in authority, both within the state and in logging companies. They emerge as a new generation of Big Men whose source of power is in both their local knowledge and their understanding of the ‘bigger’ world—their knowledge about the state, logging companies, markets and the international issues associated with the industry.

Because there are many stakeholders involved, any attempt to explain the politics of logging and its outcomes must involve an examination of power relations between stakeholders. Hence, if power is regarded as the ability of $A$ to make $B$ do something that $B$ would not otherwise do, then it is necessary to examine the factors that give $A$ that ability. If logging companies are able to influence the state
and landowners then there is a need to investigate what gives logging companies that ability. This study takes us through an examination of power and how it is manifested in the logging industry. The concept of power is examined by drawing from the works of scholars such as Lukes (1974), Parsons (1954), Wrong (1993), Foucault (1972-1977), Murdock and Marsden (1995) and others. Here, the concept of power is approached by discussing the relationship between the ‘potential’ and ‘actual’ power that stakeholders in the logging industry possess, the way in which they exercise it, and the impact that has on forestry in particular and society at large. There is also an examination of how stakeholders utilise what Mann (1986) identifies as ‘infrastructural’ and ‘despotic’ power; the discussion on how power can be a good thing—getting things done—as well as a bad thing—getting others to do what they would not otherwise do. Despotic power refers to the ability to get your way, without consultation, against people immediately around you.

After analysing the concept of power, the study examines what landowners need in order to turn their formal, legal and locational power into something that benefits them while at the same time producing better logging outcomes. This is a discussion on how ‘potential’ power can be converted into ‘actual’ power. This opens a Pandora’s box of complex issues that involve the state, landowners, logging companies, aid agencies, international organisations, non-government organisations (NGOs) and other stakeholders who interact and compete with each other in the struggle to control the logging industry and its benefits.

For landowners, involvement in logging is always about negotiating with logging companies and the state, as well as amongst themselves. They are continuously attempting to make sense of information presented by actors or stakeholders—environmental organisations, NGOs, the state, logging companies, international
institutions and aid agencies—who represent varying interests and agendas. It must also be noted that the landowning group itself is very rarely a homogenous entity. Rather, it comprises individuals of varying interests, age groups, and educational backgrounds, who have different degrees of influence over each other and the other groups interested in the industry. Because of this diversity, the way in which landowners react to logging and its impact on them differs from one area to another and from one landowning group to another.

In the case of Solomon Islands, at the outset it would seem that landowners have a fair degree of authority and hence control over forests because of their membership of tribes, clans or laen3 (landowning units) that claim ownership of about 87 per cent of the country’s land. However, as demonstrated in this study, the ability of landowners to control the process and outcome of logging differs from one case to another.

The landowner’s locus in the logging industry is further complicated by the involvement of international institutions such as the United Nations (UN)—in particular, agencies such as the Food and Agriculture Organisation (FAO) and programs such as the United Nations Environmental Program (UNEP) and the UN Commission on Sustainable Development (UNCSD)—and aid agencies such as the World Bank, the Asian Development Bank (ADB) and AusAID which have had significant influence on forestry issues through conditionalities they place on loans and what has now been referred to as Environmental Adjustment Programmes (EAP). This is part of a broader Structural Adjustment Programme (SAP) being imposed on countries such as Solomon Islands and Papua New

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3 Line is the *pijin* (pidgin) term which is often used interchangeably to mean either tribe or clan.
Guinea (PNG) by aid donors and lending agencies. There are also international dialogues through gatherings such as the Earth Summits and the Intergovernmental Forum on Forests (IFF). The views of landowners, as forestry actors, are also influenced by global ideologies, such as environmentalism or 'ecologism', to borrow a term from Dobson (1995). The role of transnational companies in the forestry industry has also been overwhelming (see Dauvergne 1997; Cooke 1998).

Landowners’ reactions to the forestry industry are also influenced by domestic issues and concerns such as the need for income generation, the production of food, and timber needs for local consumption. Hence, forestry is both a global and local issue (see Humphreys 1996) and landowners in Solomon Islands are just one actor in a large cast.

Given the global nature of discussions surrounding tropical rainforests and the highly marketised situation where logging companies seem to be continuously competing with each other in a volatile market, one could assume that no one has power. This study discusses how, in the case of Solomon Islands, the competition between logging companies is minimised because of both informal and formal - through organisations such as the Solomon Islands Forest Industries Association (SIFIA) - relations which helps regulate the competition between them. Furthermore, a few logging companies have been able to control the forestry industry by having subsidiaries operating in different parts of the country. This is not to suggest that logging companies wield a single concerted power against

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4 Colin Filer (2000) provides an elaborate discussion of the World Bank’s role in Papua New Guinea’s forestry industry. He discusses the impact of the Bank’s policies on Papua New Guinea’s (PNG) forestry industry.

5 Although these international agencies do not, at present, have direct impact on Solomon Islands forestry industry, they do influence institutions and decisions that, in turn, have an impact on the industry. Solomon Islands participation in the Earth Summits and forums such as IFF do have an impact (small as it may be) on the way decisions are made locally.
other stakeholders such as landowners, the state, NGOs and aid agencies. Rather, it is to say that logging companies have a certain degree of power. But, even so, in the wider global system, logging companies have no or little control over the market price for timber. It may be that, because of the highly marketised situation under which the logging industry functions, none of the stakeholders has any real power, and maybe landowners are being over-optimistic if they think they can trade forests for a better life.

Although they own the land from which forests are extracted, Solomon Islander landowners have never participated fully in the logging industry. This is partly because of institutional regulations and landowners' lack of access to factors (such as finance and technology) which are necessary for log extraction. This limited participation is one of the factors contributing to landowners' limited benefit from the industry. It is because of this realisation that the former Minister for Forests, Environment and Conservation, Hilda Kari, told parliament that there should be increased local participation in the forest industry and that the legislation should be amended to cater for that. In making reference to the Forest Resources and Timber Utilisation Act, the former minister stated that ‘it has served its purpose . . . it had been largely conducive to the interest of foreign investment and logging on government land, but little focus to accommodate or be based on our own aspirations as resource owners’ (Solomon Islands National Parliament April 20, 1998: pp.16-17).

The underlying assumptions in such an argument are, first, that if power over logging is given to landowners, not only will they benefit more but the logging outcomes will be better, and, secondly, that legislative and administrative reform of state institutions will automatically result in ‘better’ forestry outcomes, in particular, improved benefits for landowners.
To understand how Solomon Islands fits into both the local and international discussions of the forestry industry and whether the above assumptions are correct, it is necessary to provide an overview of the country. The following section provides that overview of Solomon Islands.

**Solomon Islands: a background**

Solomon Islands is an archipelago of 922 islands about 1,860 kilometres north east of Australia and located between 5 and 12 degrees south latitude and 155 and 170 degrees east longitude. The group consists of six large islands (Choiseul, Isabel, Malaita, New Georgia, Guadalcanal and Makira), twenty medium-sized ones, and hundreds of smaller islets and reefs that stretch in a double chain for over 1,800 kilometres from the Shortland Islands in the west to Tikopia and Anuta in the east, and nearly 900 kilometres from Ontong Java atoll in the north to Rennell Island in the south (see Map 1). Of these islands, only 347 are presently inhabited. The total land area is 28,369 square kilometres, which makes Solomon Islands the second largest insular nation of the south Pacific, after Papua New Guinea (PNG) (Stanley 1993).

**Historical and Socio-cultural Issues**

Detailed accounts of Solomon Islands history may be found elsewhere (see Campbell 1989; Bennett 1987). Very briefly, however, it could be stated that since the British declared a protectorate over the archipelago in 1893, Solomon Islands has had significant outside influence in the form of missionaries, colonial administrators, traders and even large-scale plantation companies such as Lever Brothers and Burns Phillip (Bennett 1987). Through these institutions and individuals, the islands were exposed to the trading of commodities such as copra and kauri logs. Bennett (1998), for example, documents the attempts of an
Australian company to log kauri trees from Vanikoro Island from as early as the 1920s. Later on in the post World War II period, other large-scale agricultural developments became important. In the 1970s, for example, the development of the oil palm and rice plantations at the Guadalcanal plains became important developmental landmarks.

An important feature of Solomon Islands, like Papua New Guinea and Vanuatu, is the tremendous cultural diversity. This is exemplified by the fact that there are 87 distinct languages and numerous dialects shared by a population of about 500,000 people. This population is further divided by ethnicity: about 94 per cent Melanesians, 4 per cent Polynesians, and 2 per cent a mixture of Micronesians, Chinese, Europeans and others. Because of the diverse languages, Pidgin (Pijin as it is known in the Solomons) developed as a lingua franca spoken by a majority of the population, although English is the official language of schools and formal administrative communications. Solomon Islands’ Pijin is similar to the Papua New Guinea Tok Pisin and Vanuatu Bislama.

The country's cultural and ethnic diversity has implications for nation-building and the authority of the state and its capacity to implement national policies. However, it is important to note that despite strong rhetorical statements such as ‘unity in diversity’ (see Saemala 1981), the divisions along linguistic, regional and ethnic lines are real and influence public opinion and decisions on development. There is currently an upsurge of violence on Guadalcanal which began in late 1998 and emanates from tensions between some people from Guadalcanal and Malaita. It is a consequence of Guadalcanal resentment against the rapid increase of Malaita settlements on Guadalcanal and other broader socio-economic issues—
unemployment, natural resource development, land use and ownership—that results from government policies and administrative inefficiencies.6

On the other hand, it is important to be aware of an increasing national consciousness, especially amongst the educated and urban dwellers, amongst whom social groupings often cut across linguistic, ethnic and regional boundaries and the emergence of a national culture is most evident. There is also an increasing number of inter-island marriages with children who tend to have a national identity (see Jourdan 1995). But, in spite of the development of national consciousness, the issue of identity and nation-building continues to be a complex one (see Foster 1995; Kabutaulaka 1994).

Despite the cultural and ethnic diversity, today’s Solomon Islanders share common national objectives and achievements as well as problems. The problems include rapid population growth, increasing urbanisation, unemployment, crime and social disintegration. The issue of rapid population growth rate is important for Solomon Islands because of its limited land size and slow economic growth. At 3.5 per cent per year, the country has one of the most rapidly growing populations of the world. At this rate, the population would double in two decades. This problem has been exacerbated by the fact that 52 per cent of the population are either below the age of 15 or above 60. This high dependence ratio means that the working age group will have to work harder to maintain the dependent population. About 47 per cent of the population are in the age group of

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6 The causes of the current violent events on Guadalcanal which started in late 1998 are much broader and more complex than the ethnic line which has been publicly expressed in the media and popular discussions. The tension between Guadalcanal and Malaita people is a result of broader socio-economic issues such as rapid population growth, rapid urbanisation, natural resource development and the pressure these have on the availability of land. It is also a consequence of unemployment and the increasing population of uneducated and undereducated young people. The Guadalcanal crisis is mentioned here only as an example of tensions that occur in the process of nation-building in Solomon Islands. Hence, this brief reference should not be taken as an exhaustive explanation of the causes of the current situation. An elaborate study on the current Guadalcanal crisis is yet to be undertaken.
0-14 while 48 per cent are in the age group of 15-59, and 5 per cent in the age group of 60 and up (UNDP 1999). The rapid growth and young age structure of the population means that there are increasing probabilities of unemployment, insufficient schools, prostitution, crime and other related social problems. These are especially profound in the rapidly growing urban centres such as Honiara, which has an annual population growth rate of around 6 per cent. There is a wide range of socio-cultural issues that affect young people in the urban areas. Hall, Naidi, Waulas and Wilson (1998) have documented how socio-cultural breakdown affects the health of young people in Honiara. They argue that health problems in urban centres can be attributed to the absence of traditional and cultural forms of control, particularly amongst teenagers and urban dwellers.

The historical and socio-cultural factors outlined above exemplify the developmental issues that confront the Solomon Islands of the late 1900s and into the 21st century. They demonstrate the kinds of pressures that have been placed on the development of natural resources. The following section outlines the availability of natural resources and their significance in Solomon Islands development process.

**Natural resources**

In comparison with the Polynesian islands to the east and the Micronesian islands to the north, Solomon Islands is endowed with relatively rich natural resources such as forests, minerals, fisheries and land. Most of the islands are covered with thick tropical rainforests which provide timber (one of the country’s most important natural resources) and other non-timber forest products (NTFP). (More detailed discussion of forest resources will be found in later chapters). Another important natural resource is minerals. Gold has become economically important after the Australian company, Ross Mining, began producing gold at Gold Ridge,
on central Guadalcanal, in August 1998. Gold Ridge is estimated to hold about US$1 billion worth of gold (*Solomon Star* February 7, 1996). There are other gold deposits at Poha on west Guadalcanal and Vangunu Island in the Western Province as well as copper and gold at Koloula on south Guadalcanal and nickel on San Jorge Island in the Isabel Province. Mining is poised to become one of Solomon Islands’ important industries in the future (Central Bank of Solomon Islands 1998).

Large-scale commercial agriculture is another important development alternative although it is restricted because of the rugged mountainous nature of the islands. Large-scale commercial agriculture includes the Commonwealth Development Cooperation’s (CDC) oil palm plantations on the Guadalcanal plains. In recent years CDC has also started planting cocoa. In 1995 palm oil and kernel made up about 12.6 per cent of the country’s total exports (Central Bank of Solomon Islands 1995). There is currently a government plan to log 10,000 hectares of land on Vangunu Island in the Western Solomons to make way for a large oil palm plantation. The project is to be undertaken by Kumpulan Emas Berhad, a Malaysian company, which also has logging concessions in the country through subsidiaries such Integrated Forest Industries Limited (IFI), Rural Industries Limited, Isabel Timber Company Limited, and Silvania Products Limited (*Solomon Star*, 26 February 2000). Apart from oil palm plantations, the other large-scale commercial agriculture is the copra industry. Much of the copra production has been dominated by the Lever Plantation (SI) Ltd, a subsidiary of the British-registered multinational, Lever Brothers (The Central Bank of Solomon Islands 1998).
Like other Third World countries, Solomon Islands' economy is heavily dependent on natural resource extraction.\(^7\) Hence, an understanding the socio-cultural factors that influence large-scale resource development is important if one is to formulate appropriate development policies. As will be discussed later, in instances—particularly with forestry and mining—where companies negotiate directly with customary landowners, the capacity of the state to influence the nature of negotiations and outcomes is affected.

Economically, the country is characterised by a large subsistence sector and an undeveloped manufacturing sector. A majority of the Solomon Islands population depends on subsistence or semi-subsistence agriculture. There are, however, more and more people involved in small-scale commercial agriculture. This is manifested in the establishment of organisations such as the Solomon Islands Farmers Association.

In the past decade, the country's economy has been affected by poor financial management. This has had a negative impact on the current economic situation. By the beginning of the 1990s, the country had accumulated debts well over its ability to repay. The problem was exacerbated by poor debt management. By the end of 1997, the government had accumulated SI$1.2 billion in debt, more than double the government's 1998 budget (CBSI 1998). The debt crisis was exacerbated by successive governments' failure to service loans. By the end of 1997 arrears from loans had reached SI$192 million. This deteriorating economic situation was caused by a variety of factors, including (i) weak balance of

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\(^7\) Apart from the land-based natural resources outlined above, another industry with potential for development is fisheries. Solomon Islands has an Exclusive Economic Zone (EEZ) which covers an area of some 1.34 million square kilometres of ocean and holds some of the world's richest tuna fishing grounds. This provides an invaluable opportunity for the development of the fisheries industry which, so far, has been dominated mostly by Solomon Taiyo Ltd. (STL), a joint venture operation between the government of Solomon Islands and the Taiyo Gyogyo of Japan.
payments, exposed by the collapse of the log export trade at the end of 1997; (ii) uncontrolled government spending and non-collection of revenue resulting in a history of large unbudgeted fiscal deficits; (iii) massive public debt arrears and denial of further credit to the government, which placed excessive pressures on the budget as well as foreign reserves; (iv) weak public administration characterised by low productivity; (v) low level of skills and morale; (vi) collapse of management and maintenance systems, linked to the poor financial performance of the public sector and resulting in rapid depreciation of economic and social infrastructure and services; and (vii) absence of political will on the part of past governments to undertake reforms and lack of a coherent and feasible strategy for the correction of structural weaknesses of the economy (Ombudsman’s Office 1998).

The socio-political and economic factors discussed above have had a profound impact on the country’s forestry industry; they have influenced how it is structured and the way in which it developed. The following section reviews, in brief, some of the underlying issues raised in discourses on forestry, in Solomon Islands in particular and in global debates in general.

**Why logging in Solomon Islands?**

Logging was chosen as a focus for this study because it is one of the most topical issues in Solomon Islands in the 1990s. More specifically, I am driven by the desire to find how landowners participate in the logging industry. I am often bemused by the dominant discourse, in which indigenous landowners in Solomon Islands are acknowledged as the legal owners of forest resources, but are usually marginalised in the processes of logging and in the distribution of benefits acquired from it. Secondly, logging is important because it has become an
important source of revenue for the country. At the same time there have been increasing concerns about the rapid rate of logging and its negative environmental and social impacts (see Forestry Review 1995; Montgomery 1995; Duncan 1995). There has also been increasing concern about the domination of the industry by foreign-owned companies, in particular Malaysian and Korean producers and Korean, Japanese and Filipino buyers. In 1997, of the 27 foreign-owned companies issued with logging concessions, 20 were from Malaysia, 3 from South Korea, and 4 from Australia (see Appendix II). Even local companies with logging concessions have contractual agreements with foreign companies. In 1997 there were 24 local logging concession holders with contractual agreements with foreign companies (see Appendix III).

The decision to study the logging industry is also born out of a desire to understand the experiences, successes, failures and conflicts that many Solomon Islanders are confronted with as their forests are exploited to meet the demands of conventional development processes. The story of the logging industry in Solomon Islands is about people negotiating their lives in an increasingly globalised world where they often find themselves disempowered. It is an attempt to understand how indigenous landowners participate in, and benefit from, large-scale natural resource developments such as logging.

The intensive and extensive discussion of the logging industry in Solomon Islands has centred on a number of issues: unsustainable harvesting practices; domination by foreign-owned companies; the role of landowners; conflicts and disputes emerging from land issues; poor state policies; corruption; and, the distribution of the benefits of logging. This study concentrates on one particular issue: the nature of landowner participation and the degree of power they have over the logging industry.
This study’s contribution to discourses in forestry lies in its focus on the landowning group; local-level politics and how that interacts with broader international issues and concerns. It is focused on landowners’ reactions to and participation in the logging industry and how that affects logging outcomes in Solomon Islands. International issues surrounding forestry politics are valuable and have been discussed by a number of authors. Dauvergne, in his numerous works on forestry (1998-99; Dauvergne 1997; 2001) has examined how corporate industries influence timber production, marketing and environmental management. In his book, Shadows in the Forest: Japanese corporate industries function, especially their impact on the southeast Asian timber industry. In his most latest book, Loggers and Degradation in Asia-Pacific: corporations and environmental management (2001), Dauvergne examines how the activities of corporations (loggers) affects environmental management in the Asia-Pacific region. In this book, examples are also drawn from Solomon Islands. Other works provide an important insight into the issues and debates surrounding forestry discussions in the international arena (see Hurst 1990; Humphreys 1996). In the region, the literature on the politics surrounding the forestry industry is limited. However, the works that are available are useful in helping us understand issues of policy, environment, economics and the politics associated with the forestry industry. Filer (2000) provides a valuable insight into how World Bank-initiated forest policy reforms have affected the forestry industry in Papua New Guinea (PNG). Cassells and Scheyvens (1999) provide a useful discussion of sustainable alternatives to the logging industry. Apart from these, numerous reports by governments, aid agencies and consultants provide valuable information in helping us understand how the forestry industry function and its impact on society. The Barnett Report (Barnett 1992) provides an elaborate examination of the legal
and administrative problems associated with logging in PNG. AusAid has produced numerous reports on the forestry industry in PNG and Solomon Islands. FORTECH, a forestry consultancy firm has also produced similar reports (see bibliography).

In the case of Solomon Islands, the most elaborate study of the country's forestry industry, so far, is by Bennett (2000). In her book, *Pacific Forests: a history of resource control and contest in Solomon Islands, c. 1800-1997*, Bennett provides a detailed historical and analytical coverage of the country's forestry industry for most of the last two centuries. This work is exceptionally valuable in providing an understanding of the country's forestry industry. Apart from Bennett, Dauvergne's works (1998-99; 1997; 2001) situates Solomon Islands forestry industry within an international context, especially with regards to how corporate industries are involved. He has also discussed state capacity and its interaction with corporate powers in the forestry industry. Frazer (1997) provides a useful discussion of the politics associated with the forestry industry. Frazer's work focuses specifically on the role of the post-colonial Solomon Islands State. O'Collin (1992) discusses the economic rationality of logging in Solomon Islands and the social its social impacts. Hviding and Bayliss-Smith's (2000) work on Marovo provides an interesting and useful anthropological conceptualisation of Solomon Islands' rainforests and their socio-cultural and economic significance to Solomon Islanders.

The above are a few of the works used to help locate this particular study on logging and landowners in Solomon Islands within the context of a broader discussion of the forestry industry. Other works are cited in this study.
The focus of this study (as stated above) is the landowner and the contest, at the local level, for control of forestry resources. In the case of Solomon Islands — where a huge percentage of land is customarily-owned —, interactions at the local level are important because they contribute in a significant way in influencing forestry development, in general, and logging, in particular. While in countries such as Indonesia, the state is an important actor in influencing logging outcomes (see Dauvergne 1993) because it controls forest lands, in the case of Solomon Islands, landowners are potentially powerful actors because of their control over land.

**The Concept of Power**

This study employs theories and paradigms of social power from the disciplines of sociology and political science as a basis for exploring landowner participation in the logging industry. This (as stated above) is because of the understanding that the nature of a stakeholder’s participation is determined by power relations.

In exploring the concept of power, the study borrows from the sociologist’s concern with social power and the political scientist’s concern with political structures and systems. Such an inter-disciplinary approach assists us explore and understand power interactions at the local, national and international levels. It is with this understanding that we examine the role that landowners play in the logging industry at different levels. We examine the relationship between landowners and other stakeholders—the state, logging companies, non-government organisations (NGOs), aid agencies—and the power interaction within and between landowning groups.
Other relevant factors include international issues such as the environment and global timber market forces. On the issue of environment, the discussions of the Earth Summits, and in particular discussions relating to the Kyoto Protocol, are significant in influencing how forestry issues are perceived (see UNEP 1997). Recently, the issue of carbon credit in exchange for the preservation of forests in Third World countries has also become dominant (see Houghton 1996; Brown et al. 1996). Environmental discourses are also influential in the discussion of forestry developments (Dobson 1995; Hurst 1990). The focus of this study, however, (as mentioned above) is on the Solomon Islands; the dynamics of the relationship within landowning units and how that affects landowners’ participation in the industry and their relationship with other stakeholders.

**Methodology**

Data for this study were collected from archival research and interviews with the different people involved in logging industry: landowners, company representatives, NGO leaders, state officials and aid agency representatives. Data collection was also undertaken in government offices and libraries in Solomon Islands, Fiji and Canberra. Archival research was done at the Solomon Islands National Archives. Solomon Islands government documents were obtained from government offices and archives in Solomon Islands. Of particular importance was the Ministry of Forests, Environment and Conservation (MFEC) where I spent two months looking through documents. Documents collected from the Central Bank of Solomon Islands (CBSI) were useful in the examination of the relationship between logging and the national economy. The Development Services Exchange (DSE)—the umbrella body for NGOs—and other NGOs such as the Solomon Islands Development Trust (SIDT) and SolTrust provided useful information about local level issues and events related to logging. Government
offices such as Customs and Excise and Inland Revenue were visited and discussions held with officers.

Much of the information on local-level politics and landowner reactions was obtained through interviews and observation. While no formal questionnaire was drawn up, I spent time in villages in the study areas talking to landowners and others involved in the industry. On Choiseul, interviews were held with villagers from Poroporo, Tarekukure, Nukiki and the Moli area. There were also interviews with the Choiseul Provincial Premier and the Provincial Minister for Environment. On North New Georgia villagers from Ramata, Rovana, Mbarora and Hungu were interviewed. In the case of Pavuvu in the Russell Islands I was able to talk with villagers from various parts of Pavuvu as well as from the nearby villages of Hae, Loun, Karuloun and other smaller villages in the Lavukal area where a majority of landowners now live. On West Makira much of the discussion took place in villages in the Arosi area. Of particular importance were the villages of Tawaraha, Ubuna and Heuru. Much of these interviews was recorded on tape.

During the research, a total of 180 people were interviewed. The questions asked focus generally on issues such as: land tenure; the nature of how agreements were reached amongst landowners to allow logging; the nature of politics within landowning groups and how this affects their relationship with other stakeholders; how revenues were distributed; environment; and, what people see as the way forward. More specifically, some of the questions that were asked to landowners included: How is the ownership of land organised in your society?; Who owns land?; Who has right over land?; Who determines how land is used?; Who approached you to negotiate for logging on your land?; How were you approached?; How did you discuss the agreement?; Who was present during the discussion of the agreement?; What were the interests you expressed?; Who
decides who signs on behalf of landowners?; Were there any disagreements amongst landowners?; Did the government and other organisations such as churches and NGOs participate in the negotiations?; If they did, how?; How was the distribution of revenues determined?; Who determines how much each stakeholder should get?; Who determines how much each landowner should get?; What are the criteria for determining how much a landowner should get?; How do you enforce environmental regulations?; How does logging affect the livelihood of the community?; What do you see as the way forward for the forestry industry in general and logging in particular?; and, What do you see as the role of landowners in ensuring that there is better logging outcomes? These were some of the general questions that were asked in all the areas covered during the research.

During the research period I organised an evening’s seminar at the Solomon Islands College of Higher Education (SICHE) in Honiara titled, ‘Rumble in the Jungle: the Politics of Logging in Solomon Islands’. This brought together people from all sectors interested in the forestry industry. There were representatives from the Solomon Islands Forest Industries Association (SIFIA), NGOs, educational institutions, the Forestry Division and others. Even the Minister for Forests, Environment and Conservation, Hilda Kari, attended. It proved useful for the purposes of this study because it enabled me to listen to different perspectives.

In Choiseul I was able to participate in and observe logging operations by living at the Tarekukure Logging Camp for two weeks. It was a rewarding experience from which I gained an understanding of how logging operations are conducted. During that two weeks there was an incident at the logging site where an anti-logging landowner from a nearby village confronted the workers with a .22 rifle and confiscated three chainsaws. This, he argued, was because the company, Eagon
Resources Development Company (SI) Ltd, was operating on land not included in the timber rights agreement signed between the company and landowners.

A total of six months was spent in the field: three months in Honiara and three months in the logging sites and villages. The research was assisted by the fact that I am a Solomon Islander, and hence was able to assimilate into village life, listen to stories and in some instances be part of the village without disrupting in any major way village activities.

The Outline

There are eight chapters in this study. Chapter Two provides a detailed examination of the Solomon Islands logging industry, especially in the post-independence period, and the issues that have dominated discussions of the logging industry. These include unsustainable logging practices, the country’s economic dependence on logging revenues, the practices of logging companies, and the rise of different governments, their policies and how those policies have affected forestry outcomes. This chapter also introduces the issue of landowner participation and how that has been affected by other stakeholders, especially the government, logging companies, aid agencies and NGOs.

Chapter Three examines the concept of power in relation to the logging industry. This is useful as a means through which we could then understand how stakeholders relate to each other and how this affects the participation of landowners. The chapter defines power and then examines its nature, characteristics, form and the various ways in which it manifests itself in society. Secondly, the chapter examines power in relation to the Solomon Islands logging industry by introducing the major stakeholders and the way in which they interact
with each other. This enables the reader to situate landowners and provide the basis for discussion in the following chapters.

Chapter Four examines in detail the composition of the landowning unit, the land tenure systems, the changes that have taken place, and how they affect landowner participation. This includes examination of the way in which landowners participate and the degree of power they have over the logging industry. The chapter also explores the dynamics within landowning units.

Chapter Five outlines the nature of the relationship between different stakeholders and landowners. It begins by exploring the interests, roles and influences of the major stakeholders—the state, logging companies, aid agencies and NGOs—in the logging industry and then examines how that affects the way in which landowners participate in the logging industry and the nature of power relations between them. This should assist us to understand power relations between landowners and other stakeholders and how that influences forestry outcomes.

Chapter Six discusses how the benefits from logging are distributed. This includes a brief examination of the tax regime, looking particularly at how landowners benefit from that. Also important is the distribution of logging revenue at the local landowner level. This will provide a better understanding of variations amongst landowning groups.

Chapter Seven provides an overview of current reforms in the forestry industry and how these reforms will either accommodate or displace landowner participation. The primary focus of this discussion will be the *Forestry Act 1999* and the AusAID-funded Solomon Islands Forest Management Project (SIFMP).
Drawn from discussions in the previous chapter, the study contemplates how these reform initiatives will function when implemented.

Chapter Eight presents the conclusions and makes some recommendations on what could be done to enhance landowner participation in the logging industry. It is here that we eventually know whether or not we have successfully journeyed through the jungle—whether we have found and followed the correct path.
This chapter has two parts. First, it provides an overview of the major developments and issues that have dominated discussions on the Solomon Islands logging industry, especially in the period after independence. Of particular significance are issues such as unsustainable logging practices, the role of logging companies, inadequate policies and legislation and the nature and degree of landowner participation, particularly in the processes of policy-making and implementation. Secondly, the chapter outlines the policies of successive governments since independence and highlights why, despite the positive intentions of most governments, the outcomes have been generally negative.

The emphasis of this chapter is on questions such as: what issues dominated the development of the Solomon Islands logging industry in the past two decades?; what kinds of forestry policies were prevalent at that period of time?; how influential were logging companies, aid agencies, NGOs and landowners in the policy-making and implementation processes, or generally, in influencing forestry outcomes? The answers to these questions will assist in our understanding of the relations of power between different stakeholders in the logging industry—the struggle for control of the industry—and, more specifically, the nature and degree of landowner participation in influencing forestry developments, policies and outcomes.

**The Solomon Islands' logging industry: a background**

Commercial logging in Solomon Islands started in the late 1920s. Bennett (1998) documents the story of the Vanikoro Kauri Timber Company as the first logging
company to operate in Solomon Islands. For over thirty years—from 1926 until 1964—the company operated on Vanikolo Island in the Eastern Solomons and struggled ‘to maximise its returns, in the end unsuccessfully’ (Bennett 1998:2). The company closed its operations on the island and left.

Large-scale commercial logging as we know it today, however, is a recent phenomenon. Frazer(a) (1997:45) writes that in the last three decades there have been two distinct regimes, ‘each marked by differences in the ownership and location of the forests being harvested, the number and size of the companies engaged in export logging, and government management of the industry.’ The first is from 1963 to the early 1980s, when most logging took place on government land or customary land leased by government. During this period, under the colonial government’s Timber Ordinance, it was the government that had the responsibility for acquiring land and giving logging licence to companies interested in harvesting timber. At that time the timber industry was monopolised by a British-registered company, Lever Pacific Timber, which made up around 75 per cent of log production (Bennett 1998:2).

The second period began in the early 1980s and continues today. This period is marked by a shift from government land to customary land and an influx in the number of foreign (especially Asian) companies with logging concessions in Solomon Islands. Between 1981 and 1983, for example, the number of foreign companies with logging licences increased fourfold (Frazer(a) 1997:46). The beginning of this period coincided with an event which marked an important turning point in the history and development of the logging industry in Solomon Islands. This was the Enoghae incident of 1982 (see Chapter Three) and the subsequent establishment of the North New Georgia Timber Corporation Act (NNGTC Act) (Tausinga 1992, 1989). The Enoghae incident was the first
example of landowners openly (and violently) resisting the active role of the
government and a foreign company in the exploitation of forestry resources on
their land. More specifically, the Enoghae incident demonstrated the displeasure
of local "owners" and their leaders with attempts by the government to facilitate
the allocation of logging rights on customary land to Lever's. The *Forest and
Timber Amendment Act (1977)* had recognised the customary "owners" rights to
the forest and their ability (albeit via the cumbersome process of adjudicating
claims to rights by the Area Council) to allocate these within the process. The
NNGTC Act enhanced this recognition of landowners’ authority over land and
forestry resources (Tausinga 1992, 1989). In effect, the NNGTC Act facilitated the
North New Georgia people's participation in the development of forestry resources
on their land. The underlying assumption of the Act is that because their control
and authority is legally recognised, landowners would become the primary
beneficiaries of the industry and would receive better outcomes.

The NNNTC Act, however, is targeted towards a particular part of the country; the
legislation for the whole country—the *Forest Resources and Timber Utilisation
Act*—did not change dramatically to accommodate the new surge of active
landowner involvement in the industry. Landowners elsewhere in the country
nevertheless noted the developments in North New Georgia as an encouragement
to become active players. In the case of North New Georgia, landowners decided
to get rid of Lever's Pacific Timber Limited and involve a Malaysian company,
Golden Springs Limited, under a contractual agreement (Bennett 2000). This
signified another turning point; the shift away from the domination of Western
(especially Australian and British companies) to that of Asian companies.

This period coincided with the first Solomon Mamaloni-led government’s time in
office. This was a government known for its pro-logging policies and which
encouraged Asian companies to invest in the logging industry. The Mamaloni-led
government had intentionally pushed for a shift away from a concentration on
Western investors to ‘looking north’ towards Asia. The government also wanted
to encourage landowners’ active participation in the industry (Bennett 2000;
Frazer 1997).  

![Figure I: Log Production, Export and Estimated Sustainable Yield for Natural Forest](image)

*Source: CBSI log export records; Forestry Review 1995; ADB 1998.*

This second period was also characterised by a rapid increase in log production. In
1989 the volume of log production was about 300,000 cubic metres as compared
to about 700,000 and 800,000 cubic metres in 1993 and 1996 respectively (see
Figure I). This rapid increase in log production was due to a variety of factors. The
major ones include an increase in the number of logging companies with logging
concessions, a shift into customary land, the increasing demand for hardwood
timber in international (particularly Asian) markets, an increase in the price of
hardwood timber, and Solomon Islands’ increasing economic dependence on log
exports (Duncan 1994; Price Waterhouse1995).
Table I: Estimation of Resource Depletion and Sustainable Yield of Natural Forest \(^8\)

<table>
<thead>
<tr>
<th>Year</th>
<th>Total volume remaining as of 1 January each year ('000 m(^3))</th>
<th>Volume harvested from natural forest ('000 m(^3)/yr)</th>
<th>Years to deplete resource in first cutting cycle (yrs)</th>
<th>Predicted sustainable yield ('000 m(^3)/yr)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1992</td>
<td>14,351</td>
<td>617</td>
<td>-</td>
<td>319</td>
</tr>
<tr>
<td>1993</td>
<td>13,734</td>
<td>675</td>
<td>26</td>
<td>305</td>
</tr>
<tr>
<td>1994</td>
<td>13,059</td>
<td>744</td>
<td>22</td>
<td>290</td>
</tr>
<tr>
<td>1995</td>
<td>12,315</td>
<td>811</td>
<td>17</td>
<td>274</td>
</tr>
<tr>
<td>1996</td>
<td>11,504</td>
<td>811</td>
<td>15</td>
<td>256</td>
</tr>
<tr>
<td>1997</td>
<td>10,693</td>
<td>637</td>
<td>14</td>
<td>238</td>
</tr>
<tr>
<td>1998</td>
<td>10,057</td>
<td>606</td>
<td>14</td>
<td>223</td>
</tr>
</tbody>
</table>

*Source: ADB 1998:64*

The rapid increase in log production eventually resulted in harvests going beyond the estimated sustainable yield. In 1992 it was estimated that about 13 million cubic metres of commercial timber was harvestable using conventional logging methods. By the mid 1990s, however, stocks were rapidly disappearing because of unsustainable logging practices which saw timber exploited at a rate that significantly exceeded the potential sustainable yield. Log production in 1994 and 1995, for example, was 735,000 and 826,000 cubic metres respectively. These figures were more than double the potential sustainable yield for those two years, of 294,896 and 275,710 cubic metres respectively (CBSI 1995; Forestry Review 1995; see Table I and Figure I).

If these levels of log production continue, it is estimated that the logging industry will not be sustained for another decade (Montgomery 1995; Price Waterhouse 1995; Frazer 1997). Figure I shows the relationship between log production, exports and the potential sustainable yield per annum from 1991 to 1998. It is

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\(^8\) Note that the data on volume harvested from natural forest includes log export estimates and forecast round log conversion of sawn timber. The estimated years to deplete the resource in first cutting cycle assumes continuation until resource depletion at harvest rates of the immediate past four years. The predicted sustainable yield assumes immediate implementation of sustained yield.
obvious from this that the volume of log production and exports exceeds the estimated sustainable level for most of this period. According to Table because of the increasing volume of timber harvested from natural forests per annum, there is a corresponding decline in both the predicted sustainable yield and the estimated number of years it will take to deplete the resource in the first cutting cycle.

In 1997 there was a sudden decline in log production. This was due mainly to the Asian economic crisis and the collapse of Asian timber markets. The Asian Development Bank (1998:54) estimated that the volume of log production in 1996 was 811,000 cubic metres, while in 1997 it dropped to 637,000 cubic metres (see Table I and Figure I). However, despite the decline in production, the Solomon Islands Central Bank (1999) reported that in 1998, the volume of logs harvested from natural forests did not drop to the extent anticipated at the beginning of that year. This was attributed mainly to the 20 per cent devaluation of the Solomon Islands dollar in December 1997 which,

positively impacted on exporters' balance sheets, government’s preferential taxes for stockpile exports, and partial recovery in the market that raised the average price for Solomon Islands' logs from a trough of US$45 per cubic meters to US$80 per cubic meters towards the end of 1998 (CBSI 1999:15).

Furthermore, in spite of the decline in production, the total volume of timber produced was still well above the estimated sustainable level. For instance, while the volume of timber harvested from natural forests in 1998 was estimated to be about 640,000 cubic metres, the predicted sustainable yield for that year was about 220,000 cubic metres.

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9 This is especially serious because of Solomon Islands' dependence on the Asian log markets. See Figure II for details on the destinations of Solomon Islands' log exports.
By 2000, most of Solomon Islands’ major industries were affected by the Solomon Islands crisis which started on Guadalcanal in late 1998. The Solomon Islands Plantation Limited (SIPL) oil palm plantation suspended its operations in June 1999. A year later, in mid-2000, the Gold Ridge mine on Central Guadalcanal also suspended operation after militants took over the mine site and threatened workers (see Chapter One for more discussion of the Solomon Islands crisis). Many other investment plans were postponed as the investment environment continues to deteriorate and remain uncertain because of the unrest.

**Figure II: Log Volume to Major Export Destination, 1994–1998**

![Pie chart showing log export destinations (Philippines: 28%, Korea: 20%, Thailand: 1%, Malaysia: 1%, Singapore: 2%, Japan: 34%, India: 10%, Hong Kong: 2%, China: 2%)]

*Source: Log export data from CBSI.*

However, despite the civil unrest on Guadalcanal, during 1999 the forestry sector was not as severely affected as other sectors. The Central Bank of Solomon Islands (CBSI) reported that this was because ‘the Western and Isabel provinces are the major hosts to logging operations and therefore while logging on Guadalcanal ceased for some time or were operating at below capacity, the overall output actually rose’ (CBSI 2000:16). In 1999, because log production data was
not available, the CBSI used export shipment data to make estimations; around 624,000 cubic meters of logs were exported, up by 3 per cent on the previous year. This was about twice the estimated sustainable production rate. The CBSI noted that,

it is not expected that the cutting rate would decline to the desired sustainable rate immediately, especially given the recent recovery in the market for logs and in view of the budgetary importance of log exports. Over the medium term, however, the cutting rate must reduce or the life span of the resource will continue to diminish correspondingly (CBSI 2000: 16).

By March 2000, however, log production did decline. This was attributed to the deteriorating Solomon Islands crisis which had, by then, affected other parts of the country, especially the high log production areas such as the Western and Choiseul provinces. The Commissioner of Forests, Peter Sheehan, quoted in March 2000 a ‘current harvest rate’ of 550,000 cubic meters per annum (Sheehan 2000).

This would be well below the 624,000 cubic meters in the previous year but still well above the expected sustainable harvest rate of 250,000 cubic meters per year.

Apart from unsustainable log production, another issue which dominated discussions of logging in Solomon Islands was the country’s economic dependence on logging exports. In 1990, logging contributed 34.5 per cent of the country’s total exports. This increased to 54.9 per cent in 1993. In 1994, it contributed 56 per cent of the country’s export earnings and 31 per cent of all government earnings (Montgomery 1995). In the ten years between 1988 and 1998, timber made up for a huge percentage of Solomon Island’s principal exports (see Figure III). From 1992 to 1996, receipts from log exports increased dramatically and heavily dominated total exports. The average value of timber export in that period was SI$285.2 million per annum. In 1998, however, there was a dramatic decline in log export receipts: SI$196.3 million as compared to
SI$290.7 million in 1997, and an average of SI$285.2 million in the period from 1993 to 1996 (CBSI 1999:25). The 1997 and 1998 decline was due the fall in both export prices and volume as a result of the continued adverse developments associated with the Asian financial crisis. But, despite this decline, the value of log exports was still well above that of other commodities (CBSI 1999: 25-26; see Figure III).

![Figure III: Export Values of Principle Commodity Groups](image)

*Source: CBSI data on value of exports by commodity*

Because of the country’s enormous dependence on the logging industry the negative developments of 1997 and 1998 had an impact on the rest of the economy. The sharp downturn in log export and timber prices contributed to a decline of around 7 per cent of Solomon Islands’ real Gross Domestic Product (GDP) in 1998 as compared with an estimated growth of 3 per cent in 1997. This has had adverse impact on the country’s economy and contributed to the

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10 It should be noted, however, that by the end of 1998 the Asian economies were improving and by 1999 it was expected that the recovery in the Asian log markets, Japan and South Korea mainly, would impact positively on Solomon Islands economy especially given that log exports account for more than 50 per cent of the country’s export trade and more than 20 per cent of government revenue prior to the Asian crisis.
government's weakness in its management of the forestry (and other) industries. Trained staff and an effective administration, for example, are dependent on funding from a healthy economy. The Commissioner of Forests, Peter Sheehan (2000:5), expressed the need 'to recognise that the forest sector cannot carry the economy for very much longer. Alternatives must be found and implemented.' Since 1998, however, attempts at diversifying the economy have been severely affected by the continuing crisis in the country.

**Table II: Timber Harvest and Exports**

<table>
<thead>
<tr>
<th>Year</th>
<th>Volume of natural forest log exports ('000 m³)</th>
<th>Value of natural forest log exports ($ million)</th>
<th>Volume of plantation log exports ('000 m³)</th>
<th>Value of plantation log exports ($ million)</th>
<th>Volume of sawn timber exports ('000 m³)</th>
<th>Value of sawn timber exports ($ million)</th>
<th>Total harvest from natural forest ('000 m³)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1989</td>
<td>260</td>
<td>38.78</td>
<td>na</td>
<td>na</td>
<td>5.0</td>
<td>2.54</td>
<td>305</td>
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<tr>
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<td>399</td>
<td>56.53</td>
<td>na</td>
<td>na</td>
<td>8.0</td>
<td>4.28</td>
<td>457</td>
</tr>
<tr>
<td>1991</td>
<td>292</td>
<td>49.46</td>
<td>na</td>
<td>na</td>
<td>6.2</td>
<td>4.10</td>
<td>352</td>
</tr>
<tr>
<td>1992</td>
<td>543</td>
<td>104.02</td>
<td>na</td>
<td>na</td>
<td>8.5</td>
<td>6.43</td>
<td>617</td>
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<td>1993</td>
<td>591</td>
<td>221.72</td>
<td>na</td>
<td>na</td>
<td>10.9</td>
<td>9.99</td>
<td>675</td>
</tr>
<tr>
<td>1994</td>
<td>650</td>
<td>265.04</td>
<td>9.5</td>
<td>2.03</td>
<td>12.4</td>
<td>9.48</td>
<td>744</td>
</tr>
<tr>
<td>1995</td>
<td>716</td>
<td>261.41</td>
<td>32.4</td>
<td>8.21</td>
<td>12.4</td>
<td>13.34</td>
<td>811</td>
</tr>
<tr>
<td>1996</td>
<td>730</td>
<td>308.88</td>
<td>55.2</td>
<td>16.07</td>
<td>9.0</td>
<td>9.89</td>
<td>811</td>
</tr>
<tr>
<td>1997</td>
<td>554</td>
<td>237.83</td>
<td>102.4</td>
<td>24.68</td>
<td>8.1</td>
<td>10.97</td>
<td>637</td>
</tr>
</tbody>
</table>


*Total harvest is estimated as natural forest logs exported plus equivalent round log conversion rate of 25 per cent of sawn timber exported, and estimated domestic use, varying across the years. Domestic use is estimated at 50,000 m³ of round log equivalent.*

While it is true that the deteriorating economy had affected the capacity of government, it is also true to say that successive governments' capacity and/or commitment to monitor and control the industry were already minimal since the early 1990. In 1993-94 the Billy Hilly-led government was hindered in its attempts to implement policies that would change logging practices for the good of forestry resources because such policies were viewed as not being in the interest of logging companies who strongly resisted them. Consequently, the logging companies
played a crucial role in causing the collapse of the Billy Hilly-led government in 1994 (see Bennett 2000).

Related to the above is the fact that the current or higher (unsustainable) harvesting rates will cause severe economic and financial disruption when the natural forest timber resource is depleted. ADB asserts that if timber production is reduced to meet the sustainable level by 2000, then, although it would involve some short-term disruption as government and the economy adjust to lower levels of forest revenue, ‘the forest resources would remain a source of revenue in perpetuity’ (ADB 1998: 66). The Bank presents three possible scenarios for managing the natural forest: 1) continue at about the current harvest rates; 2) allow harvest rates to rise to a new maximum level potentially set by logical constraints of harvest operations; or, 3) implement sustainable yield levels by 2000. ADB proposes that the ‘government should carefully consider the harvest level options, which are likely to actually fall within the range between scenarios 1 and 3’ (ADB 1998:66). These scenarios and options are being considered by the government and are part of the AusAID-funded SIFMP (see AusAID 1999).

But, in spite of the above discussions, the claim that forests will be depleted in less than a decade if current logging practices are maintained has been disputed by the Solomon Islands Forest Industries Association (SIFIA).11 In January 1997, SIFIA premiered a video documentary produced for the purpose of what Eric Kes, the then Executive Director of SIFIA, described as correcting ‘widespread misconceptions about the Solomon Islands forest industry sector, which have often resulted in misinformed and emotion[al] criticism[s] of the industry and government, both locally and abroad’ (Solomon Star, January 29, 1997). The underlying argument in the video is that while close to 80 per cent of Solomon

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11 The Solomon Islands Forest Industries Association (SIFIA) is the organisation representing the majority of foreign and local logging companies. It was formed in the mid 1980s.
Islands' land is covered by forests, only about 12 per cent is suitable for commercial logging operations. Kes stated that 'the often used stereotype of total forest destruction is simply untrue' (Solomon Star, January 29, 1997). In a printed document released by SIFIA along with the video, Kes argued that 'approximately 10 per cent have been previously logged, but are not, as often argued, completely destroyed, but will generally recover and can be re-harvested over the years'. The document also argued that 80 per cent of Solomon Islands natural forest will never be subject to large-scale commercial logging.

The SIFIA documentary was not entirely wrong in saying that total forest could not be depleted in a decade. What must be made clear, however, is that the area of commercially accessible forest is, without question, being depleted at an unsustainable rate (see Figure I and Table I).

The video also featured the then prime minister, Solomon Mamaloni, who commented on SIFIA's part in 'formulating forest management measures, training matters and expressed his satisfaction with the ongoing dialogue between government and the industry' (Solomon Star, January 29, 1997). The film also referred to the Code of Practice and expressed SIFIA companies' commitment to the principle of sustainable forest management. In a paper distributed at the video's premier, Eric Kes writes: 'The Solomon Islands Forest Industries Association (SIFIA) is committed to the principle of sustainable forest management (SFM)'.

12 ADB (1998:54) states that, despite the fact that natural forest covers about 78 per cent of Solomon Islands, only about 21 per cent is forecast to be accessible for commercial timber harvesting. The remainder is considered to be of no commercial value because of low volumes per hectare, uneconomic location, being environmentally sensitive, or having an intended alternative use. Of the 21 per cent commercially accessible forest, 12 per cent is already being harvested.
By the late 1990s, however, especially after the Asian economic crisis of 1997, SIFIA's impact on the forestry industry declined. Many members were disillusioned about the organisation’s role in assisting members at times of crisis. While SIFIA was seen as an organisation that played a crucial role in promoting public relations for logging companies, it did not really have any major impact on the ability of companies to maximise profit in the way that they had done for almost two decades. Furthermore, the weakness of SIFIA was partly because of the weakness in leadership. After Eric Kes left the organisation, the new Solomon Islander leader did not really understand how the industry functions, either locally or internationally.

Despite increasing log exports, in the late 1990s actual revenue collected from log exports declined. *Solomon Star* reported on 4 April 1996 that although the value of round log exports in 1995 increased by SI$16.7 million, the amount collected in export duties by the government fell by SI$12.6 million. This signifies weaknesses in Solomon Islands' tax system which meant that the government was unable to collect potential revenue. Price Waterhouse (1995) discussed the deficiencies of the tax system and highlighted the need for trained manpower and an improved administrative and monitoring system to enable the government to capture much needed revenue. If that is not done then the country is bound to lose enormous amounts of money through potential revenue foregone (see Table III).

Apart from the weaknesses of the tax collection mechanism, a substantial amount of potential revenue was also lost as a result of inefficient government policies. One such policy was the granting of duty remissions to log exporting companies. This increased significantly in 1995 and 1996. As a result of these remissions, government revenue foregone from 1995 to 1997 was $75 million (ADB
This is a dramatic increase, compared to about $34 million of potential revenue foregone in 1994 (Duncan 1994).

The duty remissions were given largely to landowner companies with the intention of assisting them participate in the logging industry and encouraging them to invest in domestic processing. Most of these landowner companies have contractual agreements with foreign-registered companies because they do not have the capital or technology to extract and process logs alone. Consequently, the landowners have control over the terms of the agreements making it difficult for the state to influence the outcomes.

Price Waterhouse (1995) indicated that subcontractor agreements were either fixed at a rate per cubic metre of logs exported, irrespective of f.o.b. value, or accepted a percentage share of the f.o.b. price. Consequently, it was concluded that although most landowner companies received a share of the foregone tax revenue, 'the logging contractors are capturing up to 77 per cent of this' (Price Waterhouse 1995:35) because of the structure of the contractor/landowner company agreements.

These issues highlight the role of logging companies and the nature of their participation in the logging industry. Over the past decade the industry has been dominated by multinationals, particularly Malaysian and Korean investors backed by Japanese, Korean and Filipino buyers (see Appendix I for list of foreign logging companies operating in the country). Transnational companies, supported by concessional state policies and weak landowner agreements, as well as the slack enforcement of regulations, have, in the last decade, helped pushed log production to more than double the sustainable rate. Peter Dauvergne (1998-1999) discusses 'corporate power' involvement in the timber industry, especially the
techniques often used to evade taxes and maximise benefits from the industry. He discusses how structural defects in Solomon Islands' timber management policies have enabled 'multinational investors to operate with remarkably poor harvesting and environmental standards, and make windfall profits' (Dauvergne 1998-99:8). Price Waterhouse (1995) reports that insufficient finance and lack of technical and human resources to monitor logging operations mean that it is difficult to implement the state’s forestry policies, especially environmental rules. Consequently, many multinationals in the industry violate the regulations and get away with it. There is evidence that corporations powers have used transfer pricing and have made informal agreements (between buyers and producers) to ensure they benefit from the timber industry.

By comparing Solomon Islands' import clearance records into Japan and the Republic of Korea against Solomon Islands log exports for the first half of 1995, Price Waterhouse (1995) concluded that under-invoicing had reduced declared f.o.b. prices by at least US$80 per cubic metre after reasonable allowances for freight and insurance. FORTECH (1995c) compared log export volume and value from Solomon Islands with log import volume and value to Japan and the Republic of Korea, and found that while, for 1994, export and import volumes essentially correlated, after providing allowances for freight and insurance, sales to Japan were under-invoiced by about US$34 per cubic metre and to Republic of Korea by US$32 per cubic metre. According to Price Waterhouse (1995), under-invoicing is a common method of minimising taxation payments and that 'to claim that under-invoicing does not exist in Solomon Islands would make this country unique among log exporting countries around the world.'

Economic surplus foregone from 1990 to 1997 as a result of transfer pricing was estimated to be about $481 million, compared with the $131 million lost through
undertaxation (Table III). Government's cumulative recurrent budget deficit for the same period was an estimated $295 million (ADB 1998:71).

By assessing logging companies' profitability and influence on taxation regimes one may understand how they function. In order to do this, one has to have access to production costs and estimated true market prices. This is a daunting task, especially given differences in production costs both within and between countries due to factors such as harvest volumes per hectare, commercial species composition and size, landownership, skills availability, and capital inputs (log ponds, logging camps, and roads) (see ADB 1998:69). The Asian Development Bank (1998:69) states, however, that, 'the product value strongly influences production costs which can be expected to adjust accordingly. Of greater significance is operational efficiency, which affects potential profitability for respective product values. Comparisons should be restricted to similar business environments.'

Studies have already been done in similar environments, such as the forestry sector in Papua New Guinea (FORTECH 1997), which could help us ascertain the profitability of logging companies operating in Solomon Islands. Price Waterhouse (1995), Duncan (1994), FORTECH (1995c) and ADB (1998) have also provided invaluable contributions. Based on these studies it is possible to estimate logging companies' profitability in the 1990s by using declared production cost and export price data (Table IV). In discussing the profitability of logging companies in Solomon Islands, ADB (1998:70) states that,

assuming the export duty is fully applied, losses made in 1990-1992 were followed by profits of about $67/m$^3$ in 1993-1994, much lower profits in 1995-1996, and then a loss of $8/m^3$ in 1997. Making the more realistic assumption that logging companies only paid the effective tax rate, profitability increases substantially from 1995 to 1997. Instead of a loss, a profit of $31/m^3$ was realized in 1997. Even
on the basis of declared data, substantial resource rent has been
transferred to logging companies as a result of duty remissions and
exemptions. Only in 1997 might taxation at the declared rate have left
companies with losses. Actual economic surplus foregone because of
undertaxation from 1990 to 1997 totalled $131 million.

Table III: Foregone Economic Surplus

<table>
<thead>
<tr>
<th>Year</th>
<th>Natural forest log f.o.b. ($/m³)</th>
<th>Adjusted natural forest f.o.b. ($/m³)</th>
<th>All costs incurred up to logs loaded on ship ($/m³)</th>
<th>Profitability under effective duty rate ($/m³)</th>
<th>Potential Profitability due to under-invoicing ($/m³)</th>
<th>Actual economic surplus foregone under effective duty rates ($ million)</th>
<th>Potential economic surplus foregone due to under-invoicing ($ million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1990</td>
<td>141.67</td>
<td>170.00</td>
<td>180.25</td>
<td>-38.58</td>
<td>-10.25</td>
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</tr>
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<td>8.81</td>
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<td>42.54</td>
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<td>365.08</td>
<td>433.28</td>
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<td>25.25</td>
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</tr>
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<td>62.13</td>
<td>150.88</td>
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<td>520.69</td>
<td>398.24</td>
<td>30.96</td>
<td>122.46</td>
<td>17.15</td>
<td>67.86</td>
</tr>
</tbody>
</table>

Source: ADB 1998: 66

These findings validate the assertion that logging companies have been able to
make windfall profits while officially claiming extended periods of losses
(especially from the mid-1980s until 1992) (see Dauvergne 1998-1999). While in
1995 and 1996, many logging companies have been able to capture economic
surplus, some have claimed that such surpluses are used to offset losses in the
previous years. It should be noted, though, that because many companies have
changed ownership during this period, they would have included consideration of
loss-making in the company sale price, therefore, offsetting the loss (ADB 1998).
Table IV: Logging company Profitability

<table>
<thead>
<tr>
<th>Year</th>
<th>Natural forest log f.o.b ($/m³)</th>
<th>Royalty ($/m³)</th>
<th>Declared export duty ($/m³)</th>
<th>Effective export duty ($/m³)</th>
<th>Production cost ($/m³)</th>
<th>Profitability under declared rate ($/m³)</th>
<th>Profitability under effective rate ($/m³)</th>
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<tbody>
<tr>
<td>1990</td>
<td>141.67</td>
<td>29.17</td>
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<td>57.92</td>
<td>155.59</td>
<td>116.32</td>
<td>224.00</td>
<td>-8.32</td>
<td>30.96</td>
</tr>
</tbody>
</table>

Source: ADB 1998:66

The issues highlighted above illustrate the capacity of logging companies to influence the Solomon Islands logging industry by utilising their access to information, technology and markets and exploiting inadequate government policies and a weak tax regime. At this level of interaction landowners have nearly no influence. Many do not know the correct market prices for timber, have no knowledge of logging companies’ accounting practices or even where the logs are sold. As a landowner from Arosi in west Makira puts it: ‘mifala no save tu wea nao olketa salem tri ai, o wanem nao olketa duim long hem. Mifala tekem selen nomoa hem oraet nao’ (We don’t know where the trees are sold, or what they do to them. We just take our money and that is alright for us) (interview, February 19, 1998).

By the mid-1990s there was widespread awareness and concern (both locally and internationally) of the issues confronting forestry developments in Solomon Islands. Locally, concerns were raised by politicians, environmentalists,
landowners, and NGOs while internationally, institutions such as the European Union, AusAID, foreign governments and NGOs also expressed concern over the unsustainable rate of logging and other issues related to the industry. The Australian government, for example, criticised the then Solomon Mamaloni-led Solomon Islands National Unity and Reconciliation Party (SINURP) government's policy on logging, and, to back its criticism, in 1996 it cut back on aid to Solomon Islands and stopped funding the Timber Control Unit Project (TCUP) of the Forestry Division, set up to monitor the rate of logging. The European Union also threatened to stop its funding of projects 'if the government failed to address forest management concerns' (*Solomon Star*, April 2, 1996). Since 1998, however, AusAID has revived its funding of government efforts to monitor and regulate the forestry industry, through the Solomon Islands Forest Management Project (SIFMP).

Because of the issues raised above, it was realised that the government needed to develop a policy that provides a coherent framework for activities in the forestry sector. ADB (1998:76) suggested that, because of the cross-sectoral impact of these activities, developing forestry policy should be part of the broader public sector policy reform process. The Bank also suggested that a subregional approach (through the Melanesian Spearhead Group) aimed at improving resource rent capture should be established. As yet, this suggestion has not been taken up and there are no indications that the government has any intention to do so.

Because of widespread awareness of the problems associated with the logging industry, the Francis Billy Hilly-led National Coalition Partnership (NCP) government - which came to power in mid-1993 - attempted to introduce policies to reform the timber industry. In July 1993, for instance, the NCP government announced plans for increased local processing and the phasing-out of large-scale
logging in favour of eco-forest logging. A Timber Control Unit (TCU) was established within the Ministry of Forests to monitor timber production. The efforts of the NCP government was thwarted following the collapse of the government in 1994 (Bennett 2000: pp.340-344).

Another attempt to reform the forestry sector was introduced by the Bartholomew Ulufa’alu-led SIAC government. The SIAC government demonstrated a commitment to implementing much needed reforms in the forestry industry. These included the passing in parliament of the *Forestry Act 1999* which is more compatible with the long-term development needs of the country. Many of the SIAC government’s initiatives, however, have suffered a setback as a result of Ulufa’alu’s deposition as prime minister following the June 5, 2000 ‘coup’ by Malaita militants.

Furthermore, the collapse of the Asian economies and log markets gave the government an opportunity to re-evaluate the industry. By late 1997 there was a drop in both demand and price for Solomon Islands logs. The Central Bank of Solomon Islands (1998:26) reported that from 1992 to 1996, the period of the logging boom, the annual average export price had been more than US$120 per cubic metre. But in 1997 and 1998 this fell dramatically to an average of US$106 and US$60 per cubic metre respectively. These include prices for plantation logs (around US$64 per cubic meter) which are lower than for natural forest logs (CBSI 1998:18).

The collapse in demand and price for logs caused a corresponding decline in log exports. In 1998 an estimated 604,000 cubic metres of round logs were exported as compared to 650,124 cubic metres in 1997, and 811,000 cubic metres in 1996 (see Figure I). The total value of shipments amounted to US$69 million in 1997,
dropping from US$92 million in 1996. The value of log shipments in 1998 came to US$36 million, down by 47 per cent from the previous year, reflecting the subdued market demand in Asia for much of the year (CBSI 1999:15). However, as noted above, there was a rise in production in 1999 that corresponded with the improvement of Asian economies, especially log markets in Korea, Japan and the Philippines.

The Asian economic crisis and the collapse of log markets caused many logging companies to stockpile. At the end of 1997 the volume of log stockpiles reached 300,000 cubic meters and uncontrolled logs left in the jungles is estimated by the Ministry of Forest, Environment and Conservation (MFEC) to be around 1 million cubic meters. By the beginning of 1998 logging companies were reported to have stopped felling trees and were simply selling their stockpiles. This, however, was not entirely correct, because during my visit to four logging camps at the beginning of 1998, companies were continuing to fell fresh logs.

In order to assist logging companies reduce the level of their stockpiles, the government temporarily—for six months period—reduced the rate of export duty on logs. By the end of February 1998, about half of the log stockpile had been sold. Of the 1998 log exports, 58,000 cubic meters were plantation logs and the rest was from natural forests. About 169,000 cubic meters of total exports in the first half of 1998 were low grade exports, from stockpile ponds and most probably cut in the previous year (CBSI 1998:18).

**Politics and Forestry Policies**

Politics and the logging industry in Solomon Islands interact: whilst the country’s political culture has influenced the way in which the logging industry has
operated—for example the manner in which agreements for logging are negotiated and approved—the industry, in turn, has had a significant impact on political developments and outcomes.

To understand this interaction, it is necessary to first examine the nature of politics in Solomon Islands. As in other post-colonial states, Solomon Islands inherited liberal democracy from its former colonial power, Great Britain. Over the years, Solomon Islanders have fashioned the ideals and practice of liberal democracy to suit their social structures, cultures and needs. Consequently, the way in which liberal democracy is practised in Solomon Islands is not necessarily the same as it is in other countries. For example, while concepts such as majority rule and the role of political parties are seen as important, the way in which majority rule is achieved and political parties are organised and function is different from that in Western countries.

As it is for Melanesian countries such as Papua New Guinea and Vanuatu, political culture in Solomon Islands is characterised and influenced by factors such as the weakness of political parties, voting on the basis of individual allegiances rather than party ideologies or policies, and the diversity of cultures. Hence, despite the emergence of many political parties in Solomon Islands, so far none of them has established enough strength to enable it to win elections on party platforms and to exist over a long period of time. Furthermore, many of the political parties do not have widespread community support (Alasia 1981). Candidates are, therefore, often elected as individuals rather than because of their affiliation to a particular party.

This is partly due to the fact that, for many voters, assessment of the performances of governments and individual members of parliament is limited to local issues
and immediate personal needs such as school fees for their children, food, travel expenses, and how individual members of parliament contribute towards meeting those needs. Consequently, the issues that determine the way people vote are predominantly local and personal; what determines whether a candidate wins or loses, is not so much party policies or ideologies, but how the candidate relates individually to people and how able he or she is to help them personally.

Political parties in Solomon Islands are relatively weak also because there is a general absence of strong party institutions. Many parties are, in fact, collections of individuals who have similar interests at a particular time—during elections—and for particular purposes—elections. When that interest and the specific purpose for which they come together disappears then the party weakens, disintegrates and may even disappear. There are, however, some parties—for example, the Labour Party and the People’s Alliance Party—that are fairly well organised; but, even these parties are urban-based and do not command popular support amongst the majority of people who live in rural areas.

This absence of strong party allegiance is what Steeves (1993) describes as ‘unbounded politics’ which causes the relative weakness of Solomon Islands governments because they have to continuously compromise with the interests and views of individuals. This is because a shift in allegiance by one individual could result in the collapse of a government. It is because of this that Solomon Islands has had a history of a high turnover of governments. Since independence in 1978, Solomon Islands has had seven governments and five prime ministers: Sir Peter Kenilorea (1978-1981); Solomon Mamaloni (1981-1984); Peter Kenilorea/Ezekiel Alebua (1984-1988)13; Mamaloni (1988-1993), Francis Billy Hilly (1993-1994);

13 From 1984 to 1988, although there were two different prime ministers—Kenilorea and Alebua—the composition of the government was still the same. Alebua took over from Kenilorea as prime minister after
Mamaloni (1994-1997); Bartholomew Ulufa’alu (1997- June 2000), and Manasseh Sogavare (July 2000). Most of these governments did not stay in power for the full four-year legal lifetime of a parliament. Except for the Bartholomew Ulufa’alu-led government\textsuperscript{14}, most of these governments were toppled from office when some members of cabinet shifted their support away from government to the opposition, forcing a prime minister out of office. This tendency to shift political allegiance has become a common feature of Solomon Islands politics. Votes of no-confidence are prevalent.

Because of the fragmented individualistic way in which politics is conducted, the process of forming governments often involves negotiating and compromising with individuals after the election. There have been allegations of significant amounts of money being exchanged as part of attempts to attract support in the process of forming governments. Although no one has ever been convicted of bribery and corruption, it is commonly known that some members of parliament have received significant amounts of money in order to join particular groups in the formation of governments or to withdraw support from a government in power thus, causing its collapse.\textsuperscript{15}

The nature of Solomon Islands politics as described above has had an immense impact on the capacity of governments to make and implement policies. It also affects the participation of various stakeholders—logging companies, NGOs, churches, etc.—in policy-making and implementation. The high turnover of governments, and the consequently relatively short periods of time in which governments stay in office, greatly affect their ability to successfully implement

\textsuperscript{14} Manasseh Sogavare came to power following the de facto coup of June 5, 2000 which saw the removal of the Batholomew Ulufa’alu as prime minister.

\textsuperscript{15} Examples of cases of bribery will be discussed in some detail in the following chapters of this study.
policies. Furthermore, the process of attracting and compromising with individuals when forming governments creates a situation that allows those with money to influence political outcomes, such as who forms government and what kinds of policies are adopted. Logging companies have the capacity to influence political decisions and outcomes; they can assist in putting into power a government with favourable policies. Logging companies in Solomon Islands are known to have political allies who put in place favourable policies. It is in situations such as these that allegations of corruption have been made (see Solomon Islands Government 1988; *SIBC News*, January 9, 1996). The partnership between logging companies and politicians will be discussed in some detail below, especially in relation to the making and implementation of forestry policies.

While the high turnover of governments does affect policy implementation, it is also important to note that even if governments stay in power for the full four-year legal life of parliament, often they have difficulties in implementing policies because of the weak administrative and financial capacity of the state. In order to implement forestry (and other) policies there is a need to strengthen institutional capacities. As noted earlier, the Solomon Islands state is relatively weak, from a variety of factors, including poorly trained manpower, lack of finance, and political instability (see Kabutaulaka and Dauvergne 1997). Because of the realisation of the weakness of state institutions, aid agencies such as AusAID have funded the Solomon Islands Forest Management Project. (This will be discussed in some detail in Chapter Seven).

Discussion of the relationship between Solomon Islands politics and the logging industry takes an interesting twist when we consider the fact that, despite frequent changes of government, there are individuals who have stayed in power for relatively long periods of time or have been able to get into powerful positions
more often than others. One such individual was the former prime minister, the late Solomon Mamaloni. In the last twenty-two years of independence, Mamaloni was prime minister for twelve years. His ability to stay in power longer and get into office more frequently was due partly to his political shrewdness; his many years in politics gave him the knowledge and ability to manipulate political situations in his favour.

But, there was more to it than mere political experience and shrewdness. In the 1990s, for example, there were allegations of connections between the Mamaloni government and logging companies. The fact that such allegations were made was not surprising given that Mamaloni was the owner of Somma Limited, a logging company that operated in his West Makira constituency (and still has logging concessions in the area). In relation to this, there were allegations that Mamaloni was able to form governments in the 1990s because of the sponsorship of logging companies. In one instance, it was alleged that a factor contributing to the Billy Hilly-led National Coalition Partnership (NCP) government’s downfall in 1994 (after being in power for only eighteen months) was its radical forestry policies, in particular its intention to place a moratorium on log exports. That was seen as threatening logging companies and their operations. Consequently, it was alleged, the NCP government was forced out of office by the Mamaloni-led opposition with the help of logging companies. As will be discussed in detail in Chapter Four, five ministers of the NCP government defected to the opposition after being allegedly bribed by logging companies (Solomon Star, August 12, 1994).

It should be noted, however, that these allegations have never been substantiated, and although five cabinet ministers of the Mamaloni government were charged for receiving bribes (Solomon Star, August 12, 1994), they were never convicted. Further, there was nothing illegal about the prime minister owning a logging
company. While it might have been ethically wrong because such ownership could compromise his position as leader of government, Mamaloni, as a landowner, was legally entitled to apply for and be given a logging licence. All that the law required was for him to declare his business interests when he became a member of parliament.

The above comments are concerned with the role of politicians in influencing political outcomes, especially those in relation to logging. For the purposes of this study, it is pertinent to examine how landowners influence political processes and outcomes. At the national level, landowners have little direct influence over the making and implementation of logging policies. This is partly because there are no national institutions, such as a national landowners association, which could represent the landowners in forums where important decisions are made. This is unlike logging companies, who are represented by organisations such as SIFIA which has an important voice in discussing legislation and regulations such as the code of practice. In June 1997, for example, SIFIA prepared a draft Forest Industry Bill with an intent to ‘develop a statutory forest industry association, forest industries council, and forest industries tribunal’ (ADB 1998:54). Other major players at the policy-making and implementation level include aid agencies, NGOs and politicians. Aid agencies, for instance, have an influential role because they are often the ones who finance policy-making and implementation processes. AusAID’s role in the former TCUP and the current SIFMP are classic examples (see AusAID 1999). NGOs are important in influencing public opinions about policies which, in turn, indirectly influence policy outcomes (see Roughan 1997). The participation of all these groups will be discussed in later chapters.

Landowners are not as well represented at the national level as these other stakeholders. It is sometimes assumed that landowners’ views are represented by
NGOs. It should be realised, however, that while NGOs may have extensive interaction with landowners, they have their own agendas and interests, and pursue them in particular ways that may not necessarily serve the interests of landowners. There is, therefore, an obvious absence of landowner representation at the national decision-making level. That has important implications for the degree of landowner participation and control over the logging industry.

Given the kinds of political situations outlined above, it would be worthwhile to examine the forestry policies of successive governments since independence, in particular, their similarities and differences and how they impact on logging outcomes and the participation of landowners. Frazer (1997), in his discussion of the struggle for control of Solomon Islands forests, examines some of the actors involved in influencing forestry policies although he does not examine in detail how government policies affect landowner participation. The following section outlines the forestry legislation and the policies of the various governments.

**Forestry Legislation and Policies**

At the time of independence, the forestry sector was regulated by the *Forest Resources and Timber Utilisation Act 1969* which controlled the harvesting of both natural forests and plantations. That piece of legislation has, over the years, been the subject of nine amendments including two major amendments in 1977 and 1990. But, despite these amendments the Act has proven to be insufficient in dealing with the rapid developments in the Solomon Islands forestry sector. It was described by the ADB (1998:54) as 'a complex, unwieldy instrument, [and] potential exists for significant misinterpretations.' The Commissioner of Forests, Peter Sheehan, referred to the *Forest Resources and Timber Utilisation Act* as being,

very difficult to follow and it came to be bypassed or ignored. A key point in reaching this situation was that, when the law was framed by
the colonial administration, it did not permit logging on customary owned land. Then, when this was permitted, a process was introduced to deliberately shortcut the identification of forest ownership rights. This was the establishment of a process to determine forest ownership rights via hearings of Area Councils. It is clearly biased against the custom forest owner and there are many disputes and disappointments as expectations are often unmet. A second major problem was that, when chainsaws and walkabout mills became common, there was simply no provision in the legislation to allow for any small-scale harvesting by owners themselves. Rather than amend the law this was facilitated by the ‘ultra vires’ use of the ability to issue a licence to operate a sawmill. This form of licence specifically did not include a right to fell trees. They were nevertheless issued indiscriminately and some were even used to permit the export of saw[n] logs (Sheehan 2000:2).

Because of the weaknesses of this legislation successive governments since the late 1980s have proposed to draw up a new legislation to address forestry issues and concerns. In 1989, the Food and Agriculture Organisation (FAO) of the United Nations assisted the government in preparing draft legislation. Following that, the AusAID-funded TCUP in 1994 prepared drafting instructions that stemmed from considerable discussion and input from most stakeholders in the forestry sector (FORTECH 1995a). There was an attempt to involve landowners as much as possible. In early 1999 meetings were held in some—not all—parts of the country to gather peoples’ reactions to the proposed legislation. This was the first time that the government, through the Forestry Division, attempted to consult landowners in the process of making a piece of legislation. That landowner participation was, however, limited because of the number of people consulted and the fact that many people were not properly briefed on the proposed legislation to help them understand its contents. Furthermore, the consultations were made at the later stages of drafting, not at the beginning. Hence, it was not practically possible to make major alterations if they were suggested. That work eventually resulted in the *Forestry Act 1999* which is currently being implemented (see Chapter Seven for a detailed discussion of this Act).
In terms of policies, despite the dynamics of the logging industry, in the last twenty-two years of independence the policies of successive governments have not changed dramatically to reflect that dynamism. All governments have had policies that acknowledge the need for sustainable forestry development and the establishment of local timber processing industry. The Solomon Mamaloni-led government of 1988-1993, for instance, said in its policy statement that,

in order to achieve sustainable development of the forestry resources, by way of timber extraction, logging licences should be restricted to one (1) licence per Province/Island for Islands the size of Makira, Choiseul, Isabel and others within the Western Province and only two (2) licences per Province/Island for Provinces the size of Guadalcanal and Malaita (SINURP 1988: 12).

This is similar to the policy of the Bartholomew Ulufa’alu-led SIAC government and its recognition of the ‘lack of sound management and technology’ in forestry development and the need to make the appropriate changes in order to ensure sustainable development (SIAC 1997:16).

The difference, however, lies in the commitment of governments to implement policies. For example, while the Mamaloni-led government of 1981-1984 had a policy which acknowledged the need for sustainable forestry development, in practice that government increased the number of logging concessions (especially to Asian companies), and hence caused production in the late 1980s and 1990s to increase beyond the estimated potential sustainable level. One of the reasons why the government did that was because it needed to generate income, in particular to finance the government’s recurrent budget.

The Kenilorea/Alebua government which was in power from 1984 to 1988 did not reduce timber production nor discourage foreign investment in the logging industry. This is in spite of the fact that it had policy statements which
acknowledged the need to ensure sustainable forestry development. Like the previous government, the Kenilorea/Alebua government desperately needed the income generated from the logging industry, not only to finance the recurrent budget, but also to service loans. Furthermore, following the devastating impact of cyclone Namu in 1986, the government needed the forestry income to offset potential revenues lost as a result of the damage the cyclone inflicted on the agriculture industry, especially the oil palm plantation in the Guadalcanal Plains and copra plantation in other parts of the country.

When Mamaloni came back as prime minister (from 1988 to 1993), his government drew up a policy which recognised that, ‘faced with the international debate on sustainable development and the realisation of the dangers of resources depletion the government began to formulate alternative and additional policies which were specifically aimed at the forestry sector’ (SINURP 1988:15). Despite this policy assertion, that government’s time in office saw one of the most unsustainable eras in the history of Solomon Islands’ forestry industry. Not only did logging production increase rapidly, the methods of harvesting were, in most cases, environmentally devastating. This continued throughout the 1990s. Organisations such as Greenpeace have documented the breach of environmental regulation by logging companies. A classic example is the documentation of the negative environmental impact of logging on Pavuvu Island (Greenpeace 1995).

Another issue raised by successive governments was the need for local downstream processing of timber. The Mamaloni-led government of 1988 to 1993, for example, stated in its policy statement that in order,

for the economy to get maximum benefits from the lumber industry each logging company, by 1994, should export only 50% of round logs whilst the other 50% of the licence annual quota should be processed (milled) locally for export and local consumption. ... [increasing]
local down-stream processing of wood products for export and added value' (SINURP 1988:16).

This is similar to the policy of the Bartholomew Ulufa’alu-led Solomon Islands Alliance for Change (SIAC) government (1997—June 2000) which asserted its realisation of ‘the urgent need to start phasing out large-scale logging operations with a shift in emphasis to down-stream processing over medium to long-term investment activities in the forestry sector’ (SIAC 1997:16).

Having made known their intentions to downstream timber locally, these governments were confronted with issues of marketing, technology, capital and whether they would be able to attract foreign investors to invest capital in down-stream processing in the same way as they did with logging. Furthermore, while both governments and logging companies are aware of the need to add value to Solomon Islands’ timber by downstream processing, the government often does not have the capacity to enforce such regulation. Many logging companies include downstream processing in the development plans they present to state officials at the time of negotiating for a logging licence. It is, in fact, mandatory under the Forest Resources and Timber Utilisation Act that 20 per cent of the total volume of logs harvested must be processed locally. Most companies, however, have not complied and even when they include this in their development plan, it is rarely implemented. Successive governments never enforced this regulation and have never implemented their policies to encourage local processing.

A government which had a slightly different policy was the Francis Billy Hilly-led NCP government which was in power for only eighteen months between 1993 and 1994. That government proposed to place a moratorium on log production and ban log export by 2000. However, because of its short time in office it never had the opportunity to implement these policies. Even if it had stayed in office, one doubts
whether it would have been able to implement such an ambitious policy, especially given the country’s economic dependence on log exports.

An important development in recent years has been the increasing emphasis on the need to ensure the participation of landowners in the forestry industry and for them to benefit more from the industry. In its policy statement, the SIAC government states that it is ‘committed to ensuring that Solomon Islands natural resource (forest) is utilised only to meet the development needs and aspirations of Solomon Islanders, ie resource owners’ (SIAC 1997:16). In terms of investment in down-stream processing, the SIAC government intends to ensure that ‘indigenous resource owners are to be encouraged and assisted to participate in such undertakings’ (SIAC 1997:16). Such an emphasis on landowner participation emanates from the kinds of public discussions on logging in the 1990s; most of these discussions centre on the need for Solomon Islander landowners to become the central variable in forestry developments. The process of implementation is much more difficult, especially given the financial and administrative constraints. However, with the assistance of aid agencies, in particular the AusAID-funded SIFMP, the government may be able to begin to realise these intentions.

In the process of policy-making, it is important to see the kinds of information that circulates amongst policy makers and how that affects the quality of policies being made. An interesting case is the Mamaloni-led government’s policy to export oxygen:

diversify production of forestry commodities by way of initiating scientific research to identify those of potential commercial value, eg. the tapping of tropical forestry oxygen for export, production and export of pure natural forest water, production pharmaceutical drugs and tablets out of proven medical herbs, establishment of a Biodiversity institute that would eventually become part of the national university (SINURP 1988: 17).
Such a policy—the export of 'tropical forestry oxygen'—is based on misinformation. It epitomises, however, the thinking that is sometimes put into policy-making, and the quality of people involved. The above policy statement refers to the issue of carbon credits as a means of offsetting the greenhouse gas emission of industrialised countries. This arrangement, however, has not yet been finalised and is subject to further discussion following the deliberations of the Kyoto Protocol.

The Bartholomew Ulufa'alulu-led SIAC government had a forestry policy which aimed to achieve three major goals: ensuring sustainable exploitation of forest resources, ensuring that the harvest of forest resources is environmentally acceptable, and ensuring that Solomon Islander landowners benefit the most from the industry. While it is too early to assess the impacts of the SIAC government's policies, they suggest a potential for change which is in line with the government's overall reform program.

The re-establishment in 1998 of AusAID-funding for forestry management signifies aid agencies' recognition of the government's determination to implement its reform agendas. The Solomon Islands Forest Management Project (SIFMP), which took over from the former Timber Control Unit Project (TCUP), will assist in the implementation of much-needed reforms. In announcing the revival of the unit, Permanent Secretary for the Ministry of Forests, Environment and Conservations, Rubi Titiulu, said that this was part of a major review of the Ministry: 'We are reviewing everything with the view to clean up the mess and put things back in order' (Solomon Star, May 26, 1998).

The SIAC government came to power at a critical time in the history of the Solomon Islands forestry industry. By the late 1990s it became absolutely crucial
that logging practices be reviewed and production reduced if the industry was going to survive for another two decades. It was also necessary that legislation and government policies be reviewed to ensure sustainable forest management. There was also a growing public pressure, particularly from NGOs, aid agencies and landowners, for the government to review its management of the logging industry. While, rhetorically, the SIAC government expressed its commitment to make changes, it would not have been able to do so had it not been for assistance from aid agencies such as AusAID and international developments such as the Asian economic crisis, which forced companies to reduce production. The last two decades have been an important learning period for Solomon Islanders and their management of this important industry. It is important to note, however, that this phase in the development of Solomon Islands forestry industry is far from over and Solomon Islanders must learn from their past experiences if they are to make improvements in the future.

However, because of the current civil unrest in the country it is very unlikely that many (if any) of the proposed aid-funded projects to reform the forestry industry will be effectively implemented. In July 2000, not long after being sworn in as the new Minister for Forests, Environment and Conservation, Tommy Chan reiterated the need for loggers to follow forestry regulations. Chan’s statement concentrated on the need for loggers to realise the economic importance of the logging industry, especially given the country’s deteriorating economy as a result of civil unrest in the country. Chan stated that ‘the logging industry has a lot to do to restore the economy . . . the wealth of Solomon Islands is right in the loggers’ thumb’ (SIBC, July 9, 2000). His government, however, was so preoccupied with resolving the political crisis that the logging industry, and other industries, will suffer.
Conclusion

From the above discussion a number of conclusions may be drawn. First, it is obvious that although the history of large-scale commercial logging in Solomon Islands is short compared to those of other countries, it has developed rapidly and become dynamic, especially in the last two decades after independence. This has caused an increase in production of logs from both natural forests and plantation.

Secondly, the logging industry has had an interesting relationship with politics in Solomon Islands. The logging industry has influenced political outcomes as well as being influenced by them. Because of the individualistic nature of political culture, especially in the process of forming governments, logging companies may influence the determination of who holds political power. Further, logging companies are able to manipulate the political and administrative structures in order to maximise their returns from the industry. As is demonstrated above, many logging companies have manipulated the country's weak taxation regime in order to maximise profit.

Thirdly, although successive governments since independence have expressed the desire to manage the logging industry sustainably, in practice none has done so. This is due to a variety of factors: a lack of political and administrative commitment, economic constraints, and weak administrative capacity. It is also obvious that the policies of successive governments have changed dramatically. What is beginning to change, though, is the commitment to implement those policies.
Fourthly, it is evident from the discussion in this chapter that landowners have a relatively low degree of influence over the processes of legislation and policy-making. This means that in terms of relative power landowners are a weak stakeholder in national decision-making processes. This is not necessarily because governments do not want to involve landowners, rather it is due to the absence of a representative institution for landowners at the national level. In practical terms, the process of collecting landowner opinions would have been much easier if there had been a national representative organisation.
Chapter Three

CONCEPTUALISING POWER IN THE LOGGING INDUSTRY

It is difficult to theorise about the power of stakeholders in the forestry industry in general, and logging in particular, because the degree of control that a stakeholder has over the industry varies across regions and time.

For this reason, it is not possible to generalise about how much power a particular stakeholder has over the forestry industry, especially logging. Even in cases where a stakeholder exercises a high degree of control over others, that has the potential to vary over time and across regions. Further, because of the interactive character of power, there is always potential for opposition, and consequently change, as another stakeholder imposes its interests. For example, even where a landowning group is regarded as powerless in relation to the activities of a foreign logging company, that situation could change as a result of opposition from within the landowning group, or as a result of influence from institutions such as non-government organisations (NGOs). The degree of a logging company's control over landowners may also differ between individuals and/or groups within the landowning unit. This is because of the dynamics of interests, educational background and opinions that exists within the landowning unit.

The degree of control also differs from one region to another. Hence, while landowners in one region may have limited or no power over logging operations, those in another region may exercise significant control over the industry's operations.

The control over logging is also influenced and complicated by the relative nature of power. Hence, while one stakeholder may have control over a certain aspects of
the logging industry, another stakeholder may have control over another area of
the industry. It is, therefore, too simplistic to argue that all logging companies are
powerful while the state and all landowners are powerless and vice versa. No one
stakeholder has total power over the industry. But, in order to understand these
complexities, we need first to have an understanding of the concept of power.

This chapter discusses the concept of power with reference to the competition for
total control of the Solomon Islands logging industry and its impact on the nature of
landowners' participation. In particular it explores the interactive character and
relative nature of power as a means towards understanding the degree of control
that each stakeholder exercises over the logging industry. Through this, we can
then attempt to understand the landowner's situation.

The chapter is divided into three parts. The first examines the concept of power;
its definitions, nature, characteristics and the way in which it is exercised. This
discussion is not for the sake of understanding power *per se*, but for explaining the
degree of control and how it affects the participation of landowners. Secondly, the
chapter examines how power is exercised in the logging industry by drawing from
empirical evidence. Thirdly, the chapter relates the concept of power to local
levels in Solomon Islands. In particular, it outlines traditional structures of power.
This sets the basis for the examination of landowners' participation in the logging
industry and the dynamics that exist within the landowning unit. Further, the
discussion of traditional power structures assists in our understanding of the
interactions at the local community level and how that affects landowners' role in
the industry.
The Dynamics of Power

The concept of power has long intrigued scholars and practitioners alike. Many have spent a great deal of time attempting to explain how and why power evolves, its nature, characteristics, form, and the ways in which it is exercised. Such an interest reflects the significance of power in affecting the physical, metaphysical/spiritual and social world around us. But despite its salience and pervasiveness in social relations, power is an abstract phenomenon; this makes the task of defining and analysing it a daunting one.

In social interactions power usually manifests itself through the actions of individuals and societies at large—it is what moves and shapes human societies. As Hawley (1963:422) asserts, ‘every social act is an exercise of power, every social relationship is a power equation, and every social group or system is an organisation of power.’ Wrong (1993:9) writes that ‘people exercise mutual influence and control over one another’s conduct in all social interaction—in fact, that is what we mean by social interaction.’ Similarly, Michel Foucault sees society as continuously being engaged with power relations. In his analysis of the relationship between knowledge and power, Foucault portrays knowledge as enmeshed in, and part of power (Foucault 1980; Rabinow 1984).

So important is the concept and exercise of power in human society that it has been examined by successive scholars, from Plato and Aristotle to Thomas Hobbes, John Locke, Karl Marx, Max Weber and Talcott Parsons. Thomas Hobbes, to whom all modern conflict theorists are indebted, wrote in Leviathan that, ‘during the time men live without a common power to keep them all in awe, they are in that condition which is called war, as is of every man, against every man’ (as quoted in Parsons 1961:100). Even the works of classical literary figures
such as William Shakespeare are engrossed in exploring human society’s preoccupation with and treatment of power.

Power as a social phenomenon is not unique to Western societies and scholarship alone. Histories of the rise and fall of kingdoms and leaders elsewhere are filled with the manifestations of power. In the Pacific islands, for instance, the 19th century saw the rise and fall of kingdoms in Tahiti and Hawai’i (see Howe 1989). Roger Keesing’s book, Elota’s Stori (1978), is about power; the making of a Solomon Islands Big Man. Power is a universal phenomenon which transcends socio-cultural and geographical boundaries.

But, what is power? The above discussion, while reiterating the significance of power, does not explain what it is. This points to the need for a definition.

Defining Power

Power is one of those essentially contested concepts which attracts endless debate about definition and proper use. Parsons (1957:124) states, for example, that, ‘unfortunately, the concept of power is not a settled one in the social sciences, either in political science or in sociology.’ This is because the concept is value dependent—it is inextricably tied to a set of value assumptions. Consequently, like other abstract concepts, it has varying and often contested definitions.

This, however, does not mean we should not attempt a definition. Wrong (1993:9) adopts the simple definition of power as ‘the capacity of some persons to produce intended and foreseen effects on others’. From this definition one could say that a particular stakeholder becomes powerful in the logging industry when it intentionally influences or affects the participation of other stakeholders. Etzioni (1993:18) defines power as ‘a capacity to overcome part or all of the resistance, to
introduce changes in the face of opposition (this includes sustaining a course of action or preserving a status quo that would otherwise have been discontinued or altered). This signifies a generalised capacity to reduce resistance or a state of being where an individual or organisation is able to exert control or influence over other individuals and organisations despite resistance. This definition recognises the interactive character of power; there is always a potential for resistance.

Dahl (1957:80) describes power as a situation where, ‘A has power over B to the extent that he can get B to do something that B would not otherwise do.’ Hence, if a logging company, through an intense public relation campaign, convinces a landowning group to sign logging concessions, then that is an exercise of power. The landowners, on the other hand, are not obliged to do so and could always refuse to sign logging concessions. They have the authority to either agree or refuse to sign given their ownership of land and the forests on it.

There are, however, some issues that need to be considered in defining power. Wrong (1993) in discussing the definitions of power questions whether the exercise of power must always be overt and behavioural, or whether purely subjective, internal effects count also. If a politician, for example, gives a logging licence to a logging company because he knows that if he does not do so the company has the potential to influence the election process in such a way that he loses the elections, then it could be argued that it is already an exercise of power on the part of the logging company. In this case the logging company does not overtly influence the politician. There is, however, a subjective influence. One could argue that even though it is a subjective and internal influence, it is an exercise of power nevertheless. This is similar to what Olsen and Marger (1993) describe as the difference between ‘potential’ and ‘actual’ power (see below).
While on the one hand the difficulty of providing a specific and commonly accepted definition of power is acknowledged, in the broad sense power could be envisaged as the capacity of a stakeholder in the logging industry to produce both intended and unintended as well as foreseen and unforeseen effects on other stakeholders and the ability to overcome resistance. This, however, is a very broad conceptualisation of power which covers almost any change. More specifically, therefore, power could be narrowly defined as the ability of A to make B do what B would not have otherwise done, and in the process overcome any resistance from B. It is, for instance, the ability of landowners to make logging companies and the state do something that they would not have otherwise done. Take, for instance, the case of a logging company sponsoring landowner meetings and other activities. If a logging company could avoid spending money on such activities, it would. However, it sponsors meetings because it realises the power of landowners as vested in their ownership of land and the timber on it. Hence, to influence landowners and achieve an intended outcome, the logging company uses money, something which it has more access to than most landowners do.

Further, logging companies, for instance, are constantly up against resistance from environmental organisations as well as the pressure to adhere to state regulations. But, as will be outlined in the following chapters, in many instances the companies are able to overcome such resistances and also avoid, bend or break government regulations (see Dauvergne 1998-1999). That illustrates the ability of logging companies to influence other stakeholders, especially the state and landowners.

The above discussion also signifies the relative and interactive nature and character of power; the exercise of power by one stakeholder and degree of its
effect on another depends on the relative power of the other (see Olsen and Marger 1993).

This leads us to the need to examine the nature, characteristics and forms of power and how it is created and exercised.

**Nature of Power**

Olsen and Marger (1993), in discussing power in social organisations, state that the nature of social power varies on a continuum ranging from 'social influence' to 'social control', depending on the type and amount of power that an actor exerts and the relative power of the recipient. The terms 'influence' and 'control' represent two endpoints of a continuum of power determinateness. 'Influence' occurs in a situation where an actor's impact on another (the recipient) is uncertain because the recipient retains the ability to exercise power and hence can determine how he or she will respond to that influence. The outcome of 'control', on the other hand, is often predictable because the recipient can exercise little power relative to the initiator (Olsen and Marger 1993: 1-2).

This suggests that the nature of power depends on the actors and their ability to impact on each other; the exercise of power (as will be discussed below) is an interactive process that includes individuals or social units of all kinds, from small groups to total societies. The ability of an actor to either affect or refuse to affect another actor depends on the availability or non-availability of resources. Hence, whether or not A makes B do something that B would not otherwise have done depends on the amount of power A exerts and B's ability to resist it. While there is always an interactive relationship, the holder of power usually exercises greater control over the subject of power. Wrong (1993) refers to this reciprocity of influence as the 'asymmetry' or 'balance' in power relations. Wrong, however,
argues that this does not necessarily suggest that interdependence and mutual influence of equal strength indicates a lack of power:

Such suggestions risk going too far in severing power relations from their roots in social interaction in its generic form, for the asymmetry of power relations is at least imminent in the give and take of dyadic interaction between equals, in which the control by one actor of the other's behaviour is reciprocated by a responsive act of control by the other (Wrong 1993:13).

What exists, Wrong says, is a situation where 'a pattern may emerge in which one actor controls the other with respect to particular situations and spheres of conduct—or 'scopes', as they have often been called—while the other actor is regularly dominant in other areas of activity' (Wrong 1993:13). This implies a balance of power relations but not necessarily a lack of power.

It could be argued, therefore, that stakeholders involved in the logging industry can be never totally powerful or powerless. While one stakeholder might have more influence than another, total control is rare if it at all exists. Landowners, for example, are always exercising power relative to that exerted by the state, logging companies, NGOs, aid agencies and other stakeholders. The fact that landowners own timber resources places them in an advantageous position compared to other stakeholders. What needs to be examined is how they utilise that position and what factors influence their ability to impact on other stakeholders. This leads us to the need to explore in some detail the character of power.

**Characteristics of Power**

The character of power refers to the way in which power is expressed. According to Olsen and Marger (1993:pp.2-3) there are five factors determining the characteristics of social power. The first involves the fact that power is an 'interactive process' within society. In order for it to exist, power must involve more than one individual or social unit.
Secondly, the ability of an actor to exercise power at any given time can be either ‘potential’ or ‘actual’. A situation of potential power exists where an actor possesses resources and capability to exercise power, but does not actually do so. However, the prospective subjects are aware of the potential, and aware that it could be exerted. A potential power wielder is never entirely passive. ‘He or she must convey the impression—through either actions or messages (either real or bluff)—that overt power exertion is a distinct possibility’ (Olsen and Marger 1993:3). Actual power is when resources and potential power are converted into actions towards others.

Landowners in Solomon Islands possess ‘potential power’ over the logging industry because of their ownership of land and the forest resources on it. Their ability to utilise that potential depends on the way in which they organise themselves and relate to other stakeholders. If they are poorly organised then it is likely that their ability to interact positively with other stakeholders will be greatly compromised. As will be cited in later chapters, there are instances where landowners have organised themselves well and have demonstrated greater power over logging companies. In some instances they have caused logging operations to either close down or be disrupted.

Secondly, landowners’ ability to convert ‘potential power’ into ‘actual power’ depends on their access to resources such as technological and financial capital, information—about things such as procedures and processes governing the industry, local and international timber trade, environmental implications of logging—and the ability to influence decision making processes at both the national and local level. They must also be able to utilise these resources and information during negotiation processes to produce a favourable outcome.
Further, landowners need to have access to legal counsel and representation if they are to successfully convert their potential power to real power.

There are organisations that have long recognised landowners' potential power. The work of most NGOs, for example, is focused on attempts to enhance landowners' ability to convert their 'potential power' into 'actual power' (see Roughan 1997). NGOs such as the Solomon Islands Development Trust (SIDT) put a lot of effort into educating landowners about environmental issues and the greater politics of the logging industry (Roughan 1997). Other international environmental organisations such as Greenpeace and Worldwide Fund for Nature (WWF) are also involved in educating not only landowners but also the larger public of similar issues. Some have also provided legal counsel for landowners (Greenpeace 1996).

Aid agencies and the state are also aware of the potential power that landowners possess. This is reflected in the AusAID-funded Solomon Islands Forest Management Project (see AusAID 1999) and the Forestry Act 1999, both of which attempt to improve landowner awareness and strengthen their ability to interact positively (from a landowner point of view) with other stakeholders. Logging companies invest money in public relations campaigns and try to influence state policies and landowners because they are aware of this potential power that landowners have, and their ability to convert it into actual power.

Thirdly, the exercise of power is usually 'purposeful' or 'intentional', although it may produce unintended outcomes. When a stakeholder in the logging industry does something, there is a reason for the action and an expectation of a particular outcome. When, for instance, Eagon Resources Development Company (SI) Limited made Sarabani Landowners on Choiseul sign an agreement which omitted
important clauses of the Standard Logging Agreement (SLA) (see Chapter Five), it is reasonable to assume that the company intentionally did so in order to avoid the requirements of those clauses. What they did not anticipate—or what would be regarded as an unintentional outcome—was that landowners would find out and take the matter to court. It is also possible that officers of the Eagon Forest Resources Development Company (SI) Limited were aware that there was a slim possibility landowners and authorities might find out. They knew, however, that the probability of something being done about it was so slim that it gave them an opportunity to avoid the regulations and requirements without being caught. This is despite the fact that the lawyer for the Eagon Resources Development Company (SI) Limited, Mr William Pitaviri, has denied that the company’s actions in this case were intentional (personal interview, March 17, 1998).16

An equally important question to consider in relation to this case is; why did the landowners sign the agreement to begin with? The simple answer is that they agreed because they hoped that logging would provide the community with much needed income and they innocently assumed that the logging company and state authorities had gone through the proper procedures and provided valid documents. Landowners’ purpose or intention in being part of this agreement was to make money and they were, initially, not aware that some clauses of the SLA had been omitted. In effect it was the landowners’ ignorance that made it possible for the logging company to get away with the act initially.

Fourthly, power can be used in either a ‘promotive’ or ‘preventive’ manner. In a preventive manner power can be exercised over others for the purposes of

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16 While these issues will be discussed in more detail in later chapters, the above statements are suppositions that could not be proven given that intention of the logging company lies in the mind of the officer responsible and it is unlikely the issue will be openly expressed to a researcher. What is certain is that the company knew it had the power to influence, if not control, the actions of landowners and state institutions.
controlling them. On the other hand, in a promotive manner it can be exercised with others for the purpose of achieving a common goal. In the case of logging in Solomon Islands, power becomes preventive when stakeholders attempt to ensure that their particular objectives are achieved and not those of others. This occurs even within landowning units. When one landowner prevents another from having access to the decision-making process and from benefiting from the outcomes of logging, that is the use of power in a preventive manner. The state uses power in a preventive manner in the implementation of forest legislation and regulation—though state systems may be manipulated by other stakeholders.

Promotive power, on the other hand, is often used by NGOs who work with landowners to promote a particular outcome, for example, in promoting awareness amongst landowners and ensuring that they receive justifiable benefits from the industry. Logging companies also use promotive power through media campaigns and other forms which impose positive perceptions about their involvement in the logging industry. In the 1990s, for example, the Solomon Islands Forest Industries Association (SIFIA) was instrumental in establishing a public relations campaign to change negative public perceptions of logging companies.

Fifthly, the exercise of power has the tendency to vary from evenly ‘balanced’ to grossly ‘unbalanced’. A balanced situation is one in which each actor exerts approximately the same amount of power, whereas an unbalanced situation is one in which one or a few actors exert much greater influence than others (Olsen and Marger 1993: 2-3). There are cases referred to in this study which demonstrate both balanced and unbalanced power. In the case of Pavuvu Island, for example, the state used police to back the activities of Marving Brothers, a logging company, against landowners. Landowners, on the other hand, were not entirely powerless. Backed by NGOs, the church and individuals they were able to
influence public opinion and put pressure on the state and logging company. The case of Enoghae in North New Georgia may be cited as an instance in which landowners exercised power over a logging company, Lever's Pacific Timber Limited, and eventually caused its closure (see Chapter Four for detailed discussions on both these cases).

But, how is power exercised and what are the factors that enable power to be exercised? The next section provides a brief overview of the exercise of power.

*Exercise of Power*

In order for power to be exercised, there must first be the possession of resources which enable power to be created. This includes such factors as information, finance, technology and trained manpower. Knowledge (information) is an important resource. The relationship between knowledge and power has been examined by scholars such as Foucault (1977). Without such resources, the ability of an actor to create and accumulate power will be either limited or nonexistent. Secondly, resources must be committed for a particular purpose upon which power is targeted. As stated above, power is purposeful or intentional. Thirdly, resources are then converted from potential to actual power. It is at this point that power is exercised. The fourth process involves overcoming resistance from other actors. This is where power eventually manifests itself.

For the purposes of this study, it is necessary to understand power as a phenomenon which manifests itself both within and between entities and stakeholders. But, how does this discussion of power relate to the Solomon Islands logging industry? Given the above definitions of power and discussion of its characteristics, nature and the way in which it is exercised, there is a need to
provide a general outline of the exercise of power in Solomon Islands’ logging industry.

**Power and Logging in Solomon Islands**

As stated above, Solomon Islands’ logging industry is characterised by intense competition for control. This section relates the above theoretical discussions of power to the actual operations of the logging industry. To illustrate particular points, examples are drawn from different cases in the country. (More elaborate discussions of some of these cases are made in the following chapters).

If we accept the definition of power as the capacity of A to get B to do something that B would not otherwise do, and in the process overcome any resistance from B, then it would be useful to examine the capacity of the different stakeholders to exercise power over the logging industry and the factors that determine that capacity. Stakeholders in the industry exercise different degrees of power and have varying capacities to exert that power depending on factors such as their legal status in relation to forestry resources, their access to, and ability to control finance, technology, information, decision making, policies, legislation, manpower, markets, and their ability to organise themselves.

The power that landowners have over resources such as forests is vested upon them by the country’s constitution which recognises their ownership of land and the resources on them. These powers are then manifested in Parliamentary Acts such as the former *Forest Resources and Timber Utilisation Act (Amendment) 1989* and the current *Forestry Act 1999* as well as the *Lands and Titles Act 1969*. These legal documents provide landowners with the power to either agree to or
refuse the logging of their land. In other words, in order for logging to take place permission must be granted by those who are acknowledged as landowners. Hence, the procedures for logging agreements on customary land are such that landowners must be identified and included right from the beginning. The Standard Logging Agreement (SLA) clearly states that landowners must not only be signatories, but must also be involved in the negotiation process before a logging licence could be issued.

The state in this instance has a co-ordinating role, merely supervising the exploitation of forestry resources and ensuring that sustainable management requirements and environmental regulations are adhered to. Insofar as logging on customary land is concerned, the state has very limited control over the decision on whether or not to allow logging to take place. The state and other stakeholders such as logging companies, the state, NGOs, and aid agencies recognise this legal authority that landowners have.

But, despite this legal power, a fundamental question in discourses of landowner participation in Solomon Islands logging industry is whether they possess and are able to control resources such as finance, technology, information, manpower, etc. that are pertinent to the exploitation of forestry resources and access to decision making (and the influence of policies and legislation). It is here that landowners often have problems. We have noted above that the exercise of power depends on the possession and commitment of resources which enable power to be created. It is in areas such as this that stakeholders such as logging companies, the state, and aid agencies have more control.

This does not necessarily mean that landowners are powerless. They are not because they continuously use their power over land and timber to bargain with
other stakeholders. In nearly all cases logging has to be negotiated with landowning groups who bargain with logging companies. Although in some cases they might not have bargained a very good deal, it does not take away the fact that they have the right and power to bargain with logging companies or to refuse to do so. These negotiations also occur within landowning groups; there are cases where some members of the landowning unit refuse to sign agreements for logging while others do.

Further, there are members of landowning units who have access to the processes of policy making and in many cases influence it. Some of these landowners are members of parliament and ministers in parliament who also have an interest in the logging industry. A classic example is the case of the former prime minister, the late Solomon Mamaloni, who while prime minister was also the owner of a logging company and at the same time a landowner in West Makira where his company was operating. He therefore had a multiple social identity—politician, logging company owner and landowner—and was able to utilise these identities as and when it favoured his intentions. But, not all landowners are in such a position.

If we view power as interactive and relative, then it would be true (especially given the scenarios mentioned above) that no one particular stakeholder has total power or control over the logging industry; there is always an interactive, competitive relationship. For the purposes of our discussion here, the question then arises: how can landowners improve their ability to compete for control of the logging industry? To begin with, as mentioned above, they already have control over land and timber resources. They therefore have potential power. The challenge lies in their ability to convert that potential into actual power, or their ability to use their control over land to promote their interests. Their purpose for participating in the logging industry is to create a source of income that would, in
turn, facilitate development—in theory at least. Landowners, in other words, need to enhance their ability to impact on other stakeholders. How can they do that? A useful starting point is the organisation of landowning units with the ability to organise in ways that would enable them to then relate effectively to other stakeholders. Such an organisation of landowning units is important, not only at the local tribe or clan level, but also at the national level where they can be actively involved in influencing policy formulation.

Because of the complex dynamics of stakeholder relationships, any generalisation can only provide a ‘reasonable indicator’ of the degree of power that different stakeholders have over the logging industry. In these interactions, a stakeholder’s boundary of control may not be clearly defined because it might overlap with that of another. Hence, while landowners in Solomon Islands have legitimate authority over land, that authority is often undermined by the fact that they have little control over the making of legislation and have limited or no access to or influence or control over markets and information. Further, they lack the capital required to invest in forestry development. Because of this, landowners often find that once logging begins they have little control over it because they have given away rights over land, the only resource they have.

In a similar way, while it is true that the state makes forestry policies and legislation, its ability to implement and enforce such laws is usually undermined by weak financial and administrative capacity as well as the fact that it owns only a small percentage of land. The country’s current economic problem further weakens the state’s capacity to implement policies and legislation or to enforce regulations. Further, the state of Solomon Islands has no control over international markets for forestry products. This is despite the fact that the state can influence
the market by manipulating prices and export volumes and through export taxes and licence fees.

The state in Solomon Islands is, therefore, ‘weak’ for a variety of reasons—it lacks the capacity to impose uniform rules, construct and maintain effective state agencies, implement state rules, or manage natural resources and the economy (see Kabutaulaka and Dauvergne 1997). One of the reasons for the weakness of the state is the varying interests that exist within the state. Different agencies as well as individuals working for the state may compromise the collective interest of the state for their own and hence undermine the state’s power. Government ministers and other state officials receiving bribes from logging companies have the potential weaken the state. In an important way, however, the state has both potential and actual power because of its role as the policy and law making institution—it regulates the logging industry.

Logging companies are an important actor. Although a majority of companies involved in logging in Solomon Islands are foreign-owned, there are some local companies owned by Solomon Islanders. Even the local companies, however, have technology agreements with foreign companies and often end up being overpowered by their foreign partners. For these companies, whether local or foreign-owned, the main objective is to maximise profit. There is evidence that many of these companies have used dubious means to maximise profit (see Dauvergne 1997; Price Waterhouse 1995).

Logging companies are particularly important in the struggle for control of the Solomon Islands logging industry because they influence and control variables such as financial and technological capital, information, markets, even manpower, and play an important role in decision making. Their control over these variables
gives them the ability to manipulate legislation and policies (Price Waterhouse 1996; Dauvergne 1997). As will be outlined in later chapters, logging companies, as represented by the Solomon Islands Forest Industries Association (SIFIA) have been instrumental in the drafting of documents such as the Logging Code of Practice. Their access to financial capital has also given logging companies a greater capacity to influence landowners who want to have access to sources of income. Issues of corruption and bribery highlight the fact that even state officials and representatives are vulnerable to the manipulation of logging companies.

It must be noted, however, that not all logging companies have the same access to and control over the variables of power in the logging industry. Some companies have less capital and are less able to manipulate the state system and landowners. Furthermore, just because logging companies are able to manipulate certain aspects of the logging industry does not necessarily mean they have total power over the industry. Logging companies are, in fact, continuously competing with each other and other stakeholders for control of the industry. In Solomon Islands NGOs campaigning against large-scale logging are quite influential and often compete effectively with logging companies in the dissemination of information. NGOs have well-established networks in villages and amongst landowners. Logging operations on Pavuvu Island, for example, were greatly influenced by NGO activities and the very strong anti-logging campaign that they launched (see Roughan 1997; Greenpeace 1995). Although they did not actually stop the logging of Pavuvu, they did influence public opinion and tainted the reputation of the then Mamaloni-led government and Marving Brothers Timber Limited. In fact, it was the case of Pavuvu that brought to the attention of both the local and international community the impact of government forestry policies at that time and the influence of logging companies on the attitude of government towards the industry.
In most instances, NGOs are environmentally conscious and often claim to safeguard the interests of landowners (Roughan 1997). They ‘educate’ landowners on issues of environmental conservation, the impact of large-scale logging, state policies and legislation, and the rights of landowners. While NGOs might not have control over the logging industry, they do influence how other stakeholders react towards the logging industry. Through their community awareness programs, NGOs promote a particular viewpoint and shape opinions, especially amongst landowners. This, in some cases (as will be outlined in later chapters) contributes to the prevention of logging operations.

Apart from the above stakeholders, aid agencies and international financial institutions have, in recent years, become important in forestry discussions and developments. Organisations such as the World Bank, the Asian Development Bank (ADB) and the Australian international aid agency, AusAID, have played fundamental roles in influencing forestry policies and development. Of particular significance is the influence of AusAID through projects such as the former Timber Control Unit Project (TCUP) and the current Solomon Islands Forest Management Project (SIFMP). AusAID was also instrumental in drafting the Forestry Act 1999. These international organisations have been able to exercise power because they have access to finance, trained manpower, information, and other factors pertinent to the forestry industry’s development. It must be noted, however, that, like other stakeholders, aid agencies’ power over the logging industry is never total. Often they are subject to local government and their administration of projects depends on the local government’s policies. There are cases where aid agencies have found themselves powerless because the government in power refuses to cooperate with them. A classic example is the withdrawal of the AusAID-funded Timber Control Unit Project (TCUP) in 1995.
because of disagreements between Honiara and Canberra. Aid agencies' powers are, therefore, continuously being negotiated with those of other stakeholders.

But merely identifying the major stakeholders and outlining the scope of their participation does not tell us much about the participation of landowners. To have a better understanding of the way in which landowners participate in the logging industry, we need to understand their degree of control over the industry, how they are situated in the continuous contestation for control and relative power. The degree of landowners' power over the processes and outcomes of logging is relative to the power of other stakeholders. To illustrate how landowners fit into this relative power, let us look at two cases where landowners have reacted towards logging with the same intentions—to stop the logging operation. The outcomes are, however, different. We should then ask: what is it about landowners' ability to exercise power in relation to other stakeholders that has produced different outcomes? The two cases to be examined are Pavuvu Island in the Russell Islands and Enoghae in North New Georgia in the Western Solomons.

**Pavuvu Island Logging**

Pavuvu Island is one of the 99 islands of the Russell Islands group in the Central Province of Solomon Islands (see Map 1). The Island, with a land area of about 2,427 hectares, is the largest of the twenty inhabited islands of the group. Few people currently live on Pavuvu. This is because in the late 1800s and early 1900s, traders and developers forced the indigenous people to move to neighbouring islands in order to cater for plantation development. In 1905 Lever's Pacific Plantation Limited was granted an occupational licence for 10,000 acres in the group, and that area was later increased to 12,000 acres. The company also purchased freehold land there. Having acquired lease over much of the accessible flat areas on Pavuvu, the company established a coconut plantation. In 1920 the
lands commissioner of the British colonial government recommended the acquisition of Pavuvu Island’s forested land for about 500 pounds. The land was subsequently acquired by the colonial government as alienated land. This was despite landowners’ agreement to alienate only the areas already developed by Lever’s Pacific Plantation Limited (see Greenpeace 1995; Bennett 2000; Bennett 1987).

Over the years, and especially in the period after independence, many local people from the surrounding areas continued to demand the return of Pavuvu Island’s alienated land to the original landowners. In 1978, for example, the people of Loun Island (who claim to be the former customary landholders of Pavuvu Island) demonstrated during the visit of the then Governor General Sir Baddley Devesi, asking the government to facilitate the return of Pavuvu Island’s alienated land. They expressed an interest in reclaiming and developing 2,000 hectares of the island (Greenpeace 1995). In response to these demands, and because of the depressed state of copra and oil prices, Lever’s, in 1979, decided to relinquish control of undeveloped land in the Russell Islands (including Pavuvu Island). Consequently, in late 1993 Lever’s ‘sold out 60 per cent of its shares to James Boyers, of Earthmovers, and 40 per cent to the Investment Corporation of Solomon Islands’ (Bennett 2000: 313).

In 1989 the people of Loun Island presented a proposal to the central government suggesting the return to them of alienated land on Pavuvu and outlining plans for the resettlement and development of the land (Rose 1989).

The then Solomon Mamaloni-led government, however, ignored the proposal and instead, in 1992, approved a logging licence for a Malaysian-registered company, Marving Brothers Timber Company Limited, to log the alienated land on the
southern part of Pavuvu Island. Following this the Minister of Agriculture released a re-settlement and development scheme for Pavuvu Island to be implemented after logging (Solomon Islands Government 1995). The document borrowed much of its ideas from the proposal submitted by Loun Islanders in 1989. There were also additional plans for a major agricultural development to follow after the forests had been logged.

The problem with the government’s resettlement scheme, however, was that the plan provided for the resettlement of people from elsewhere in the Solomons who were unrelated to the original landowners. This had the potential to create big problems; the landowners made it clear they did not want ‘strangers’ to settle in Pavuvu Island (Rose 1989).

There was widespread resistance from local landowners backed by international and local NGOs such as Greenpeace, SIDT and SolTrust against the plan to log the alienated land on the island. Despite this, the Mamaloni government issued a logging licence to the Malaysian company, Marving Brothers Timber Limited, (a subsidiary of Golden Springs), to log forested land on Pavuvu as a way of preparing the land for a resettlement and development scheme. Bennett (2000: 313-314) notes that,

Pavuvu claimants’ spokesman, Martin Apa, claimed that the licence to log was issued in 1992 without the knowledge of Commissioner Gaviro and without consultation with the commissioner of lands, who expected the unlogged land to go to the people. It was claimed that George Luilamo, as Minister of Lands in the Mamaloni government, granted the logging license.

In 1993 Marving Brothers attempted to start operations and began shipping in logging machinery. The company was confronted by a group of local people who threatened to burn the company’s machinery.
According to the government, the opposition to its plans to log alienated land on Pavuvu Island and then implement its development proposals was mainly a result of pressure from NGOs such as the Solomon Islands Development Trust (SIDT) and 'foreigners'. Prime Minister Mamaloni issued a statement saying that 'foreigners, both citizens and non-citizens, are advised not to interfere in internal government development matters of Solomon Islands and to refrain from feeding the media with false information' (Solomon Star, May 24, 1995). Prior to that, on December 1, 1993, the then Minister for Agriculture and Lands, Francis Orodani, wrote a letter to the chiefs of the Russell Islands stating that SIDT's activities were anti-development:

... any activity that SIDT does to resist government development proposals can only be seen as anti-development attitude and nothing else. Secondly the Ministry is not informed of any registration for a company composed of people in the Russell Islands.

We wish to reiterate that the proposal for Pavuvu is the most beneficial undertaking that government can do for the people of the Russells. We also wish to inform you that because of our commitment to helping you, we will be closely monitoring any activity that goes on, on the island. We are happy with the cooperation given to us so far and hope that through our continuous cooperation we will ensure that the future is certain and sustainable.

But, in spite of these assurances, some members of the local community in July 1994 expressed interest in undertaking eco-forestry and eco-tourism as part of their development plan for Pavuvu Island and as an alternative to large-scale logging. This was supported by Greenpeace and the New Zealand-registered Tropical Timbers group, buyers of timber from sustainable sources (Solomon Star, November 5, 1993). By October 1994 the Lavukal people (Lavukal is one of the islands in the Russell Islands group) had begun working with Greenpeace and the Tropical Timbers Group on a programme to develop eco-timber operations on Pavuvu Island. This was during the term of the Francis Billy Hilly-led National
Coalition Partnership (NCP) government which took over office from the Mamaloni government in late 1993. The Hilly-led NCP government did not cancel the logging licence although it put it on hold while surveys were done on the land concerned. But the NCP government lost office in November 1994 after only 18 months in office. This followed the defection to the opposition of some of the government ministers. A Mamaloni-led Solomon Islands National Unity and Reconciliation Party (SINURP) government came back to power and the plans for eco-forestry on Pavuva Island were eventually abandoned.

On December 10, 1994, a meeting of village leaders (over 100 men and women) at Hae Village unanimously agreed that alienated lands in the group should be returned to a local landowner company rather than being logged by a foreign company (specifically, Marving Brothers). That proposal was not supported by the SINURP government and hence it was never implemented.

There were new developments when, at the beginning of 1995, the Commodity Export Marketing Authority (CEMA), a Solomon Islands statutory body, acquired an interest in alienated lands on Pavuva Island, giving the government a say in determining the development of alienated land on the island. In February 1995 the then Minister of Forests, Environment and Conservation, Allan Kemakeza (who was also the member of parliament (MP) for Russell Islands and Savo) confirmed the government’s plans for the logging of alienated land on Pavuva Islands. This project would involve harvesting 895,000 cubic meters of logs which, according to Greenpeace (1995) estimates, was more than six times the assessed harvestable volume for the whole of Pavuva. One could assume, therefore, that Marving Brothers had its sights set on a larger cut than was on the government land and on Pavuva itself. The post-logging plans included a resettlement scheme that would include roads, a secondary school and a clinic. In reaction to this announcement,
some of the Russell Island landowners vowed to burn machinery and use force to protect what they perceived as their customary land rights on Pavuvu.

There were also important political developments in the Central Islands Province which had significant implications on Pavuvu Island logging. In February 1995 a vote of no-confidence was moved against the Central Islands provincial premier, Nelson Ratu, a man generally regarded as anti-logging, who had expressed support for landowners. In March 1995 premier Ratu was replaced by Peter Manetiva. Two days after the new premier came to power a business licence was issued to Marving Brothers. The company then offered 33 bags of rice to villagers from the nearby area as compensation for gardens that were likely to be destroyed in the process of developing a log pond. The people rejected the offer, saying ‘they are not hungry and asked the government to halt the proposed logging’ (Greenpeace 1996).

On April 13, 1995 the government deployed Police Field Force (PFF) officers armed with automatic rifles, smoke grenades and tear gas on Pavuvu Island with the order to protect Marving Brothers’ logging machinery. But, despite the deployment of armed police officers, on April 18 a group of landowners travelled to the log pond with the intention of disrupting the movement of logging machinery. Fifty-six men were subsequently arrested and detained at the logging camp, while two were taken to Yandina police station for questioning. They were charged with unlawful assembly and intention to destroy private property. The charges, however, were dropped later.

There was a huge protest by local and international NGOs and individuals over the government’s handling of the Pavuvu case. On May 12, 1995 the Catholic Church of Solomon Islands joined NGOs and landowners in publicly condemning the
logging of Pavuvu Island. On May 19 the Office of the Leader of Opposition released the report of an Opposition Party Mission which had earlier visited Pavuvu. The report recommended that ‘the logging of Pavuvu be terminated immediately and that the government transfers all portions of alienated land on Pavuvu Island to the original customary owners’ (Solomon Islands Office of the Leader of the Opposition 1995:15).

Also in May 1995 the Pavuvu (Lavukal) people, led by Augustine Rose, a landowner and lawyer, marched to parliament with a petition, signed by 597 people, ‘demanding the removal of several government ministers and the return of the lands, the cessation of logging, and an environmental assessment of damage done by loggers’ (Bennett 2000:314).

The role played by NGOs in spearheading and assisting landowners in their opposition to logging infuriated the prime minister, Solomon Mamaloni, who on May 21, 1995 put out a media statement attacking NGOs (especially foreigners and naturalised citizens in these organisations) and accused them of ‘meddling in the government’s internal affairs’. He warned NGOs and foreigners involved that they would be closely monitored (Office of the Prime Minister Media Statement, May 21, 1995). NGOs responded by requesting the prime minister to substantiate his accusations or apologise to NGOs. They accused the Mamaloni government of being a ‘dictatorship’ (Solomon Star, May 24, 1995). In 1996 Mamaloni responded to a letter from Germany expressing concern over the Pavuvu issue:

We in this country are a peace loving people and I cannot imagine the sovereign government engaging in such atrocities as you implied in your letter. As such I can only remind you not to interfere with the affairs of this little nation and instead ensure that your government do not gas another six (6) million innocent civilians like it did in World War II. (Letter to Dr Imogen Wilde from Hon Solomon Mamaloni, Prime Minister, January 18, 1996, Solomon Islands Government, Ministry of Forests, File No. TIM 2/24, Vol. II).
As a result of intense political pressure, on May 28, 1995 the government sent a ‘secret mission’ of eleven people (including two cabinet ministers) to the Russell Islands without informing the local people. The group’s mission was allegedly to gather support for the government’s logging and resettlement scheme. On June 22, 1995, however, about 300 Russell Islanders and anti-logging supporters demonstrated in Honiara and presented a petition to the deputy prime minister. Despite this demonstration, a government report on the issue released on June 30 claimed that a majority of local Russell Islanders supported the logging of Pavuvu. The anti-logging campaign, the government claimed, was spearheaded by NGOs influenced by foreign interests. However, following these statements, on July 3, 1995 angry local people burnt three bulldozers belonging to the logging company. The government responded by sending in more police.

Despite widespread resistance against the logging of Pavuvu, Marving Brothers was able to carry out logging and by July 20, 1995 had made two log shipments with an estimated total volume of 7,000 cubic meters of logs valued at approximately US$1 million. The shipment was made to Japan.

In spite of the seemingly unanimous landowner resistance against logging, there were some members of the landowning group who supported logging. The Pavuvu land case is also confused by the competing claims of ownership by the various landowning groups. On July 26, 1995, for example, Moses Pandai, a Russell Islander, claimed that most Russell Islands landowners supported logging (Solomon Star, July 26, 1995). Greenpeace Pacific (1996:5), however, called him a ‘fake Russell Island landowner’. In reaction to Moses Pandai’s statement, the anti-logging landowning group released a press statement on August 11, 1995 reaffirming their opposition to logging. This, however, was not reported in the Solomon Islands media.
Following this, on August 19, 1995 Greenpeace Pacific’s Honiara office confirmed local reports of illegal logging on customary land, logging of undersized and protected nut trees, pollution of a freshwater stream, logging within 50 metres of a stream, and using a stream as a log skid trail (Greenpeace Pacific 1996). These practices are all in contravention of the Standard Logging Agreement (SLA) which regulates logging practices in the country. On August 25 leaked Marving Brothers documents confirmed local suspicions that the company intended to log all of Pavuvu Island, including areas under customary ownership. By October 10—within the first six months of the company’s operation—half of the commercially accessible forests (2,000 hectares) of the alienated lands were logged. The company had earlier claimed that it would take one and a half years to log it. Presumably, they logged the area quickly because of the controversies surrounding the landownership claim and the continuing conflict between the state and indigenous Russell Islanders. They wanted to harvest the logs and get out of the area as soon as possible.

The company then began pressuring landowners to allow logging on customary land. There was intense resistance, led by local landowner Martin Apa. But Martin’s campaigns were short-lived. On October 30, 1995, Martin was found dead, allegedly murdered, his body floating near the Yandina wharf. However, up until the time of writing his killers have not been apprehended. There is widespread suspicion that pro-logging campaigners and Marving Brothers Timber Company were involved. These allegations, however, have never been substantiated.

Despite the strong challenge from landowners, supported by NGOs, logging operations on Pavuvu Island were still in operation in 1999 and there were plans
to shift onto customary land. What did not occur was the development program promised by the government. The infrastructural development, promised to the people of the Russell Islands never took place. (This will be discussed in detail in Chapter Five).

The dispute over the logging of Pavuvu Island was predominantly over landownership and the right to log the area in question. There was a dispute between the state and the indigenous people of the Russell Islands regarding the right over timber resources on Pavuvu Island’s alienated lands. This is a classic example of interactive and relative power between various stakeholders. The state’s power is based on the fact that the legal status of the land in question is alienated. Hence, the state could claim legitimacy over its decision to give logging rights to a foreign company; the state claims to have the right over the land. Some indigenous landowners, however, dispute that claim on the basis of historical processes through which the land was acquired. They argue that the state has no right to give permission to Marving Brother Timber Company to log alienated land on the island, much less the customary land.

Further, the state’s capacity to influence the outcomes of the Pavuvu Island logging drama was cushioned by financial and technological capital provided by Marving Brothers. The state could use police to enforce its logging programme. In terms of access to finance, technology, policy and information, the state was in a superior position to the landowners. It was, therefore, able to exercise power over the logging of Pavuvu.

Apart from the above, there were allegations of corruption in relation to the logging of Pavuvu. Some government ministers allegedly received money from the company in return for ensuring that the logging went ahead (see Chapter Six).
These allegations were never substantiated, however, and no one was ever convicted.\textsuperscript{17}

For the landowners, the major source of power was land and their ability to influence public opinion. However, to begin with, their claim over the land in question was not very strong because of its alienated status. The Pavuvu Island case was different from other cases because their ‘ownership’\textsuperscript{18} over the alienated land was questionable. Traditionally, as stated above, landowners draw their power from their ownership of land. The Pavuvu landowners do not have a ‘clear’ customary ownership over the land although their claim to being the original landowners with a right to exploit the forestry resources is quite strong. Landowner claims were further weakened by differences amongst them. As noted above, some indigenous people supported logging because they needed the income provided by the company. State officials and the company capitalised on that by using ‘divide-and-rule’ tactics in order to press their interests. That worked well for their purposes.

This, however, is not to suggest that landowners were powerless in the Pavuvu Island case. In spite of the fact that they did not manage to stop logging, they were far from weak. Assisted by NGOs, churches and individuals, they were able to influence the nature of discussions about logging, not only on Pavuvu Island, but in the country in general.

The Pavuvu Island case, because of the strong opposition of landowners, gave the public (both locally and internationally) a new perspective on logging in Solomon

\textsuperscript{17} It should be noted that no one has, so far, been convicted of corruption in Solomon Islands, despite many allegations. Allegations of corruption in relation to the Pavuvu Island logging will be discussed in more detail in Chapter Six.

\textsuperscript{18} See Chapter Five for discussion of the concept of land ownership.
Islands. It demonstrated the potential strength of partnership between landowners and civil society organisations in formulating alternative approaches to forestry management in Solomon Islands.

The logging company’s power, although not overt, was still quite influential. Marving Brothers Timber was, throughout the Pavuvu Island crisis, using the state to exert its power upon the anti-logging campaigners. The project was, in the public eye, a state-initiated and driven project, although it was the company that in the end made the profit out of logging Pavuvu Island. Marving Brothers used its resources—finance, technology, access to information and markets—to influence the outcomes of logging and the debates surrounding the Pavuvu case.

The next story tells of a case where landowners were immensely powerful in their opposition to logging by a foreign company, stopping the operation. However, the question remains as to who eventually benefits from the developments that followed.

*North New Georgia*

The story of logging in north New Georgia demonstrates how one landowning group, through internal mobilisation, was able to exert a powerful impact over other landowning groups and a foreign company’s logging operations. Although the landowning group concerned used illegal means to stop a logging operation, this case nevertheless demonstrates the potential power some landowners possess and their ability to exert it if they organise and mobilise themselves from within. The north New Georgia saga also epitomises the competition for control between different landowning groups, between landowners and the state, and between landowners and a foreign logging company.
Whilst on one hand it illustrates potential landowner power over logging, on the other hand the north New Georgia story demonstrates how competition and disagreements amongst landowning groups may result in the weakening of landowners' ability to deal with logging companies and the state. It shows the dynamics of interests and opinions within landowning groups and how certain individuals and groups have become powerful by exploiting differences amongst landowners.

The story of logging in north New Georgia and the disputes associated with it has its origins in the colonial era, in particular, colonial government policies relating to the utilisation of customary land for purposes of development, in this case the use of land for logging.

The colonial government saw that Solomon Islands could not be financially self-sufficient unless land was used for resource development from which much-needed income would be generated. Such a policy led to the colonial government encouraging logging operations on government-owned or leased land, and on land alienated to outsiders. In Kolombangara, for example, the Lever's Pacific Timber Limited's logging operation was described by Bennett (2000: 218) as pivotal to the west's economy, employing 40 per cent of all workers and contributing almost 17 per cent of the country's foreign exchange earnings. It was the most efficient logging operator and annually paid the government $300,000 in corporate taxation, as sole contributor in this category, after an average profit of $800,000.

It was such profitability that encouraged the government to facilitate logging in other islands. In New Georgia logging began in 1978 on government land at Barora, northeast of the island. By the late 1970s the government was planning to obtain rights to log customary land in the nearby areas.19

19 The pressure to expand logging was also because, following independence in 1978, there was widespread discussion of the need to return alienated land to its original landowners. This jeopardised the future of many natural resource development projects on alienated land.
The plan for Lever's to log north New Georgia was, however, stalled following disagreements among the people about ownership of land and who should represent them in the negotiation processes and as trustees. Bennett (200: 218-221) outlines the nature of the disagreements between the people of the area. Much of the differences was between the six butubutu (tribes) involved and between members of the different churches: Methodist, Seventh Day Adventist (SDA) and Christian Fellowship Church (CFC).

Because of the varying claimants and interests it was proposed by government that timber rights be transferred to an organisation representing the landowners. Hence, the North New Georgia Timber Corporation (NNGTC) was established to ‘licence extraction and dispose of the profits’ (Bennett 2000: 219). The NNGTC was also regarded as an organisation that would be best able to ensure that the benefits from logging in north New Georgia would be reinvested into the community. Some landowners, however, opposed the proposal, arguing that it would strip landowners of any control over what happened to their forests; while they may still have rights to land, they would have no control over the trees on them. However, despite such opposition, the parliament of 1979, under Prime Minister Peter Kenilorea, passed the North New Georgia Corporation Bill into law. Bennett (200:219) notes that following the passing of the NNTC Act

Lever’s purchased the timber rights of 45,000 hectares, estimated to contain three million cubic metres of merchantable hardwoods. The royalties to be paid ranged from 7.5 to 17 per cent (average at about 12.5 per cent) of f.o.b. price, for a period of 15 years. Although there was support for logging, the fundamental issue of who held the land rights and thus the timber rights was not resolved by the Act.

It was in such an atmosphere that the Enoghae logging dispute emerged. The quarrel was over the way in which payments were disbursed and which persons had the right to receive payments and choose directors. The opposition to Lever’s
logging of north New Georgia was spearheaded by Job Dudley Tausinga, son of Holy Mama Silas Eto, the leader of the CFC. Job was then an influential figure, a student at the University of Papua New Guinea who had campaigned for conservation and small-scale logging. He was supported by Reuban Quabule, a prominent elder who was a member of the CFC and received sympathy from conservationists overseas and locally. There was, however, support for logging amongst other landowners, especially from members of the SDA and Methodist churches; the most prominent were Milton Talasasa and Nginabule.

Because claims to land rights were never resolved, many people did not receive payments and this angered many of them. The people of Jericho village, the heartland of the CFC, were the most aggrieved.

The climax of the dispute occurred when, on March 27, 1982, about 150 villagers attacked and destroyed Lever’s logging camp in Enoghae. Seventy-eight houses, a store, two bulldozers and a mobile crane were destroyed in a raid which left the place burnt to the ground. The cost to Lever’s Pacific Timber Limited was over a million dollars. Seven men were arrested, convicted on riot charges and sentenced to two years in jail. Nevertheless, those landowners opposed to logging continued to call for the expulsion of Lever’s Pacific Timber Limited, and demanded the return of their forests.

Lever’s found itself without access to three of the five areas it had agreed to log and to which the company had been given a logging licence by the government, but they were still confident that the government could negotiate a solution to the dispute and enable them to continue logging in the area. The landowners opposed to logging, however, refused to negotiate and sustained their opposition to Lever’s
logging operations. Lever's eventually decided that there was not much future in their logging operation in north New Georgia, and finally ceased logging operations in the Solomons and auctioned off all their equipment for a fraction of its worth (Paul and Suska 1988). The manager of Lever's Pacific Timber Limited said: 'In the end, it's a matter of power, who has it, and where Job Dudley makes a decision and no-one questions it' (as quoted in Paul and Suska 1988:3). What the manager did not acknowledge was the fact that it was the diverse interests within the landowning groups that led to the closure of Lever's operations. It was not entirely the decision of one man, although Job Dudley Tausinga did have significant influence.

In the case of north New Georgia, there was strong leadership in one sector of the landowning group and internal organisation that enabled them to stop logging. This, however, is not to suggest that there was unity amongst those who claimed rights to land in the area. It was a case where one group amongst those who claimed ownership was able to make the others (Lever's and other landowners) do what they would not have otherwise done—cease operations. In this case, power was exerted through the use of force by one interest group.

The argument for the expulsion of Lever's Pacific Timber Limited was that it would enable landowners to participate in, and benefit more from the logging industry. However, as will be discussed below, what happened was the concentration of power in the hands of a few people. 'Whilst one group of landowners was able to convert potential power into real power, a greater majority became less powerful.'

The north New Georgia story was also made complex by the fact that the North New Georgia Timber Corporation Act failed to acknowledge and deal with the
diverse interests of landowning groups. Hence, it created intense competition for control of the logging operation and the benefits accruing from it. This eventually resulted in the rise to power of one particular group backed by powerful individuals.

Similar differences existed amongst landowners in the case of logging on Pavuvu Island. In the Pavuvu Island case, however, landowners were not able to stop the logging operations. In both instances violence was used as means of demonstration against logging and the state responded by sending in the police force.

The major difference in these two cases is the nature of organisation within landowning groups. In the case of Pavuvu there was no landowner company registered to take over the logging operation and no plans to bring in an alternative logging company. There were, however, plans for small-scale logging operations by landowners. In the case of north New Georgia, on the other hand, the NNGTC became an important player and soon after the departure of Lever's the Malaysian-registered Golden Springs was brought in by a faction of landowners to continue with logging.

From these experiences, it could be said that landowners' ability (or inability) to control logging depends as much on their capacity to organise themselves internally as it is on support from support outside and on state legislation. To be able to convert potential power into actual power over the logging industry, landowners need to organise themselves. Such organisation is heavily dependent on the power structures and leadership systems within landowning groups and how they are utilised in response to logging. There is, therefore, a need to understand power structures at the local level and how they can be utilised for
rallying landowners together. It must be realised, however, that there is no homogenous landowner view and interests. Difference amongst landowners influence how they relate to logging operations.

**Traditional leadership systems and power over logging**

Power at the local community level is, in most cases, exercised through traditional social structures. The term ‘tradition’ is sometimes used to refer to a way of life that has remained unchanged for centuries; here, the term is used to refer to ‘a past way of life’, but not necessarily one which has existed unchanged. Rather, the term is used here to describe sets of social behaviour and ‘ways of doing things’ that have emerged from, and continue to have a connection to, the past.

At the community level in most parts of Solomon Islands, power manifests itself through communal interactions at varying points on the continuum between ‘influence’ and ‘control’ (as described above). The ways in which societies are organised—the structures of leadership and general norms of social behaviour—are significant in determining how power is exercised. Generally, leadership systems in Solomon Islands have been broadly categorised as ‘Big Man’ and ‘chiefly’ systems. These are, however, generalisations which have been highlighted successive scholars on Solomon Islands and Melanesian social structures. Such generalisations are valuable for purposes of scholarly analysis. In real life these categories overlap and are intertwined in complex ways; there are societies with leadership systems that have both big man and chiefly characteristics (see Hogbin 1934, 1938 & 1964; Bogesi 1948; Oliver 1955; Sahlins 1963; Scheffler 1965; Ross 1973; Keesing 1978; Bennett 1987; Hviding 1996; White 1998). For the sake of analysis, however, we shall employ here the two categorisations of big man and chiefly systems.
The big man leadership system is generally characterised by meritocracy and plutocracy. Leadership status is acquired through merit and sustained by accumulating and distributing wealth, or possessing knowledge (of history, culture or land ownership). One becomes a leader because of one’s own achievements and not necessarily because one’s father was a leader. These societies are relatively egalitarian and, theoretically, it is possible for anyone to become a big man. The authority of a big man is not total because there may be a number of big men or potential big men who are continuously competing for authority. Because there is always competition for power, no single individual is able to become overwhelmingly powerful. This, however, does not necessarily mean that intensive competition for power results in chaos; rather, there is sometimes a symbiotic relationship between individuals who are competing for power. Power relations in a big man society are predominantly at the ‘influence’ end of Olsen and Marger's continuum of power (see Olsen and Marger 1993: 1-2).

Because of the continuous competition for power between different big men in a particular society, a big man’s power over resources such as land, and hence the forests on it, is never total. He himself does not own the land, although he may possess knowledge about how it is acquired and passed down through the generations. His power over land derives from his knowledge of stories relating to that piece of land and his membership of a landowning unit.

The big man system has changed over the years as a result of interaction with other cultures, especially Western European culture. In recent years, as a consequence of more interaction with the outside world, a new breed of big man is emerging, with a new power base. These are predominantly educated Solomon Islanders whose source of power is the knowledge they have acquired through
Western education and material wealth. They also have access to, and understand the formal institutions of government better than traditional village leaders.

Amongst the new breed of big men are politicians (both at the national and provincial levels) and educated Solomon Islanders who have access to information and experience in the administrative structures of the state. Politicians, for example, as big men, are often required to contribute financially to the community, even the entire constituency. Their intention is to stay in office. To do so they need finance and material goods. Consequently, they are vulnerable to the pressures of logging companies providing money and goods. Politicians have, in turn, influenced communities.

Many leaders in traditional big man societies are beginning to acquire characteristics that are more chiefly in nature. This has come about because certain individuals who have had access to modern sources of wealth such as money or have formed companies registered under their names have, in the process, eliminated competition. Hence, the idea that a big man leadership system is open for competition is either eliminated or restricted. This has important implications for the role of big men in resource development, in particular their authority over land. In Choiseul, for example, many big men have not only acquired the characteristics of chiefs, but also the title ‘chif’, the *pijin* derivative of the term chief. People on Choiseul talk about their ‘chif’ when referring to the community leader, or leaders of landowning units.

The chiefly leadership system, on the other hand, is found in all the Polynesian outliers (including Rennell, Bellona, Sikaina, Ontong Java, Tikopia and Anuta) as well as on some of the larger islands with Melanesian populations—the Shortland
Islands, parts of New Georgia, Vella Lavella and North Malaita (see Bennett 1987).

Chiefly societies are hierarchical and the position of leader is hereditary. One can become a chief only if one is born into a chiefly family. The chief often monopolises power and is able to exert it with little competition. In many of these societies the chief determines how land is used and who uses it. Here, the form of power used is often dominance. There are instances where the chief uses force, but even in such societies the ability of a chief to control and influence society depends on accumulation of wealth and control of resources. If he loses control of resources such as land and knowledge of histories, genealogies, etc. that could undermine his ability to exercise power.

While both systems may be found in Solomon Islands, in reality the situation is often more complex than the categorisations would have us believe. In Choiseul, for instance, it is difficult to determine whether leaders are big men or chiefs. The term ‘chief’ is widely used, even to refer to leaders who are more typically big men in terms of anthropologists’ characteristics. What is pertinent for our purposes is that at the local community level, when discussing logging developments, the power base is often diverse and plural; there is usually intense competition for power. Yet, despite this plurality, it is those who have possession of resources, and use those resources to manipulate the rest of the community, that eventually become powerful. They convert resources from potential to actual power; and that enables them to overcome resistance from other members of the community.

As will be discussed in the following chapters, in Solomon Islands, those in the community who are able to control decisions regarding logging often do so as a consequence of assistance from logging companies. The wealth that enables them
to exercise power is usually given to them by logging companies. Hence, despite resistance from some members of the community, logging operations take place because the logging company has provided certain individuals with enough wealth to enable them to exercise power over the rest of the community.

In the Pavuvu Island story the state was able to exercise a considerable amount of power through the use of the police. Also important was the role of particular individuals within the state, especially government ministers. Although the ministers charged for receiving bribes in relation to the Pavuvu Island case were later acquitted, the fact that they had links with the logging company says a great deal about why they had an interest in the logging of Pavuvu Island. In Choiseul (see Chapter Six), the Eagon Resources Development Company (SI) Limited supplied and influenced local ‘middlemen’—known as ‘co-ordinators’—with money and material goods that they then used to manipulate, influence or even force other members of the community into submitting to logging. Such external influences often upset the traditional systems.

Conclusion

From the above it can be concluded that if power is the ability of $A$ to make $B$ (despite resistance) do something that $B$ would not otherwise do, then, all the stakeholders involved in the Solomon Islands logging industry have that ability. They are all active participants in the exercise of power. Because of the interactive and relative nature of power, no one stakeholder has total power over the logging industry. The industry, rather, is subjected to continuous contestation for control.

The cases of Pavuvu Island and Enoghae demonstrate that landowners are far from powerless. However, their participation in and control of the logging industry
depends as much on the actions of other stakeholders as it does on the way in which landowners organise themselves within the landowning units. The way in which landowners organise themselves will be elaborated in Chapter Four.

The exercise of power over logging depends a great deal on how landowners organise themselves. This chapter's examination of traditional leadership systems will be useful when we come, in later chapters, to analyse the nature of landowner participation in the logging industry. Competition for power within landowning groups may be a major factor in reducing the power of landowners relative to other stakeholders. Landowners' ability to make other stakeholders do something that those stakeholders would not otherwise do, depends a great deal on how landowners deal with the dynamics of their own communities.
Chapter Four

LANDOWNERS, LAND AND LOGGING

Much of the current discourses on the Solomon Islands logging industry centres on attempts to ensure that the benefits of logging reach the customary landowners—the people on whose land a huge percentage of the accessible merchantable forests exist.

As stated earlier, when the then minister responsible for forestry, Hilda Kari, introduced the *Forestry Bill 1999*, she claimed that the new Bill was designed to ensure that Solomon Islander landowners received maximum benefit from forestry resources (*Solomon Star* 26 May 1999). Such a statement presumes that, given the right legislative framework, landowners could successfully control the logging industry and produce positive outcomes. In Solomon Islands, to make such an assumption one needs to understand landowners’ relationship not only with other stakeholders, but also with land and forests, and the politics associated with this, especially at the local level. Hence, to fully appreciate the nature of landowners’ participation in the logging industry, there is a need to understand how they organise themselves around resources such as forests.

This chapter does two things. First, it attempts to define the concept of land tenure and then provide an overview of some aspects the customary land tenure systems in Solomon Islands. Secondly, it examines landowners: who are landowners? Why are they interested in the logging industry? Is a landowning group a homogenous entity? This section exposes the dynamics within the landowning group and discusses how this affects the nature of landowners’ participation in the

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20 Note, however, that the discussion of customary land tenure here is a generalisation because the details vary from island to island.
logging industry. It provides an examination of power relations at the local level and how they affect forestry outcomes.

**Land Tenure and the Control of Forests**

As elsewhere, land remains the most important resource in Solomon Islands, and is held with great respect. Identification with land provides a sense of belonging. In discussing the nature of landowners’ participation in, and degree of control over, the logging industry, it is important to be aware of the socio-cultural factors that create, give prominence to, and legitimise people’s claims of ownership or custodianship over land and the natural resources on it. This means examining how and why people claim ownership over forests and the factors that legitimise such claims.

Before looking specifically at Solomon Islands, let us examine the concept of land tenure in general and its relationship to ideas of resource ownership and, more specifically, forest ownership. Land tenure may, in its simplest form, be defined as the way in which society organises power relations over land. Crocombe (1971:1) defines land tenure as ‘the way in which people obtain, use and distribute rights to land.’ This relates to questions of ‘how land is controlled; by whom and how it is used; for what purposes; by whom and to whom it is allocated; and what rights and status people attain by access to it’ (Ward 1992:29). For McCutcheon (1981:7), however, such brief definitions, although useful, oversimplify a concept that is complex and deserves more elaborate analysis; they obscure some essential issues relating to different types of land rights and the way in which they are acquired, kept, used and distributed.
While acknowledging McCutcheon's comments, the brief definitions by Ward and Crocombe provide an useful departure point for discussion because they point to two important concepts: 'ownership' and 'use'. These are associated, in a vital way, with land tenure. For our purposes here, the most important of these concepts is 'ownership' because it encompasses the right to use, who has the right to decide on how resources such as forests are used and maintained, and who benefits from their utilisation. This is significant for countries such as Solomon Islands where the state's authority to exploit natural resources for the 'common national good' is sometimes challenged by entities such as customary landowning groups. Indeed, in this case the state does not own forestry resources.

Here, the term 'ownership' is used to refer to a situation where an individual, group or institution exercises rights over a resource and the benefits flowing from it. In the case of Solomon Islands, as in many other Pacific Islands, customary land tenure is often described as communal (see Allen, 1957; Zoloveke 1979; Ulufa'alu 1979; Crocombe 1971; Sack 1973; Larmour et al. 1979(b); Hviding 1988; Lundsgaarde 1974; Lea 1997; ). In discussing traditional land tenure as communal, however, we should avoid the tendency to assume what McCutcheon (1981:7), in her discussion of resource exploitation and the tenure of land and sea in Palau, describes as an extreme dichotomy of 'communal' and 'private'. This dichotomy denies the existence of complex systems of rights and ownership along a continuum, which includes categories such as family ownership, joint ownership, or the right to use but not own land. There are differences across various groups. The degree of power that a Big Man or chief has over land may differ from one area to another. Further, in discussing land tenure we must not assume that it is static, and hence deny the continuous changes that are taking place.
Nevertheless, for the purposes of discussion, let us accept that, generally, in Solomon Islands people use land because of their membership of a group. As Zoloveke (1979:3) observes, one's right 'to use land comes from his membership of a line, tribe or clan that is descended from the first people to settle the land.' Because of this, it could be stated that people, as individuals, do not own land. Rather, they have the 'right of use' over land because of their membership to a tribe, clan or laen. In other words, the right of ownership belongs to the group, while the individual only has the right of use. As Zoloveke (1979:1) states, 'traditionally, land belongs to people and not to institutions like government, churches, companies or councils.'

This idea of land ownership as divorced from the individual and belonging to a group raises important questions in relation to the exercise of power over logging and the distribution of revenues generated from it: how does one define the group? Does every one in the group have equal power over land? What is the difference between the role of the big man or chief as opposed to that of other members of the group? How is logging revenue distributed? These questions will be answered and the issues elaborated on below.

Apart from discussions about the nature of ownership, for many Solomon Islanders land is traditionally viewed not only as a resource to be exploited but also as something which has a complex social, cultural, religious and psychological role. Many people have an attachment to land that transcends the purely economic and legal arrangements that have been imposed as a consequence of Western contact. Such attachments to land are signified by totems in the form of trees, birds and animals as well as sacred sites such as a sacrificial altar, burial ground or the remains of old villages. Land, in other words, is a source of both physical and spiritual life.
Although customary land tenure systems are still significant in regulating the rights of use, distribution and access to land, however, they have changed over the years to accommodate non-customary activities such as logging. These changes affect land tenure and the way in which it is practiced. An example of such change is the fact that in some instances the tribe or clan has lost its authority over land to powerful individuals, some of whom have used non-customary measures to acquire that power over land. These changes have important implications for the development of forestry and other land-based natural resources. Consequently, in contemporary Solomon Islands many people view land and the resources on it as commodities to be exploited for the purposes of generating the income that has become a necessary aspect of contemporary society. As a Choiseul man states, 'Ian ia sapos hemi stap nating, bae iumi no garem selen long hem ia' (if the land stays idle, we will have no money from it) (personal conversation, April 14, 1998). Because of this, conflicts arise from attempts to negotiate customary land tenure systems in relation to large-scale commercial development of natural resources. Such conflicts have been long acknowledged. Zoloveke (1979: 8-9), for instance, states: 'I believe that the conflict between customary land rights ... and the claims and demands of commercial development ... is crucial to the direction our land policy should take.'

This is not unique to Solomon Islands. Elsewhere in the Pacific Islands, there is a continuous attempt to reconcile the need for commercial development of land-based natural resources with what are commonly described as 'traditional', 'customary' or 'native' land tenure systems (see Lundsgaarde 1974; McCutcheon 1981; Taylor 1992; Ward and Kingdon 1995; Ballard 1997). In Solomon Islands, these developments have attracted a lot of attention, and often tense debates. Some of these debates and disagreements have ended in violent confrontations. The
cases of Enoghae in North New Georgia and Pavuvu Island cited in Chapter Three are classic examples.

Some of the changes in relation to land tenure came about as a result of the view that customary land tenure systems are an impediment to resource development. It was such a view that led to the colonial administration introducing land ordinances which, as Ulufa’alu (1979:11) states, ‘emphasise individualisation of ownership as a prerequisite to encouraging and promoting economic development, among the indigenous population.’ Associated with this is the idea that land is a commodity that can be bought and sold. The colonial government introduced laws and regulations to accommodate the conceptualisation of land as a commodity to be used for economic development, in particular, the generation of revenue. One such law was the introduction in 1900 of wasteland regulations which state that any land not visibly used by the indigenous people could be taken over by the colonial government. This contributed to the alienation of significant areas of land from Solomon Islanders, making them become freehold or perpetual estates, fixed-term leases, temporary occupation lease, and native lease agreements (Allen 1957).

Registered freehold or perpetual estates are land over which the owner has rights indefinitely. Freehold land may be held as sole ownership, joint ownership, owners-in-common or trustee ownership. Fixed leases are leased from a landlord for a specified period of time. Temporary Occupancy Leases (TOL) covered land within crown land and were issued to people in order to build temporary houses, particularly those who do not have access to perpetual estate titles and fixed term leases for permanent buildings. Native lease agreements were those between foreigners (planters, missionaries, etc.) and the indigenous people. The government usually acts as the mediator in negotiating such a lease. Most of these
came about as a result of the 1914 land regulation which prohibited the purchase of land by non-Solomon Islanders (foreigners). During the colonial era foreigners could only lease land through the agency of the resident commissioner. As Ruthven puts it,

the reversionary interest (or 'freehold' interest) remained subject to customary land tenure, while a lease was given to the developer by the Resident Commissioner on behalf of the customary owners. The rent was collected by the government each year and handed over to the customary owners less a small collection fee. When the lease expired or was cancelled, the land went back to being customary land (Ruthven 1979:242).

Forestry development in Solomon Islands has thus been plagued by questions relating to customary land ownership. The problems arising from the often-conflicting relationship between customary land tenure and large-scale natural resource development are often compounded by the fact that, frequently, societies and government policies do not adequately acknowledge that changes have taken place and need to be accommodated in the formal institutions. As Ward observes in his discussion of land in the Pacific Islands,

politicians and people generally praise, and seek to cling to social systems based on customary land tenure and the forms of customary society because they are familiar, give a sense of security and support the traditional elites who now often hold power in the non-traditional political systems. So there is much talk about preserving customary ways, including land tenure systems. Yet at the same time people are using customary land tenure systems for non-customary purposes, and modifying the systems to suit their new goals and the new economic ways (Ward 1992:30).

Because the changes are often not accommodated in legislation, government policies or societal discussions, they become a factor affecting large-scale natural resource developments and the participation of landowners and other stakeholders in them. In the case of Solomon Islands, for instance, the legislation governing the use of land—*The Land and Titles Act*—has not changed a lot in the past few years,
although numerous amendments have been made to the original document. This piece of legislation was introduced in the colonial era in the belief that it would facilitate the use of land for economic development that would, in turn, ease the financial burden of administering the colony.

While changes have taken place, there are aspects of customary land tenure which continue to be important. Customary land tenure systems differ from island to island. In patrilineal societies such as those found on Malaita and Choiseul, male descendants have the right of ownership, including the right to use land and to transfer rights to their children. However, female descendants merely have the right of use.

In a matrilineal society, such as those found on Guadalcanal and Isabel, it is the other way around. Take my case as an example. I have the right of ownership and use over land belonging to my manukiki tribe because I inherit it from my mother. However, I cannot transfer the right of ownership to my children, although they may have the right of use subject to consent being given by members of my tribe. My sister, on the other hand, can transfer both the rights of use and ownership to her children. These are sometimes referred to as ‘primary’ and ‘secondary’ rights—‘primary’ meaning the right of ownership, ‘secondary’ meaning the right to use but not own.

A case where in which these differences between ‘right of use’ and ‘right of ownership’ caused disagreements in the logging industry was in East Fata’aleka 21 In recent years, however, there have been some important developments in land legislation. The Solomon Islands Alliance for Change (SIAC) government has advocated the transfer of the titles of all alienated land to customary landowners and provinces; the government has stated that it ‘recognises that much injustice was caused in the alienation of our forefathers’ lands and were legitimised by legislation’ (SIG 1997:63). The government began implementing this policy, for example, in the transfer of the Lunga alienated land to the Guadalcanal Province in September 1998. Further, the SIAC government also plans to implement the The Customary Land Records Act 1994.
on Malaita, and involved the Marving Brothers Timber Company Limited. In a letter of February 11, 1994, a landowner contested Marving Brothers' right to log because, as he argued, the company had signed the timber rights agreement with persons who had only secondary rights to the use of land. He argued, therefore, that logging operations by the company should cease. This disagreement led to repeated sabotage of the company's logging operation and eventually led to the company closing down operations in the area (Solomon Islands Government, Ministry of Forests, Environment and Conservation, File No. TIM 2/24, Vol. II).

Our concern here, is not only with why and how customary land tenure systems have changed, but also with how these changes have affected logging. Before we explore that let us first examine the landowner or the landowning unit and the power relations that underlie this entity, and how that affects the nature of landowners' participation in the logging industry and the degree of their control over it.

**The Landowner**

In identifying the landowner, we are not interested simply in finding out who owns a piece of land. We are also interested in how landowning units are organised and how they relate to each other and to those outside their group. Defining and understanding the landowning unit is important because it helps in our understanding of the way in which timber rights agreements are negotiated and signed, and who benefits from the exploitation of forestry resources.

In discussing traditional land tenure in Solomon Islands (and other so-called primitive societies) we often refer to the tribe, clan and community, or the *pijin* (pidgin) derivative, *laen*, as the landowning unit. General references to these terms
are problematic because they do not provide a clear indication of how these social units are formed or who constitutes their members. Hence, there is a need to examine the work of social anthropologists who have been intrigued with the concept of ‘tribe’ for a long time.

The term is used so often that at first glance its meaning might appear to be a matter of common agreement. But, as Berndt (1966:26) states, a closer examination will reveal that ‘... there is a certain vagueness about it; this is not so apparent when it is given empirical substance in ethnographic description, but becomes especially noticeable in comparative discussion’. The term lacks a precise meaning and has been applied to widely different groups. In addition, some people consider the term offensive or inaccurate. Berndt (1966:26) states that, ‘loosely speaking, when we use such a term as tribe, or speak of people living in a tribe or under tribal conditions, we imply a particular way of life, as contrasted with others sometimes labelled, negatively, non-tribal; this in itself, however, tells us little’.

Despite the above, generally the tribe can be identified as a particular kind of social unit; a group with a sense of shared identity and ties of ancestry, customs, language, and territory. It can also be identified as a ‘closed society’, with laws and morals applying only to its members, or it could be a linguistic, cultural, ideological and structural entity (Berndt 1966: 26-27).

For Melanesians and other Pacific Islanders, the use of the term tribe emerged as a result of social anthropological experiences and discourses elsewhere in the world, especially Africa. Barnes (1966:117), for example, discusses how

Ethnographers working in New Guinea were able to present interim accounts of the poly-segmentary stateless systems of the Highlands with less effort and greater speed by making use of the advances in
understanding already achieved by their colleagues who had studied similar social systems in Africa

and concludes, ‘it has become clear that highland societies fit awkwardly into African moulds’. This is similar to situations such as Solomon Islands, where the term tribe has been loosely used. Often the use of the term ‘tribe’ distorts the various and complex ways in which societies are organised in Solomon Islands.

Among the Chiropodoko group on South Choiseul, for example, the political and landowning unit is based on the extended family although they use the term ‘tribe’. As one of them states, ‘traeb blong mipala nem blong hem Chiropodoko ia’ (our tribe is the Chiropodoko) (personal conversation 18 April 1999). Their right to use land is based on their relationship to a person who first settled or cleared the area. On the Weather Coast of Guadalcanal, there are four major social units: manukiki, qaravu, lasi, and koniaghao. One is born into these social units, inherits one’s membership through one’s mother, and shares the same totem with other members. The local term for such a social unit is *alo* or *vungavunga*. The term *alo* might be translated as ‘rope’ while *vungavunga* might be translated as ‘the beginning’ (I say might because I cannot find a better English equivalent; such translations distort the terms as they are used in the local context).

To take my own case as an example: I belong to the *manukiki alo*. Our totem is the *tavakea* — hawk. Because Guadalcanal is a matrilineal society, I inherit my *alo* or *vungavunga* from my mother. I am born as a *manukiki* and I will always be that. There are other *manukiki* people on Guadalcanal whom I have never met and will never know. But they, like me, know they are *manukiki*. I can never marry another *manukiki* because one always marries someone from another *alo*. I therefore have
the right to use a piece of land because it belongs to a manukiki. Our landowning unit is much larger than that of the Chiropodoko case on Choiseul.

Each landowning unit has a leader—a big man or chief (these terms have sometimes been used interchangeably). There may even be a number of big men in each group who share knowledge and responsibilities. They are instrumental in determining the use of land. Even in the matrilineal societies of Guadalcanal and Isabel, males play an important (often the most powerful) role in determining how land is used. This is despite the fact that females are the custodians of land. Although I have witnessed cases on Guadalcanal where women were outspoken in determining the use of land, these are rare. Women tend to be marginalised in important decision-making.

Nowadays the identity of the landowning unit is further complicated by the emergence of a group of people—the Western educated elites—whose power is often derived from both the traditional and modern social systems. As noted in Chapter Three, there is a variety of big men: Western educated elites, businessmen, politicians, public servants, rich people, and traditional leaders. Further, the landowners may have diverse and often contradictory interests and backgrounds. Solomon Mamaloni, for example, while being a politician and businessman, is also a landowner. His interest and involvement in the logging industry is, therefore, complicated by his multiple identities. These complexities in the identity of landowning units have a significant influence in how landowners participate in the logging industry.

Our interest in the tribe here, is not for the sake of anthropological discourses or identifying what constitutes a tribe. Rather, we are interested in it because of its relations to logging. In identifying landowning units for the purposes of logging,
the term ‘tribe’ is widely used; it is the social unit which decides whether or not to agree to logging, signs the agreement and receives the royalty money. This unit has an important role in large-scale natural resource developments and should exercise an immense power over the exploitation of resources such as forests. The next section discusses power relations amongst landowners before going on to examine how the power of landowners is used in the logging industry.

**Landowners and Local Level Politics**

Although landowners use forests for a variety of purposes, their interest in the logging industry is primarily economic: logging provides a source of income that, in many instances, would not previously have been available. Many landowners, therefore, sign logging agreements because they think that this will provide them the much-needed income and, consequently, development. John Roughan, a prominent commentator and NGO leader states:

> The Solomon Islands is undergoing a very profound change. For many years the idea of cash, and we are speaking about villages especially... cash was an extra, something that was necessary, good, but their basic lifestyle was around the resources: gardens, fishing, the culture. But I would say in the last 15 years there has been a marked swing toward the need of cash... now with school fees, need of those which were luxuries before; kerosene, soap, salt, sugar, coffee, tea... these now have become part of life, they are no longer considered by anybody as luxuries... so, these luxuries of only a few years ago have now become necessities (interview, July 15, 1996).

Mary Bea, a villager from Rendova Island in the Western Province states that many landowners sign logging agreements because,

> They want money now. They want money for drinking, they want money for new clothing, just to look good. They want money to buy engines so they can feel good running in front of [other] people. They want money for useless things. Because in the past we get money out of copra, we get money out of things where we work and get it, and then we use it in reasonable ways. We only pay what we need. But
now, we are paying useless things like we just want to get things out of the stores to make us look good, or drink beer or look like somebody maybe pop singer. They are using money to pay the false world... used to be honest world of ours of the past (interview, July 26, 1996).

Such a statement indicates, not only the growing importance of money amongst landowner communities, but also their changing consumption patterns. It also provides some idea of how logging money is spent. Mary Bea’s statement about money being used ‘to pay the false world’ signifies a perception of the kind of ‘development’ brought about by logging money—that the ‘development’ promised by logging is not real and creates false expectations amongst people.

But, in order to explore in detail the nature of landowners’ participation, it is useful to look at specific stories that illustrate how landowning units affect the participation and power of landowners in the industry. The stories told below demonstrate the complexity of landowner participation in the logging industry; their strengths in some contexts and the weakness in other aspects of the industry. It also demonstrates how they relate to other stakeholders, in particular, the logging companies.

**Sarabani Land—North Choiseul**

This story illustrates how landowners’ limited access to information can affect the nature of their participation and the degree of power they have over the logging industry. It also demonstrates how logging companies are able to manipulate legal documents, in this case the standard logging agreement, in order to maximise benefits from the industry.

Eagon Resources Development Company (SI) Limited, the subsidiary of a company registered in the Republic of Korea, has been logging in South Choiseul since 1992. It first operated in the areas around Moli before moving to Choiseul
Bay where it set up a camp at Tarekukure, about 3 km inland from Choiseul Bay. From its Tarekukure camp the company was able to expand its operations into parts of North Choiseul. These included clear cut logging and the replanting of parts of logged areas with introduced species.

On October 11, 1995 representatives of the Sarabani people signed a logging agreement (the timber rights agreement) allowing the Eagon Resources Development Company (SI) Limited to log their land. The signing of the logging agreement came about after negotiations with the landowning unit, following the procedures and processes stipulated under the Forestry Resources and Timber Utilisation Act. The principal signatory to the agreement was Enoch Sila, the chief of the Sarabani landowning group. Sila had earlier worked as ‘coordinator’ (middle-man) for the company. That position involved negotiating for the company’s access to log other land in the area. When he worked as a ‘coordinator’ the company paid him a regular salary of SI$200 per month and provided him with goods such as rice, noodles, and tinned food whenever he was on tour negotiating for the company. As a result of his work as a ‘coordinator’, Sila has had reasonable access to and familiarity with the relevant processes and procedures as well as documents required for the negotiation of logging licences.

Through him, and because of his influence as a chief, the Eagon Resources Development Company (SI) Ltd. was able to negotiate a timber rights agreement on the Sarabani land without much difficulty. Sila was at first reluctant to sign the agreement. At the time of negotiating for access to the Sarabani Land, the company promised Sila and other members of the landowning tribe that, ‘sapos iu givim kambani lan blong iu bae iu wanpala rich man’ (if you give your land to the company you will become a rich man) (interview, March 17, 1998). Further, the company’s negotiator had stated that while the logs that would be extracted
belonged to the company, other vegetation such as lawyer canes, vines, etc.,
destroyed in the process of extracting the logs belonged to landowners, but the
company would pay royalties only for having access to the logs. Sila then
suggested that the company pay compensation of SI$50,000 for vegetation
destroyed. The company's negotiator stated that this was the first time such a
claim had been made, but Sila said that logging would not take place on the
Sarabani land unless that compensation was paid.

There was, however, pressure from other members of the landowning group. As
Sila stated in March 1998:

\[\text{... olketa wantok blong mi tu kam spoelem. Olketa sei, ei, bos, ma}
olketa olo olo blong iumi olketa onim lan ia olketa olo pinis ia. Ma}
sampala kolsap dae. Taem olketa dae hu nao bae tekem seleni. Ating
gud chanisi olketa stil laev. Mekem olketa olo olo blong iumi tekem
lelebet seleni bipoa olketa dae. Den mi sei, Oh no! nomoa nao! Olketa
se nomoa iumi go. So, mipala go saenim (... it was my wantoks}
(relatives) who spoiled it. They said, 'boss, our elders who own the
land are now very old. Some of them are about to die. If they die, who
is going to take the money. It's good they are still alive so that they
receive some money before they die.' I said, 'oh, no! no!' But they
said, 'lets go.' So, we went and signed) (interview, March 17, 1998).

After they signed, the company gave each of them (the trustees) a bag of rice,
tobacco, taiyo (canned tuna - product of Solomon Taiyo Ltd.), noodles and other
food. Sila said he was happy to receive those goods (interview, March 17, 1998).

The signing of the agreement, however, was not witnessed by a state official—
area council, provincial member or Forestry officer—as required under the Forest
Resources and Timber Utilisation Act, and the landowners were not given a copy
of the agreement. Hence they did not realise at the time that they had signed an
agreement which was not the same as the prescribed form provided by the Forests
and Timber (Amendment) Regulations 1985, and which did not include important clauses of the SLA. Five major clauses of the SLA were omitted from the document signed between the two parties. These included clauses 18, 21, 29, 31 and 34 which provided for protection of the environment and the rights of landowners. It was not until late 1997 that Sila realised this and, acting on behalf of Lazarus Nalegolomo, David Lomimi, Jacob Valukama and Solomon Poloso (the trustees), took the matter to court. His intention was to declare the logging agreement signed between Eagon Resources Development Company (SI) Limited and Sarabani landowners null and void on the basis that it was not on the prescribed form.

On February 18, 1998, the High Court ruled in favour of Enoch Sila. The High Court ordered that the landowners be entitled to either:

(i) repudiate the logging agreement signed on the October 11, 1995 on the grounds that the agreement signed is not in the form provided for by the Forest and Timber (Prescribed Forms) (Amendment) Regulations 1985 ('the prescribed form')

or

(ii) substitute the logging agreement signed on the October 11, 1995, with the prescribed form logging agreement in its entirety including clauses 18, 21, 29, 31 and 34 thereof together with schedules relative thereto.

(High Court of the Solomon Islands, Court Reports, 1998, Case No.4 of 1998).

The High Court also advised that any further logging agreement entered between the two parties in respect to the Sarabani land must be on the prescribed form.
The question arising from this is how such a document was overlooked by the various officials of the state involved in the elaborate procedures through which such an agreement was supposed to have gone. Obviously, area council officials did not witness the signing; but, how did the document go through the provincial secretary’s office without the omissions being noticed? Secondly, the documents were supposed to have been inspected by the commissioner of forests in the Ministry of Forests, Environment and Conservation. How did they not notice the omission? Or did they simply choose to ignore it?

According to a Eagon Resources Development Company official, the matter was merely an oversight on the part of those involved, and was not intentional (interview, March 21, 1998). The Choiseul provincial officials and the forestry division also think it was an oversight. Sila, however, thinks that it was an intentional act on the part of the logging company, on the assumption that the landowners were ignorant, and that such omissions were intended to avoid responsibilities for environmental issues and landowner rights as required by the legislation (interview, March 17, 1998).

The flaws of the procedures and inefficiency of the administrative staff having been demonstrated, the public solicitor representing Enoch Sila and the Sarabani landowners wrote to the permanent secretary of the Choiseul Province suggesting that the province be more careful in its dealings with logging agreements:

In future, before signing any Form 3 Certificates as required under the timber rights procedure, Choiseul Province should ensure that the logging agreement presented by the company is identical to that of the prescribed form. If the agreement presented is not, then the Province should refuse to sign the Form 3 Certificate (Letter from Steve M. Watt, Public Solicitor (Western Province) to the Permanent Secretary, Choiseul Province, March 2, 1998).
In seeking to account for the fact that the area council, provincial office and the Forestry Division office failed to identify the defects in the logging agreement there are several possibilities. First, the oversight could have been a reflection of the inefficiency and incapacity of the officials involved, a demonstration of weaknesses in the Solomon Islands Public Service. Secondly, it is possible that officers responsible for checking the documents did not do so because they were instructed (or bribed) to overlook the omissions. The third possibility is that the administrative system did not function efficiently because of the lack of finance to facilitate the officers’ tasks.

While it is not possible to be conclusive about what happened in the Sarabani case, Eagon Resources Development Company logged the forests on the Sarabani land for nearly two years before being reprimanded by a court decision which merely instructed that the company cease its logging operations on the land in question. The company neither lost its licence to operate in Solomon Islands, nor suffered any financial penalty. In the event, it simply shifted to nearby lands and continued logging. It could be argued, therefore, that the logging company came out the winner in this case.

Enoch Sila intends to take the matter to court again and ask the High Court to rule that the logging company pay compensation for land already logged because it was logged under an illegitimate agreement. He also intends to ask the court to cancel the company’s logging licence, because the company’s action, he asserts, amounts to a breach of the law. As far as Enoch Sila is concerned, the court outcome was unsatisfactory because the company has not been adequately reprimanded:

Bikos kambani hemi no, nating mitim eniting ia. So, sapos hemi olsem, kot blong mi hemi iusles. Kambani hemi have to meet something. If he break the law they must meet something. Hemi brekem lo taem hemi chensim agriment (Because the company did nothing. So, if that’s the case then my court was useless . . . the
company has to meet something. If it breaks the law they must meet something ... it broke the law when it changed the agreement) (interview, March 17, 1998).

Sila’s ability to execute his intentions, however, is constrained because his access to legal representation is limited; there are simply not enough public solicitors available to take up his case. There is only one public solicitor working for both the Western and Choiseul Provinces. Sila cannot afford a private lawyer. From the latest available information (March 12, 2001) Sila had not been able to take the case to court.

In the Sarabani land case, because the landowning unit is small, its internal political dynamics are much less complex than would be the case in a larger group. There were, however, differences in opinion: there was pressure from other members of the landowning unit for Enoch Sila to sign the timber rights agreement with the logging company, mainly from the younger generation who wanted to ensure that the older generation benefited from the land and the forests on it before they died.

Because of the patrilineal nature of Choiseulese society, the signatories to the timber rights agreement—the trustees—were all males. As a result, women were marginalised in both the decision-making process and in the distribution of revenue from logging. This is typical of other parts of Solomon Islands, even in matrilineal societies such as Guadalcanal and Isabel. Women are the ones who usually bear the hidden costs of logging because they have to go further to collect firewood and to find uncontaminated water.

There are also cases of logging operations where landowners are in control—they own the logging company. But, even in these cases, the outcomes of logging are usually not very different from those dominated by foreign companies. Landowner
companies are driven by the same forces that drive foreign companies: the need to maximise profit. This next story explores such a case.

*Arosi, West Makira*

The story of logging in Arosi, West Makira, involved locally-owned companies with contractual agreements with foreign companies. The typical arrangement is that landowners, or, more precisely, someone from within the local community with knowledge on how the system works,\textsuperscript{22} sets up a company and acquires timber rights over an area of land owned by the landowning group to which they belong. Lacking capital, most of these local companies are unable to operate alone; they therefore enter into a technology agreement (provided for under the *Foreign Investment Act*) with a foreign company. In the past decade, most of the companies entering into technology agreements with local companies have been Malaysian or Korean (see Appendix II).

The interesting question is whether the involvement of local landowner companies has any substantial impact on the outcomes of logging; whether they operate differently from foreign-owned companies. There are also questions as to whether landowners exercise real power through their ownership of logging companies, and, more specifically, about who amongst landowners exerts control.

In the case of logging in Arosi I and II, four locally-owned companies were registered, though not all were operational. These companies included Somma Limited, Aroba Development Company, Aroba Holding Limited and Makwest. The focus of discussion here will be on Somma Limited. The owner of Somma Limited, Solomon Mamaloni, was prime minister of Solomon Islands in the years

\textsuperscript{22}In most instances, the individuals involved in establishing a local company are likely to be educated landowners, who understand the procedures and processes for establishing a company and acquiring logging licences and timber rights. They are also in a position to manipulate chiefs, big men and other landowners.
when the company was logging most actively (1994 to 1997). Mamaloni is also a
landowner in the area. His business interests, though they may be viewed as
involving a conflict of interest, were thus not illegal. The country’s leadership
code requires only that leaders make known their business involvements. But, as
will be outlined below, there were complexities to the situation.

Somma Limited acquired timber rights over certain areas of customary land in
Wards 5, 6, 7 and 8 of Arosi I and II, and entered into a contractual agreement—
technology agreement—with Goodwill Industries Limited, a Malaysian registered
company. By 1994, the year when Mamaloni returned to power as prime minister
after the collapse of the Francis Billy Hilly-led National Coalition Partnership
(NCP) government, Somma Limited’s operations in the area were well under way.
Subsequently, the Mamaloni government adopted measures to encourage
investment in logging, including a 100 per cent export tax exemption for local
landowner companies. On February 9, 1994, Mamaloni, as director of Somma
Limited, along with Kaipua Tohibangu, the company’s general manager, wrote a
letter to the then Minister of Finance, Christopher Columbus Abe, asking for
export duty exemption on round logs (Solomon Islands Government, Ministry of
Forests, Environment and Conservation, File No. TIM 2/36, Vol. I). While it is not
abnormal for the director or manager of a company to request tax exemption, in
this case the director of the company happened to be the prime minister whose
government had given export tax exemptions to all locally-owned companies.
Further, he was thus making the request to his own minister. When asked about
this incident, Abe stated that he gave the tax exemption to Somma Limited
because it was a locally-owned company, not because it was owned by the prime
minister (interview, July 15, 1996).
Again on 23 June 1996 the general manager of Somma Limited wrote a letter to the chairman of the Foreign Investment Board, requesting for a ‘5 years tax holiday to develop our license area, Wards 5, 6, 7 and 8 in the Makira/Ulawa Province’. To justify the company’s request, the general manager submitted a plan for the development of wood-based industries including ‘a large, fully integrated timber processing complex in Suraharau, Makira/Ulawa Province. This processing complex would include sawmilling, kiln drying, moulding, laminating, finger jointing, joinery, woodworking, knock down furnitures, block board, veneer and plywood mill’ (Solomon Islands Government, Ministry of Forests, Environment and Conservation, File No. TIM 2/36, Vol. I). The Foreign Investment Board, however, did not grant the 5 year tax holiday. No explanations were given. At the time of this study none of the proposed plans were implemented.

In terms of logging outcomes, it might be assumed that because Somma Limited is a company owned by a local landowner, its industrial practices would be different from those of other companies. In reaction to this Judith Bennett notes that,

Yes and no. First, the technology, marketing, management, etc. are all controlled by the foreign partner, Goodwill Industries Limited, which has the power over pivotal aspects of the means of production. So the local company is really only a paper company – it lacks the knowledge to ask the right questions and scrutinise answers. Secondly, the structure is based on capitalist modes of extraction and a company structure does not normally distribute benefits equitably, nor is there much concern for the environmental cost (Examination comments, February 25, 2002).

In the case of Arosi the evidence, however, indicates that Somma Limited’s operations produced similar conflicts and environmental concerns to those of foreign-owned companies. The company’s contribution to the general development of the area in which it operated was also not different from that of foreign companies. Although it is difficult to measure the distribution of financial benefits from logging, such benefits to local people are generally restricted to the
owner's family, relatives and friends, and are used to gain political support. Mamaloni was a widely respected big man in the area; it was that respect that gained him election to parliament for the West Makira constituency for many years. He was a man who had power at both the local and national levels. The wealth gained from Somma Limited's logging operation helped sustain that respect and his status as a big man.

In terms of environmental outcomes, the company seems to have been as careless as others. In October 1996 the Forestry Division suspended Somma Limited's logging licence after it had been found to have breached environmental regulations. In a letter of October 28, 1996, the chief forestry officer informed the general manager of Somma Limited that,

following numerous complaints and few reports reaching this office, Forestry Division is well aware that Somma Ltd. and its contractor, Goodwill Industries simply ignore and does not respect Forestry Laws and regulations set down to protect people's welfare and the environment. We have good evidence of serious breaches of the provisions of the Standard Logging Agreement (Solomon Islands Government, Ministry of Forests, Environment and Conservation, File No. TIM 2/36, Vol. I).

In fact, the general manager of the company had, on October 24, 1996, written a letter to the Forestry Division admitting that the company had breached environmental regulations. This was following complaints from landowners.

In a separate incident, a public solicitor representing Robinson Taomwara of the Amaewo landowning unit had, on June 3, 1996, written to the manager of Goodwill Industries Limited alleging that the company's logging operations had caused siltation and other environmental damage to the Waiboro'oni River because they had conducted operations within the 50 metres restricted buffer zone. The public solicitor further instructed that the company negotiate with landowners
on the issue of compensation for damages allegedly caused. In his letter of October 24, 1996, the general manager of Somma Limited, Kaipua Tohibangu, admitted the breach of environmental regulations and said that ‘this company as a licence holder regret and awaiting your reply for a fair judgement on the matter’. However, despite the general manager’s admission that the company and its contractor had caused environmental damage, the company refused to comply with the Forestry Division’s suspension order. This was because (as the general manager indicated in a letter of 6 November 1996 to the permanent secretary of the Ministry of Forests, Environment and Conservation) the ministry had not responded to requests by the company, first for an inquiry into how Somma Limited’s ministerial files were accessed by an ABC Foreign Correspondence team,23 and, secondly, for an explanation of a request that the company reduce its allowable harvest quota from 50,000 cubic metres to 30,000 cubic metres; moreover, the company had already admitted to breaching the SLA regulations. The general manager also questioned the legality of the suspension order, saying it was not approved by the Attorney General’s Office. In responding to Somma Limited, the commissioner of forests, in a letter of November 18, 1996, stated that ‘these reported damages to rivers etc. in itself are sufficient to warrant penalty. In such incidents, Forestry Division normally impose[s] a suspension of that particular operation and ask[s] the company to return to the damage[d] area and rectify at its costs’ (Solomon Islands Government, Ministry of Forests, Environment and Conservation, File No. TIM 2/36, Vol. I).

The suspension order was issued by the chief forestry officer, Kennedy Hoda, who happened to be from Arosi and had in the past been vocal against the company’s operations. In his letter stating the company’s refusal to follow the suspension

23 The ABC’s Foreign Correspondent TV program had, in August 1996, produced a story on logging in Solomon Islands which highlighted the activities of Somma Limited and the involvement of the then prime minister, Solomon Mamaloni.
order, the general manager alluded to the fact that the order was influenced by personal reasons. Anticipating such a reaction from the company's administration, the chief forestry officer had on October 29, 1996 (a day after issuing the suspension order), written a letter to the company stating that in issuing the suspension order he was merely executing the directives of his superior, the commissioner of forests, an official duty which should not be taken personally. 'If there's any thinking that I'm acting too personal then let me assure everyone that I could have influenced this suspension order much earlier, but I'm very much concerned also about people's logs being wasted,' he stated. The general manager of Somma Limited, however, refused to accept that the chief forestry officer was acting in a purely official capacity (see letter from Somma Limited to Chief Forestry Officer, October 30, 1996, Solomon Islands Government, Ministry of Forests, Environment and Conservation, File No. TIM 2/36, Vol. I).

Indeed, it cannot be denied that the chief forestry officer had personal interests in the operations of Somma Limited. Because he is from the area, he is a potential beneficiary from any such logging operations. He was instrumental in initiating the establishment of Makwest, a company formed by his landowning group with the intention of competing with Somma Limited, and had on occasions expressed personal opposition to the operations of Somma Limited. In a letter to the Minister of Forests, Environment and Conservation on October 23, 1996, for example, the officer expressed concern over the ministry's approval of Somma Limited's application to export 30,000 cubic meters of log and process 20,000 cubic metres. He argued that, technically, Somma Limited could not use the forest inventory data24 for the whole Arosi area in its applications because legally the company was entitled only to operate on customary land areas over which it had completed

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24 The 'forest inventory data' were data collected by a team that did an inventory of the timber resources-volume and species-available in a particular area. The inventory of Solomon Islands forest resources was sponsored by the Australian government.
proper timber rights acquisition procedures. The chief forestry officer, on October 23, 1996, stated that,

Somma [Ltd] is continuously trying to fool SIG [Solomon Islands government] and West Makira resource owners. With the export duty concessions and with more than US$10 million worth of log exports they have not build the roads and airstrip promised to west Makira and purchase and install proper operational mills proposed to SIG in their applications. If Somma [Ltd] cannot install a small operational mill, it is very difficult for them to purchase and install a huge multimillion [dollar] integrated processing complex in west Makira—enough of political propaganda (Solomon Islands Government, Ministry of Forests, Environment and Conservation, File No. TIM 2/36, Vol. I).

The suspension of Somma Limited’s licence was eventually lifted after the forestry officer based in Kirakira, the Makira/Ulawa Provincial capital, did a survey of the logging site and confirmed that the company had rectified the damage it caused (see letter from Forestry Officer to the Commissioner of Forests, November 25, 1996). In informing the company of the decision to lift the suspension order the Chief Forestry Officer commented that the ‘... continuation of operations during the suspension period as reliable sources claimed, reflects a negative attitude on your company towards forestry laws that Forestry Division is trying to enforce’ (letter from Chief Forestry Officer to the manager of Somma Limited, December 3, 1996, Solomon Islands Government, Ministry of Forests, Environment and Conservation, File No. TIM 2/36, Vol. I).

Apart from environmental concerns over Somma Limited’s operations, there was also evidence to suggest that the company’s operations had caused a certain degree of competition, if not conflict, between the different landowning groups in the area. A clear indication of this was the establishment of competing logging companies by the different landowning groups, and even divisions within groups. Companies such as Aroba Development Company, Aroba South Holdings and Makwest were set up partly as a reaction to Somma Limited’s operations. There
was also evidence of division within the landowning group that formed Aroba Development Company. As a protest against the company's close associations with Somma Limited, some members of the group formed another company called Aroba South Holdings Limited, using the same felling licence number Tim 2/95. The Forestry Division found out and cancelled the licence (letter from Commissioner of Forests to the General Manager of Aroba Development Company and Aroba South Holding Limited, April 14, 1997, Solomon Islands Government, Ministry of Forests, Environment and Conservation, File No. TIM 2/95, Vol. I). Somma Limited, on its part, sensed the competition from local people and was concerned about the economic viability of different companies operating in the same area. In a letter (of April 9, 1997) to the Minister of Forests, Environment and Conservation, the general manager of Somma Limited stated: ‘We appreciate that the prerogative to issue logging is vested in you and the Commissioner of Forests. On the other hand it is equally your responsibility to ensure that such operations are commercially viable in order to achieve greater benefits for the resources owners’ (Solomon Islands Government, Ministry of Forests, Environment and Conservation, File No. TIM 2/36, Vol. I).

Apart from demonstrating their dissatisfaction with Somma Limited's operations by setting up a rival company, some landowners in the area accused the company of trespassing on land not included in the timber rights agreement; they sought compensation payments, and threatened to block the company's operations if it did not meet compensation demands. In 1996, for example, Maradaro members of the Aoba landowning unit claimed that Somma Limited had trespassed on land for which the company had not been granted timber rights. They demanded SI$100,000 in compensation, an additional SI$65,000 for access/damage payment, and SI$18,000 royalties for logs shipped in March 1996. They threatened that the company's failure to meet these demands would result in the blockage of the 1.5

The issue of logging, and in particular the conduct and operations of Somma Limited and its owner, Solomon Mamaloni, became a major political issue in the area during the campaign for the 1997 general elections. Kennedy Hoda, the chief forestry officer referred to above, resigned from his job with the Forestry Division and stood as a candidate against Mamaloni. As expected, he lost the election by a huge margin.

The case of logging in the Arosi area of West Makira demonstrates a number of things about landowners’ participation in the logging industry. First, it shows that landowner control of logging companies will not necessarily result in better outcomes. The conduct of landowner companies and foreign-owned companies is similar because involvement in logging is the same for both: the desire to maximise profit and (hence) reduce costs as much as possible. Secondly, the establishment of a logging company owned by one landowning group may give rise to the establishment of competing companies by rival landowning groups whose interests are not necessarily geared to enhancing the developmental outcomes of the logging industry or ensuring proper environmental management. Thirdly, even when logging companies are owned by local landowners, their operations are still influenced by foreign companies, because local entrepreneurs lack the capital and the access to information necessary for real power over the conduct of their operations. In the case of Somma Limited, its operations were highly influenced by its contractor, Goodwill Industries Limited, and its outcomes were similar to those of foreign companies.
Conclusion

Because of the generally communal nature of the land tenure systems in Solomon Islands, the participation of landowners and the degree of power they have over the logging industry is much more dynamic than is often acknowledged. Although in some instances landowners are marginalised in other instances they are quite powerful. The fact that land is owned by the laen (tribe/clan) means that, if well organised, the tribe can become a powerful stakeholder in the logging industry. The challenge is for landowners to realise they have that potential power, and find ways of converting it into real power. To do that landowners need to organise themselves in order to strengthen their position against other stakeholders such as the state.

The Sarabani land case in north Choiseul demonstrates how a landowning group, given the right information and access to services such as legal representation, is able to become relatively powerful. Whilst the logging company may have manipulated state systems and administrative structures and avoid legal requirements, if landowners have some knowledge of how the system works and the legal requirements, they can become an important part of the management of the industry, enhancing landowners’ participation in and degree of power over the industry. In this case, the Sarabani landowning unit, led by Enoch Sila, has become an important participant in Eagon Resources Development Company’s plans and operations in Choiseul. The court case obviously had an impact on how the company conducts it operations. They also have an important impact on how other landowning groups react to proposals for logging. The Sarabani tribe, and in particular Enoch Sila, has been envied by other landowning units in Choiseul.
Given the realisation of their potential power, it would be useful for the various landowning groups (in the areas where Eagon Resources Development Company operates) to come together and form an united organisation to represent their interests and deal with other stakeholders. This landowner representative group could function either as part of the Lauru Land Council or as a separate entity with consultative links to that council. Such an organisation would be responsible for collecting information and ensuring that landowners have access to services such as legal representation. If members are given appropriate forestry management training, they could also take over the responsibilities now performed by the state’s forestry field officers.

This chapter also demonstrates that, because of the changes in land tenure systems, some individual landowners have become quite powerful and are able to participate actively in the exploitation of forestry resources. These individuals usually have become big men because of their access to both the traditional and modern systems, and are able to utilise both systems to maximise, not necessarily the landowning unit’s benefit from the logging industry, but their individual benefit.

The story of Solomon Mamaloni’s involvement with the operations of Somma Limited in West Makira provides an useful insight to landowner companies and the activities of prominent individuals. The story demonstrates that even when Solomon Islanders are involved as loggers, the outcome is not necessarily different from that of foreign companies. First, because of the competition between landowning units, there is usually tension between them. This is illustrated in the West Makira case by the formation of different companies by the landowning units in the same area. Competition between landowning companies is often complicated by the involvement of aspiring big men who want to
challenge the positions of those already in power. The involvement of Kennedy Hoda in the West Makira story illustrates that. Kennedy is a comparatively young man working for the forestry division and has access to knowledge about the industry. He wanted to challenge the position of Solomon Mamaloni as an established big man in the area. The two ended up competing against one another in the 1997 general elections. Kennedy lost.

Mamaloni was able to exercise power at both the local landowning unit and the national level. He illustrates the advantage that many educated landowners have. The challenge for them is to use that advantage to organise the group (though not all landowners want to do that). The principal different between Somma Limited’s logging operations in West Makira and the outcomes produced by foreign companies, was that, because of traditional social obligations, Mamaloni distributed part of the company’s logging revenue to relatives and other members of the landowning unit.

From the factors outlined above, one may conclude that the participation of landowners is influenced not only by the state systems and structures and logging company practices, but also by the land tenure systems and how that has either enabled landowners to organise themselves as a cohesive force or led to fragmentation. The socio-political dynamics at the landowner level is as important as that at the national and international levels.
Chapter Five

THE STRUGGLE FOR CONTROL
OF THE LOGGING INDUSTRY

This chapter examines how some of the major stakeholders in the logging industry – the state, logging companies, non-government organisations (NGO), aid agencies – organise their involvement in the struggle for control of the logging industry, and how that affects landowners’ participation. There are two parts to the chapter. The first provides an overview of each of the major stakeholders, exploring the complexities that exist within each one and their interests and the nature of organisation. The second examines the way in which the various stakeholders interact with each other and how that influences their participation in the logging industry.

If we accept that power is about the ability of A to make B do something that B would not have otherwise done, then one may examine the relative power or weakness of landowners in the logging industry by first assessing the capacity of the other major stakeholders.

Most (if not all) the stakeholders in the Solomon Islands logging industry have some degree of power over certain aspects of the industry. Others have potential power but must transform that ‘potential’ into ‘actual’ power. Because of the relative nature of power, no particular stakeholder or actor is able to control every aspect of the logging industry. For example, while landowners have legal control over land, they are comparatively weak when it comes to having access to the capital needed for log production and management. The state, on the other hand, has the power to make regulations, but it does not own a large percentage of land in Solomon Islands.

In this way, one could argue that the power over the logging industry is not vested in a particular stakeholder, but is distributed; a stakeholder’s power exists relative to that of another. Hence, to understand the power of an individual stakeholder,
and how it is negotiated in relation to that of another, one needs to be familiar with the organisational structure, objectives and interests of each stakeholder plus the complex dynamics within the stakeholder group. This will assist us measure the capacity of the stakeholder to influence logging processes and outcomes.

**The Relations of Power**

The concept of stakeholder, each within a defined boundary, is useful in identifying the major actors in the logging industry, but in reality the boundaries between stakeholders are more hazy because one often finds that the interests and objectives of the some stakeholders overlap or complement each other. At times, this makes it difficult to distinguish one from the other. Further, there are diverse players with varying interests and objectives even within a stakeholder group. This makes it difficult to talk about a stakeholder as a homogeneous entity.

If we conceptualise the forestry industry as the arena in which the different stakeholders interact and compete for control of the forest resources, then we must understand the inputs of different actors, their strengths and weaknesses, and what accounts for those strengths and weaknesses. Consequently, this section explores the interests and roles of the major stakeholders: the state, logging companies, non-government organisations (NGOs), and aid agencies. It also attempts to outline the structures of the stakeholders and how this affects their ability to exert power; to convert ‘potential’ to ‘actual’ power. In this discussion it is acknowledged that logging companies have diverse structures and vary in size and interests. Hence, they cannot be represented in a simplified manner. It also explores the complexities within each stakeholder group, the relations of power between them, and how that affects the exercise of power over the logging industry.
The State

The state\textsuperscript{25} is an important actor in the logging industry because it has the responsibility to make and change the rules governing the forestry industry in general and logging in particular. But, in order to fully appreciate the roles and objectives of the state, one needs to familiarise oneself with the internal dynamics and diverse interests of individuals and institutions within the state. As stated above, there is a tendency to portray the state as an institution with well defined objectives, interests and functions, and to view the state as a strong homogeneous entity.

A closer analysis will, however, show a much more complex situation. The state, in fact, is made up of individuals and institutions with varying interests, objectives, agendas and reasons for participating in the state structures. The state, therefore, is not a homogenous entity—it may not even be a single stakeholder, but an institution encompassing many stakeholders: politicians, administrators, field officers, doctors, teachers, self-interested individuals, etc. In a way, the state is an abstraction which constitutes many other players, an arena in which various interested parties express themselves and try to achieve what they want from the institution. While the state attempts to control and structure the economy and society, there are individuals and interest groups within the state that are continuously having an impact on the state. In the logging industry, for example, the state has interests of its own—to generate income from the logging industry and manage it sustainably—while at the same time it is supposed to act as a trustee for other interests.

It is because of these diverse and varying interests within the state that issues such as corruption, nepotism and conflict of interests emerge. The diverse interests also contribute to the 'weakness' of the state (see Migdal 1988; Kabutaulaka and Dauvergne 1997).

\textsuperscript{25} Here, the term 'state' is used to refer to the entire governing institution in the country. It includes the government as well as the bureaucracy which implements and enforces government policies.
Looking specifically at its role within the logging industry, the state is continuously moulded by the individuals and actors within the state. In the logging industry in Solomon Islands, the state’s most significant role is that of making laws that regulate the industry. Legislation such as the *Forest Resources and Timber Utilisation Act* and the new *Forestry Act 1999*, for example, define how forest resources are exploited and managed. The state, in other words, can make and change the rules governing the forestry industry. The state, for instance, has the responsibility to protect the country’s environment. This role is defined in the *Environment Act* as well as in the *Forestry Act 1999*.

Thus, while the state wants to exploit forest resources for economic gain, it also has the responsibility to ensure that environmental damage is minimised. This paradox has preoccupied much of the forestry discussion over the last decade. It is reflected in cases such as Pavuvu Island and Vangunu in the Marovo Lagoon. In the Pavuvu Island case, (as discussed in Chapter Two) the government promised the establishment of schools, clinics and other infrastructure as a means of compensating for the extraction of logs on government alienated land (see Solomon Islands Government, June 1995, Ministry of Forests, Environment and Conservation, File No. TIM 2/24, Vol. II). In the case of Vangunu, logging developments and plans for the establishment of an oil palm plantation have contradicted plans to include the Marovo Lagoon (within which Vangunu exists) in the World Heritage Conservation listing.

This has resulted in a continuing debate involving the government and environmental organisations such as Greenpeace (see *Solomon Star*, April 28, 1999). Greenpeace (1999) argues that the Vangunu oil palm plantation project is unlikely to generate the economic and social benefits promised. A report published by Greenpeace indicated that according to a survey carried out by an ‘independent researcher’ local people are likely to benefit more from small-scale

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26 The Pavuvu case will be discussed further in Chapter Six.
development projects such as eco-tourism than from a large-scale oil palm plantation.

As mentioned above, one of the state's major interests in the logging industry is financial. Logging is an important source of government funding (see Chapter Two). The way in which the state approaches the development of natural resources such as forests is highly influenced by its economic interests. Government policies usually reflect that interest. The previous Solomon Islands Alliance for Change (SIAC) government, for example, stated as part of its forestry policy that the 'government is committed to the urgent need to explore the most viable overseas Timber Markets with the aim of maximising returns on the country's resource' (Solomon Islands Government 1997:39). Consequently, it is a source of concern for government when logging investment and income are down, as they were from 1997 to 2000 (see CBSI Report 2000).

To make and implement policies, enforce regulations, and extract benefits from the logging industry, the state depends on ministries such as the Ministry of Forests, Environment and Conservation (MFEC), especially the Forestry, Environment and Conservation Division. This ministry is responsible for the management and regulation of forestry resources. Other state entities have responsibilities for the logging industry: the Inland Revenue Division of the Ministry of Finance, Customs and Excise, and the Central Bank are responsible for collecting and monitoring revenue from the logging industry; the provincial governments and area councils play a role in the negotiation process and in dealing with landowners.

To better understand the state's role and participation in the logging industry, the administrative structure of the Forestry Division of the MFEC, and the legislation that regulates the exploitation of forest resources, are described below.
The Forestry Division: the administrative and legal structures

Administratively, the Forestry Division is part of the Ministry of Forests, Environment and Conservation (MFEC). The Minister of Forests, Environment and Conservation is the political appointee of the ministry. The Permanent Secretary, assisted by the Under Secretary, links the technical and operational functions of the ministry in the implementation of policies and programs. There are three divisions in the MFEC: (i) the Forestry Division, headed by the Commissioner of Forests; (ii) Environment, Conservation and Wildlife, which has a director responsible for five staff; and (iii) Administration, which is headed by the Chief Administration Officer.

The Forestry Division is the largest division within the ministry with four functional sections: (i) Planning, responsible for resource and manpower planning of the division; (ii) Timber Management, responsible for monitoring and evaluation, licensing, and control of log export pricing; (iii) Research and Extension, which conducts silviculture research, provenance trials, tree improvement and tree breeding, nutritional requirements and research into the genetic materials and seed collection, and also maintains links with international research; and (iv) Herbarium and Botanical Gardens, responsible for the curation of the botanical gardens and herbarium, collection of herbarium specimens and drying and storage.

Recent developments in the MFEC are important to understanding the ministry's functions and administrative capacity. Since 1995, the Forestry Division’s staff has been reduced considerably because of the government’s redundancy exercise in the Public Service. By 1998, the total Forestry Division staff establishment was 60 compared to 110 in 1994. This comprised of 5 officers in the planning section, 27 officers in the Timber Management Section, 4 officers in the Herbarium, 10 officers in Extension, 12 officers in Research, and 2 officers at Headquarters (Commissioner and Deputy). The total non-established labour force is about 30
forest workers, mainly working for Research, Timber Management Unit and Extension. Some of those listed as non-established forest workers are actually casual workers in the Customary Land Reforestation Project.

Some changes within the MFEC were anticipated by the end of 1999 as a result of the implementation of the AusAID-funded Solomon Islands Forest Management Project (SIFMP). The SIFMP provided for an Australian to be contracted as Commissioner of Forests for a period of two years. The project was, however, suspended in 2000 as a consequence of the civil unrest in Guadalcanal and the subsequent change of government following a 'coup' on June 5, 2000.27

The Forest Resources and Timber Utilisation Act

At present, forestry development in Solomon Islands is regulated by the Forestry Act 1999 which was passed by the national parliament in April 1999;28 it replaced the Forest Resources and Timber Utilisation Act first introduced in 1969 as the Forests and Timber Ordinance. The original ordinance was a document designed to cater for the agenda of the colonial regime. At that time, as stated earlier, logging was concentrated on government land or customary land leased by government; consequently, the laws concentrated on forestry activities on state land. In the Forests and Timber Ordinance 1969, for example, the only reference to customary land states that,

nothing contained in section 221 of the Lands and Titles Ordinance 1968 shall prohibit or invalidate the acquisition by a person other than a Solomon Islander of any right to cut and remove any trees growing on customary land, or of any right of access to or over customary land for the purpose of cutting or removing tree growing on customary land (Section 32).29

27 There is more detailed discussion of the current reforms in the forestry sector, and more particularly the AusAID-funded Forest Management Project and the Forestry Bill 1999, in Chapter Eight.
28 See Chapter Seven for a detailed discussion of the Forestry Act 1999.
29 Section 221 of the Lands and Titles Ordinance, 1968 states that 'the Commissioner may by declaration to be published in the Gazette declare any land held in his name free from any encumbrances to be customary
Forestry development on customary land was never fully regulated until the promulgation of the *Forests and Timber (Amendment) Ordinance 1977* which outlined laws regulating the acquisition of timber rights on customary land. While this was the case in forestry, in the case of land, detailed laws were introduced, under the *Land and Titles Ordinance 1968*, defining the boundaries between customary and public ownership of land. Through these laws the colonial state vested upon itself the authority to define the nature of customary and state ownership of land and, hence, the forests on them. Customary land, for example, was deemed as any land that,

has been set aside by the Government of the Protectorate for occupation by Solomon Islanders, such land shall, if it has been continuously occupied by Solomon Islanders since it was first so set aside, and if it was not so set aside in pursuance of any power conferred by a repealed Regulation, be deemed to be and shall become native customary land, and vested in the person or group of persons entitled thereto by current native usage (*Land and Titles Ordinance 1968*, Section 23).

Such a law demonstrates the power vested in the state to define landownership, in particular, the notion of customary ownership. Thus, although the state owns only a small percentage of land, it has the authority to define, and make laws that regulate the use of resources on, lands it does not effectively own.

In the post-independence period it was realized that the forestry and land legislation were both inadequate given new demands and developments. Consequently, in the 1980s and 1990s successive amendments were made to the *Forests and Timber Ordinance*. In 1985 it was amended to become the *Forest Resources and Timber Utilisation Act 1985*. This expanded its focus, not only on log production but to include both export as well domestic production of a variety of forest products, in particular, sawn timber, round logs, and furniture production. The amendments also included specific procedures and processes to regulate the

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forestry industry. The *Forest Resources and Timber Utilisation Act 1985* is influenced by other legislation such as the *Company Act*, which governs the establishment and involvement of companies in the logging industry, and the *Land and Titles Act* which regulates the ownership and use of land. Despite these changes, the *Forest Resources and Timber Utilisation Act* was a remnant of the colonial era.

Another important piece of legislation is the *North New Georgia Timber Corporation Act 1979*, which was introduced to deal specifically with Lever’s Pacific Timber Limited’ forestry activities on North New Georgia (see Larmour 1981; Tausinga 1989). This law was amended by the *North New Georgia Timber Corporation (Amendment) Act 1980*.

The forestry legislation has had a mixed impact on the landowners and their role in the logging industry. While on one hand such legislation can undermine the power of landowners in controlling forest resources, because the authority to regulate has been taken away from them by the state, on the other hand the legislation enhances landowners’ power by defining and legitimising it. Existing land legislation does not allow land to be taken or bought by foreigners (non-Solomon Islanders) as was the case in the late 19th century (see Bennett 1987). Existing land and forestry legislation makes it compulsory to deal with landowners, who have thus become legitimate and important stakeholders. The legislation promotes the power of landowners and prevents companies from exerting too much control—a promotive and preventive power as discussed in Chapter Three.

The major focus of the legislative amendments is to enhance the power and participation of landowners and protect their interests in the logging industry. This may be best understood by examining the procedures and processes outlined in the *Forest Resources and Timber Utilisation Act 1989*. It is these procedures and processes that govern the administration of the forestry industry in general and logging in particular.
An important aspect of the act is the Standard Logging Agreement (SLA) which governs the issue of logging licences and the enforcement of regulations associated with it.

**Standard Logging Agreement: procedures and processes**

The processes and procedures for approving logging licenses involve the central government through the MFEC, provincial governments, area councils, logging companies and customary landowners. There are four stages in the logging approval and licencing procedures.

**Stage One: Application to negotiate (Form 1)**

A company identifies an area it wants to log and after making preliminary approaches to landowners it lodges an application through *Form 1* to the Commissioner of Forests who examines it and determines whether or not to consent to the application to log. The Commissioner of Forests then advises the company on whether the application has been approved or rejected. If the application is approved, the Commissioner of Forests advises the provincial executive concerned through the Provincial Secretary, and the Chairman of the Area Council responsible for the area identified for logging. The Area Council Chairman then puts out a one month public notice stating the time and place of a timber rights hearing meeting.

**Stage Two: Timber Rights Hearing**

The timber rights hearing is a public meeting in which it is determined whether a logging agreement should be signed between the customary landowners and the logging company. The timber rights hearing is attended by landowners, the area council and provincial representatives, and the public at large. There should be written minutes of the meeting, which should discuss and determine the following questions and issues:

- Do the landowners want to negotiate the sale of their timber?
- Do the landowners who are present represent all legal landowners?
- What timber rights will be given to the company?
How will landowners share in the profits?
How will the provincial government take part in the operation?

**Stage Three: Certificate of Land Ownership (Form 2)**

After the timber rights hearing, if there is no agreement and the application is rejected, the Commissioner of Forests and the company are advised. If there is an agreement to log then a list of landowners and a list of recommendations are put up on a public notice (advertised) for a month. If there are disputes, these are dealt with by the Customary Land Appeal Court, and the Commissioner of Forests is notified by the court clerk. If there is no dispute or the dispute is resolved by the court, then a certificate of recommendation and landownership (*Form 2*) is sent to the Provincial Secretary for the provincial executive. The Commissioner of Forests and the company are then advised.

When the company receives the *Form 2* (certificate of landownership) it carries out a resource survey to identify areas to be logged and those to be excluded for environmental or social reasons. The company then draws up a five year plan, a harvesting plan for the first year, and a reforestation plan. These are then sent to each and every landowner group. The company also briefs provincial executive and Forestry Division representatives on its plans, intended timing, and proposed terms and conditions. A public notice is then put out for two months to the community concerned, with maps, plans, and the date and place for negotiation of the agreement.

**Stage Four: Public Negotiation of Standard Logging Agreement (Form 4)**

The next stage is the public negotiation of a Standard Logging Agreement (*Form 4*). This is when landowners, provincial representatives, the Forestry Division representatives and the company negotiate for the timber rights agreement. At this negotiation, landowners and company may have legal advisers present. The provincial and Forestry Division representatives attend only as observers; the actual negotiation is between landowners and the company. If agreement is reached, *Form 4* is signed by the company and not less than five representatives chosen by the landowners.
Within fourteen days of the signing of the agreement, the Provincial Secretary concerned and the Commissioner of Forests are sent copies of the agreement. The Commissioner of Forests examines the agreement and if he is satisfied that all correct procedures have been followed he sends his recommendations for the Provincial Secretary’s consideration. The Provincial Secretary considers the agreement and decides whether to agree or reject. If the agreement is rejected, all the parties (company and landowners) are advised within fourteen days. If the Provincial Secretary approves or agrees then a certificate approving the Standard Logging Agreement (SLA) negotiation (Form 3) is issued and the commissioner of forests is advised. He then informs the company and landowners within fourteen days. The company then prepares an annual logging plan and sends it to the Commissioner of Forests who considers it before sending it to the Provincial Secretary who in turn advises the Commissioner of Forests of his/her decision.

If this is approved the logging licence is issued and logging then commences. During the logging period a new annual logging plan should be submitted each year. Should there be any disputes regarding proper procedure or breach of agreement these are referred to the High Court.

From the outline provided above, it would seem that the state, as an institution, has clear objectives, well defined interests, and a reasonably good administrative system that implements and enforces state policies and regulations. It would also seem, from the above, that the state is quite powerful, or, at least, has the potential to be powerful given its role in making and enforcing laws governing the exploitation of forestry resources. In reality, however, there are numerous factors that affect the state’s capacity to exert power over the industry. First, as stated above, despite the fact that, officially, governments have well defined and clear policies, the state as an institution is made up of units and individuals with diverse and sometimes uncomplementary interests. For instance, while the MFEC is concerned about, not only log production, but also the management of forestry resources, the Ministry of Finance’s interest in the logging industry is primarily as a source of revenue. The Ministry of Agriculture may, on the other hand, be
interested in forested land as a potential agricultural productive area. Hence, the Minister for Agriculture would push for the clearing of land for agricultural development, as a way of demonstrating to the public that agricultural development has been enhanced. A classic example is the current debate over Vangunu in the Western Solomons. The line of argument pushed by the Ministry of Agriculture is that the development of an oil palm plantation on Vangunu would be a major agricultural development (Solomon Star, May 14, 1999). That argument does not take into consideration the fact that Vangunu is the Marovo Lagoon, an area identified for World Heritage conservation.

This is not to argue that different ministries or units of the state have entirely contradictory interests and goals. Rather, it is to state that the different entities of the state are not always as complementary as sometimes assumed. Furthermore, the goals the different parts of the state (ministries, departments, divisions) seek to achieve may also vary and are at times contradictory. There may also be competition for limited resources such as manpower, finance and equipment. The coordination between different ministries, departments and divisions may not work as well as envisaged, for example, the relationship between technical ministries, such as the MFEC, and those with administrative and coordinating roles, such as the Ministry of Provincial Government, is sometimes confused (see Kabutaulaka, Tozaka and Denni 1998). These kinds of discrepancies exist in state institutions elsewhere. It is their degree of severity that differs.

**Individuals and the State**

Apart from the state institutions mentioned above, there are individuals—public servants and politicians—who work for the state. They often have interests and objectives that differ from, and may even contradict, those of the state. Hence, while working for the state, they do things that weaken state capacity.

Take, for instance, the case of a cabinet minister involved with a logging company as a member of the board of directors. In one particular case, between 1991 and 1994 the member of parliament for Gao/Bugotu, Nathaniel Supa, was a minister in
the Solomon Mamaloni-led government. He again became minister in the period between 1994 and 1997 following the collapse of the Billy Hilly-led government. During that period he held various ministerial portfolios, including Home Affairs for which he was minister for several years. In that same period the Isabel Timber Company Ltd. was in the process of establishing logging operations in the Gao/Bugotu constituency. The company is a subsidiary of the Malaysian-registered transnational company, Kumpulan Emas Berhad. This was also a period when there was increasing debate in the country regarding the logging industry. Hence, to secure logging licences, many companies were eager to solicit the assistance of state officials and cabinet ministers. As stated in Chapter Three, during this time a number of government ministers were charged with corruption relating to logging.

Given all this, it is interesting to note that Nathaniel Supa, while member of parliament for Gao/Bugotu and Minister for Home Affairs, was receiving a monthly payment of SI$1,000 (Solomon Islands Government, Ministry of Forests, Environment and Conservation, File No. TIM 2/60, Vol. II) as a member of the board of directors of the Isabel Timber Company. While this might not have been illegal, ethically it sits uncomfortably with the broader issue of conflict of interest. It would not be unreasonable to assume that the company included Supa on its Board of Directors because it was aware of the minister’s potential to influence decisions both in government and among landowners in the logging area.

Another example of the way in which state interest could be compromised was the case of former prime minister, the late Solomon Mamaloni’s ownership of a logging company. This has been discussed extensively elsewhere in this thesis.
It might be argued that in such cases, where state interests are potentially compromised by individual interests, incidents of bribery and corruption might occur.31

Logging companies seek to maximise profit. In the process they may try to impede the state in its efforts to carry out the procedures and processes set out in legislation. Price Waterhouse (1995), Duncan (1994), and Dauvergne (1997) have all demonstrated how logging companies manipulate the system to maximise profit.

It is because of the diversity of stakeholders with different interests that the state often becomes vulnerable and powerless in enforcing forestry regulations, even when state policies are clear. Though the state may seem to have an overarching power in the logging industry, it is, in many instances, relatively weak because of its inability to convert that potential power into real or actual power. Logging companies, landowners, aid agencies, NGOs and other actors recognise this weakness in the state; they either use state weaknesses to advantage their own situation or they attempt to help strengthen state institutions. The contradictory interests of individuals within the state and the 'common interest' represented in state policies also contribute significantly to weakening the state. In fact it is such contradictions that may result in civil society accusing governments of corruption and turning public opinion against governments. This was a factor which contributed significantly to the downfall of the Solomon Mamaloni-led government during the general election of 1997. Aid agencies often address institutional issues because they see institutional weakness as the underlying cause of problems in the logging industry. As will be elaborated in Chapter Seven, one of the emphases of the AusAID-funded Solomon Islands Forest Management Project (SIFMP) is that of institutional strengthening.

31 It is understood, however, that the practices of bribery and corruption in the Solomon Islands forestry industry are complex and need more elaborate examination. Bennett (2000) provides some insight into stories of corruption and bribery in the industry.
The next section discusses how logging companies are situated in relations of power over the logging industry; it outlines their structures, interests and the nature of their operations, and then examines how they relate to other stakeholders. One of the common assumptions in Solomon Islands is that logging companies are very powerful. This is a generalisation which often does not take into consideration the diversity among companies; while there are many logging companies that are relatively powerful with financial backing from overseas, there are also small and relatively weak companies with limited financial and technological capital. Some small companies are struggling to stay in business; others have been driven out of business by intense competition.

**Logging Companies**

Most of the companies involved in the Solomon Islands logging industry are foreign registered, in particular from Malaysia and Korea. There are at present about 27 foreign-registered companies with logging licenses or concessions in Solomon Islands. Fifteen of these concessions are currently in operation while twelve are inactive or are non-operational due to the completion of the concession or landowner disputes (see Appendix II for list of foreign-registered companies). A number of these concessions is held by the same parent company. Two important examples are Earthmovers and Kumpulan Emas Berhad. Registered in Malaysia, Kumpulan Emas Berhad's principal business prior to 1993 was engineering, plantation and oil palm consultancy and advisory services. In October 1993 the company acquired four Solomon Island forestry concessions via a British Virgin Island registered company (renamed Emas Pacific after the purchase). The four concessions are: Integrated Forest Industries Limited (holding a 158,174 ha concession in Makira Island), Rural Industries Limited (holding a 63,670 ha concession in Makira Island), Isabel Timber Company Limited (holding a 234,000 ha concession in Santa Isabel Island) and Silvania Products Limited (holding a 10,299 ha concession in Vangunu Island). Kumpulan Emas paid RM335 million (US$134 million) to buy the four companies. Rural Industries is dormant and Integrated Forest Industries ceased operating in 1996 (World Rainforest Movement and Forests Monitor Limited 1998: 44-45).
Earthmovers (Solomon Islands) Limited is another Malaysian-registered company with several subsidiary companies in Solomon Islands and relatively large concessions (see Appendix III). These include Kalena Timber Company Limited, Eastern Development Enterprises Limited, and Pacific Timbers, that operate respectively on Rendova in the Western Solomons, Makira and Guadalcanal. Earthmovers (Solomon Islands) Limited came into the public limelight when it dismissed about 300 workers in 1998. This resulted in a number of court cases between the company and the Solomon Islands National Union of Workers (SINUW), which have not yet been settled (Solomon Star, November 15, 1998).

The power that foreign companies exercise over the logging industry is reflected in the way they have been able to evade taxes and forestry regulations (FORTECH 1995c and 1997; Price Waterhouse 1995; Dauvergne 1998-1999; ADB 1998; see also Chapter Three). Foreign companies have also gained significant power over local companies with whom they have signed contractual agreements. Such behaviour by logging companies is not unique to Solomon Islands. Such cases have been recorded in Papua New Guinea (Cooke 1997; Filer 1998).

Let us explore the nature of the relationship between local and foreign companies. The ‘local companies’ are registered under the name of Solomon Islanders, in most cases landowners or landowning groups in areas where logging is taking place. But because many of these local owners lack the capital, knowledge and other resources to operate the companies, they usually have technology agreements with foreign companies. The result is that often the foreign partners become dominant. Appendix IV lists the local companies and the foreign companies with whom they have contractual agreements. At present, three of the foreign companies who have contractual agreements with local license holders also have logging licences of their own. These include Silvania Products Limited, Allardyce Lumber Company, and Marving Brothers Timber Company Limited. Silvania Products Limited has contractual agreements with four local license holders: Chakope Brothers, Geruana Sawmilling and Jesina from Vangunu, and Lupa Development from Gitoari.
The logging concessions given to local companies with foreign contractors amount to about 852,000 cubic meters (see Appendix III). However, of the companies listed in Appendix II and III only a few operate consistently; the rest operate on an ad hoc basis depending on the nature of support provided by the foreign contractor and issues such as disputes over land. As noted above, the contractual agreement between landowner companies and foreign companies is often characterised by the vulnerability of local partners. For example, much of the log extraction in areas where Somma Limited has timber rights agreements is controlled by Goodwill Products Limited, the Malaysian contractor.

Foreign-registered logging companies have relationships with both local companies and the state. Officially, the nature of their interactions governed by the Forest Act. This means that logging companies are expected to operate within the guidelines provided by the legislation. Logging companies, however, have their own organisation—the Solomon Islands Forest Industries Association—which can lobby to influence legislation. In the early 1990s, especially during the reign of the Mamaloni-led government, SIFIA had a significant influence in decision making in the forestry industry. It was instrumental, for example, in the writing of the Forestry Code of Practice. This was partly because of the government’s intention to involve every forestry actor in the management of the industry, but it was also because certain leaders and government officials had close links with SIFIA; for example, as stated earlier, the then Prime Minister Solomon Mamaloni’s company, Somma Limited, was a member of SIFIA.

Apart from connections like this, there were more dubious relationships between logging companies and individuals within the state (as outlined in the previous section). Logging companies, as noted in Chapter Three, have also been instrumental in providing financial assistance where the state is unable to do so—a classic example being logging companies sponsoring area council meetings for timber rights agreements (Ombudsman’s Office 1988). Such actions compromise the purpose of such meetings, and pressure participants to feel obliged to favour the company in their decisions.
The company’s relations with landowners are often characterised by false promises of development. Because logging companies have the capital, they sometimes pay off influential landowners to make decisions on their behalf. There are usually a few landowners in each logging area who have taken advantage of the company’s presence and have made a reasonably good living out of the company. Many logging companies are able to influence decision-making processes at both the local and national level by building informal relationships with influential individuals. Because of their ability to penetrate decision-making processes, logging companies are relatively powerful in dealing with the logging industry; they are able to convert ‘potential’ power into ‘actual’ power.

**Non-Government Organisations (NGO)**

Another important group of actors in the logging industry are non-government organisations (NGOs). In Solomon Islands NGOs include both local and international organisations. The development of the forestry industry in Solomon Islands has coincided with the growing importance of NGOs’ participation in politics. Roughan (1994) discusses how NGOs have become a significant player in environmental issues, and highlights the fact that the role of NGOs in Solomon Islands has expanded from the provision of assistance to active participation in politics. This, Roughan argues, is due to the growth of local NGOs and Solomon Islanders’ involvement as leaders of NGOs.

Some of the major local NGOs include the Solomon Islands Development Trust (SIDT), SolTrust, Solomons Western Integrated Forest Trade (SWIFT), and Solomon Islands Sawmiller’s Association. The major international NGOs include Greenpeace and WWF. Churches also play a significant role in influencing discussion of logging. SWIFT, for example, is coordinated by the Methodist Church. In the Pavuvu case (outlined in Chapter Two) the Catholic Church condemned the logging of Pavuvu (*Solomon Star*, May 12, 1995).
NGOs such as SIDT are involved mainly in educating landowners about the impact of large-scale logging and about the procedures and processes for acquiring logging licences. SIDT has village workers throughout Solomon Islands who work in educating landowners. SIDT also attempts to encourage the development of non-timber forest products (NTFP) as an alternative source of income. John Roughan (1997) examines how NGOs, and SIDT in particular, have become important in logging developments in Solomon Islands. Other NGOs such as SWIFT and the former SolTrust\textsuperscript{32} concentrate more on encouraging landowners to participate in small-scale timber processing and finding markets overseas for sawn timber. They are involved in training resource-owners in operating small sawmills such as the wokabaot sawmill and assisting in the processing of timber at the community or individual level. Processed timber is then bought by the NGO and exported, mostly to European markets. SWIFT has been exporting sawn timber from Solomon Islands to markets in the Netherlands.

International NGOs such as Greenpeace and WWF focus their involvement in the forestry industry on environmental issues. Their campaign aims at creating both local and international awareness of the detrimental environmental impacts of large-scale logging. Greenpeace, however, has begun exporting sawn timber to New Zealand from Ngella in the Central Islands Province. In April 1999 it released a report indicating that the government’s plans for large-scale logging and the development of an oil palm plantation in the Marovo area were bound to be financially unviable. Instead, Greenpeace recommended the establishment of small-scale saw milling (Greenpeace 1999). This reflects a shift from merely campaigning against large-scale logging to encouraging alternative sources of timber processing and the establishment of industries involving non-timber forest products.

NGO campaigns against large-scale logging have resulted in often violent clashes with other stakeholders. Pavuvu Island in the Russell Islands provides a classic

\textsuperscript{32} SolTrust stopped operations in late 1998 after it had financial problems, caused mostly by poor management.
example of such a clash, with NGOs and some landowners on one side, and the government, a logging company and some other landowners on the other. Another example of NGO resistance against large-scale logging and agricultural development is the case of Vangunu, discussed above (see Greenpeace 1999).

Apart from opposing development, NGOs have also played a positive role, assisting the state, landowners and aid agencies in the collection of information and implementation of projects, as well as participating in the decision-making process at both local and national levels. As noted above, NGO’s such as SIDT and Greenpeace have been instrumental in facilitating educational programs at the local level and providing alternatives to large-scale logging, especially the development of non-timber forest products (NTFP). They have the potential to contribute to the research and development of the forestry industry. This has been recognised by the Forestry Division which has included them in workshops such as that on research held in September 1999 (see Solomon Star, September 14, 1999). The outcomes of such workshops are submitted to the Minister of Forests, Environment and Conservation for use in the decision-making process.

The power of NGOs in the Solomon Islands logging industry lies in their ability to reach out and influence decision-making at the community and village level to either accept or reject logging proposals. Because of this NGOs sometimes find themselves in confrontation with logging companies, the state, and those who advocate large-scale logging. As against this, NGOs’ power to reach out to villages and communities is often constrained by financial difficulties, the unavailability of appropriate technology, and lack of trained manpower. In these terms NGOs are relatively weak in comparison to logging companies, the state and aid agencies. Furthermore, because they do not own land they are weak in relation to landowners.
Aid Agencies

Aid agencies also play an important role in the Solomon Islands forestry industry by influencing policies and providing the much-needed finance for its management. While the European Union (EU) has exercised an indirect impact through its refusal to finance environmentally detrimental projects, or providing finance to reduce dependence on log exports, others have had a much more direct influence. An organisation with direct influence in the logging industry is AusAID, the Australian overseas aid agency. AusAID’s direct involvement in the country’s forestry industry began in the early 1990s with the establishment of the Timber Control Unit (TCU) Project. The TCU project was established to manage forest resources and monitor harvesting and trade practices. As observed in Chapter Three, funding for this project was withdrawn by the Australian government in 1995 after political disagreements between Canberra and Honiara. Diplomatic relations have since been mended, and when the Bartholomew Ulufa’alu-led government came to power in August 1997 it renegotiated Australian assistance in the forestry industry. This has resulted in the establishment of the AusAID-funded Solomon Islands Forest Management Project (SIFMP). The implementation of new Forestry Act 1999 is also part of that the SIFMP (see Chapter Seven). Organisations such as the Asian Development Bank (ADB) and the World Bank also have substantial impact on the forestry industry, directly or through the government’s reform program.

The struggle for Control

Because they have varying interests, stakeholders often find themselves competing for control. Clashes between stakeholders are illustrated by stories such as those from Pavuvu Island and Enoghae in north New Georgia (see Chapter Two). There are other cases, however, such as the Khoo murder case of 1991, where competition between stakeholders ended in tragedy.

The Kong Ming Khoo murder case involved the murder of a foreign businessman, Sunny Wunsan Tong, on February 2, 1991. The story involves a complex
relationship between foreign companies, foreign businessmen, local politicians, the state and ordinary Solomon Islanders.

The story started when two foreign companies, Kayuken Pacific and Taisol Investment Corporation were given logging concessions to operate in Malaita. Taisol was the first; it started operations in Malaita in 1983. Kayuken entered the scene in February 1986 when the then premier of Malaita Province, Harold Maomatekwa, successfully lobbied for the removal of the moratorium on new logging licences imposed in April 1983 (Bennett 2000).

In an attempt to make their operations more viable, both Taisol and Kayuken sought to acquire additional areas to log and increase their annual quota. Taisol had 24,000 cubic metres and Kayuken had 50,000 cubic metres. This was well above the recommended annual quota of 28,000 cubic metres set for Malaita by a UNDP Development Advisory team in 1982. The UNDP quota was set to ensure that the resource lasts for 25 years, with 25 per cent reserve (Bennett 2000:299). As part of the government’s policy, the companies were required to mill 20 per cent of their quota. This, of course, was never rigidly followed by the companies or enforced by the state. Kayuken was the only one that ever achieved the 20 per cent milling requirement. This was at its Manaba mill in 1987 (Bennett 2000).

There were other community-based companies logging and milling in the areas close to where Kayuken was operating, for example, the Kwaio-based Waibona Logging and Milling Company which was formed in 1987, and George Luilamo, the member of parliament for West Kwaio, and Sam Korasimora, one-time provincial Minister for Agriculture and Forestry. Given their interest in the area, Luilamo was opposed to the granting of a logging licence, in 1986, to Kayuken to log ward 34 (Sie Sie). Both Kayuken and Waibona were also seeking logging rights in ward 31 (Mareho), Areare. Bennett (2000: 300) asserts that,

Kayuken’s managing director, Kong Ming Khoo, maintained that Waibona wanted the rights to both wards 32 (Tai) in Areare and 33 (Kwarekwareo) so that it could sub-contract to Logimex Co. Ltd, a
Taiwanese company—a plausible claim, as Waibona lacked investment capital and expertise.

There was a growing conflict between Kayuken and Waibona. Kong Ming Khoo asserts that Luilamo’s attempts to appeal against Kayuken’s licence in Ward 33 were in order to allow Waibona to log the area. According to Bennett (2000: 302), ‘Khoo believed that Luilamo had been trying for two years to bring in Integrated Forest Industries, Hyundai Timber Co. or nearby Taisol to log the area, claiming that he had given misleading information to the ombudsman to discredit Kayuken.’ Indeed Sunny Wunsan Tong, the managing director of Taisol was waiting for an opportunity to log the area.

The story is complicated by the relationships between Toshio Hashimoto (a Japanese), Sunny Wunsan Tong, and Kong Ming Khoo (a Korean) all of whom were businessmen with interests in logging on Ndai Island (off the coast of North Malaita) and other parts of Malaita. As part of a business arrangement, Kong Ming Khoo had borrowed thousands of dollars from Sunny Wunsan Tong and Toshio Hashimoto. Their deteriorating relationship culminated in Sunny Tong suing Kong Ming Khoo for the return of money previously lent to him by Tong and Hashimoto. A civil case was initiated against Khoo and he was subsequently ordered by the court to repay the debt. Although he strongly contested the case, the court awarded Tong an amount of US$300,000 to be paid by Khoo. After many promises and compromise arrangements, Khoo made payment of only one instalment and, despite his protests of being able to pay, it became clear that he was neither able nor willing to pay if he could avoid it. As a result, Tong’s lawyer, Jennifer Corrin, was instructed to press charges (see Bennett 2000: pp. 302-305).

Kong Ming Khoo was in a difficult situation. In December 1990, he arranged for Jennifer Corrin’s car to be torched. Kong Ming Khoo then made arrangements with a Solomon Islander, Anthony Bara from Guadalcanal, to kill Sunny Tong. He paid SI$40,000 by cheque into Bara’s account. Bara, in turn, paid SI$500 to
Keleto Lalani of Kwaio to do the actual killing. In February 1991, Lalani went to Sunny Tong’s home in Tavio Ridge, Honiara, and shot him in the head. Tong died (see Bennett 2000: pp.302 - 305).

Keleto Lalani was subsequently charged for the murder of Sunny Tong, and Kong Ming Khoo and Anthony Bara were held in custody on conspiracy to commit murder. Lalani confessed, was found guilty, and received a life sentence. Investigations revealed that Lalani had also been instructed to access Corrin’s office and destroy files relating to the case between Tong and Khoo and Kayuken. He was also the one responsible for setting Corrin’s car alight.

The court found Anthony Bara guilty of conspiracy to commit murder and sentenced him to life imprisonment. Khoo was acquitted because the evidence was circumstantial; he claimed that the $40,000 he gave to Bara was out of friendship.

The story was complicated by the fact that between April 30 and May 16, 1991 (during his trial and while in custody), Kong Ming Khoo—through his brother—solicited a Solomon Islander prison officer, George Fakarangi, to kill Bara in prison, using some kind of poison. Fakarangi informed his superiors and Khoo was re-arrested on a charge of conspiring to murder Bara (Bennett 2000).

Bara was moved to Kirakira, Makira, for protection while preparations were underway for Khoo’s trial. Close to the time of the trial, police officers went to collect Bara and returned with him via plane. On the way to Honiara, the plane crashed on Mt. Nasuha, south Guadalcanal. Bara and fifteen other passengers and the pilot were killed. Khoo was released due to lack of evidence and flew to Australia. Bennett (2000:303) notes, however, that

the investigation produced Bara’s ‘hit list’ which included other people who had crossed Kayuken, such as Jennifer Corrin, Luilamo, [Isa’ac] Qoloni [the then ombudsman], Commissioner [of Forests] Sam Gaviro,

33 The ombudsman’s reports of 1988-1990 had dealt a severe blow to Kayuken’s credibility, incriminating many in high levels of government and politics.
and SIDT’s Abraham Baeanisia and John Roughan, as well as the late Sunny Tong.

This case demonstrates the complexity of the struggle between different stakeholders for control of the logging industry, and the extent to which some people are prepared to go to gain control. In particular, it highlights the weakness of the state in regulating the nature of the struggle for control and the seeming strength of some foreign businessmen in influencing Solomon Islanders. The role of politicians like George Luilamo is also notable. In particular, his involvement with the Waibona Logging and Milling Company could easily be interpreted as a conflict of interest. The murder of an individual, the planned killing of others, and the destruction of another individual’s car demonstrates the intensity of the struggle for control of Solomon Islands logging industry.

Conclusion

This chapter has described the various stakeholders involved in the logging industry and the nature of the power relations between them. Competition for control of the Solomon Islands logging industry is affected by the relations of power between stakeholders. While certain stakeholders may have power over particular aspects of the logging industry, other aspects are controlled by other stakeholders. No one stakeholder has a monopoly of power over the industry.

This, however, does not mean that there is a balance of power. Some stakeholders possess a bit more power because of their control over vital aspects of the industry such as policy making, finance, technology, and trained manpower, or because they are able to influence those who own land and forests. Such stakeholders include logging companies and the state. Landowners are not powerless. They still have influence through the Forestry Act over land and forestry resources. Landowners’ problems often lie in their inability to convert potential power to real or actual power. Landowners will be examined in more detail in Chapter Six.

The capacity of other stakeholders such as aid agencies and NGOs to exert power over the logging industry depends on their relations with the state (in the case of
aid agencies) and networking (for NGOs). Aid agencies are usually better able to influence policies because they have the finances and manpower to make the state listen, as illustrated by the AusAID projects associated with forestry in Solomon Islands.

From this chapter it could be concluded that while the exercise and extend of power over the Solomon Islands logging industry is relative, it does not necessarily mean that there is a balance of power. There are imbalances because of the varying degrees of accessibility to the sources of power.
Chapter Six

DISTRIBUTING THE BENEFITS OF LOGGING

So as far as we are concerned we have a few more years of operations to carry on, then by the time all the infrastructure has been properly … good infrastructure all around this village, a lot of people benefit greatly from this infrastructure, … people will move around from village to village not by canoe any more, but by land, and you will find maybe buses and lorries and trucks going all over these places, from garden to garden picking up all this resources all this produce. That would be the benefit that the people, what I see the people of Rendova would benefit this from this logging (Anthony Lim, Administration Officer, Kalena Timber Company, interview, July 27, 1996).

The above statement by Anthony Lim, the administrative officer for Kalena Timber Company on Rendova—a subsidiary of Earth Movers Solomon Islands Limited—illustrates the kind of promises and dreams that logging companies bring to Solomon Islands. It carries with it a notion of ‘development’ that many Solomon Islander resource owners have enthusiastically taken on board: the establishment of roads, the provision of social services such as health and education, more income-generating opportunities, and a general improvement in the standard of living. But such promises and dreams sometimes end in dismay. This is primarily because of the way in which the benefits of logging are distributed. Those who hope to benefit, especially the Solomon Islander resource owners, are often deprived of the major benefits from logging.

There are many stories about how financial, material and service benefits accrued from logging are accumulated and distributed. Let us begin with a story that illustrates one way in which the benefits of logging are often distributed, at least in one particular case.

On midday of February 14, 1998 I called in at the Guadalcanal provincial headquarters in Honiara, as I had done many times before, to meet my wantoks, chew betel nut, and catch up with the latest stories. Honiara was dusty and
crowded as usual. There was a crowd under the shade of the *leqa* tree near the provincial office. That was not unusual as there were always people loitering in the area. Like me, many were there to meet others, tell stories, or just be there—that was our favourite past time. But, on this particular day, the crowd, of mostly men, was a bit larger than usual. ‘*Wat nao gohed long hia ia?*’ (what’s going on here?), I asked one of my *wantoks* standing nearby. ‘*Olketa wantok ia wetem seleni blong logging ia. Bae olketa tekem roiolti seleni tunde*’ (These *wantoks* are waiting for logging money. They will be receiving royalty money today).

This is not an unfamiliar scene: people waiting for royalty payments that will then be distributed to each member of the landowning group. There was, however, a number of notable features of the scene. First, there were no women in the crowd. This is despite the fact that, traditionally, Guadalcanal has a matrilineal society where rights over land are passed on through females. Secondly, the large number of people who gathered meant that when the royalty money was distributed, each individual would eventually receive an amount too small to be viable for investment in any sustainable development initiative. I had heard from one of the men, for example, that they were expecting to receive about SBD$100,000 (Aus$30,000). He told me that when the money was distributed, he expected to receive about SBD$5,000 which he would then distribute to his immediate family members. By the time that happens, each would receive about SBD$50 (personal diary notes, February 14, 1998). That is hardly enough for any sustainable development project. Thirdly, from the stories that were circulating amongst my *wantoks* under the shade of the *leqa* tree, it was obvious that a significant percentage of the royalty money would end up in the hands of Chinese shopowners in Honiara in exchange for cartons of *Solbrew* beer. Most of these Chinese shopowners would then invest that money overseas in either Brisbane or Sydney, and the Honiara-based German-owned brewery company would have sold its cartons of beer. The landowners would get drunk and sing before waking up the next day with a headache, an empty pocket, an environmentally devastated forest, and no development to show in return. The logging company would, on the other hand, have made substantial profit and then move on.
This raises questions about the economic viability of the way in which revenue from the logging industry is distributed at both the national and local levels. While the collection and distribution of revenue at the national level is controlled by the state through structures such as the tax regime, at the local level, the distribution of revenue and the benefits associated with it are controlled by individuals and community leaders whose power comes from both traditional status as landowners and Big-man, and from the skills and knowledge acquired through education and their familiarity with the structures and systems of the stakeholders involved in logging. Some individuals have more control than others over the benefits of logging.

The above story may seem to suggest that individual landowners have equal access to logging royalties. This is not necessarily true. What is not clear in the above story is the fact that certain Big-men or chiefs are the ones who often decide how the logging royalties are distributed and who benefits from it. While in the above story many landowners had access to the royalty money, what is not clear is whether they have the same percentage of share as the Big-men. Other stories in this Chapter will demonstrate that other cases in other parts of the country show that very often the Big-men and chiefs were the ones who benefit most from the industry.

Furthermore, there are some individuals and interest groups (not mentioned in the above story) who benefit from the logging industry: Solomon Islanders who work as ‘middle men’ between logging companies and landowners; politicians in positions of influence; logging companies, the state and nongovernment organisations (NGOs). These are powerful stakeholders who influence distribution mechanisms as well as other aspects of the industry.

This chapter discusses mechanisms for distributing revenue and other benefits generated from logging. There are three parts to the chapter. The first outlines the kinds of expectations that stakeholders have when they participate in the logging industry. Secondly, the chapter examines the mechanisms used for distributing the revenues acquired from the logging industry, in particular the procedures and
processes outlined by the *Forest Resources and Timber Utilisation Act*. The Chapter then explores the politics associated with the distribution of revenue from the logging industry; the dynamics and complexities of issues and actors that determine how the revenues are distributed. These exist at both the national and local levels and involve a lot of dealing and willing of power between individuals as well as organisations. Examples are drawn from various cases. Thirdly, the Chapter discusses how the nature of the distribution of revenue was affected by the weakness of the state: its incapacity to monitor and regulate the processes for distribution. It should be noted, however, that the distribution of revenue at the local level - amongst landowners - is not within the power of the state. It is influenced by the politics within landowning groups. The Chapter highlights the fact that the distribution of revenue (at all levels: local and national) is often affected by the corrupt actions of those in positions of authority. In discussing the distribution of revenue, the principal question is whether or not landowners and the nation in general benefit from revenues collected from the logging industry. This, however, is not a detailed examination of revenue distribution. Rather, it provides an overview to explain the politics associated with it and examine who exercises power over the industry.

**Logging and the Expectations**

The reason why various stakeholders are involved in the logging industry differs from one group to another depending on the kind of expectations they have of the industry. Landowners, for instance, have expectations that are somewhat different from those of logging companies. This section examines the expectations of the various stakeholders: landowners; the state; logging companies; and other stakeholders such as NGOs.

**Landowners**

Why are landowners involved in logging? What kind of expectations do they have when they sign logging rights agreements? A general answer to the these questions is that landowners agree to take part in logging because they hope that logging will bring the kind of ‘development’ described by Anthony Lim (above):
large sums of money and services that will improve in people’s standard of living. Many Solomon Islanders have little or no cash income and logging provides the only possible source of income generation for a lot of people. In some cases people never do actually benefit from higher incomes; however, some people do benefit (and some become rich) from revenue generated from the logging industry.

Judith Bennett notes that in this discussion,

a question that needs to be considered is; how is it that every new group of landowners seems to fall for the old promise that logging companies will provide clinics, roads, schools and wealth when their neighbours near and far, for almost two decades have not seen their expectations fulfilled? Solomon Islanders are highly mobile - they visit, work, marry across islands and large distances - so the way companies work in keeping promises is no great secret (Examination comments, February 25, 2002).

The question emerging from Bennett’s comments is: why didn't the landowners learn from previous experiences?

Although it is difficult to determine exactly how much money has been made in the logging industry in the past two decades, it is obvious that in that period millions of dollars worth of logs have been extracted from the country’s rainforests34 and exported either as round logs or sawn timber. As noted in earlier chapters, logging was, in the last decade, the single most important industry in the country’s economy (see Central Bank of Solomon Islands Annual Reports 1985-1999; Duncan 1994; Price Waterhouse 1995). According to the Central Bank of Solomon Islands (Annual Report 1993:16), for example, government revenue from the forestry sector in the form of export duty collections in 1993 was SI$61 million—making up one-fifth of total government revenues.

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34 It has been difficult to get accurate data on log production in the last two decades. This is because of the state’s poor surveillance and monitoring systems as well as the lack of accuracy of data provided by logging companies. Much of what has been used to calculate the value of logs extracted from the country’s forests is based on log shipment data. Even these have been found to be unreliable, since they depend almost entirely on the companies’ involved. In the case of the Poroporo Association in Choiseul Bay, for example, logging company records of the volume of log shipments have been inconsistent with those of landowners.
Further, the logging industry does contribute to the development of infrastructure and services. As the AusAID-funded Timber Control Unit Project’s Completion Report indicated, logging provides for:

- increased employment opportunities and small scale economic activities, access to company clinics and trade stores, availability of waste forest timber and the opening up of forest areas for gardening. The increased revenue from logging operations provided financial support for education and other social services (see AusAID 1999:33).

It is important to note, however, that there are problems associated with the provision of such infrastructure and services. (This will be discussed in some detail below). Much infrastructure is are often not sustainable because it was established to serve the needs of the logging companies during the period of production.

Such broad statements, however, do not explain why individuals and entities are involved in the logging industry. It is by understanding their expectations that we can go on to explain the nature of particular stakeholders’ participation in the logging industry and explain how the benefits of logging are distributed.

For many landowners, logging provides income that would not otherwise be available. In places such as Choiseul, prior to logging the only major source of income was copra production. But, with the decline in the world market price for copra (Central Bank of Solomon Islands 1998) copra production was often not economically viable, given the huge labour input and the transportation costs. Other agricultural products were also limited, given Choiseul’s isolation from markets such as Honiara or even Gizo in the Western Province.

In comparative terms, logging could be generating much higher monetary returns. It provides an opportunity for landowners to make quick and easy money: simply sign logging agreements and get the royalty money. As Duncan (1994:xii) pointed out in relation to Melanesia in general, ‘for the customary landowners, timber is an important part of the revenue potential of their forests. It makes good economic sense for them to sell an increased volume of timber when timber prices are high.’
As Enoch Sila, a landowner and tribal leader from North Choiseul states, ‘sapos nomoa logging mifala bae no garem seleni nao. So mifala laikem logging fo mekem mifala save getem seleni fo baem olketa samting long sitoa ia’ (if there is no logging we will have no money. So, we want logging so that we can get money to buy things from the shops) (interview, March 17, 1998).

Logging companies are aware of landowners’ desire to generate income and they capitalise on it by making promises about huge revenue that could be generated if landowners allowed their land to be logged. The statement by Anthony Lim (at the beginning of this chapter) is a clear indication of a logging company official’s awareness of the desire by landowners to benefit from the industry, and his attempts to capitalise on it. In another example, Enoch Sila states that Eagon Resources Development (SI) Limited had promised to make him and other members of his landowning unit rich: ‘Sapos iu givim lan blong iu long kambani bae iu wanfala rich man’ (If you give your land to the company, you will become a rich man) (interview, March 17, 1998). The fact that Sila and other members of his landowning unit believed in the logging company’s promise is not surprising given that, prior to logging, income generation opportunities in Choiseul Province were limited and logging provided a new ray of hope for opportunities that could not have been provided by the state. Logging provided an important alternative source of income generation. Furthermore, the kind of money promised by logging companies (with limited labour input) could not have been generated through copra production.

Some landowners, in their attempt to capture more revenue from logging, formed and registered their own logging companies because they thought that by logging their own forests they would maximise their benefits from the industry. In the 1980s and 1990s many such companies were registered and acquired logging licences (see Chapter Two). The establishment in the late 1980s and 1990s of local companies such as Somma Limited and South Arosi Holdings was a manifestation of the underlying assumption that local companies would be in a much better position than outside companies to generate income for local people (landowners) and create development.
Another example of local participation in the logging industry was the establishment of the *North New Georgia Timber Corporation* (NNGTC) Act. At the time of its establishment, the NNGTCA was seen as facilitating better environmental, social and economic outcomes from the logging industry. As Tausinga (1992) pointed out, Lever’s Pacific Timber Limited (LPT), during its operation in north New Georgia, had caused environmental damage that needed to be rectified. It was envisaged that landowner participation would result in better outcomes. The establishment of the NNGTC was an important milestone in the involvement of Solomon Islanders in the logging industry. While the act targeted a particular part of the country—North New Georgia—it demonstrated that Solomon Islanders could actively participate in the logging industry not only as recipients of royalty payments, but as holders of logging licences to log their own land. North New Georgians were seen as ‘taking control’ of logging in their part of the island and hence presumably benefiting more from it. But, as is discussed elsewhere in this study (especially Chapter Two), it is questionable whether they ever really ‘took control’ of the logging industry or benefitted from it.

Apart from income generation, it is widely anticipated that logging will result in ‘development,’ especially the provision of services such as roads, schools and clinics, and a general improvement in people’s standard of living. Many logging companies have, in fact, promised to provide such services and have included this in their agreements with landowners as well as in their annual logging development plans. Lim, the chief administrative officer for Kalena Timber Company states that ‘beside the royalty which they receive from the timber export, the company also tries to improve the infrastructure, meaning roads go through villages, and company in various times provides petrol free of charge to the landowners, etc. etc... It contributes tremendously to the economy of the islands, of the Solomon Islands’ (interview, July 27, 1996).

The government, in some instances, has been responsible for such promises. The Pavuvu development proposal of 1995 by the then Mamaloni-led government is a classic example (Solomon Islands Government 1995). Details of this development
proposal are outlined in Chapter Two. Some landowners supported logging on Pavuvu because of the proposed development project. They expected to benefit from the projects that it would bring. However, as discussed in Chapter Two, that proposal was not implemented, and it is unlikely that it ever will be.

In the light of this, it may be asked: Did logging (by both foreign and local companies) make landowners rich? The answer to this question is both 'yes' and a 'no'. 'Yes' because logging did provide many landowners with an alternative source of income that would not otherwise have been available. In areas where logging takes place, there have been substantial increases in peoples' income. As Sila points out, 'taem logging no kam iet, mi no save garem seleni ia. Bat, distaem nao mi save garem lelebet seleni bikos logging kambani givim mipala seleni' (Before logging came, I never had any money. But, now I have some money because the logging company gives us money) (interview, March 17, 1998). The Sarabani landowning unit (of which Sila is a member) received about $1.5 million in royalty payments in 1997 alone. This was a substantial amount of money being put into Choiseul.

But one could also say that the answer to the above question is 'no', because logging has not made a large percentage of landowners rich. Indeed, many landowners are much worse off after logging than they were prior to it. In many instances, logging destroyed forests which had provided them with a source of livelihood; after logging had finished many landowners were no longer able to sustain themselves. Cassells (1993, 1992) compares the subsistence value of forests to that of logging royalties and concludes that in the long-term logging royalties are less than the subsistence value of forests. He argues, therefore, that forest owners are (in the long run) much better off using their forests for subsistence. Greenpeace (1999) argues similarly.

In the case of North New Georgia, it has been alleged by some landowners in the area that much of the benefits from logging goes to the Christian Fellowship Church (CFC) and ultimately to those who control the church. This includes the family of Job Dudley Tausinga the member of parliament for North New Georgia.
In the case of Rendova, it is the director of the landowning company and his associates who benefited most. Timothy Zama, the Chairman of the Hafurai Development Company—the landowner company which holds the logging licence in Rendova—admits that he personally benefited from logging because of his ‘dealings’ with the company. The chief also benefited from the company (Video documentary, *When the Company Came*).³⁵

This raises broad questions such as: why hasn’t logging resulted in sustainable development? Where has all the logging money gone?

The reality for landowners is that, apart from the standard royalty payments, very few logging companies have provided social services such as schools and clinics, or any other development initiatives. In instances where the logging company invests in infrastructural developments such as roads, it is predominantly for logging company use—for the purposes of having access to forests and for log production. In the cases of West Makira, Pavuvu, North New Georgia and Choiseul, none of the roads which were constructed gave access to other development initiatives; all were built exclusively for the purposes of log extraction. Eagon Resources Development Company (SI) Ltd. built a school and clinic on Choiseul. These, however, served the company's workforce and people from the surrounding villages only. Somma Ltd, Marving Brothers, and Golden Springs have made financial contributions to schools in the area of West Makira, Pavuvu Island, and North New Georgia where they respectively operate.

**Logging Companies**

Logging companies are involved because they expect to make profit. As outlined in Chapter Two, logging companies have used various tactics to maximise profits. The *Forestry Review Update* of June 1996 claims that there is data to substantiate

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³⁵ The video documentary, *"When the Company Came"* was shot in 1996 on Rendova Island. The author was involved as a consultant for the production of the documentary. This followed his research work on Rendova in 1996. The author was also featured in an ABC Foreign Correspondent story on logging in Solomon Islands. It was his findings that was used for the ABC story.
that logging companies have been transfer pricing: 'those companies not paying export tax have less incentive to avoid tax by under-declaring prices. The data show companies not paying tax declare average prices of $425 per cubic metre. In contrast those companies paying full rates of tax declare much lower prices of $383 per cubic metre' (Forestry Review Update June 1996: 2). Dauvergne (1998-99) outlines the techniques used by some of these companies to make and conceal profit. The Asian Development Bank (1998) provides evidence of companies underdeclaring profit (see Chapter Two for a detailed discussion of this).

For logging companies, the provision of services such as education, health and infrastructure to local communities is not their primary objective. It may be done for public relations purposes, or because it is a requirement under the terms of their agreement. Other than that, a logging company’s primary objective is to make profit.

The State

The state’s role in the logging industry is that of coordinating the exploitation of forest resources; making sure that appropriate regulations are adhered to and that the country in general (and especially landowners) benefits from the industry. However, as will be discussed in detail below, the state’s ability to perform that role is often undermined by administrative and policy weaknesses as well as contradictory expectations from the industry.

One of the major expectations of the state is that logging will contribute to much needed revenue generation. As noted, the Solomon Islands state is currently enormously dependent on logging as a source of revenue. It, therefore, has an interest in the exploitation of forest resources. There are four main avenues employed by the state to capture revenue from foreign loggers: export taxes on logs; royalty payments to landowners; provincial forest charges; and corporate taxes on royalty payments and profits.

The Forestry Review Update of June 1996 shows that direct government revenue from logging duties increased between 1991 and 1996: logging duties as a
percentage of total government revenue was 8% in 1991, 20% in 1992, 30% in 1993, 31% in 1994, 23% in 1995, and 29% in 1996. The decline in logging revenues in 1995 (only partly recovered in 1996) reflected a loss of revenue due to log export tax exemptions awarded to some companies. ADB (1998) has also provided enlightening statistics of income generated by the logging industry in Solomon Islands (see Chapter Two).

The state has other roles in the forestry industry, set out in legislation such as the former Forest Resources and Timber Utilisation Act, and the current Forestry Act 1999. The state is expected to ensure that forest resources are managed sustainably, and that the appropriate legislation and regulations are implemented and enforced. Further, the state, through legislation, is expected to ensure that the interests of Solomon Islander landowners are protected. The Forestry Act 1999, for example, has a wide range of objectives, including facilitating the sustainable management of forests, protecting the rights of landowners, and ensuring that landowner benefits from the logging industry are maximised (see Chapter Seven; Sheehan 2000).

The state, in a way, is responsible for ensuring that it is not the only one that benefits from logging. This is a source of potential contradiction because the interests of the state and the interests of landowners are in some respects opposed. In particular there are questions of equity in the distribution of logging revenues. Landowners, and particular provinces from which the logging revenue is generated, may want to see a large percentage of that revenue reinvested into the province or area from which it is derived rather than being spent for national development. The Western Solomons (Choiseul and Western Provinces), for instance, contribute substantially to Solomon Islands’ forestry revenue. They do not, however, receive a corresponding proportion of the revenue. The national distribution of money generated from the logging industry has been the subject of intense debates and, at times, of conflict.

The distribution of revenue derived from natural resource development, in general, was one of the issues highlighted during the conflict on Guadalcanal. The people
of Guadalcanal demanded that they get 50 per cent of all revenue derived from
natural resource development on Guadalcanal (see Guadalcanal Provincial
Government, "The Bona Fide Demands of the Guadalcanal People", submitted to
the Central Government, February 2, 1999).

The roles and expectations of the state from the logging industry, therefore, need
to be explored in comparison with those of other stakeholders.

Other stakeholders
Other stakeholders include non-government organisations (NGOs) and aid
agencies.

NGOs generally seek to ensure that logging does not cause environmental damage
and that local landowners benefit as much as possible. Some of the more
fundamentalist NGOs argue that logging should not take place at all, while the
more liberal ones argue that if logging is to persist, it must be practised in a
sustainable manner. Organisations such as Greenpeace, for example, are biased
towards environmental issues and influenced greatly by their international
campaigns against logging. They are concerned predominantly with the
environmental impact of large-scale logging. Greenpeace (1999), for example,
argues that large-scale logging and the proposed establishment of an oil palm
plantation on Vangunu Island in the Western Province will, in the long term, be
economically less viable than small-scale timber production.

Greenpeace works with the Solomon Islands Development Trust (SIDT) to
promote alternative forest products as well as small-scale eco-timber produced by
landowners. The development of alternative non-timber forest products such as oil
and ornaments has been limited and at this stage is negligible in terms of
economic value, compared to round log exports. This is due partly to the small
scale of production and partly to the lack of significant markets for these products.
If non-timber products are to become viable and have some prospect of replacing
the export of round logs as a source of income generation, they will have to be
produced on a large scale, and international market preferences will have to be
established. Another alternative that NGOs such as Greenpeace, SWIFT and SolTrust have offered is eco-timber production. The organisations either buy the timber from landowners and sell on to overseas markets or assist landowners to find markets and sell directly to overseas outlets. SIDT, on the other hand, is interested primarily in educating landowners—passing on knowledge that will enable landowners to make intelligent decisions about their involvement in logging. Most of the information that they pass on through their village workers or publications such as *Link* is against large-scale logging.

There are still other institutions who have an interest in Solomon Islands logging industry. These include aid agencies, the most vocal and active of which is AusAID, the Australian government’s aid agency. As mentioned earlier, AusAID has strong links with the Solomon Islands logging industry. The concerns of the Australian government are predominantly environmental and developmental, although it is obvious that their active involvement also promotes Australia’s image as an environmentally conscious nation and government. However, as stated earlier, such actions do not fit comfortably with Australia’s position on greenhouse gas emission.

The following section examines how the logging benefits are distributed and the kinds of outcomes such distribution produces.

**Methods of Distribution**

The broad formula for the distribution of the benefits of logging is outlined in legislation and spelled out, more specifically, in the standard logging agreement (SLA). The previous *Forest Resources and Timber Utilisation Act* provides standard procedures for the distribution of logging benefits. This is also the case in the *Forestry Act, 1999*. Section 8 of the *Forest Resources and Timber Utilisation Act*, for example, empowered the Minister of Forest, Environment and Conservation to,
(a) impose a levy on unmilled timber exported from Solomon Islands and on milled timber or timber products exported from or sold in Solomon Islands or milled for the purpose of such export or sale;

(b) impose different levies in respect of different licenses, species of trees, products, grades, places or other circumstances; and

(c) provide for the levy to be assessed on the quantity or value of timber or milled timber or timber products, or otherwise howsoever.

But, while the state determines how revenue from forestry resources is captured and distributed, it does not always possess actual powers when it comes to implementation.

Foreign loggers were, under the former *Forest Resources and Timber Utilisation Act*, required to pay a log export tax which varied from 35 per cent for the first SI$250 per cubic metre to 38 per cent for any value above SI$250 per cubic metre of free-on-board (f.o.b) value (which excludes the cost of carriage, insurance and freight). This includes a 7.5 per cent reforestation/timber levy which was exempted if a company had a reforestation program. Further, to provide incentives for investment in the logging industry, the government also exempted part of the export tax, usually around 5 per cent, if a company demonstrated that it was funding ‘community projects’ in its concession area (eg hospitals and schools). However, as stated in the previous chapters, although many logging companies include in their programme the intention to fund ‘community projects’ and establish processing plants, many of these have never been implemented. A classic example is Somma Ltd, (the company linked to former Prime Minister Mamaloni) which included in its logging plan the intention to set up a processing plant and fund community services, but never really did so.

In addition, to encourage landowners to develop processing plants, the government granted landowner companies permits with partial or complete tax exemptions on log exports (see Price Waterhouse 1995:35; Dauvergne 1998/1999: 527-528). It was under such an arrangement that locally-owned companies such as
Somma Limited were given 100 per cent log export tax exemptions. (See Chapter Two for detailed discussion on this).

Royalty payments to landowners vary considerably, depending on the negotiation between landowners and logging companies. While some agreements stipulate a set fee per cubic metre of harvested logs, others set a rate based on a percentage of f.o.b. value. Although the Standard Logging Agreement and the *Forest Resources and Timber Utilisation Act* recommended a royalty rate of 17.5 per cent of f.o.b. value for logs harvested from customary land, in the past five years the average royalty rate was only 11.5 per cent (Price Waterhouse 1995:35; Dauvergne 1998/1999:528). Greenpeace Pacific (1998) claims that landowners received only about 1.0 per cent of the value of each log exported. If this is correct then it means that Solomon Islands landowners are worse off in large-scale logging because they are not receiving the value of logs they are selling. The position of landowners is worsened further if logging companies are not honouring commitments such as the development of ‘community projects’.

Provincial governments capture their revenue by charging logging companies licensing fees to harvest, process, and market timber. The provincial governments’ ability to collect these fees is often compromised by poor administration and lack of finance and trained manpower. Most provincial governments, therefore, depend on an annual business licence, for which most charge about SI$50,000 for foreign logging operations and SI$25,000 for foreign sawmills. The Western Province, however, in 1995 charged SI$150,000 for a logging license (Price Waterhouse 1995:35; Dauvergne 1998/1999:528). The High Court, however, found this attempt by the Western Province to charge SI$150,000 for logging license to be in breach of the Central Government’s powers to raise taxes under the constitution (Bennett 2000).

Apart from operational and export fees, logging companies are further required to pay 10 per cent withholding tax to the national government on royalty payments to landowners, as well as a standard corporate tax on profits.
Dauvergne (1998/1999:528) argues that the government’s forest fees are insufficient: ‘The average log export price in 1994 was SI$400 per cubic metre. Yet the average stumpage price (defined as the price of a standing tree) was only SI$40.’ He went on to state that the government’s timber management policies are also flawed because often logging licences and permits are issued without any coherent plan.

The requirement of infrastructure and social services has been discussed above. Roads, wharves and other forms of infrastructure are often not built to meet the standards as stipulated in the SLA; they are temporary and meant for use only during the lifetime of the logging operation.

Employment is another contribution the logging industry makes. Over the four-year period (from 1994 to 1997), for example, the forestry industry (logging plus the plantation sector) provided an average of 3,506 jobs annually (representing, on average, just over 11 per cent of total formal employment). Employment priorities are usually given to members of landowning units in the concession areas before recruiting from other parts of the country.

Table V: Employment In The Forestry Sector

<table>
<thead>
<tr>
<th>Year</th>
<th>No. of Jobs Provided</th>
<th>% of Formal Employment</th>
</tr>
</thead>
<tbody>
<tr>
<td>1994</td>
<td>4,040</td>
<td>13.0</td>
</tr>
<tr>
<td>1995</td>
<td>3,964</td>
<td>12.6</td>
</tr>
<tr>
<td>1996</td>
<td>3,313</td>
<td>9.0</td>
</tr>
<tr>
<td>1997</td>
<td>2,709</td>
<td>10.3</td>
</tr>
</tbody>
</table>

Source: Central Bank of the Solomon Islands.

To further understand the way in which the benefits of logging are distributed, it is necessary to explore the politics of distributing benefits.

The Politics of Distribution

One way to examine how the benefits of logging are distributed is to consider specific stories from various parts of the country. First, let us look at the Kalena Timber Company’s operations on Rendova. When the company signed timber
rights agreements with the indigenous people of the island, it did so with promises of huge sums of money and development. As indicated above, in Anthony Lim’s statement, the company promised people a better lifestyle. Over the years, however, while a few landowners have made some money from the company’s operations, many more have become disillusioned with logging. As stated by Mary Bea, a villager on the island, the distribution of logging benefits is often unfair; a few educated landowners have manipulated the rest and benefited from the industry:

... well, most of the Islanders are ignorant and just a few educated people, greedy people invited the company to come into Rendova Island. And because they brainwash the ignorant ones, and the ignorant ones believe in them and they supported them for the company to come down. But, but, when the money is distributed, it was unfairly distributed and that’s where the ignorant people start to learn. But then it’s too late, the land has been logged, nothing for them left (interview, July 26, 1996).

Another female Islander, Katy Soapi, expressed similar discontent:

Mi ting dat onli pipol wea hem, hem benefit tumas aot of kampani... maybe the executive and the people wea olsem olketa very close to the company, and those wea olketa wok insaed long kampani ia, and those wea olketa relatives, garem relatives long kampani, o laen blong olketa hem go kasem disfala kampani se, o traeb blong olketa. But, otherwise everybody hem, hem not benefit at all. (I think that the only people who benefit much from the company, maybe the executive and the people who are close to the company, and those who work in the company, and those with relatives, who have relatives in the company, or have connections to the company, like their tribe. But, otherwise everybody does not benefit at all) (interview, July 26, 1996).

On Rendova Island, one landowner who has benefited from logging is Timothy Zama. A former public servant, Zama gave up his job in Honiara to work as a ‘middle man’, negotiating logging deals for the company. He is a member of the landowning unit on the island and the Chairman of the Haforai Development Company, the landowner company which owns the logging licence in Rendova. Because of these connections, Zama was able to work with landowners from within and influence decisions as well as influence the logging company.

Another Rendova Islander, Jack Daniels, states that,
Yeah, the landowners are getting quite a big money out of royalties, and it is how they use them that now becomes a problem for the landowners themselves. So, the benefits we are taking as landowners, biggest one is royalties. Yeah, distribution of royalties to landowners, to be honest I must say that the distribution is really unfair and a lot of people are not satisfied because maybe the leading figures in the landowners group, I think those are the ones that reap most of the royalty. And then there are a lot of complaints going around because certain families they got more money than others in terms of royalty distributions. So, to me I’ll say that royalty is really unfairly distributed (interview, July 27, 1996).

Apart from those who worked for or collaborated with the company, Big-men and chiefs were also beneficiaries. At a meeting of landowners who were members of the Haforai Development Company, in July 1996, Timothy Zama accused Mark Lamberi, the chief of the Haforai landowning tribe, of benefiting substantially from the logging operations. In a scene captured on a video documentary titled *Since the Company Came: a story from the rainforests of Solomon Islands*, Zama claimed that chief Lamberi had used Haforai Development Company money\(^{36}\) to buy an aluminium dinghy, a 25 horse-powered outboard motor, a mini bus and SI$16,000 worth of rental payments, and SI$30,000 worth of allowance payments during his trip to Honiara. He claimed that in total, from the establishment of the company to the time of the meeting, Chief Mark Lamberi had received goods and services worth around $310,127.17.\(^{37}\) If this is true then it is more than other landowners have received in a lifetime. The video documentary also recorded scenes of bitter disagreement and division amongst the landowning group. There was even an allegation that an individual who claimed to be a landowner was from elsewhere and not really a landowner. Such infighting amongst landowning groups occurred elsewhere during the crisis.

Most often royalty payments are distributed through the chiefs, executives of the landowning company and those in positions of political power who, in turn, are supposed to distribute it to the people. In many cases, however, those controlling the distribution use the money for personal benefit.

\(^{36}\) This was money paid to the Haforai Development Company by the Kalena logging company.

Another Rendova man who benefitted from Kalena Timber Company's logging operation on the island is Changiu Phillips, who was a chairman of a landowning unit. Phillips has admitted to receiving personal remuneration from the logging company in return for allowing the company to operate:

They gave me some money when I signed some documents. They gave me some money, but that doesn't charge under my tribe's account, that money was taken from maybe from the company's petty cash. You know because I don't want to sign documents because documents are joint interest yeah, the company want me to sign document because of their interest, they want to do business on my land so I demand some money. Yah, my signature have to be paid so that is why I demand some money from them, or sometimes they pay me $2,000 just to sign one paper, sometimes $500, it depends on the importance of that document (interview, July 27, 1996).

With the money from the logging company Phillips has established for himself a petrol refilling company and built a permanent house. He further states that those who benefit most from the company's logging operations are the community leaders: 'the company only recognises chairmen and secretaries. Yah, people who sit in the executive, some board members, maybe, I don't know. But, maybe the board members they only get some very small goodwill benefits' (interview, July 1996). This is a view shared by Jack Daniels:

... leaders in the community, traditional leaders or the land trustees. These are the first people going to take first class treatment from the company nowadays. And even they take them overseas, maybe to Malaysia or Australia for a weekend and come back again. So, I think one of the main groups causing a lot of problems for the landowners are the leading figures (interview, July 27, 1996).

The views expressed by the people of Rendova Island regarding the distribution of logging benefits are typical of stories about the distribution of logging benefits elsewhere. The views vary considerably, depending on how much benefit the person has received from the logging operations, and typify the complexities that exist within landowning groups. Although logging companies may not take part directly in discussions about the distribution of logging royalties, they do influence the distribution by directing money to people who share their views and through whom they can work to influence the landowning group.
The case of logging on Pavuvu Island in the Russell Islands provides another insight into the way in which the benefits of logging are distributed. Details of this case have been outlined in Chapter Two. What is relevant here is that most of the indigenous people have been largely deprived of benefits from the logging of the island. Promises of agricultural development, schools, clinics and other services, contained in the former Mamaloni government’s 1995 ‘integrated agro-forestry and land settlement scheme’, were never implemented. This is partly because the government was not in power long enough to implement its intentions—it lost power in 1997—but, more so, because the government never had any serious commitment to the project. Recently, when landowners complained about not receiving the services promised, Marving Brothers Timber Company Limited argued that the proposed development project was not a company initiative, but that of the government of the day (see Solomon Star, May 19, 1999).

In the Pavuvu Island case, landowners have limited power because the land on which logging took place was alienated land. The state thus had a greater degree of control, not only over the nature of logging, but also over the way in which the benefits from logging were distributed. Hence, the government saw itself as the authority over Pavuvu because it was the landowner:

The Solomon Islands government owns substantial tracks of alienated lands which are covered with valuable virgin and regenerated forestry resources that have been and are being developed for the benefit of the national economy as well as the rural communities which live within the vicinity of them.

These alienated lands in terms of development potentials may be identified as:

(i) Undeveloped land with virgin forestry resources which include the coast of Pavuvu other then Lever Plantations, Pepesala and Simatu, Rob Roy Island, Vaglena, parts of Allardyce, Vangunu, etc (Solomon Islands Government 1995:1).

The state’s authority over alienated lands is further substantiated by the fact that the titles to these lands are vested in the Commissioner of Lands ‘who has the powers in controlling the use of them for the general wellbeing of the nation as a
whole. Development which ensued after logging operations and which are taking place on these lands have also helped to keep the Solomon Islands economy alive' (Solomon Islands Government 1995:1).

The implications of this for the distribution of benefits is that the state, or more appropriately the government of the day, exercises immense power in determining who benefits from logging on alienated land such as Pavuvu. There have been allegations that the logging company bribed a number of ministers and hence influenced government decisions in the Pavuvu Island case. These allegations, however, have not been substantiated. Although a number of government ministers have been taken to court and charged with receiving bribes relating to the Pavuvu logging, they have not been convicted because of lack of persuasive evidence (see Chapters Two).

The company is now shifting its operations into parts of the island held under customary ownership. This has already incited reactions from the indigenous people (Solomon Star, May 19, 1999; also see Chapter Two). It will be interesting to see if the distribution of benefits from this operation differs from that on alienated land.

Other, more general, factors which influence the way in which the benefits from loggings are distributed include weak state institutions, and corruption at top levels.

Table VI: Annual Log Export Records

<table>
<thead>
<tr>
<th>Year</th>
<th>Forestry Division</th>
<th>Central Bank of Solomon Islands</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Volume (m3)</td>
<td>Value (US$m)</td>
</tr>
<tr>
<td>1994</td>
<td>659,000</td>
<td>267</td>
</tr>
<tr>
<td>1995</td>
<td>748,500</td>
<td>270</td>
</tr>
<tr>
<td>1996</td>
<td>760,500</td>
<td>92</td>
</tr>
<tr>
<td>1997</td>
<td>650,000</td>
<td>69</td>
</tr>
<tr>
<td>1998</td>
<td>NA</td>
<td>NA</td>
</tr>
</tbody>
</table>

Source: Central Bank of the Solomon Islands and Forestry Division, Ministry of Forests, Environment and Conservation
**Weak State Institutions**

Issues of distribution have become paramount partly because of the state's incapacity to facilitate equal and equitable distribution at the national level. Although there is legislation governing how the benefits of logging should be distributed, often it is not implemented, not so much because of a lack of intention on the part of the state but because of weak administrative structures (see Kabutaulaka and Dauvergne, 1997). One of the major reasons the state is often unable to collect the taxes due to it is weak administrative capacity. There are also discrepancies in the records held by different state agencies; for example, there are usually significant differences in the log export data held by the Forestry Division and that held by the Central Bank of Solomon Islands (see Table VI).

Because of the weak administrative capacity of the state, institutional strengthening has become an important issue of discussion. The Price Waterhouse report, for instance, has suggested means of capturing economic rent and monitoring log production and export (see Price Waterhouse, 1995: 130-139). The AusAID-funded Solomon Islands Forest Management Project (SIFMP) also emphasises the need for institutional strengthening (see AusAID 1999) (this will be discussed in Chapter Seven).

**Corruption**

The term corruption is used here broadly to include issues of maladministration and misuse of office. While there have been extensive allegations of corruption in the logging industry, these are often difficult to prove; as Peter Larmour states, 'corruption is hard to pin down, in principle and in practice' (Larmour 1997:1). Larmour points to the distinction made by Transparency International 'between 'grand' corruption, or the use of public office for private gain, and 'petty' corruption, in which officials demand facilitation payments to carry out perfectly legal tasks, like clearing a container from a wharf, which they are supposed to perform in any case'.
It is likely that both grand and petty corruption occur in the logging industry in Solomon Islands. But whilst the issue has been widely discussed by the Ombudsman’s Office (Solomon Islands Government 1988), the media, and public innuendo, no one has actually been convicted of corruption. One of the difficulties of proving corruption is that it is by nature covert, but it is also the case that, in some instances, practices which might be regarded as corrupt have become accepted as a normal part of the administrative system. Corruption, it is sometimes argued, is what makes the system function. For example, some area council members have admitted to me that logging companies have paid their allowances and provided food and accommodation for timber rights meetings; without such sponsorship the meetings, would not have taken place because the state, which should be facilitating meetings is unable to meet the financial costs of doing so. Because of their sponsorship, it is possible that logging companies have influenced decisions at such meetings. Thus, the line between corruption, bribery and what is regarded as normal practice is a hazy one.

The fact that it is difficult to prove corruption in the logging industry does not mean it does not exist. There is little doubt that there are leaders and public officers who have used public office to gain privately from the logging industry, or have demanded facilitation payments to carry out perfectly legal administrative tasks. In one instance the then Minister for Home Affairs and member of parliament for Gao/Bugotu, Nathaniel Supa, received a monthly cheque for SI$1,000 for his membership of the board of directors for Isabel Timber Company, a subsidiary of the Malaysian-registered logging company, Kumpulan Emmas (source: Isabel Timber Company Accounts). His membership on the Isabel Timber Company’s board of directors was in conflict with his interests as a minister of the state, since it could prejudice his judgement and decisions, not necessarily in relation to this company in particular, but on forestry issues in general. Moreover, such membership and receipt of payment contravenes the Solomon Islands’ Leadership Code.
There are also practices which, while not necessarily illegal, could be argued to be morally wrong because they are likely to affect a national leader’s impartiality when making decisions regarding logging. Former prime minister, the late Solomon Mamaloni’s ownership of a logging company—Somma Limited—is a classic example (see Chapter Two).

Finally, there have been allegations of government ministers being directly bribed by logging companies. In 1995-1996 seven government ministers were taken to court to answer corruption charges in relation to the Pavuvu Island logging. They included the then Education Minister, Alfred Maetia; Justice Minister, Oliver Zapo; Agriculture and Fisheries Minister, Edmond Andersen; Posts and Communication Minister, John Musuota; and, Land and Housing Minister, Francis Orodani. They were all charged over the use of rental and private cars allegedly paid for by a Honiara accounting firm with connections to the Marving Brothers Timber Company Limited. Corruption charges were also brought against the then Minister for Forests, Environment and Conservation, Allan Kemakeza; Commerce, Industry and Employment Minister, George Luilamo; and Orodani and Andersen, for having accepted seats on a plane chartered by Marving Brothers to fly to Yandina in the Russell Islands (see SIBC News, January 9, 1996). These favors had allegedly influenced the ministers’ decisions relating to the company’s logging operations on Pavuvu Island. However, through lack of substantial evidence none of them was convicted.

**Conclusion**

When it comes to the distribution of the benefits of logging, landowners are not the most powerful stakeholder. They are not in a position to make policies and regulations about how revenues from logging are captured and distributed. Such policies and regulations are put in place by the state, which also has the administrative structure to implement and enforce them. But, as demonstrated in this and previous chapters, the state’s capacity and willingness to carry out its duties are often influenced by logging companies and the relative weakness of the Solomon Islands state. The state’s economic dependence on logging revenues, and
its weak administrative organisation limits the state's capacity to collect and distribute logging revenues.

The state and logging companies are both more powerful in determining how the benefits of logging are distributed than landowners. Landowners' position is often weakened further by the political dynamics within landowning groups. As has been explored in Chapter Five the internal disagreements within landowning groups can inhibit landowners in dealing with other stakeholders. From the evidence provided in this and previous chapters, it may be argued that while landowners have authority over land and forest resources and an economic interest in the logging industry, they are often unable to convert that authority to real power because they do not have control over the structures, regulations and policies that facilitate the distribution of logging benefits. They do not have national bodies to influence policy-making and implementation. NGOs have some influence because of their ability to put pressure on both the state and logging companies. International NGOs such as Greenpeace and WWF and local ones such as SIDT have a fairly powerful impact on logging in Solomon Islands. But the same cannot be said generally for landowners.
Chapter Seven

REFORMS IN THE LOGGING INDUSTRY

Because of the nature of developments in the Solomon Islands logging industry in the past two decades, there have been concerted efforts, especially in the 1990s, to push for reforms in forestry policies, and legislation, and in the way the administrative structures are organised. Such reforms, it was envisaged, would enable the government to better regulate the industry’s operations and ensure that Solomon Islander landowners obtain greater control over the industry and more benefit from it. It is assumed, in other words, that reforms will produce an environment where landowners may participate more effectively and that this will produce better logging outcomes.

But, has this been the case? Has reform produced an environment for more effective landowner participation and control of the logging industry? Has reform merely increased the capacity of the state and not necessarily that of landowners? What are the likely outcomes of these reform initiatives?

These are some of the questions that this chapter seeks to answer. The chapter examines two of the major reform initiatives currently being implemented: the AusAID-funded Solomon Islands Forest Management Project (SIFMP) and the Forestry Act 1999. The objective of the chapter is to evaluate how forestry reforms affect the participation of customary landowners and their control over the logging industry. The chapter is divided into four parts. The first provides a broad historical overview of the role played by aid agencies in funding past reform initiatives. The second examines the AusAID-funded Solomon Islands Forest Management Project (SIFMP). This includes a description of SIFMP: its rationale, design, objectives, strategies for its implementation, and assessment of its outcomes. Thirdly, the chapter critically examines the Forestry Act 1999 and the likely outcomes it will produce, especially with regard to landowner participation and control over the logging industry. Fourthly, the chapter discusses how the reform initiatives affect the nature of landowners’ participation in the logging
industry. This provides some critical discussions of forestry reforms and explores whether or not current initiatives will improve landowner participation in the industry.

**Funding, Aid Agencies and Reform: a background**

The need for reform in the forestry industry has been long discussed by successive governments since independence. Large-scale commercial logging, in particular, was an issue of great concern.

The previous Francis Billy Hilly-led government which came to power in 1994 attempted to introduce some changes by proposing, amongst other things, a moratorium on round log exports. That government was, however, ousted from power only months after assuming office (see Chapter Three).

More recently the Bartholomew Ulufa’alu-led Solomon Islands Alliance for Change (SIAC) government (1997—June 2000), when it came to power in 1997 made a commitment to reform the forestry industry (see SIAC Government 1997).

The issue of reform became prominent partly as a result of pressure from aid agencies, local and international non-government organisations (NGOs), and changing domestic public opinion as a consequence of an increasing awareness of the impacts of logging operations. Of particular significance were: the unsustainable nature of logging practices; the incapacity of the state to fully capture logging revenues, implement legislation and enforce logging regulations; the need to stop the dubious practices of logging companies; and the need to ensure that Solomon Islander customary landowners benefit more from and have greater control over logging operations.

But, given Solomon Island’s weak economy and cash flow problems, the reform initiatives have, in most instances, been funded by international aid agencies. The political implication of this is that aid agencies are able to influence, if not dictate,
the reform agenda. In most cases, however, there is a consultative and collaborative effort between aid agencies and the Solomon Islands government.

The Solomon Islands forestry sector has been a recipient of international development assistance programmes over an extended period. Assistance has come from bilateral and multilateral sources. During the 1990s Australia, through both bilateral and multilateral agencies, was the predominant donor source. Reflecting the increase in timber resource exploitation, the assistance programme has increasingly focused on the monitoring of log exports, planning of the harvesting of the natural forest, and optimising the return to Solomon Islands. Australian funds have focused on the core issues of natural forest resources management and the institutional strengthening of the monitoring capacity of the main economic sector in the nation.

In the early 1990s two major projects were initiated with Australian funds: a monitoring and institutional strengthening project called the Timber Control Unit Project (TCUP), and the Solomon Islands Natural Forest Inventory Project (SOLFRIP), a project to provide an inventory of the natural forest resource. The latter included defining non-timber values of the forest and mapping areas of environmental sensitivity for biological conservation. The inventory project was completed in 1994, while the monitoring project was withdrawn at the end of 1995 due to political differences between Honiara and Canberra, especially over the then Mamaloni-led government’s reluctance to support the project.

Other international agencies were involved. In 1994, for example, the United Kingdom Overseas Development Agency (UKODA) funded a Tropical Forestry Action Plan (TFAP) coordinator. The TFAP process attempted to assist government in defining sectoral issues, develop policies, and design implementation strategies to address the issues. This programme was withdrawn in the second half of 1995 due to the lack of government support to the TFAP coordinator.
With the change in government in 1997, the newly elected SIAC government requested a resumption of assistance from AusAID for the forestry sector. The request followed economic studies by the World Bank and International Monetary Fund (IMF), and a joint Asian Development Bank (ADB)-AusAID analysis of the socio-economic situation, key issues and development prospects in the Solomon Islands. A World Bank mission in November 1998 recommended technical assistance to enhance capacity of the Forestry Division for price monitoring, revival of the Timber Control Unit to inspect concessions, and a review of the tax regime and legislative needs. The IMF in March 1998 supported the Solomon Islands government’s plan to reactivate the TCUP and instigate other necessary activities.

The project development followed from the recommendations of the joint ADB-AusAID Solomon Islands Economic Report for the forestry sector conducted in November-December 1997, and the supporting recommendations of the World Bank and IMF Missions. AusAID commissioned a follow-up visit by the forestry specialist on the ADB-AusAID study in early 1998 to develop a prioritised programme of assistance for its consideration. The visit produced a proposal in February 1998 for a forestry sector reform assistance programme, which included an outline of a Forest Management Project and plans for the introduction of a new forestry bill that would ensure that Solomon Islander landowners benefit meaningfully and sustainably from the logging industry. Such projects were enthusiastically supported by the then newly elected SIAC government which was eager to demonstrate to aid agencies its willingness to push for reform in all sectors of state involvement.

The next section discusses one of the projects introduced as a means of facilitating reform in the forest sector. This is the AusAID-funded Solomon Islands Forest Management Project (SIFMP).
The Solomon Islands Forest Management Project (SIFMP)

The Solomon Islands Forest Management Project (SIFMP) is an important development in attempts to alleviate problems associated with the country’s forestry industry. Its implementation is expected to contribute enormously to forestry reform initiatives. In particular, the project was seen as vital in attempts to strengthen state institutions while at the same time empower landowners.

Discussions between AusAID officials and the Solomon Islands government in March 1998 identified forest sector management as a key area for assistance. It was, therefore, agreed that the Australian government would assist in establishing a project that would do the kinds of tasks previously done by the Timber Control Unit Project (TCUP) plus other tasks seen as important. High level consultations between the two governments in May 1998 confirmed the willingness of the Australian government to assist. It was agreed at that meeting that a detailed project document be prepared for consideration by the two parties.

A draft Project Design Document (PDD) was produced in July 1998 by a team tasked to appraise the project outline produced in February 1998 and draft a design of the SIFMP for consideration by both governments. The AusAID members of the appraisal team included Robert Ferraris (Team Leader, AusAID) and Grahame Applegate (Forest Management Consultant). The Ministry of Forests, Environment and Conservation appointed Gideon Bouro (Chief Forest Officer) as a Solomon Islander counterpart to the appraisal team.

Ironically, while the project was meant to strengthen state institutions and enhance landowner participation, no landowner representatives were included in the appraisal team. This is partly due to the absence of a national landowner institution from which such a representative could be drawn. There was, however, no evidence that AusAID or their Solomon Islands counterparts made any attempt to facilitate landowner representation in the appraisal team. Other important stakeholders such as the Solomon Islands Forest Industries Association (SIFIA) and NGOs were also not included.
Despite this, the task of preparing a PDD went ahead with government and AusAID representatives. However, the Solomon Islands government did not officially request implementation of the project until the end of 1998.

In between the PDD being produced and the project being implemented two important developments occurred. The first was the appointment of a new Commissioner of Forests. Peter Sheehan, an Australian, was appointed as part of the AusAID-funded project. This was important because it was envisaged that an outsider would be in a better position to address some of the problems associated with the logging industry, especially allegations of corruption. More importantly, the new Commissioner brought in with him a broad experience which was seen as vital in attempts to reform the forestry industry. He was, however, expected to train a Solomon Islander counterpart who would take over when his contract ended.

The second development was the preparation of a new forestry bill—later to be known as the *Forestry Act, 1999*—which had been drafted with technical assistance and funding from AusAID. It is understood that the implementation of the new Act will require further technical assistance from aid agencies, especially AusAID. As will be discussed below, the new Act, as with the SIFMP, was expected to enhance state capacity and ensure that landowners benefit from the logging industry. To ensure this the draft PDD for the SIFMP was re-drafted in January 1999 by a member of the earlier team—Robert Ferraris—to include activities directed to the implementation of the *Forestry Act, 1999* and those suggested by peer review. (See below for detailed discussion of the *Forestry Act 1999*).

According to AusAID, the SIFMP fits with the priority areas and strategies recommended by the 1997 Simon Committee of Review of AusAID’s development program because it contributes to poverty alleviation by enhancing more equitable allocation of resource rents from natural forests and to the health
of the environment by promoting sustainable utilisation of a significant resource’ (AusAID 1999:11). 

While it is true that the project fits into Australian aid policy and ongoing assistance to Solomon Islands, the question is whether the project will really alleviate poverty and provide for a more equitable share of resource rents from forestry development. Whilst this can only be measured in the later stages of the project’s implementation, it may be asked whether (given the relative weakness of landowners and the state in comparison to logging companies) the project can significantly change the situation of landowners in relation to the logging industry. Will the SIFMP empower landowners and improve their benefits from the logging industry?

The Solomon Islands government’s rationale for the project is that it contributes to the government’s policy and structural reform program. Such reforms are, in turn, part of the conditions required by AusAID and other international financial institutions in return for financial support to the Solomon Islands government, especially in the forestry sector. It is also a condition for public sector reform in general.

Related to the above are the policy objectives and strategic directions for the Ministry of Forests, Environment and Conservation in general, and the forestry sector in particular as contained in the SIAC government’s policy statement (see SIAC 1997). The SIFMP will play a fundamental role in realising these objectives which include issues such as:

- sound forest management and land conservation practices for forest;
- development and maintenance;
- improved efficiency of production and maximising market value, and strategic directions,
- sustainable harvesting of trees.

(see AusAID 1999:11).

These are all very important aspects of the development of Solomon Islands forestry industry in general and logging in particular. Similar sentiments have been
expressed by past governments. However, none of them has been able to successfully implement them.

Generally, the SIFMP’s overall objective is to assist the Ministry of Forests, Environment and Conservation (MFEC) in improving forestry management, monitoring and revenue control systems which will make for an environmentally sensitive industry and will increase the benefits and returns to landowners and the government. As an PDD states, the project aims to ‘assist MFEC contribute to improving the socio-economic development and well being of the people of the Solomon Islands and their environment, … assist MFEC enhance the sustainable management of forests and maximise revenue and resource rent to forest owners and Government’ (AusAID 1999: 22).

To achieve these objectives, the project was designed to have seven components:
I. creating a policy, legal and regulatory framework for implementation of the Forestry Act, 1999;
II. strengthening organisational management for improved forest management and resource rent capture;
III. improving the infrastructure necessary for sustainable forest management;
IV. improving the institutional arrangements for sustainable forest management;
V. establishing policies and facilities for increased forest-based domestic processing;
VI. providing technical studies for sustainable forest management and utilisation; and,
VII. project management.

The Project is currently being implemented. The management task was contracted out to an Australian consultancy firm which was scheduled to begin the implementation program at the end of 1999. That was, however, disrupted by the ongoing ethnic crisis in Solomon Islands, especially the civil unrest in the areas around Honiara.

The Project has a design life of three years. Within the first year, resource rents per unit volume of timber harvested were expected to increase. This is because it is anticipated that the project will improve the monitoring of log exports through a rehabilitated Forest Resources Management Unit (FRMU). The PDD states that
both the Solomon Islands government and landowners will gain from such a development. The document indicates that ‘experience with the previous TCUP showed that the likelihood of this outcome is high’ (AusAID 1999: 13).

The Project was also expected to rehabilitate and enhance the infrastructure and support systems for forest management, monitoring and revenue. Further, it was anticipated that the project will strengthen the Code of Practice for Timber Harvesting, and Reduced Impact Harvesting Guidelines based on sound silvicultural prescriptions were to be introduced. The Project was also expected to put in place the policy and regulatory framework and administrative systems for the implementation of the new Act.

The Project contains a substantial training input, directed to strengthening capacity of the Forestry Division, the industry and landowners. It was anticipated that such training would produce a more effective and efficient Forestry Division with trained and skilled management and personnel for administration, monitoring and control of exports and in-field operations. The industry should have the ability to comply with the Code of Practice and Impact Guidelines. For landowners, it was anticipated that the project will make them more ‘... aware of their rights and responsibilities under the agreements with contractors, and will have sufficient understanding of required practices to undertake monitoring of their logging operations. This will contribute to better utilisation of the forest resource, and to sustainable logging practices’ (AusAID 1999: 16). It was envisaged that in combination with expected Solomon Islands government directives aimed at reducing harvest levels (reduction of quotas, no new licenses), this will ultimately result in harvests being reduced to manageable levels that approach sustainable yields for the natural forest estate.

At the time writing the PDD, the then Ulufa’alu-led SIAC government had a policy to increase the domestic processing of timber. The Project acknowledges, however, that the success of such a proposal is dependent on external market forces and the satisfaction of market requirements. Consequently, the Project aims to work with MFEC staff, NGOs, and communities in ensuring better utilisation
and quality of products, and help develop the legal and regulatory instruments for quality exports.

The Project was expected to work with the MFEC in its attempts to provide a supporting operational budget to implement and sustain the monitoring systems. The expected positive benefit-cost ratio from the improved monitoring of exports will be a strong justification for adequate budget support, which has been lacking in recent years.

The Project outcome indicators are:

♦ the forest sector has a coherent policy framework, providing direction to the Forestry Division and the sector stakeholders through a National Timber Industry Policy and National Forest Resource Management Strategy by year 1;

♦ a Forestry Act being implemented through a legal and regulatory framework with operating administrative systems for the management of licences by year 2;

♦ the Solomon Islands timber industry will meet a number of International Timber Trade (ITTO) guidelines for sustainable natural forest management and timber harvesting operations by Project end;

♦ increased revenue from unit volume of timber harvested, and captured by the Solomon Islands Government and landowners by year 1 of the project;

♦ options and priority actions to reduce harvest yields to manageable levels of around 300,000 cubic meters per year will be available for SIG consideration by year 1;

♦ compliance with the Code of Practice by all contractors by year 3;
minimum standards of timber harvesting planning applied by all contractors by year 2;

skilled personnel able and with capacity to undertake duties and implement work plans at all levels in the Forest & Revenue Monitoring Unit by year 2;

the Forestry Division provides informed critical contributions to key economic issues including optimal utilisation of the natural forest and plantation resources, equitable distribution of resource rent and forestry taxation;

a framework that encourages domestic processing will be designed by year 3;

a supporting operational budget will be available for continuation of FRMU activities.

The Forest Management Project is important to the Ministry of Forests, Environment and Conservation. There is good ownership of the Project in the MFEC. The Ministry and its Forestry Division requested consideration of most components and outputs during a series of consultations that involved project identification and outline in 1997 and 1998, and feasibility and design in 1998 and early 1999. The MFEC and its Forestry Division are familiar with much of the Project concept and activities because they are similar to the earlier AusAID-funded TCU Project which was terminated in 1995. The present government has reversed the previous official attitude to monitoring and regulation and has requested assistance from AusAID for the strengthening of the Forestry Division and re-establishment of monitoring functions as part of its reform process. This is supported by international financing agencies and donors. The SIG has allocated SBD500,000 in 1998 (in a time of budgetary constraint) for the re-commencement of effective monitoring operations by the Forest & Revenue Monitoring Unit of the Forestry Division. The SIG objective may be increased recovery of revenue from logging but it requires an effective Forestry Division to maximise recovery. The Project should deliver such an organisation. The Project will also work to
ensure that recurrent funding for the Forest Resources Management Unit and other sections is maintained at or near the SBD500,000 level by demonstrating to SIG and its financial departments the benefit-cost advantage of the Forestry Division operations as part of its project monitoring and evaluation. The sustainability of log monitoring and technical aspects of the Project are supported by the strengthening of capability for management and administration. Managers will improve their skills and management systems will be upgraded. MFEC management will be assisted by the Team Leader to cope with reduced resources when the Project is coming to an end. This will allow MFEC to continue relevant project activities under its own resources.

An alternative to part of the Project is to contract out the log export monitoring functions to an external auditor. An external auditor has been considered for Customs by the Ministry of Finance. The MFEC also promoted external contractors for auditing exports in the forestry and fisheries sectors.

MFEC’s executive prefers the development of internal country capacity within the Forestry Division; such development produces greater sustainability and it probably has a better benefit-cost ratio. The FRMU monitoring functions are important to MFEC and for Project justification since they combine all activities of inspection, enforcement, regulation, and education and training in the organisation.

The Solomon Islands Forestry Industries Association (SIFIA) welcomes the Project. The association worries that it has been marginalised by the present government and the MFEC. It sees the Project as a way of bringing various groups within the sector together to plan the industry’s future and of initiating agreeable financial and operational reform. The Project has activities designed to bring all stakeholders together in developing policy, implementing the new Forestry Act and in introducing sustainable forestry. The participation of stakeholders provides for sustainability of the industry. The successful application of the community development process, including contact with and participation by women, will influence the sustainability of relevant Project activities. If landowners are
motivated to manage resources in a sustainable manner, the regulatory mechanism of the Forestry Division could be reduced.

The Project’s cost effectiveness is based on experience of an earlier project, described in the economic feasibility report (section 3.2 (a)) and the working paper (Annex 9). Similar monitoring activities in PNG have also yielded positive benefit-cost outcomes. External auditing of log exports from PNG immediately improved recovery of resource rents in the country.

**The Forestry Act 1999**

Part of the present government’s reform program in the forestry sector was the establishment of a *Forestry Act 1999* which was passed by the Solomon Islands national parliament during its May 1999 sitting.

The need for new forestry legislation has been recognised by successive governments. But although previous administrations had drafted legislation, none was committed to putting a bill through parliament. When the SIAC government came to power in 1997, one of its first priorities was the establishment of new forestry legislation. This was enthusiastically supported by AusAID and other donor agencies with an interest in the forestry industry.

New legislation was required primarily because, as the then Minister for Forests, Environment and Conservation, Hilda Kari, stated, the former legislation was inadequate in protecting Solomon Islands forests. Since its introduction in 1969, the *Forestry Resources and Timber Utilisation Act* had been amended nine times, including major amendments in 1977 and 1990. This, Mrs Kari argued, had made the Act ‘very difficult and confusing to follow’ (*Solomon Star*, May 29, 1999: p.7). The Commissioner of Forests, Peter Sheehan, states,

... the previous law was quite inadequate to deal with modern forestry practice. This was so whether the harvesting was carried out with heavy machinery or with small portable mills, whether by large
companies or by individual landowners .... It was very difficult to follow and it came to be bypassed or ignored (Sheehan 2000: 2).

According to Sheehan, the *Forest Resources and Timber Utilisation Act* was inadequate partly because, when it was framed by the colonial administration, it did not provide for logging on customary-owned land, which was where most logging operations were taking place in the 1980s and 1990s. Indeed, the original law did not permit logging on customary-owned land at all. When it was eventually permitted,

a process was introduced to deliberately shortcut the identification of forest ownership rights. This was the establishment of a process to determine forest ownership rights via hearings of Area Councils. It was clearly biased against the custom forest owners and there are many disputes and disappointments as expectations are often unmet (Sheehan 2000: 2).

The new Forestry Act aims to restore the proper rights of the owners to determine the future of their resources and to maximise their benefits from the exploitation of forest resources. Sheehan further argues that the second problem with the old legislation was that, when chainsaws and *Walkabout Saw Mills* became common, there was no provision in the legislation to allow for any small-scale harvesting by forest owners themselves.

Rather than amend the law this was facilitated by the ‘ultra vires’ use of the ability to issue a licence to operate a sawmill. This form of licence specifically did not include a right to fell trees. They were nevertheless issued indiscriminately and some were even used to permit the export of sawn logs (Sheehan 2000: 2).

Consequently, many of the small-scale timber productions were operating with little regulation from the forestry department. There was little, if any, monitoring of the volume of timber harvested by small-scale operation, though such operations could have detrimental impacts in the longer run. There was, therefore, a need for legislation that recognized the growing significance of small-scale harvesting through operations such as the *Walkabout Saw Mill*.

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38 *Walkabout Saw Mills* are portable saw mills which became popular in Solomon Islands and Papua New Guinea in the 1980s and 1990s. They can be carried around in the forests and used to process timber on location. They are said to reduce the negative environmental impacts of logging, and provide higher returns for landowners (see SWIFT).
The key policy features of the new legislation address concerns that have been publicly expressed by individuals and institutions in the past decade. The major objectives of the Forestry Act 1999 are:

I. To ensure proper management of forest resources in an efficient, effective sustainable manner;

II. To promote the development of a sustainable commercial timber industry so as to ensure maximum benefit to present and future generations;

III. To protect and conserve forest resources, habitats and ecosystems including the maintenance of ecological process and genetic diversity.

(Source: Sheehan 2000: 2).

These objectives are explained and established through a set of principles which guide the Minister and the Commissioner of Forests in the exercise of their powers. They include: the sustainability of resource utilisation; the rights of customary owners; application of the precautionary principle to management decisions; the balancing of economic and ecological objectives; the protection of biodiversity; consistency with international treaties and obligations; and consistency with national policies for forest resource conservation and timber industry development.

On the issue of sustainable forestry practices, the new legislation requires that forest resources be protected and the Code of Forest Practice be followed in field operations. Sheehan asserts that for sustainable harvesting to be achieved will require 'a reduction to about 50% of the present rate and it has to be achieved in the face of the importance of the timber industry to the economy' (Sheehan 2000: 3). The issue of a logging licence will take place only after the capability of the land in question to support commercial timber harvesting has been assessed. This is to ensure that forest harvesting is not permitted in areas of special environmental sensitivity.
Other aspects of the *Forestry Act 1999* are discussed in some detail below. There are eight parts to the Act. The main ones deal with issues such as: the administrative structures and mechanisms of the Forestry Division; a framework for the planning and management of forest resources; apparatus for the control of forestry activities such as timber harvesting, approval of contractors, land clearing, timber milling and marketing; regulations for the acquisition of forest rights in unregistered customary land; conservation, and the framework for the enforcement of the regulations.

The most important aspect of the forestry administration provided for under the new legislation was the establishment of a Solomon Islands Forestry Board ‘which shall advise the Minister on such matters relating to the conservation, management and development of forests in Solomon Islands and such other matters as the Minister may from time to time require.’ The major functions of the Board are:

(a) to provide a forum for consultation and cooperation between the Minister and persons with an interest in with forestry matters;

(b) to advise the Minister on the formulation of the national timber industry policy and the national forest resource management strategy;

(c) to advise the Minister on matters relating to the conduct of forestry research;

(d) to provide advice on such other matters as may be referred to by the Minister or by a Provincial Executive;

(e) such other functions as are provided under this or any other Act.

Apart from the Forestry Board, the other significant administrative position is that of the Commissioner of Forests, who is responsible for overseeing the implementation of the national timber industry policy and the national forest resource management strategy as well as the conservation and proper management and development of forested land in Solomon Islands. The Commissioner’s powers are quite substantial. They include: the power to grant, cancel, suspend licences and fix conditions as well as the power to institute or defend any
proceedings under his official title. The Commissioner also has the power of a forest inspector.

Another interesting aspect of the administrative structure is the establishment of a Forest Trust, responsible for the management and development of the forestry industry. This will be regarded as a Special Fund in terms of Section 100(2) of the Constitution. The money for the trust will come from the revenue derived from the forest development levy (provided for under Section 53), a share of penalties and licence fees, and any money appropriated to the Trust by Parliament, or donated to the Trust by any person, country or organisation. The utilisation of the Trust money is mostly for forest management purposes such as tree planting and tending.

Under the new Act, the provincial government also has the responsibility of reporting to the Minister of Forests, Environment and Conservation at least once every twelve month period on matters of licenses, reforestation and other management and planning issues.

On issues of planning and management, the new legislation provides for the preparation and implementation of a national timber industry policy by the Commissioner of Forests. The national timber industry policy shall inter-alia contain:

(a) the priorities to be observed in the granting of all or any class of licence or permit; and

(b) the requirements for utilisation of timber within Solomon Islands including any restrictions on the export of timber in round log form and any requirements for a volume or proportion of timber harvested to be milled within Solomon Islands; and

(c) the quotas of the numbers and kinds of licences that may be issued, overall and to any operator, in respect of any class of licence; and
(d) any preference to be observed in the granting of licences to local companies; and

(e) standard conditions which are to be applied to all or any class of licence; and

(f) any other matters relating to the granting of licences for timber harvesting and forestry-related activities.

It is also under this section that the legislation provides for the Commissioner of Forests to prepare and keep under review a national forest resource management strategy which contains:

(a) the categories of use which may be made of forest in Solomon Islands; and

(b) the criteria by which the suitability of a particular area of forest for each category of use will be assessed; and

(c) the zones within Solomon Islands to which different categories of forest use apply; and

(d) the manner in which timber should be harvested to ensure that forest resources are managed sustainably; and

(e) the sustainable yields or allowable volumes of timber that may be harvested annually, or in total, in the country as a whole or in a particular area; and

(f) the manner in which reforestation of areas that have been harvested is to be ensured.

The national forest resource management strategy is the principal statement of national policy in respect of the conservation and management of forest resources, and related activities in Solomon Islands. It also contains directives and prohibitions, consistent with the provisions of the Act.

The legislation also makes provision for the Commissioner of Forests, in consultation with the Board, to draw up for the endorsement of the Minister a code of practice for timber harvesting and forest management. The code of practice
shall contain practices and standards that, in the opinion of the Commissioner, are required to:

(a) promote growth of merchantable timber species; and
(b) maintain forest regenerative capacity and species diversity; and
(c) protect the environment; and
(d) protect sites of cultural, historical or archaeological significance; and
(e) ensure the health and safety of forest workers; and
(f) prevent fires; and
(g) ensure that harvested timber is accurately scaled.

More specifically, the code of practice may contain provisions for:

(a) prohibiting or restricting the harvesting of any species or category of tree; and
(b) prohibiting or restricting the export of timber of any species or category of timber in a specified form; and
(c) specifying the manner in which timber will be scaled and branded; and
(d) setting standards for the construction of roads and other works; and
(e) requiring a licensee to submit operational plans, acceptable to the Commissioner, in respect of proposed timber harvesting, tree planting and tending and forestry related activities to be carried out under the licence; and
(f) authorising a forest inspector to make a determination in respect of any matter or thing.

Section 18 of the legislation gives the commissioner of forests the power to determine the potential uses of forest areas. The procedures for such a determination are contained in Section 19. Applications for the determination of potential forest use can be made by either the owner(s) of a parcel of land or the owner of forest rights. The application is forwarded to the provincial secretary who, in turn, forwards it to the commissioner of forests within one month. The provincial secretary ensures that the application is in line with any relevant provincial government policy or land-use restriction, and/or any scheme of regulation under a provincial ordinance, which may affect the area of forest
covered by the application. After receiving the application and the provincial statement, the Commissioner shall make the determination of potential forest uses within two months.

Section 21 of the Act states that ‘where a determination of potential forest uses relates in whole or in part to unregistered customary land, the Commissioner shall ensure that steps are taken to inform the customary owners of the contents and effect of the determination.’

Part IV of the Forestry Act 1999 deals with the control of forestry activities. This includes conditions and procedures for applying for timber harvesting and milling licences, land clearing, the exploitation of non-timber forest products (NTFP), the administration of licences and permits, and timber marketing.

The legislation also addresses the acquisition of forest rights in unregistered customary land which, at present, makes up a huge percentage of Solomon Islands land area. The Act outlines the conditions and procedures for the acquisition of forest rights on unregistered customary land.

Conservation and the enforcement of conservation regulations are also provided for in the legislation. Section 80 of the Act makes provision for the appointment of forest inspectors while Section 81 outlines the powers that forest inspectors and the police have in dealing with individuals and institutions who do not follow conservation regulations.

This new legislation is quite extensive in its coverage of issues that have been important in the Solomon Islands forestry industry in the past two decades. The previous minister responsible for forests, Hilda Kari, stated that the new bill will ensure the sustainable management of forest resources and maximise the benefits of logging for landowners, as well as protect forest resources which are fundamental to the livelihood and culture of Solomon Islanders (Solomon Star, May 28, 1999: 7).
The Reform Program and Landowners

The underlying concern of this chapter is to investigate how the reform initiatives affect landowners’ participation in the logging industry. The issue of power relations, or control, is central to the discussion, and is connected to the question of who benefits most from the industry.

Much of the reform initiative was taken without consultation with landowners. The major emphasis of the reform program is on the state, strengthening state institutions and improving the state’s capacity to capture revenue and enforce regulations. The SIFMP, for instance, places a lot of emphasis on institutional strengthening at the upper state level; the administrative structures of the state are reviewed with a view to improving efficiency and effectiveness. There is an assumption that if state capacity is strengthened, this will result in better forestry outcomes and landowners will eventually benefit—the ‘trickle down’ effect. Such an assumption is based on the view that the state is the only institution with the authority and capability to regulate the forestry industry. The regulation and management of the logging industry is, in other words, the prerogative responsibility of the state.

The irony of this, however, is that the state does not own a very large percentage of the forests being logged. Hence, it is difficult to see whether strengthening state institutions will actually enable it to better regulate a resource it does not effectively own. While such an institutional-strengthening project might be useful in improving the state’s ability to capture rents, taxes, and improve government revenue it might not change things on the ground at all. If anything, it might not result in socio-economic development. It is important to note that while the strengthening of the state’s administrative structure is salient, alone it is inadequate as a strategy for successful forest management and for ensuring that Solomon Islanders benefit from the forestry industry. Because more than 80 per cent of current log production takes place on customary land, for forest management to be successful, it has to involve resource owners’ participation in the industry.
This is important, not only because of state 'weakness' in general, but also because the task of management could be more effectively carried out if landowners as well as other stakeholders were involved and integrated into the administrative structure responsible for implementation. Experiences in cases such as the North New Georgia Timber Corporation in the early 1980s and, in the early 1990s, the Pavuvu case in the Russell Islands have also indicated that the state is not necessarily a better manager of forestry resources. In the case of Pavuvu, where logging is on government leased land, harvesting practices have not been sustainable there have not been viable development initiatives. This is despite the previous government’s development plans for Pavuvu. Further, the collapse of the AusAID-funded Timber Control Unit Project (TCUP) could be attributed to the fact that it concentrated too much on government institutions. Hence, when there was political disagreement between Canberra and Honiara, AusAID withdrew and the SIG refused to host the project, which collapsed.

It might also be useful to ask here why the previous Code of Practice has not been successfully implemented and enforced. A major reason is the underlying assumption in the administrative process that the only institution capable of enforcing the Code of Practice is the state and its officials. Hence, it placed the task entirely in the hands of state officials, ignoring the fact that resource owners and NGOs are equally, if not more capable of enforcing the regulations at less administrative cost for the state. The SIFMP would do well to place more emphasis on strengthening landowner communities’ and NGOs’ capacities to manage forests. Such community capacity-building could be achieved by: organising landowners; facilitating the training of landowners as forest monitors; and improving their ability to access information relating to markets, prices, etc. Landowners could then take over some of the tasks currently performed by the Forestry Division, reducing costs and empowering resource owners. In the long run landowners would become the key managers of forestry resources while the government would take on a co-ordinating, policy development and advisory role. The state’s strength would lie not in the size of its administrative institutions but in its ability to coordinate the involvement of different stakeholders.
Such a development would be consistent with the present government's public sector reform program, which involves, amongst other things, reduction in the size of the public service in order to cut costs. In the long run it would shift the role of forest management away from the state into the hands of those who own forestry resources. Landowners, consequently, would identify with the industry and enhance their role and power in the industry. Further, such decentralisation would promote better governance and may help in the management of corruption.

An interesting feature of the SIFMP is its emphasis on improving the state's ability to capture revenue. While this is important, there seems to be an underlying assumption that if the state collects more revenue this will eventually 'trickle down' to landowners in the form of socio-economic development initiatives. The PDD, however, does not provide a clear indication of how an improvement in the state's ability to capture revenue from forests will result in socio-economic development. This is a task for the Development and Planning Division of the Ministry of Finance. It is also important that the SIFMP provides clear guidelines on how resource owners can maximise benefits from the industry, including how royalty payments are disposed, and how landowners can invest logging income in sustainable development projects.

Transparency is another important factor. Although it is alluded to in the PDD, there is no clear outline on how to deal with corrupt practices. As indicated above, corruption occurs at all levels of the industry, although what has been discussed publicly so far is corruption at high levels of government, such as direct bribery, and situations where the impartiality of bodies like the area councils have been compromised because logging companies have sponsored meetings and officials. The Ombudsman's 1996 Report states that such practices have compromised the ability of government institutions to deal impartially with logging. Corruption is a major problem in the Solomon Islands forestry industry and must be addressed.

Environmental issues also need to be addressed more directly in the SIFMP. The project makes no direct commitment to strengthen the Environment and
Conservation Division (ECD). If forestry development is to be sustainable, there must be a commitment to strengthen the ECD. Indeed, it is not clear how this project fits in with other elements of government, such as the ministries of Finance, Development Planning, Agriculture and Provincial Government, as well as statutory institutions. A clear understanding of such relationships would be useful in considering the logistics of the project implementation.

It is necessary, further, to consider how the project relates to other actual or prospective legislation. The *Forestry Act 1999* assumes that the current provincial government system will be retained. However, in May 1999 a Provincial Government Review Committee began a review the existing provincial government system; two or three years down the line the Forestry Act might need amendment to accommodate an entirely new provincial government system. It now seems highly likely that in five years time Solomon Islands will see itself adopting a federal or quasi-federal political system.

While it is indicated in the PDD that forest-based domestic processing should be encouraged and improved, the new policy does not clearly state how this is to be done. It would require both domestic and international investment. How is such investment to be generated? What implications does it have for the Foreign Investment Act and the Investment Corporation of Solomon Islands? Moreover, are there markets for the product?

There is no mention in the PDD of plantation development, although this is an important component of forestry development in Solomon Islands. Kolombangara Forest Plantation Limited (KFPL) has contributed immensely to forestry output and it will be supplemented in the coming years by Eagon Resources Development Company (SI) Ltd’s plantations in Viru and south Choiseul. Furthermore, in many instances (for example in Eagon Resources’ operations in the Choiseul Bay area of South Choiseul) so-called reforestation by logging companies are actually plantation developments—monoculture developments in which natural forests are replaced by plantations. This requires some form of management strategy based on the SIFMP.
Any successful implementation strategy must involve all stakeholders in an inclusive and positive manner, especially at the community level. The task of strengthening management, for example, should not be seen as the responsibility of the state alone. Rather, the state should play a coordinating role that brings into use the skills, resources and knowledge of other stakeholders such as landowners, NGOs and logging companies. The forest and revenue monitoring units (FRMUs) – the commercial section or the Timber Inspectorate section—should draw on NGOs and landowners. There is a need, too, to consider the numerous socio-cultural uses of forests in Solomon Islands.

In the current reform program, the position of landowners is not altogether clear. It was hoped that the reform program would place landowners in a much better position in the logging industry. But, has it really done so? The SIFMP is designed primarily for the purposes of managing forest resources sustainably and for maximising the benefits of forestry, especially to the state. It does not concern itself directly with landowners, and it is not clear that the presumed ‘trickle down effects’ from strengthened state structures will occur.

The other important reform document, the *Forestry Act 1999*, is supposedly designed to uphold the interests of landowners, but it is a complicated piece of legislation and it is too early to assess whether the Act is functioning as expected.

**Conclusion**

Despite the extensive reform program currently taking place, it is not clear that these will meet the interests of landowners. The reform initiatives might help strengthen and consolidate the power of the state, but not necessarily that of landowners. In order for reform initiatives to promote greater landowner participation in the logging industry, the focus should not be on strengthening state institutions alone, but also on exploring how local landowning institutions can be integrated into the reform program. The reform program must find ways of
giving them access to information, capital, technology, and in other ways help them enhance their power.
Indigenous Solomon Islander landowners will not be able to control the Solomon Islands logging industry unless they organise themselves institutionally and begin to influence forestry agendas at both the national and local levels. They must participate actively in the making and implementation of policies, and have regular interactions with other stakeholders interested in the forestry industry. But since power is relative and the object of continuous competition among stakeholders, landowners can never have total control over the logging industry.

This study has demonstrated that increased legislative power does not necessarily give landowners greater control. Legislative changes which recognize and seek to empower landowners must backed by appropriate education and institutional strengthening at both the national and local level.

**Education**

The importance of educating landowners cannot be over-emphasised. Greater landowner control does not necessarily mean an immediate positive change in the processes and outcomes of logging. Cases cited in this study—for example, North New Georgia and Somma Ltd.—have demonstrated that increased landowner participation alone will not necessarily produce ‘better’ logging outcomes. This is because mere participation does not constitute ‘real’ or ‘actual’ power. One can participate without making any substantial impact because one is uninformed or ignorant of the power of other actors. What is required is ‘informed’ participation. There is a need for landowners to have access to information on markets, log prices, environmental issues and laws and regulations that govern logging, and to have access to such services as legal representation.
Landowner Institutions

This study has shown that the way in which customary landowners participate in, and exert influence over, outcomes in the Solomon Islands logging industry are determined not just by government policies, international forces, and the way in which landowners relate to other stakeholders, but also by the internal dynamics within landowning groups. In order to relate effectively to other stakeholders in the logging industry, landowners need to better organise themselves.

While it is difficult to theorise about power in the logging industry (see Chapter Two), some general lessons about landowners’ participation may be drawn from the Solomon Islands experience. First, where landowners were relatively unorganised, logging companies were able to manipulate the system much more easily in order to influence logging outcomes in their favour. This was the case with the Sarabani land case in North Choiseul, and the Arosi area of Makira. In these instances, particular individuals such as Enoch Sila (in the Sarabani case) and Kennedy Hoda (in the case of Arosi) were vocal, but their ability to exert ‘real’ or ‘actual’ power was limited by of the absence of an effective landowning organisation to back them.

In other cases such as North New Georgia and Pavuvu Island, landowning groups were much better organised and able to exercise more power. In the case of North New Georgia, landowner actions led to the passing in parliament of the North New Georgia Timber Corporation Act. They also caused the closure of Lever’s Pacific Timbers Limited’s logging operations throughout the Solomon Islands. In the case of Pavuvu Island, the actions of landowners, backed by NGOs, did not stop Marving Brothers’ logging operations on the island, but did influence public opinion regarding logging. They were also important in creating awareness of the government’s forestry policies and in bringing about the changes that took place after the SIAC government came to power.

At the national level, an influential factor has been the absence of a national landowners’ organisation. Other stakeholders are represented in decision-making
processes and have some influence over legislation and policy-making processes. Logging companies, for example, are represented by the Solomon Islands Forest Industries Association (SIFIA), which was—in the early 1990s, at least—an influential organisation. It was involved in forming opinions on various policy issues. It played a role in the writing of the logging code of practice and made representations in discussions leading to the drafting of the *Forestry Act 1999* and other important government documents. Other stakeholders such as NGOs and aid agencies played an important role in lobbying and moulding public opinion and in influencing government policies and legislation. But there has never been a customary landowner organisation at the national level that could represent the interest of landowners involved in the logging industry, and this has restricted landowners’ ability to interact effectively with other stakeholders.

**Lessons from this study**

From this study, a number of lessons can be drawn about the relationship between indigenous landowners and the Solomon Islands logging industry, and, more generally, about the struggle for control over large-scale resource developments such as logging.

Firstly, in the last two decades the ability of landowners to effectively participate in the Solomon Islands logging industry, and benefit from its outcomes, has been severely limited by their lack of access to information, technology, trained manpower, and capital. Landownership alone does not guarantee control of the processes and outcomes of logging. In any case, landownership is legitimised by the state through legislation such as the former *Lands and Titles Act* and the recently-enacted *Forestry Act, 1999* that regulate the forestry industry. The state in turn is influenced by a variety of factors and actors. In the midst of these complex interactive relationships, landowners are generally marginalised. Other stakeholders such as the state, logging companies, NGOs, and aid agencies, emerge as the important actors.
Secondly, landowner reactions to, and ability to control, logging differs from one part of the country to another. The power that landowning groups possess depends not so much on state institutions but on the influence of the individual(s) leading the landowning group. In some cases, individuals have influenced landowning groups to cooperate with logging companies. In such cases these individuals often become the major beneficiaries of the logging operation, though some form of resistance usually develops from within the landowning group as other members of the group realise what is occurring. In other cases influential individuals have led resistance against logging. In these instances, the individuals are often people with formal employment and alternative sources of income. In both cases, there is nearly always a split within the landowning unit. Logging companies and the state often manipulate these divisions, enabling logging operations to continue.

Thirdly, while the state, through legislation, policies and political rhetoric seems to safeguard the interests of landowners, weak state capacity often means that legislation is not effectively implemented and regulations are not effectively enforced. Weak state capacity reflects such things as lack of finance and trained manpower, and corruption which compromises the state’s role. It affects landowners’ capacity when legislation and policies meant to safeguard landowners’ interests are not functional. Consequently, state institutional strengthening is a frequent objective of reform programs assisted by outside aid agencies such as AusAID.

Fourthly, logging companies have deliberately exploited the weaknesses of other stakeholders in order to maximise profit. This has contributed to poor logging practices and the unsustainable harvesting that has characterised Solomon Islands logging in the past two decades. Despite the collapse of Asian log prices in 1997/1998, and the consequent reduction in exports, actual log production has not decreased dramatically. With the Asian economies recovering, it is unlikely that there will be any substantial reduction in production. The present government’s cancellation of some logging concessions will not make much difference to output, because most of those concessions were never in active operation.
Almost every scholar who has written about land-based natural resource development in Melanesia has had to deal with the issue of landowners; landowners are important players influencing processes and outcomes as well as being influenced by them (May and Henningham 1992; Filer 1998). The irony of landowner involvement is that in many instances landowners come out of resource developments either worse off or no better off than when they started. This is because landowners are never properly prepared—informed, trained and organised—to come to terms with and positively influence large-scale natural resource developments.

The argument that if landowners have more control over the forestry industry, then outcomes will ultimately be better for them is simplistic; it does not take into consideration issues such as what gives landowners a greater or lesser degree of power over the logging industry, or recognize the complex dynamics both within landowning groups and between them and other stakeholders.

If we adopt Wrong’s definition of power as ‘the capacity of some person to produce intended and foreseen effects on others’ (Wrong 1993:9, see Chapter Two) then it may be concluded, from the previous chapters, that landowners are relatively weak in some instances, but powerful in others. The case of North New Georgia provides a classic example of landowners exercising immense power over both the state and a logging company. There are, however, areas where landowners are relatively powerless. The only factor over which landowners do have some control is land and the forests on it. But, because they lack capital and know-how, they are vulnerable in negotiations with logging companies and the state over the use of land and forests, as is well demonstrated in the cases of Sarabani Land in North Choiseul and logging by Kalena Timber Company on Rendova Island (see Chapters Four and Five).

The discussion of power becomes more complex when we conceptualise power ‘as a capacity to overcome part or all of the resistance, to introduce changes in the face of opposition’ (Etzioni 1993:18). This, Etzioni argues, includes the ability of a person, institution or stakeholder to sustain a course of action or preserve a
status quo that would otherwise have been discontinued or altered. If we take this as a yardstick for measuring power, then it would seem that, despite the fact that landowners own land and forests, in reality they have no power over them. This is because, while they might have had control over customary land tenure systems (see Chapter Five), the recognition of traditional land tenure is governed by legislation, over which landowners have very little control. They may influence legislation through their members of parliament, but there is no guarantee that what the members of parliament say or do is representative of the views of people. When it comes to implementation, a process which is handled by the bureaucracy, landowners are further alienated. Hence, it may be concluded that landowners have little power either to resist change or to maintain a status quo. The story of logging on Pavuvu Island demonstrates how the indigenous Islanders were powerless to change the status of alienated land on the island which had been taken from them late last century. It is only recently, with the previous Solomon Islands Alliance for Change (SIAC) government’s stated intention to return all alienated land, that the original landowners of Pavuvu Island saw some hope of eventually being able to influence such decisions. So far, however, there is no evidence of this eventuating.

This situation is similar when we conceptualise power as A having power over B to the extent that A can get B to do something that B would not otherwise do (Dahl 1957, see Chapter Two). In the case of the Sarabani land of North Choiseul, the Malaysian logging company, Eagon Resources Development (SI) Ltd, was able to persuade landowners to sign a timber rights agreement allowing the land to be logged. As detailed above, however, one of the inducements for landowners to sign logging agreements is that logging provides a source of income that would not otherwise be available – the state lacks the capacity to provide alternative sources of income generation. The Sarabani case is similar to that which led to the signing of logging agreements on Rendova. In the cases of North New Georgia and Pavuvu Island the colonial state rendered ‘landowners’ powerless by land alienation (see Chapter Five).
Having said this, it would be misleading to suggest that landowners are always powerless in the logging industry. There are rare instances where landowners have exercised power. The cases in this study have demonstrated that in situations where landowners have access to information about procedures, regulations, and log prices, and have connections with educated individuals, they have been able to make logging companies or the state do things that the latter would not have otherwise done. On the other hand, landowners are weakened in situations where they do not have access to information or have disagreements and competition amongst themselves (see Chapter Five). In such situations the state and logging companies are able to manipulate internal landowner differences for their benefit.

While the state may claim control over the logging industry, through its prerogative to make and implement legislation, it is obvious that logging companies have the capability to influence both the state and landowners. In the case of Pavuvu Island, while the state undoubtedly had control over the land and decisions to log, the nature of the operation was heavily influenced by Marving Brothers Timber Company Limited. Although none of the seven government ministers brought to court on corruption charges was convicted, it was obvious that important decisions were influenced by the logging company. The logging company’s power over logging begins with influence and then shifts towards control. Often, the only thing landowners have is the right to their land. Although at the beginning of logging operations they may claim control of the land, that control eventually disappears as the logging operation proceeds. In the case of Eagon Resources Development (SI) Limited’s operations on South Choiseul, after logging the primary forests the company has acquired rights to turn the area into a forest plantation. In the long run the company thus has virtual control of the land and the plantation on it.

These cases illustrate the different forms of power that stakeholders have over logging: force, dominance, authority, and attraction (see Olsen and Marger 1993; Etzioni 1993). In many of the cases cited above it could be said that while landowners have authority, they do not have the resources and knowhow—hence, capability—to convert that authority into dominance. It is the same with the state.
Logging companies, on the other hand, have the potential to exert force, dominance, authority and attraction.

One of the reasons that Solomon Islands logging industry has often been described as both unsuccessful and problematic is that those who own resources have not benefited greatly from logging (see Chapter Six). In most instances, the only benefit landowners have received from the industry is, on average, about 11.5 per cent of the f.o.b. export price of logs. This has disappointed many landowners, who realise, often too late, that logging has not brought the anticipated benefits. The failure of logging to deliver expected benefits is due primarily to institutional factors that have their origins in the state and in the commercial imperatives of logging companies, as well as because of unrealistic expectations by landowners. Chapter Seven has outlined some of the perceived weaknesses of the state and the reform programmes that are currently in place to remedy the weaknesses. These include the Solomon Islands Forest Management Project (SIFMP) and the Forestry Act, 1999, both in the early stages of implementation.

Changes in state policies and legislation alone will not necessarily result in the improvement of landowner benefits from the logging industry. Real power over forests comes, not just from legislation, but from the capacity and will to implement and enforce it. For resource owners to have any real power over forests, they need to have improved access to information, legal representation, and decision-making. In the absence of a well organised landowner entity, foreign logging companies, the state, international aid agencies, NGOs and other stakeholders often make decisions for landowners.

More active landowner participation, however, will not necessarily guarantee better logging outcomes. Most landowners involved in the logging industry, are there because logging is a source of income (in many cases, the only source of income). Like foreign logging companies, they are driven by the profit motive, and their activities may produce similar outcomes. In the case of landowners there is seldom proper management of the income generated by logging, and very few individual landowners have reinvested to create sustainable income generation.
There is also a need to improve the state’s capacity through such state institutions as the Forestry Division, Tax Office (inland revenue), and Customs and Excise. It is assumed that the state, though a stakeholder with vested interests in forestry resources, can be impartial and look after both the interests of resource owners and the ‘common interest’. However, foreign logging companies often capitalise on the administrative and financial weakness of the state, and the ignorance of landowners, in order to make windfall profits from the industry.

Well, here we are, at the end of our journey. I hope that you are now familiar with the various paths in the jungle. I also hope that, like me, you not only enjoyed the journey, but also collected lots of information on the way. It is here, at the crossroads—or more appropriately, cross path—that we go our separate ways. While you make up your mind on which paths to take next, I shall disappear into the jungle once more, in search of another path.
Logging roads on Vangunu Island, Marovo Lagoon, Western Province (Photo: Patrick Pikacha).
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(ii) Christopher Columbus Abe, July 15, 1996. Honiara, Solomon Islands.


(ix) Katy Soapi, July 26, 1996. Rendova, Western Province, Solomon Islands.


(xi) Mary Bea, July 26, 1996. Rendova, Western Province, Solomon Islands.
APPENDICES

Appendix I: Log Export Data—1994 to 1998

1994

<table>
<thead>
<tr>
<th>Month</th>
<th>Volume (m³)</th>
<th>Value (US$)</th>
<th>US$/m³ (Average)</th>
</tr>
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<td>March</td>
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<tr>
<td>April</td>
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<td>July</td>
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<td>$8,644,636</td>
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</tr>
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</tr>
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</tr>
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</tr>
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</table>

1995

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<th>US$/m³ (Average)</th>
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### 1996

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<th>US$/m³ (Average)</th>
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<td>81,290</td>
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### 1997

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<td><strong>650,124</strong></td>
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### 1998

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<th>Volume (m³)</th>
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<td>Month</td>
<td>Volume (m³)</td>
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<td>-----------</td>
<td>-------------</td>
<td>--------------</td>
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Log Export Data—1980 to 1993

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<td>1992</td>
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## Log export/destination

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<td>Australia</td>
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## Appendix II: Foreign Companies in Solomon Islands Logging

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<tr>
<th>Name of Company</th>
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<th>Quota (m3)</th>
<th>Place of Origin</th>
<th>Status</th>
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<td>72,000</td>
<td>Australia</td>
<td>Ceased logging</td>
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<td>Malaysia</td>
<td>Operating</td>
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<td>Kalena Timber Co.</td>
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<td>70,000</td>
<td>Malaysia</td>
<td>Operating</td>
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<td>Tim 2/25</td>
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</tr>
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<td>Malaysia</td>
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<td>Tim 2/78</td>
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<td>Operating</td>
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<td>Pacific Timbers</td>
<td>Tim 3/7</td>
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<td>Hyundai</td>
<td>Tim 2/12</td>
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<td>Korean</td>
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<td>IFI</td>
<td>Tim 2/7</td>
<td>70,000</td>
<td>Malaysia</td>
<td>Ceased ops.</td>
</tr>
<tr>
<td>Silvania Products</td>
<td>Tim 2/26</td>
<td>70,000</td>
<td>Malaysia</td>
<td>Operating</td>
</tr>
<tr>
<td>Isabel Timber Co.</td>
<td>Tim 2/32</td>
<td>150,000</td>
<td>Malaysia</td>
<td>Operating</td>
</tr>
<tr>
<td>Golden Springs</td>
<td>NNGTC</td>
<td>150,000</td>
<td>Malaysia</td>
<td>Operating</td>
</tr>
<tr>
<td>Golden Springs</td>
<td>Tim 2/35</td>
<td>100,000</td>
<td>Malaysia</td>
<td>Completed ops.</td>
</tr>
<tr>
<td>Eagon Resources</td>
<td>Tim 2/14</td>
<td>93,000</td>
<td>Korea</td>
<td>Operating</td>
</tr>
<tr>
<td>Marving Bros.</td>
<td>Tim 2/33</td>
<td>75,000</td>
<td>Malaysia</td>
<td>Operating</td>
</tr>
<tr>
<td>Dalson</td>
<td>Tim 2/9A</td>
<td>30,000</td>
<td>Malaysia</td>
<td>Operating</td>
</tr>
<tr>
<td>Star Harbour</td>
<td>Tim 3/90</td>
<td>30,000</td>
<td>Australia</td>
<td>Never started operations</td>
</tr>
<tr>
<td>Allardyce (Kazukuru)</td>
<td>Tim 2/30</td>
<td>20,000</td>
<td>Australia</td>
<td>Never started operations</td>
</tr>
<tr>
<td>Allardyce (Shortlands)</td>
<td>Tim</td>
<td>NA</td>
<td>Australia</td>
<td></td>
</tr>
<tr>
<td>Rural Industries Ltd.</td>
<td>Tim 2/10</td>
<td>72,000</td>
<td>Malaysia</td>
<td>Abandoned concession</td>
</tr>
<tr>
<td>Cape Esperance</td>
<td>Tim 2/5/81</td>
<td>30,000</td>
<td>Malaysia</td>
<td>Ceased ops.</td>
</tr>
<tr>
<td>Marving Bros. (Fataleka)</td>
<td>Tim 2/24</td>
<td>30,000</td>
<td>Malaysia</td>
<td>Ceased ops.</td>
</tr>
<tr>
<td>Dalson Ltd.</td>
<td>Tim 2/9</td>
<td>30,000</td>
<td>Malaysia</td>
<td>Operating</td>
</tr>
<tr>
<td>Hyundai (Vella)</td>
<td>Tim 2/30A</td>
<td>75,000</td>
<td>Korea</td>
<td>Stopped (court case)</td>
</tr>
<tr>
<td>Taisol (Malaita)</td>
<td>Tim</td>
<td>24,000</td>
<td>Malaysia</td>
<td>Ceased ops.</td>
</tr>
<tr>
<td>Kayuken (Malaita)</td>
<td>Tim</td>
<td>50,000</td>
<td>Malaysia</td>
<td>Ceased ops.</td>
</tr>
</tbody>
</table>

*Source: Forestry Division, Ministry of Forests, Environment and Conservation*
### Appendix III: Local Licence Holders Who Operate Under Contract

<table>
<thead>
<tr>
<th>Name of Company</th>
<th>License Number</th>
<th>Quota (m3)</th>
<th>Place of Origin</th>
<th>Contractor</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Somma Ltd.</td>
<td>Tim 2/36</td>
<td>50,000</td>
<td>Makira</td>
<td>Goodwill</td>
<td>Operating</td>
</tr>
<tr>
<td>Togosa Resources Ltd.</td>
<td>Tim 2/77</td>
<td>40,000</td>
<td>Guadalcanal</td>
<td>Mahoe</td>
<td>Operating</td>
</tr>
<tr>
<td>Guadalcanal Resources Devpt.</td>
<td>Tim 2/37</td>
<td>75,000</td>
<td>Guadalcanal</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Chakope Bros.</td>
<td>Tim 2/50</td>
<td>10,000</td>
<td>Vangunu</td>
<td>Silvania</td>
<td>About</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Complete</td>
</tr>
<tr>
<td>Inomae Brothers</td>
<td>Tim 2/80</td>
<td>40,000</td>
<td>Malaita</td>
<td>Mahoe</td>
<td>Operating</td>
</tr>
<tr>
<td>South Arosi Holdings</td>
<td>Tim 2/49</td>
<td>50,000</td>
<td>Makira</td>
<td>Goodwill</td>
<td>Operating</td>
</tr>
<tr>
<td>West Haununu Forest Resources</td>
<td>Tim</td>
<td>60,000</td>
<td>Makira</td>
<td>Goodwill</td>
<td>Operating</td>
</tr>
<tr>
<td>Weea &amp; SKPH</td>
<td>Tim 2/24</td>
<td>50,000</td>
<td>Isabel</td>
<td>Mega</td>
<td>Operating</td>
</tr>
<tr>
<td>Pedac Enterprises</td>
<td>Tim 2/44</td>
<td>40,000</td>
<td>South Malaita</td>
<td>Luaba/ Delgro</td>
<td>Operating</td>
</tr>
<tr>
<td>Aola Timbers</td>
<td>Tim 2/45</td>
<td>50,000</td>
<td>Aola/ Guadalcanal</td>
<td>Dalgro</td>
<td>Operating</td>
</tr>
<tr>
<td>Fakatho Holdings</td>
<td>Tim 2/47</td>
<td>24,000</td>
<td>Malaita</td>
<td>Luaba</td>
<td>Operating</td>
</tr>
<tr>
<td>Afeala Sawmill</td>
<td>Tim 2/76</td>
<td>75,000</td>
<td>Malaita</td>
<td>Mahoe</td>
<td>Operating</td>
</tr>
<tr>
<td>Geruana Sawmilling</td>
<td>Tim 3/149</td>
<td>50,000</td>
<td>Vangunu</td>
<td>Silvania</td>
<td>Operating</td>
</tr>
<tr>
<td>Ofogia</td>
<td>Tim 3/162</td>
<td>50,000</td>
<td>Marovo Lagoon</td>
<td>Pan Pacific</td>
<td>Operating</td>
</tr>
<tr>
<td>Sasa Pezoporo</td>
<td>Tim 3/168</td>
<td>48,000</td>
<td>Vella</td>
<td>Allardyce</td>
<td>Operating</td>
</tr>
<tr>
<td>Lupa Devpt.</td>
<td>Tim 2/86</td>
<td>70,000</td>
<td>Silvania</td>
<td></td>
<td>Operating</td>
</tr>
<tr>
<td>Jesina</td>
<td>Tim 2/69</td>
<td>70,000</td>
<td>Vangunu</td>
<td>Silvania</td>
<td>Operating</td>
</tr>
<tr>
<td>Kalahaki</td>
<td>Tim 2/67</td>
<td>NA</td>
<td>Guadalcanal</td>
<td>Golden Fountain</td>
<td>Operating</td>
</tr>
<tr>
<td>Makwest</td>
<td>Tim 2/94</td>
<td>40,000</td>
<td>Makira</td>
<td>Meyers Ltd.</td>
<td>About to operate</td>
</tr>
<tr>
<td>Vatule</td>
<td>Tim 2/92</td>
<td>40,000</td>
<td>Vella</td>
<td>Mega</td>
<td>Operating</td>
</tr>
<tr>
<td>Paripao</td>
<td>Tim 2/85</td>
<td>NA</td>
<td>Guadalcanal</td>
<td>Marvingbros</td>
<td>Operating</td>
</tr>
<tr>
<td>Dakolae</td>
<td>Tim 2/93</td>
<td>NA</td>
<td>Western Prov</td>
<td>Allardyce</td>
<td>Operating</td>
</tr>
<tr>
<td>Bahomea</td>
<td>Tim 2/90</td>
<td>NA</td>
<td>Guadalcanal</td>
<td>Walter Jones</td>
<td>Operating</td>
</tr>
<tr>
<td>Isabel Dev. Authority</td>
<td>Tim 2/81</td>
<td>60,000</td>
<td>Isabel</td>
<td>Rosewood Ltd.</td>
<td>Operating</td>
</tr>
</tbody>
</table>

*Source: Forestry Division, Ministry of Forests, Environment and Conservation*
Appendix IV: Letter to the Public Solicitor’s Office

United Church
Nukiki Village
Choiseul Province

9/2/96

The Solicitor

Dear Sir,

Re: ADVANCEMENT OF $1 MILLION ON TRESPASS CLAIM OF CHIROPODOKO TRIBE ON AREA WRONGLY LOGGED BY ERDC

On behalf of Chiropodoko Tribe and our Chief Mr D. Dokabule and as the spokesperson on this matter I wish to bring our latest wishes/decisions on this matter. First and foremost we still want the work on valuing and assessing the damage that the company did on this area of land to go ahead. However, in the meantime various events have taken place which has placed financial burden on us and the only way we can meet the expenses is to ask ERDC to advance us some of the claim on this land. Our reasons for believing that it is possible to do this are as follows:

1. There is no dispute on this land with any other tribes who share the same boundary with Chiropodoko.

As you are already aware, it has been established by both the chief of Sesegaromo Mr B. Vaibatu and Chiropodoko Chief Mr Danny Dokabule that the company ERDC has indeed trespassed into Chiropodoko land for which it had no Timber Right to log. We are therefore of the view that when proper assessment of how much the ERDC owes our tribe, this fund belong to us. This has led us to assume that we can advance some now while we wait for the Timber Control Unit to carry out their work.

As you know, in accordance with your instruction we have taken measurements of the area. This data is with you now. We have just recently heard too that the Australians are pulling out their assistance to the Timber Control Unit so we believe it will take a long time before the proper assessment will be carried out.

2. Bagobago and Zotoro Dispute of ownership.

We have disputed that the above two land parcels are not part of the Sesegaromo land and are working towards putting an injunction on
operation and royalties on this land. To enable us to do this we need funds to pay for the hearing and the expenses of those who represent us as spokespersons. Coming to Honiara and Gizo and the expenses are more than what we can meet. Since whatever claim is finally established, is ours we believe we can take an advance on this claim to meet these. This too is now our only means at present which will allow us to speed up settling of these cases.

3. Social Obligations and Commitments

Some of our elders who led us in this case have died. Those who are left are quite old now. We would like them to get something from this claim while they are still alive. It is through them that we of this generation own this land and it is only right that they benefit too. This will show our appreciation of their traditional wisdom in standing with us not to log this land and for their knowledge and leadership. Without their support our land will be damaged and we want them to know that although we are their children, they are the ones that own the land and because they understand the importance of the forest and environment that they have stood by us and supported us in our fight to stop logging on our land.

These are our reasons for wanting to advance some of the claim on this land. The amount we would like to advance from the company is $1 million dollars. We ask that you write us a letter to inform the company that it is allright to take this advance from the claim. We already ask the company but were informed that because it is already in the hands of our solicitor they cannot do this without your authorization. This is to say that because we have put an injunction on it we must go through you for this claim. I hope that you will assist us in this case.

Looking forward to your assistance in this matter.

Yours faithfully

Daniel Vudukana
Spokesperson, Chiropodoko Tribe
for: Chiropodoko Chief Danny Dokabule