

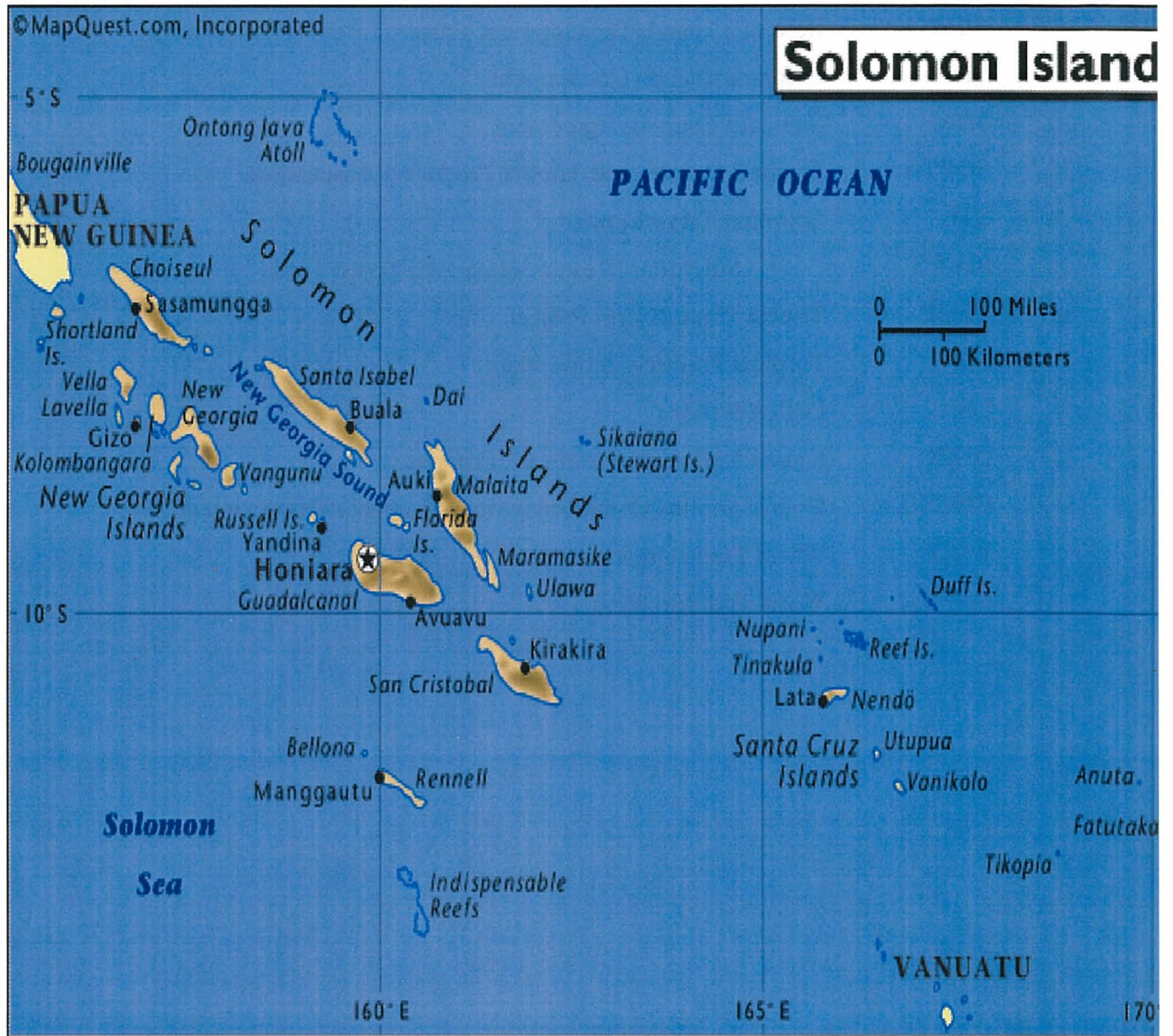
PATHS IN THE JUNGLE

**Landowners and the Struggle for Control
of Solomon Islands' Logging Industry**

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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 landowners¹ 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

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, *lan ona* 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.² 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

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 *laen*³ (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

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.⁴ There are also international dialogues through gatherings such as the Earth Summits and the Inter-governmental Forum on Forests (IFF).⁵ 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

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

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 Sylvania 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

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: Japan and the politics of timber in Souteast Asia* (1997), Dauvergne outlines how 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.

Chapter Two

LOGGING IN SOLOMON ISLANDS A Background

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).

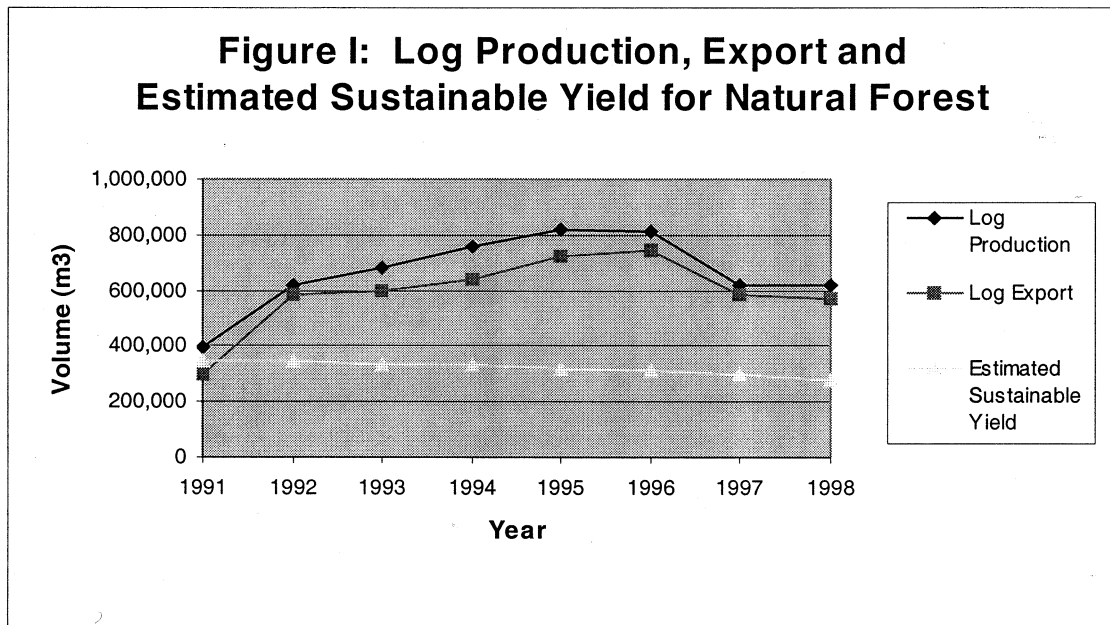
The second period began in the early 1980s and continues today. This period is marked by a shift from government land to customary land and an influx in the number of foreign (especially Asian) companies with logging concessions in Solomon Islands. Between 1981 and 1983, for example, the number of foreign 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 NNTC 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).



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 Waterhouse 1995).

Table I: Estimation of Resource Depletion and Sustainable Yield of Natural Forest ⁸

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

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

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.⁹ 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,

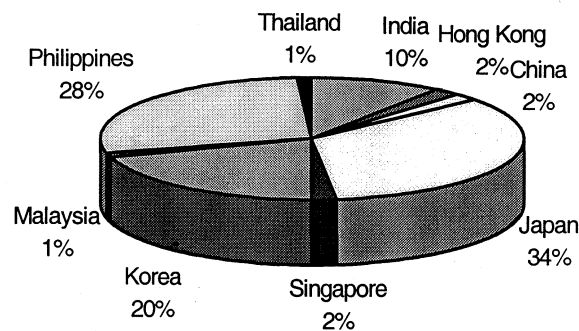
positively impacted on exporters' balance sheets, government's preferential taxes for stockpile exports, and partial recovery in the market that raised the average price for Solomon Islands' logs from a trough of US\$45 per cubic meters to US\$80 per cubic meters towards the end of 1998 (CBSI 1999:15).

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.

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



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).

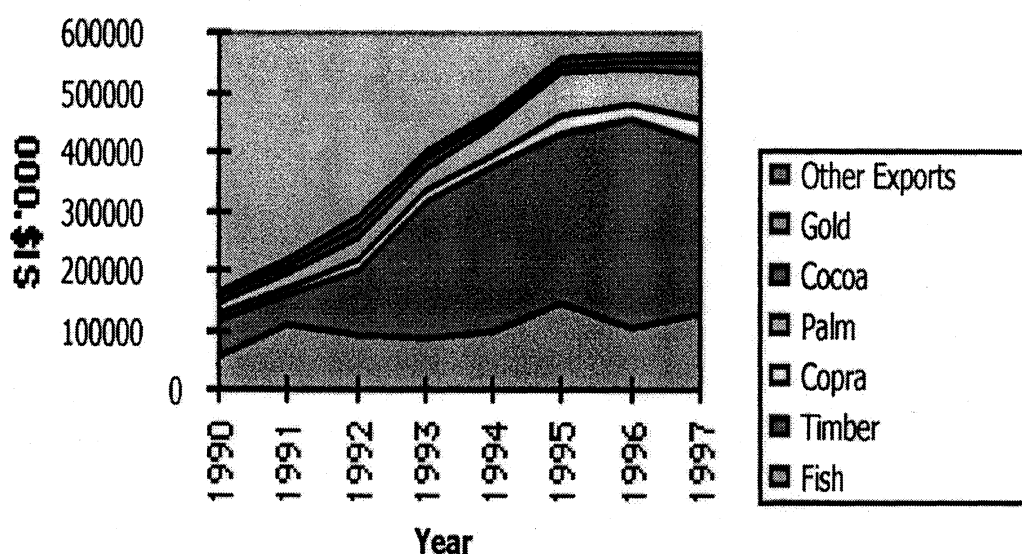
By March 2000, however, log production did decline. This was attributed to the deteriorating Solomon Islands crisis which had, by then, affected other parts of the country, especially the high log production areas such as the Western and Choiseul provinces. The Commissioner of Forests, Peter Sheehan, 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.¹⁰ 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



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

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

Year	Volume of natural forest log exports ('000 m ³)	Value of natural forest log exports (\$ million)	Volume Of plantation log exports ('000 m ³)	Value of plantation log exports (\$ million)	Volume of sawn timber exports ('000 m ³)	Value of sawn timber exports (\$ million)	Total harvest from natural forest ('000 m ³)
1989	260	38.78	na	na	5.0	2.54	305
1990	399	56.53	na	na	8.0	4.28	457
1991	292	49.46	na	na	6.2	4.10	352
1992	543	104.02	na	na	8.5	6.43	617
1993	591	221.72	na	na	10.9	9.99	675
1994	650	265.04	9.5	2.03	12.4	9.48	744
1995	716	261.41	32.4	8.21	12.4	13.34	811
1996	730	308.88	55.2	16.07	9.0	9.89	811
1997	554	237.83	102.4	24.68	8.1	10.97	637

Source: ADB 1998:54.

* 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

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.¹² 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

1998:59). 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/m³ in 1993-1994, much lower profits in 1995-1996, and then a loss of \$8/m³ 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/m³ 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

Year	Natural forest log f.o.b. (\$/m ³)	Adjusted natural forest f.o.b. (\$/m ³)	All costs incurred up to logs loaded on ship (\$/m ³)	Profitability under effective duty rate (\$/m ³)	Potential Profitability due to under-invoicing (\$/m ³)	Actual economic surplus foregone under effective duty rates (\$ million)	Potential economic surplus foregone due to under-invoicing (\$ million)
1990	141.67	170.00	180.25	-38.58	-10.25	-15.39	-4.09
1991	169.54	200.00	199.75	-30.21	0.25	-8.81	0.07
1992	191.53	246.00	223.77	-32.25	22.23	-17.51	12.07
1993	375.11	532.00	302.97	72.13	229.03	42.64	135.38
1994	407.91	473.71	342.44	65.47	131.27	42.54	85.30
1995	365.08	433.28	329.82	35.26	103.46	25.25	74.08
1996	423.16	511.91	361.02	62.13	150.88	45.35	110.14
1997	429.19	520.69	398.24	30.96	122.46	17.15	67.86

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

Year	Natural forest log f.o.b (\$/m ³)	Royalty (\$/m ³)	Declared export duty (\$/m ³)	Effective export duty (\$/m ³)	Production cost (\$/m ³)	Profitability under declared rate (\$/m ³)	Profitability under effective rate (\$/m ³)
1990	141.67	29.17	38.75	32.08	119.00	-45.25	-38.58
1991	169.54	31.95	47.11	40.80	127.00	-36.53	-30.21
1992	191.53	34.15	53.71	51.62	138.00	-34.33	-32.25
1993	375.11	52.51	108.78	103.46	147.00	66.81	72.13
1994	407.91	55.79	127.65	127.65	159.00	66.34	65.47
1995	365.08	51.51	120.28	98.31	180.00	13.29	35.26
1996	423.16	57.32	153.30	105.71	198.00	14.54	62.13
1997	429.19	57.92	155.59	116.32	224.00	-8.32	30.96

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 government¹⁴, 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.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

Kenilorea's resignation, following allegations that he misappropriated money from the cyclone Namu relief funds. Alebua was at that time deputy prime minister and was elected to take over from Kenilorea.

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.

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/Alebu 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/Alebu 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 Bio-diversity 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’alu-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 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

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 Pavuvu 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 Pavuvu 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 Pavuvu 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 Pavuvu. One could assume, therefore, that Marving Brothers had its sights set on a larger cut than was on the government land and on Pavuvu 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.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'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

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.

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 'chif' 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.