

Copyright is owned by the Author of the thesis. Permission is given for a copy to be downloaded by an individual for the purpose of research and private study only. The thesis may not be reproduced elsewhere without the permission of the Author.

Mining and Development:

Examining the effectiveness of mining company
community development intervention
in New Ireland Province,
Papua New Guinea.

A thesis presented in partial fulfilment of the requirements for the degree of

Doctor of Philosophy
In
Development Studies

at Massey University, Manawatu, New Zealand

Emma Richardson

2018

Abstract

This thesis explores the effectiveness of mining company contributions to development within the gold mining communities of Lihir and Simberi islands, in New Ireland Province, Papua New Guinea (PNG). More specifically, it analyses the extent to which forms of community development intervention undertaken on Lihir Island by Newcrest Mining Ltd, and on Simberi Island by St Barbara Ltd, actually support meaningful forms of development. This has been achieved through the use of development ethics (Goulet 1995) as a conceptual research framework, which when applied in research practice, gives priority to the wellbeing of those whose realities may be ignored, misread or marginalised within the neoliberal realm of development.

This research is based on a total of four months of fieldwork undertaken on Lihir and Simberi islands. It draws on community narratives to frame the relevance of human wellbeing, human rights and inclusive development as development ethics within the research context. This development ethics research lens facilitates discussion about the meaningfulness of development intervention from a morally-informed community development perspective. Underpinned by a locally contextualised appreciation of what human wellbeing and meaningful development means on Lihir and Simberi islands (which results in the exposition of a set of local Community Wellbeing and Development Rights), a critical review of the practice and governance of development intervention within each Island community is then detailed. The analysis of development interventions then proceeds using firstly an evaluation of practices within a human rights lens, and secondly consideration of inclusive development outcomes relative to Newcrest's and St Barbara's development related rhetoric.

The resulting account of mining company community development intervention is critical, but ultimately hopeful. This hopefulness reflects the hope of customary landowners that mining will one day lead to meaningful development benefits. The analysis from this development ethics lens reveals insights into the promotion of social justice through the delivery of mining company development interventions. It is argued that mining companies have the opportunity to enhance a set of locally significant and internationally recognised human rights that are important to the wellbeing and development of customary landowners. Although, in some instances, mining company performance is falling short with respect to the enhancement of these human rights, it is argued that the enhancement of Community Wellbeing and Development Rights exists as a potential means for mining companies to add value to host communities. However, if such a development programme is to be meaningful to customary landowners, it must also advance equity and fairness. If mining companies fail to navigate such complexities, this thesis contends that mining, and forms of mining company community development intervention, will likely do more harm to communities than good.

Dedication

In loving memory of Priscilla

Acknowledgements

To begin, I would like to recognise the significant contributions to this research made by the customary landowners of Lihir and Simberi islands, New Ireland Province, PNG. I am indebted to everyone who shared their life aspirations and experiences of mining intervention with me. I hope that I do justice to these voices and views within the following pages. I would especially like to acknowledge the communities of Sianios on Lihir Island, and Simberi on Simberi Island, where I lived for much of the time while undertaking my fieldwork. Thank you for your kindness and hospitality, for ensuring my safe-keeping, and for welcoming me into your lives.

I also recognise the research support which I have received from Lihir Gold Limited, Newcrest Mining Limited, the Simberi Gold Company Limited and St Barbara Limited. On numerous occasions throughout my four months of fieldwork, I received food, accommodation and transport through the goodwill of these companies. I am grateful for this support and for their acceptance of my research presence. I would also like to thank all those staff members who were approachable, who contributed to this research, and who kindly shared their coffee with me.

In addition to undertaking my doctoral studies, over the past four years I have been part of a Massey University research project investigating the contested involvement of corporations in community development initiatives in the Pacific. This broader project underpins my doctoral research, and has been driven by the work of Professor Regina Scheyvens and Professor Glenn Banks. It was Glenn and Regina who initially recognised the importance of (what would later become) my PhD research question, and who made my participation in this project possible. Thank you both for giving me the opportunity to undertake this research. Not only have you supported and challenged me throughout my candidature via your supervision, but by saying 'yes' and including me in this project, you have changed my life. It has been a privilege to work with you both, and alongside Dr Sharon McLennan and Dr Emma Hughes.

This research was primarily funded by the Royal Society of New Zealand (Marsden Fund) via a Massey University PhD Scholarship Award. I am extremely grateful for this assistance, as well as the additional funding support received in the form of a New Zealand Aid Post Graduate Research Award, and a Claude McCarthy Fellowship Award. Thanks also to the Papua New Guinea National Research Institute who supported this research and who provided PNG Research Visa sponsorship.

Lastly, but perhaps most importantly, I would like to acknowledge the support of my parents, Sue and Russell Richardson. Thank you for coming on this journey with me. Thanks also to my friends Hilary Blackstock, Jan MacNeil, Louise Walker, Sue Bulfield-Johnston, Lynn Mullens and Guy Boddington. Your support has helped make the completion of this thesis possible.

Contents

Abstract	i
Dedication	iii
Acknowledgements	v
Abbreviations	iv
1. Introduction	1
1.1 Mining and the Mandate of Sustainable Development	2
1.2 Research Objectives	5
1.3 Thesis Structure	6
2. Research Context	8
2.1 Human Development in PNG	8
2.2 Legislative Context	11
2.3 Case Study Context	13
2.4 Conclusion	20
3. Literature Review	21
3.1 Mining in PNG	21
3.2 The Ideology of Development	23
3.3 Background to Mining and Development	24
3.4 Sustainable Development and the Extractive Sector	28
3.5 Corporate Social Responsibility (CSR)	32
3.6 Extractive Sector-Led Community Development Intervention	36
3.7 Mining Company Community Development Intervention in PNG	39
3.8 Conclusion	41
4. Development Ethics as a Conceptual Research Lens	43
4.1 Development Ethics	43
4.2 Wellbeing – A Development Ethic	49
4.3 Human Rights – A Development Ethic	52
4.4 Inclusive Development – A Development Ethic	60
4.5 Conclusion	64
5. Research Methodology	65
5.1 Research Overview	65
5.2 Research Techniques and Participants	69
5.3 In the Field	73
5.4 Data Analysis	77
5.5 Conclusion	80

6.	Exploring Wellbeing and Development	81
6.1	Locating Wellbeing and Development	81
6.2	Exploring Real Development on Lihir and Simberi	86
6.3	The Significance of Mining for Wellbeing and Development	90
6.4	Conclusion.....	95
7.	The Practice and Governance of Development Intervention.....	96
7.1	Community Development and Benefit Sharing Agreements	96
7.2	Benefit Sharing and Development Agreements for the Lihir Gold Mine	97
7.3	Development Intervention in Practice - LGL	100
7.4	Benefit Sharing and Development Agreements for the Simberi Gold Mine.....	113
7.5	Development Intervention in Practice - SGCL	116
7.6	Conclusion.....	122
8.	Community Narratives of Mining Intervention	124
8.1	Acknowledging the Effects on the 'Non-Affected'	124
8.2	Intervention and Development, Kapit Village, Lihir Island	126
8.3	Water Supply: A Development Priority on Simberi Island.....	128
8.4	Environmental Wellbeing on Simberi Island	132
8.5	Experiences of Community Health Intervention.....	136
8.6	Recognising the Value of Education	141
8.7	Conclusion.....	143
9.	Mining Company Intervention through a Human Rights Lens.....	146
9.1	Corporate Human Rights Policy.....	147
9.2	Community Wellbeing and Development Rights.....	150
9.3	Navigating Life and Environmental Damage – Simberi Island.....	152
9.4	Resettlement and Livelihoods – Lihir Island	155
9.5	Connections to Education	158
9.6	Implications for the Right to Health	159
9.7	Conclusion.....	162
10.	The Corporate Rhetoric of Inclusive Development	165
10.1	Opportunities for Inclusive Development	165
10.2	Portraying the Benefits of Mining	165
10.3	Community Participation and Transparency	169
10.4	Women, Adverse Inclusion and Exclusion	173
10.5	Making Sense of Community Engagement.....	177
10.6	Rationales for Exclusion.....	178
10.7	Conclusion.....	180
11.	Opportunities to Advance Meaningful Development	182
11.1	Critical Research Observations.....	182
11.2	The Relevance of Mining Company Good Governance?	184

11.3	Opportunities to Add Value to Communities through Mining	186
11.4	The Significance of Corporate Intent	188
11.5	Conclusion.....	189
12.	Conclusion	190
12.1	Contribution to knowledge.....	190
12.2	Challenges for the promotion of meaningful development	191
12.3	Hope for the Future	193
12.4	Conclusion.....	194
13.	References	196
14.	Appendices	222
	Appendix 1: Sustainable Development Goals	223
	Appendix 2: The Mining Act (1992)	224
	Appendix 3: Mining Sector Good Practice Performance Guidance.....	226
	Appendix 4: Research Participant Particulars	234
	Appendix 5: Nvivo Research Nodes	237
	Appendix 6: The Lihir Island Cacao Growing Project.....	238

List of Tables

Table 1:	Research Objectives.....	5
Table 2:	World Bank Development Indicators for PNG	9
Table 3:	PNG Poverty Line Projections (based on household income) in 2009–2010.....	9
Table 4:	Percentage of population aged 8 years and over who can read and write in PNG, by region.	10
Table 5:	Research Participant Groups	70
Table 6:	Dimensions of Wellbeing and Development within the Case Study Context	92
Table 7:	Direct Forms of Community Level Social Development Support supported by LGL (Newcrest) on Lihir.....	101
Table 8:	An Overview of Community Level Economic Development Support supported by LGL (Newcrest) on Lihir.....	102
Table 9:	An Overview of Direct Forms of Community Level Social Development and Economic Support supported by SGCL (St Barbara) on Simberi Island.	116
Table 10:	An Overview of the Connections between Wellbeing and Development Values and Human Rights across Lihir and Simberi Islands.	144
Table 11:	Community Wellbeing and Development Rights Framework.....	151
Table 12:	Newcrest’s Development Narratives	166
Table 13:	St Barbara’s Development Narratives	167

Table 14: An Overview of Mining Sector Good Practice (Social and Environmental) Guidance.....	226
Table 15: Simberi Island Research Participant Particulars.....	234
Table 16: Lihir Island Research Participant Particulars.....	235

List of Figures

Figure 1: Major SDG mining sector issues.....	4
Figure 2: Structure of the Research Findings.....	7
Figure 3: Mining Timelines.....	15
Figure 4: Conceptual Research Lens.....	45
Figure 5: Key components of the research methodology.	68
Figure 6: Summary of the Revised IBP Agreement.....	105
Figure 7: An Overview of the Village Development Scheme (VDS).....	106
Figure 8: Conceptualising Community Wellbeing and Development Rights	150
Figure 9: A Continuum of Mining Company–Community Engagement.....	178
Figure 10: Cocoa Development Underway on Lihir (2012).....	238
Figure 11: Lihir First Cocoa Harvest Expected Midyear (2013).	239

List of Maps

Map 1: New Ireland Province, PNG.	14
Map 2: Current Mines and Prospects in PNG	22
Map 3: Case Study Areas.....	66

Abbreviations

CCD	Corporate Community Development
CSR	Corporate Social Responsibility
DSTP	Deep-Sea Tailings Placement
IBP	Integrated Benefits Package
ICCPR	International Covenant on Civil and Political Rights
ICESCR	International Covenant on Economic, Social and Cultural Rights
LGL	Lihir Gold Limited
LICHP	Lihir Islands Community Health Program
LMALA	Lihir Mining Area Landowners Association
LSDP	Lihir Sustainable Development Plan
MOA	Memorandum of Agreement
MRA	Mineral Resources Authority
NRLLG	Nimamar Rural Local Level Government
PGK	Papua New Guinean Kina
PNG	Papua New Guinea
SDGs	Sustainable Development Goals
SGCL	Simberi Gold Company Limited
SMAA	Simberi Mining Area Association
TKA	Tuk Kuvul Association
VDS	Village Development Scheme