Arguments about ‘compensation’ in this country are not merely the result of conflicting evaluations of things which have been lost, damaged or destroyed; they also seem to reflect a deeper division over the definition of ‘compensation’ itself, and hence the conceptual and emotional relationship between ‘compensation’ and the other forms of property or value which engage the minds of the participants. Where this divergence has been recognised, it tends to be regarded as a difference between traditional, indigenous or Melanesian economic principles and those which govern modern capitalist enterprise and public policy. However, this kind of dualism obscures the linkages between the current use of ‘compensation’ as a concept in the politics of national resistance to the world economy and the growing dependence of the national economy on that specific form of compensation which economists call ‘resource rent’. The brief economic history of compensation in Papua New Guinea now terminates in an ideology of ‘landownership’ which is both a form of local custom and a form of national identity. Importunate ‘landowners’ seek deliverance from the same web of social obligations which serve to justify and mobilise support for ‘compensation’ claims which are themselves ambiguous expressions of the value of resources and the price of power. Of course, such ambiguities conceal a wide range of variation in the role which ‘compensation’ plays in the ‘development’ of different resources and the politics of different communities. But the burgeoning ideology of landownership and the locally variable practice of ‘resource compensation’ can hardly be said to encourage an effective form of state regulation designed to prevent the collection of rental incomes from sliding towards the criminal practice of extortion.
Values and relationships

The English word ‘compensation’ has a strict and narrow sense, in which it represents the cost of damage to one’s self, one’s body or one’s property, and a broader, figurative sense, in which it can apply to almost any form of payment. The strict and narrow sense is the one which crops up in various pieces of national legislation, like the Workers Compensation Act of 1978, the Mining Act of 1992, or Section 58 of the National Constitution. If this legalistic definition fails to cover the full range of meaning which the word now holds for Papua New Guineans, that is not because they have become accustomed to the broader, figurative usage of the word in European discourse, but because they tend to say, especially when commenting on other people’s claims, that some forms of compensation are distinctively traditional and some are not. The distinction thus made between genuine and dubious demands is not primarily directed towards the question of whether some form of damage has been correctly evaluated, but to the physical and moral qualities of the ‘thing’ which has been damaged, the nature of the human agencies responsible for dealing with it, and the manner in which they proceed to do so.

The distinction between ‘resource compensation’ and ‘homicide compensation’ (the subject of a previous Law Reform Commission monograph) appears to illustrate this difference. One may doubt the ‘traditional’ quality of payments for damage done to land or natural resources because such payments bear an obvious resemblance to ground rent, but custom has no space for ground rent because (‘as we all know’) customary land has never been a commodity. On the other hand, payments for damage done to human bodies seem to belong with bridewealth and funeral feasts in the larger class of ‘reproduction payments’ which have always been central to the customary ‘gift economy’, in the same way that markets are supposed to be the central economic institutions in modern capitalism.

Anthropologists tend to agree that ‘bodily compensation’ was the normal form of compensation in those communities which recognised the validity of material transactions as a form of dispute settlement or conflict management (Scaglion and Gordon 1981). Andrew Strathern (1993a) has noted that the link between such compensation and other types of reproduction payment, such as bridewealth, can be seen in the identity of the valuables used as symbolic substitutes for human bodies, persons or services. He also draws a distinction between those societies in which compensation was integrated into a cycle or sequence of reproduction payments which had the general effect of reproducing
a certain pattern of social relations between neighbouring groups, and those in which each act of compensation was a separate attempt to end a violent relationship. But while this distinction may usefully be applied to the cultures of the central highlands, there is not a great deal of evidence to suggest that compensation of any kind was traditionally recognised as a truly distinctive form of material transaction in other parts of Melanesia.

Even where anthropologists can recognise that current demands for bodily compensation do carry the authority or connotation of some genuine local custom, the traditional validity of such demands may still be dubious for one of three reasons: firstly, because they are not directed at, or even by, traditional social groups; secondly, because they are demands for cash rather than traditional valuables; or thirdly, just because they are demands. According to Strathern (1993), the very word 'compensation' is now frequently used as a 'gimmick' or 'rhetorical flourish' to conceal a greedy, selfish and thoroughly modern desire for free money, goods or services beneath 'an appeal and resonance derived from indigenous custom', and this is most obviously true when the demands emanate from well-educated individuals and are then directed at government agencies or private companies as if these were traditional clans or communities. There is no shortage of well educated Papua New Guineans who heartily agree with this analysis, and have often been inclined to blame the power of money for subverting the traditional significance of other types of reproduction payment, such as 'brideprice', in a comparable vein (Strathern 1981, Filer 1985). But public statements to the effect that 'money is the root of all evil' disguise the peculiarly unbusiness-like way in which the forces of supply and demand affect both the amount and the medium of payment in different communities and social situations. As Hasu and Morauta (1981) noted of the Toaripi of Gulf Province—and the same point could be made about many other Papuan communities—the quantity and quality of reproduction payments, including compensation payments, is traditionally determined by the donors, not by the recipients, because there is a 'general principle' in Toaripi society that such payments serve to augment the social status of the former, rather than the latter. Even if this equation is reversed in other parts of the country (or under the influence of a market economy) the inference to be drawn here is that compensation payments are not governed by some abstract economic principle, but constitute one possible and widely variable element in the negotiation of specific social and political relationships.

This argument applies to resource compensation, no less than it does to bodily compensation, not because resource compensation is firmly grounded in any traditional economic practice, but because the resources for which
compensation is claimed or paid have not yet been subjected to any single measure of value which commands the understanding and allegiance of those making the claims and those making the payments. It may be true, as Strathern points out, that some Melanesian communities have always made some allowance for the transfer of land rights between groups or individuals in exchange for traditional valuables, but such transfers bear no relationship to the resource compensation discourse of the period since Independence, which is wholly devoted to the asymmetrical relationships between ‘traditional groups’ and the agents or administrators of ‘development’. In this context, the definition and measurement of ‘compensation’ cannot be derived from any contemplation of traditional values, but must either be deduced from a specific method of calculating the price of resources or else related directly to the balance of power between the stakeholders engaged in the business of negotiation. But where the balance of power is itself inconstant or uncertain, no method of calculating the price of resources can create a common understanding of the difference between ‘compensation’ and the other forms of payment which arise from the ‘development’ of those resources.

It is, of course, the extraction of mineral resources which has provoked most of the recent debate on this subject in Papua New Guinea (see, for example, Larmour 1989, McGavin 1994). Indeed, one might say that mining stars in resource compensation discourse just as murder features in debates on compensation for the human body. No small amount of time and effort has been spent in the search for a ‘compensation formula’ that will provide lasting satisfaction to the various stakeholders in the mining and petroleum sector. However, as Burton explains in some detail (this volume), the chances of discovering this holy grail are still remote. For reasons which are not immediately obvious, Burton himself extends the definition of ‘compensation’ to include the landowners’ share of royalties (which are part of the resource rent) and their receipt of occupation fees (which are a form of ground rent) as well as the various types of compensation prescribed by the Mining Act of 1992. This does enable him to demonstrate that different types of payment or benefit to local landowners are liable to have different relative values in different local contexts, mainly because of variations in the area and quality of the land which is leased for mining and related purposes, and in the size of the landowning population. However, this only serves to compound, rather than alleviate, the problem of distributing such benefits between a range of local claimants who can hardly be expected to conceive, much less agree, a single method of evaluating the resources whose possession justifies their claims—not only at the moment when a ‘compensation agreement’ is actually signed, but also through the period in
which relationships between the claimants are transformed by all the local impacts which a mining project has (Filer 1990a).

In fact, the elasticity of Burton’s definition matches an apparent tendency of local landed interests to use the idiom of ‘compensation’ to contain the greater part of all the benefits which they expect a mining project to provide. For example, representatives of the Lihir Mining Area Landowners Association produced a ‘position paper’ (LMALA 1994) in which they distinguished four types of benefit: one called ‘compensation’ for ‘destruction’, and the other three called ‘compensation’ as ‘development’, ‘security’ and ‘rehabilitation’. The first and last of these four types of benefit were clearly seen to match the cost of damage done by mining to the physical environment, and thus relate to what McGavin (1994) calls ‘the opportunity cost of lost subsistence production’. But the notion of compensation as ‘development and security’ was held to embrace a much longer list of desirable objects: the satisfaction of a constantly rising level of ‘basic needs’; the construction of roads, schools, medical facilities and other items of ‘community infrastructure’; various forms of education and training; the participation of landowners in ‘business and commercial activities’, including ‘equity participation in the mining project itself’; and the defence or reconstruction of local custom by means of something known as the ‘Society Reform Programme’. Oddly enough, this catalogue did not include the royalties and occupation fees which Burton treats as ‘compensation’—possibly because it was intended to divert attention from the problems posed by large amounts of cash distributed unequally between the members of an ‘unreformed’ society. In a subsequent memorandum addressed to the Law Reform Commission, the Chairman of the Association, Mark Soipang, defined ‘compensation’ as ‘the state of equilibrium reached when [the] forces of destruction and impact must [be] equal to the forces of compensation...[so that] the Landowners are forever happy and accept the losses and impact they will suffer’. It is perhaps no accident that the author of this memorandum once listened to the same long harangue by Francis Ona and other rebellious Bougainvillean landowners which led me to express the view that ‘rural villagers [who] would like to experience economic development without the loss of social harmony’ may later find that they ‘have experienced a loss of social harmony and a relationship of economic dependency as a result of the compensation package accepted by their own predecessors’ (Filer 1990a:27).

From this vantage point, the distinction between ‘compensation’, in the narrow sense of the term, and the ‘benefit package’ or ‘Basic Mining Package’ which landowning communities are now offered as the price of their cooperation
in the development of mining ventures (West 1992) is less important than the question of whether landowners are 'really' seeking to maximise their collective or personal share of mineral rents, or whether their demand for compensation stems from their desire to gain a certain level of participation and control in the development of their resources.

Those who manage the 'forces of destruction and impact' are understandably inclined to take the former view, largely because the demand for compensation threatens their own corporate interest in the distribution of resource rent. According to McGavin (1994), landowners (or their leaders) compete with the various arms of government over the relative size of the unearned (rental) component in their respective forms of income from mining—broadly conceived as 'compensation' versus 'taxation'—since both have an inclination to reduce the value of their respective contributions to the process of development itself. This leads him to imagine the formation of compensation claims as a mental process which is rather different to the one which Bob Browne has shown us in the cartoon opposite:

Compensation claims in Papua New Guinea usually start off with some fabulous sum that first 'comes into the head' and, in customary circumstances, conclude with the maximum that can be extracted. In principle, there are valid claims that fall within an opportunity cost understanding of contributions that may be brought by customary landowners to the contractual setting...In practice, however, the greater part of compensation claims brought by customary landowners are likely to involve a search for unearned incomes (McGavin 1994:12).

It is interesting that McGavin (an economist) should thus link the 'rent-seeking behaviour' of customary landowners with a lack of economic calculation which he attributes to the 'custom' of pitching one's compensation demands at the other party's perceived capacity to pay. But the wider gulf between Western and Melanesian forms of property apparently distorts this perception. As a result, the 'unrealistic opening claims' of landowners can also be said to follow from their failure to recognise the size of the surplus available for distribution, confusion between gross and net incomes, defective understanding of value creation, or recognition of the possibilities for sabotage and banditry (McGavin 1994:72).

At this point, a more sympathetic observer may be tempted to defend the rationality of the claimants by noting their capacity to play the compensation game to their advantage. Richard Jackson, for example, shows some admiration for the Porgera landowners who 'were able, by close observation of company practice, to guess what the development plans would be and to plant gardens and build houses directly on new road alignments or development sites and
thus obtain compensation for these improvements' (1991:22). Such examples could be replicated in other project areas. But now we find that our attention is directed back to ‘compensation’ in the narrow, legalistic sense, and whether we approve or disapprove the conduct of the claimants, it is hard to see why an appeal to ‘custom’ should be necessary to explain it. Even where demands appear, to an economist or company accountant, to have passed the bounds of reason, this need not imply that Melanesians and their Western counterparts have different evaluations of the losses they incur (Knetsch 1989). What is more perplexing is the case in which the claimants expand the very idea of ‘compensation’ to the point at which the fate of ‘custom’ is selfconsciously inserted into it, and then related, consciously or otherwise, to the instability of what McGavin calls ‘the contractual environment’ and the imponderable nature of what he calls ‘cultural deprivation’ and ‘cultural development’. In the common parlance of the mining industry, we are no longer dealing with people who are simply being ‘greedy’, but with people who ‘cannot be trusted to keep their word’ or who ‘do not know what they really want’.

The ideology of landownership

Anthropologists, like neo-classical economists, community relations personnel and government officials, share a focus on the question of what landowners are thinking about when they make particular compensation claims or sign particular compensation agreements. In so doing, they may fail to recognise the extent to which landowners are acting out an ideology of landownership which has its own history, and which colours the definition of compensation in particular ways. They may fail to see that when landowners become engaged in a relationship of compensation with some external agency, their status as landowners (and their consequent role within this relationship) is not a simple and straightforward fact of life. For there is a sense in which Papua New Guineans have only become landowners over the course of the last 10 years.

During the colonial period, the nearest approximation to the concept of a ‘landowner’ in rural Tok Pisin was the phrase *papa bilong graun*—a phrase which was normally used to refer to an individual owner of some particular piece of land, often in cases where the ownership was a matter of dispute or a matter of interest to some colonial official. In the wake of national Independence in 1975, this phrase was condensed into the single word *papagraun*, in much the same way that the phrase *lo bilong tumbuna* (‘ancestral laws’) was condensed into the single word *kastom*. In both cases, the condensation accomplished a new kind of collective status for what had previously been a set of discrete phenomena, and also the sense of an opposition between this novel entity and
THE GRASS ROOTS GUIDE TO PAPUA NEW GUINEA PIDGIN

KOMPENSESEN
(EVERYBODY KNOWS HOW TO PRONOUNCE THAT!)

THINK OF A NUMBER... DOUBLE IT...
MULTIPLY BY THE NUMBER OF RELATIVES YOU HAVE...

SUBTRACT THE NUMBER OF HONEST POLITICIANS YOU KNOW PERSONALLY...
ADD SIX ZEROS AND CONVERT IT TO KINA (AT THE PRE-DEVALUATION RATE)

THEN DEMAND IT FROM THE GAUMAN FOR THE LOSS OF YOU PIG OR DOG OR OTHER CLOSE FAMILY MEMBER (SPEICLY IF THEY DIED OF OLD AGE!)
an external force—between ‘landowners’ and outsiders wanting access to their land, or between ‘custom’ and the prospect of ‘development’. Nowadays, especially in areas where some ‘resource development’ is actually taking place, or where people are demanding compensation for the use of customary land, Pidgin discourse has made way for the Anglicised term landona—thereby accomplishing the conceptual separation of the ‘landowners’ from their land (that is, graun), even where it is assumed or argued that this separation cannot be achieved in practice.

The public evolution of this status in the English language itself can be traced through the pages of local newspapers over the same period of time. For example, in all the titles of all the news items, articles and letters published in the Post-Courier in 1975, I have only been able to find one occurrence of the word ‘landowner’: a front page story on 18 March bore the title ‘Landowners Make Game Laws’. (The Post-Courier Selective Index has placed this story in the category ‘National Parks, Wildlife and Conservation’, and not in the much larger category ‘Land, Land Disputes, Land Settlement’.) In the titles of other items, the rural population appears in a wide variety of other guises—no longer as ‘natives’, of course, but as a motley band of ‘villagers’, ‘squatters, ‘robbers’ or ‘bandits’, as Bougainvillean ‘rebels’, ‘Luva people’, a ‘Chimbu group’, or the ‘Piplika clan’.

Table 10.1 suggests that the presence of ‘landowners’ on the public stage has greatly increased since the time of Independence, and more especially since 1987, while the incidence of discourse about ‘compensation’ has also increased, though not so markedly, but the overall volume of public debate on the general subject of ‘land’ has remained relatively constant, or perhaps even declined, over the same period.

If we make a distinction between items which deal with ‘resource compensation’ and those which deal with ‘bodily compensation’, we find that the first of these categories accounted for 2 of the 3 ‘compensation’ headlines in 1975, no headlines in 1987, 4 in 1988, 11 in 1992, and 16 in 1993. In 1975, the

<table>
<thead>
<tr>
<th>Table 10.1 Incidence of newspaper items about ‘land’, ‘landowners’ and ‘compensation’, 1975–93</th>
</tr>
</thead>
<tbody>
<tr>
<td>Titles containing the word ‘landowner’</td>
</tr>
<tr>
<td>Titles containing the word ‘compensation’</td>
</tr>
<tr>
<td>Total items on the subject of ‘land’</td>
</tr>
</tbody>
</table>

Note: ‘Compensation’ covers ‘Compo’ and ‘Compensated’.
Index placed items on the subject of bodily compensation in the category of items dealing with 'Payback and Compensation' (of which there were only 3), while items on the subject of resource compensation were placed in the general category of items dealing with 'Land, Land Disputes, Land Settlement'. By 1987, the Index had a separate category for items on the general subject of 'Compensation', which has normally included a mixture of items dealing with bodily and resource compensation, but in most recent years, there has been a separate category of items on the subject of 'Land Disputes and Compensation', where most of the items are about resource (rather than bodily) compensation. A total of 32 items were placed under this latter heading in 1987, 33 in 1992, and 55 in 1993, while the more general category of items about 'Compensation' contained 18 items in 1987, 29 in 1992, and 32 in 1993. From this we can perhaps infer that most (though not all) of the increase in public debate about 'compensation' represents an increase in debate about resource compensation, rather than bodily compensation.

The growth of public debate about resource compensation is intricately linked with the development of 'landownership' as the principal vehicle of national populism. Once released from their colonial subjection, Papua New Guineans (or 'Melanesians') have been learning to think of themselves as people who are distinguished from other nations or races by their singular physical and emotional relationship to 'the land' which all of them possess. The 'automatic citizen' who has no customary land rights is a contradiction whose existence cannot be admitted. The identification of 'the people' as (customary) 'landowners' is also the flipside of denials that there is such a thing as 'poverty' or 'peasantry' in Papua New Guinea. It is because 'we' are all petty landlords that we can neither be peasants nor be poor. Declarations concerning the sheer abundance of national natural resources (commonly contrasted with the folly of their current exploitation or mismanagement) are also part of the same ideological construct. So is the proposition that there is no square inch of national territory which does not have a customary landowner attached to it (the mental abolition of *terra nullius*), the belief that customary land is always owned by groups called 'clans', and even the statement that land tenure is an alien concept.

Regardless of the much-quoted 'fact' that 97 per cent of the surface area of Papua New Guinea remains under customary tenure (the real figure being somewhat higher), the ideological quality of customary 'landownership' is evident in the rather different 'fact' that any statement about 'landowners' can now be defended and attacked from the same political standpoint. For example, Lynch and Marat (1993) have attacked the new Mining Act for calling landowners 'landholders', as if to deny the substance of their tenure, while another radical
lawyer, Brian Brunton (1995), makes exactly the same substitution in order to emphasise the idea that customary ‘owners’ only hold their land in trust for future generations, and perhaps also to repudiate the feasibility of registering customary land. Indeed, the recent eruption of ‘popular’ protest against the so-called ‘land reforms’ supposedly being imposed upon Papua New Guinea as an integral part of the World Bank’s ‘structural adjustment programme’ provides a wealth of further illustrations of the way in which this ideology has entered into the construction of a national identity.

The following extracts from letters written to the Post-Courier newspaper are all part of a collective defence of ‘national integrity’ against the onslaughts of ‘international monsters’:

Registration of customary land...will signal the loss of power which is usually derived from the special bond between people and their land. It is this power that brought giant mining companies crawling into the courtroom; this same power legitimises our rights to demand compensation from unscrupulous transnational corporations; it is the power that holds at bay bad business practices by foreigners by way of prolonging negotiations, demanding proper business deals, environmental plans, etc...It would be the beginning of division and destabilisation of families, clans, tribes, communities and ultimately the nation, hence the disintegration of our traditional cultural autonomy (Post-Courier 17 July 1995).

We know we are blessed with resources. We are a rich people with what we have—people who know their true connection to the land will understand this. Take the land from us, and we are true beggars on our own soil (Post-Courier 1 August 1995).

Land tenure is a Western concept like many other foreign ideas which have failed terribly in this country. Land entitlement over time changes hands and does not belong to a particular person, clan or tribe for that matter. That is why we have land disputes all over the country...If the landowners and not landlords wish to participate in meaningful development then teach them to be developers of their own land. Let them borrow the money from the banks and let them run their own businesses on their own land. In this way we will have self sustainable development co-existing with unspoiled cultural environment. Our land will not be turned to desert by foreign companies (Post-Courier 4 August 1995).

Registration would promote the cunning middleman looking for the slightest opportunity to make profit at the expense of the silent customary landowner...Minor disputes within a clan may be suppressed in order to get land registered. Once the land’s value has increased the land owner who was not happy in the beginning cannot come back and sue anybody because now he has to deal with a corporate body’s land (Post-Courier 10 August 1995).

We believe the Government’s wish to register our customary land is a calculated move by it and the World Bank to wreck the normal, easy and simple village life of
all customary landowners within this country, which we know is one of [the] best in the whole world (Post-Courier 25 August 1995).

The assumption that a country's age-old traditional system can be wiped out at the whim of a financial institution shows the contempt of outsiders for this growing nation...My brothers: in the Bible Esau 'sold his birthright for a mess of pottage'! Let us pray that this Papua New Guinea of ours under God, does not commit that same foolish error! The bride gives herself gladly to the groom: together they find happiness in the future. The groom rapes the bride: tragedy is assured. Landed or Landless: It is the people's time to choose (Post-Courier 22 September 1995).

The irony in this particular stream of consciousness is that the World Bank's current interest in promoting the registration of customary land in Papua New Guinea is part of its attempt to rationalise the distribution of resource rents from log exports in ways which will ensure a greater material benefit to the 'real' customary owners of the logs being exported. From which its opponents infer that it must be a very cunning monster too.

Of course, what Papua New Guineans say in public debate about their land or their resources may not bear any obvious relationship to what they do in practice when confronted with a 'compensation situation'. This also is a feature of ideologies in general, since their internal contradictions naturally give rise to the view (which Papua New Guineans often espouse) that 'mere talk' is no guide to actual behaviour. So it is reasonable to ask if the historical development of specific forms of resource compensation is the outcome of negotiations between key players or stakeholders in which ideological statements or sentiments about landownership play only a marginal or occasional role. And we may likewise wonder whether some of the articles of faith which now pop up in public debate about resource compensation have been transposed there from some unrelated range of practical, historical experiences.

Take, for example, the simple proposition that 'clans own land'. This particular article of faith is not one which has emerged as part of a popular reaction to the facts of political independence, but was one of many rules of thumb which guided the colonial administration of 'native custom'. But if we follow that line of analysis which regards particular types of group as the effect of particular types of transaction, rather than vice versa, then we can find the element of novelty by asking how the status of 'clans' as landowning groups has been amplified or distorted by the growing popularity of 'compensation' as the public goal of their collective action. It can be shown that the Goilala 'landowners' of the Tolukuma gold mine in Central Province have actually invented 'clans' in the course of their own debate about the prospective distribution of material benefits from this particular development. But even in the very different cultural setting of the Lihir islands, where 'clans',
in the normal ethnographic sense of the word, were already the product of mortuary feasting practices, the same prospect is still transforming the significance of ‘clans’ as local people try to formulate a set of ‘Lihir Land Rules’ which will codify local entitlement to those areas of land required for mining purposes and later serve (they hope) to solve disputes arising from the monetary value of these holdings. From these examples we can begin to see that the question of whether ‘clans’ exist as ‘landowners’ in the fabric of national identity is the question of how ‘clans’ have actually become groups of landowners claiming compensation from development of their resources.

In this respect, we can propose that public identification of the mass of Papua New Guineans as ‘customary landowners’ is a phenomenon which owes a good deal to the mineral prospecting boom of the early 1980s, when substantial sections of the rural population began to formulate the view that roving white geologists were the new heralds of true ‘development’, drilling their way through the failures and disappointments of the post-colonial political system. It then became a foundation stone of public debate about these same failures and disappointments through the scandal which erupted around the ‘Placer Pacific share issue’ in the latter half of 1986, when many of the country’s individual ‘elites’ were thought to have used their inside knowledge to make illegitimate windfall profits from stockmarket speculation. This perception of corruption made a considerable impact on the national election campaign of 1987, but when that election failed to bring about a change of government, and the government continued to negotiate the development of the new Misima and Porgera gold mines with the company which had sought ‘local participation’ through its earlier share float, the new wave of public debate about the mining industry created a new role for ‘landowners seeking compensation’ at specific project sites—not least on Bougainville, of course, but not just there. We might then proceed to ask when and how the outcomes of this debate were not only embodied in the general tenets of national populism, but also made a distinctive impact on the negotiation of other projects or issues—from logging projects to repeater stations to highway robbery. But we should not forget that an economic history of compensation in this country has several other ingredients, some of which date back to the colonial period, and most of which are still present as distinctive contexts within which compensation is demanded, debated and paid.

The history of compensation

Although Burton (this volume) notes the provisions which were made for compensation of ‘natives’ in the early mining ordinances of Papua and New Guinea, the earliest episode in this particular history which still bears on the
configuration of current national discourse is surely the payment of ‘war damage compensation’ by the Australian administration in the aftermath of World War II. Substantial segments of the ‘native’ population received almost one million pounds under this heading in the 5 years from 1946 to 1950. This was compensation for both loss of relatives and loss of property, and thus represented a mixture of what I have chosen to call ‘bodily’ and ‘resource’ compensation.

Few Europeans realised that many Papua New Guineans were disappointed with the amount of compensation, that 5 pounds for a lost pig and 20 pounds for a dead son seemed small after the experience of Western military wealth during the war, of riding in army trucks and cars, eating army rations and seeing vast military encampments built within weeks (Griffin et al. 1979:107).

The enormity and variety of the damage done during the war lasted long enough in the minds of those affected by it for a new set of claims to be made against the suffering and toil of the ‘war carriers’ in the aftermath of national Independence. One might have expected that demands for this particular form of bodily compensation would naturally vanish as death took its toll of the remaining carriers, but a recent spate of anniversaries, combined with the development of a world market in war relics, has provoked a new series of demands which recombine the value of an ancient service with the value of a place or item of historical significance. For example, in March 1992, the ‘landowners’ of the Kokoda Trail were reported to be demanding community projects worth K3.5 million before they would allow the trail to be used as part of the 50th anniversary Anzac Day celebrations—the greater part of the demand being directed at the Papua New Guinean and Australian governments ‘as part of the war carriers’ compensation’, while the rest was directed at two travel agencies which were expected to make substantial profits from their sponsorship of the Kokoda Epic Run (Post-Courier 26 March 1992).

War damage compensation has thus been assimilated to another form of resource compensation which originated outside the ‘resource sectors’ of the national economy and became the subject of substantial agitation in the 1970s. This concerns the land removed from customary tenure during the initial period of contact between indigenous and colonial regimes, when it can now be claimed that the transactions were distorted by grotesque disparities in the perceptions and evaluations of the two sides. In this case also, claims for compensation are directed partly at the increase in the value of an asset over time, and partly at the fraud or trickery by which it was initially secured. Around the time of Independence, claims of this sort were mixed up with the politics of plantation ownership in the Gazelle Peninsula, but they have since come to revolve around the land which has been used for urban development.
and certain types of economic infrastructure. Their motivation has also come to include, in some cases, an element of frustration with the perceived failure of relevant government agencies to honour past undertakings to the ‘original landowners’, and also an element of fraud or trickery on the part of the claimants themselves, especially when the claims are made in respect of recently negotiated leases whose faults cannot be traced back to the dawn of colonial history.

Some observers see this new bundle of motives as the defining element in most of the compensation claims now being made against the State, whether these be claims for use of land and other natural resources or for damage done to human bodies. But we have yet to consider that part of the preceding history of compensation in which the process of government has involved the promotion or regulation of compensation payments between natural or corporate persons whose own experience of this process may well have affected their understanding of payments due to them from the State itself.

In the central highlands of New Guinea, where war damage was not an issue, the first episode in the modern history of compensation was the support of the colonial administration for the conduct of peace-making ceremonies as an alternative to the practice of ‘payback’ between neighbouring clans. By this means, bodily compensation was given the stamp of colonial authority as a central branch of ‘traditional’ political economy. Meggitt (1977) and Gordon (1981) have both remarked on the way that ‘blood money’ soon came to be seen as a sort of ‘fine’ imposed by the state in a futile attempt to stem the actual flow of blood, and later became the subject of ‘excessive’ demands by claimants who were no longer prepared to accept the mediation of the courts or the practice of ‘traditional’ exchange as legitimate methods of ending a feud.

The notorious history of homicide compensation in the central highlands may nonetheless conceal some more pervasive changes in the relationship between the ‘roads’ called ‘law’ and ‘money’ in the years preceding and following Independence. In many parts of the country, local government councillors who inherited the semi-judicial mantles of the old luluais and village constables seem to have made it their business to encourage the use of cash as the standard measure and means of payment for all the ‘wrongs’ which could be settled beyond the official notice of the colonial legal system, yet still appealed to the authority of ‘law’ to underwrite this practice. From my own fieldwork in a Sepik village in the early 1970s, I can still recall the huge amount of time that councillors would spend in making a public account of the precise amount of money which one person owed another for some particular list of ‘wrongs’—and also their pretense that all these ‘prices’ were imposed or underwritten by
the 'government' which gave them the authority to do the sums. Yet this way of thinking about the financial power of the State was at variance with the one which colonial administrators had in mind when they sought to use the institution of local government as an instrument to teach the native population the relationship between taxation, public spending and democracy. And it seems fairly clear that the capacity of the State to regulate the practice of 'compensation' amongst its subjects was eroded by the contest, which has grown increasingly acute since Independence, over the 'balance of payments' between the State itself and its constituent communities. When the use of money is no longer subject to the real or imaginary force of Western law, the collection of taxes, fines and fees by the various arms of government creates the expectation of an equally disposable return. Politicians and officials are then led to conclude that 'handouts' of one kind or another are the only way to sustain the legitimacy of the State, even if the distribution of such payments always purchases support from one direction at the cost of losing it elsewhere.

In this respect, the highland region is perhaps unusual in the extent of the demands made by both sides in the contest for financial sovereignty. For example, Strathern (1981:17) noted the strenuous attempts of Village Court officials in the Dei Council area to collect the maximum level of fines payable for various offences, while punitive police raids on highland villages are now met with legal action for punitive damages against the perpetrators. The 'strong arm of the law', which once forced people to make peace with each other, now merely provokes a further round of claims against the State itself.

If the significance of 'compensation' has thus been affected by the financial form of citizenship, it has also been affected by a separate process which owes more to the economics than the politics of post-colonial society. This may be conceived as an inversion of the relationship between bodily compensation and resource compensation, whereby the latter replaces the former as the main point of articulation between 'traditional' and 'modern' economics. This is also the point at which the ideology of landownership begins to cast its long shadow across the politics of national identity, and from which it might even be said that, if England is (or was) a nation of shopkeepers, then Papua New Guinea, which was once a nation of gardeners, is now becoming a nation of gatekeepers and rentcollectors—or at least a nation of female gardeners and male rentcollectors.

Although there may still only be a minority of the rural population which actually does receive some form of resource rent, the vast majority now seem to subscribe to the belief that their land does contain some valuable resource—whether gold, oil, diamonds, or the truly visible logs—and that their only chance
of ‘development’ lies in their share of the rent to be collected from the extraction of these resources by some ‘multinational’ company. Stürzenhofecker has provided a graphic illustration of this state of mind in her portrait of a Duna community whose male members

blend received notions regarding powerful spirits with rumours regarding the finding of oil resources, in such a way as to move from the picture of a sacred landscape, whose fertility must be preserved for the future, to a picture of an exploitable landscape available for manipulation by a company...Their peripheral location, coupled with rumours of the centralising potential of company development, have given them an almost apocalyptic vision of what such a form of development could bring to them, regardless of the likely ecological consequences (Stürzenhofecker 1994:27).

The lack of ‘realism’ in such expectations should not lead us to suppose that they are founded on an incorrect assessment of the forces driving the economy. For the popular perception of ‘development’ as the collection of a resource rent reflects the real historical tendency for an ever-increasing proportion of the national income to be obtained in this form—and an ever-diminishing portion of that rental income to be available for ‘rational investment’ on the part of the State or in accordance with national and provincial development plans. The remainder accrues to a motley band of ‘customary landowners’ whose consumption of the proceeds may or may not leave a surplus which may either pay the price of their admission to the accumulation strategies of an existing ‘national bourgeoisie’—most commonly through the purchase of urban real estate or the formation of ‘joint ventures’ with foreign entrepreneurs—or else be stolen from them by the fraudulence of their ‘leaders’, ‘consultants’ and ‘advisers’.

Corruption notwithstanding, foreign developers may find some reassurance in the idea that a nation of rent collectors is a nation with which they can ultimately do business, once the laws of price and value have been recognised on both sides of the table. ‘Resource compensation’ will become a form of ‘resource rent’ to the extent that compensation claims are subject to a rationally calculable form of regulation. If the developers are successful in their efforts to secure this form of regulation, then they will, in a sense, have created a nation of rent collectors, in the same way that their previous efforts to gain immediate access to natural resources on customary land has already created a nation of customary landowners. In one sense, Peter Fitzpatrick anticipated this earlier creation when he argued that ‘natural resource extraction can itself assist indirectly in the conservation of the traditional mode of production’ because (like Australian aid) it reduces the reliance of the ‘dominant internal class elements’ on the surplus value produced by the ‘peasantry’ (Fitzpatrick
In language more familiar to Papua New Guineans, the national 'elites' are not obliged to exploit their 'grassroots' compatriots directly when all 'customary landowners' have a common interest (and a certain amount of success) in extracting a share of the profits made by foreigners extracting natural resources from their land. However, if this common interest encourages or presupposes the maintenance of 'the traditional mode of production', there is less reason for developers to hope that landowners demanding compensation are on their way to becoming petty landlords collecting a reasonable rent, and more reason for them to suspect that 'compensation' is another name for extortion, and thus a form of theft rather than a form of rent, whose collection is hardly to be distinguished from the 'gate-keeping' practices of the hold-up merchants along the Okuk Highway. In that case, we may not be contemplating the forward march of a market economy, but regression towards the state of affairs which existed at the time of 'first contact', when mutual hostility or 'negative reciprocity' was the characteristic form of economic relationship outside of the community within which reproduction payments were organised. This we may call the developer's nightmare.

**Custom and development**

While there may be some rhetorical value in the proposition that 'compensation' is beginning to take on the characteristics of some other economic relationship—such as rent or extortion—the approximation remains imperfect in practice while the actual demands, negotiations and payments are still embedded in a network of personal relationships which endures beyond these specific acts and includes a variety of other economic ingredients. If it is true to say that 'resource compensation' represents a crucial point of articulation between the 'traditional mode of production' and its modern capitalist counterpart, then 'tradition' is more likely to be represented by this network of personal relationships than by any particular type of economic transaction. But we do not have to dig up and defend some model of 'traditional economy' before we can proceed to ask how 'resource compensation' reflects and constrains the more general pattern of current relationships between, and within, 'landowning communities', and their relationship to the variety of organisations or 'development agencies' from whom compensation is expected or demanded.

Several observers have noted that local landowners have an understandable tendency to compare, or even to model, their relationships with developers on those relationships which already feature in their customary networks of reciprocity. Writing about the impact of the Misima gold mine, Gerritsen and
Macintyre phrase this observation in terms of an abstract distinction between 'reciprocity' and 'contract':

For Misimans unfamiliar with the rigidities of commercial contracts, the appeal to the letter of the law is not only baffling, it is antisocial. More specifically, it fails to take into account the prevailing notions of reciprocity and the customary indebtedness of guest to host (1991:44).

Jackson remarks that local villagers deal with mining company employees as if they were 'a sort of kinsmen' (1991:21), while Strathem writes of a 'clan mentality' which causes people to deal with all sorts of external agencies as if they were 'super-clans' (1993a:60). It is not difficult to concede the plausibility of such observations, and yet they seem to raise as many problems as they solve.

Given the sheer variety of personal relationships which we may normally expect to find in any matrix of local custom, it is surely pertinent to ask which particular relationships are being used to gloss the interface between landowners and developers, and then it may not seem so plausible to suppose that all members of a local community will make routine appeal to one form of personal relationship when dealing with anyone who represents an external development agency in all the circumstances of their mutual interaction. Of course, landowners may use customary norms and routines of hospitality to deal with individual developers as they would deal with any other type of guest in their community. But when we try to investigate or conceptualise the substance of their mutual conduct, we may find that we are no longer dealing with any actual pattern of relationships between real individuals in concrete social settings, but only with snatches of rhetoric which, like the abstract opposition of 'landowners' to 'developers', are applied to 'development discourse' in a certain type of public forum—say the meetings of a local Social Impact Monitoring Committee or the letters of complaint written by self-appointed 'grassroot' representatives to the editor of the Post-Courier newspaper.

Once we allow that there are several ways for landowner-developer relationships to reflect the pattern of personal relationships already found within a local community, we may then wonder how the process of 'development' transforms the quality and variety of these relationships, and how the talk of 'compensation' figures in this transformation. For example, Kirsch (this volume) considers the extent to which Yonggom villagers have come to deal with Ok Tedi Mining Limited as if it were a type of corporate sorcerer, whose employees are no longer welcome as guests, let alone as pseudo-kinsmen, in light of the damage which mining has done to their local environment. In cases such as this, one may readily infer that relationships between landowning communities and mining companies have an inbuilt tendency to deteriorate to
a condition of 'negative reciprocity' (Sahlins 1965) in which the most antagonistic forms of 'customary' interaction serve as models for a popular resistance to 'development'. Under these circumstances, an 'excessive compensation demand' may no longer represent a bid to achieve or restore some notional condition of 'balanced reciprocity' between landowners and developers, but may only count as an act of outright hostility, like a spear hurled at the enemy. But that does not mean that compensation demands—excessive or otherwise—signal a uniform switch in the circuits of material exchange between these two sides. Where forms of reciprocity depend as much upon what Sahlins calls 'the spirit of exchange' as on the quantity or value of material transactions, one may ask if 'resource compensation' has a variable psychological dimension of its own, so that negotiations on this subject can occur at many points in the degeneration or improvement of relationships between the owners and developers of a particular resource.

We can phrase this problem in a somewhat different way by asking what kind of material and personal relationships between landowners and developers are probable or possible at different stages in a specific process of resource development. Developers are liable to answer this question by default when they complain about the inability of landowners to abide by the terms of a contract. McGavin lends this complaint the blessing of ethnographic authority:

The anthropological record of indigenous cultures in Melanesian nations reveals that even where agreements have been reached through prolonged encounter and witnessed by solemn and public assent and ritual, these agreements still represent the state of affairs and even of emotions at the times and places of their articulation (McGavin 1994:19).

In this light, we are liable to envisage the course of landowner-developer relationships as a cumulative process of mutual frustration which stems from the incompatibility of their respective use of words and things to make 'relationships'. On the one side, developers attempt to package their relationships with landowners in specific forms of balanced reciprocity, including compensation agreements, each of which is intended to function as a fixed point of reference, a signpost constantly pointing to their mutual rights and obligations, within the changeable landscape of 'local emotion'. On the other side, landowners are constantly seeking their own private ways and means to remove these elements of balance from the landscape, and when they cannot reach this goal through the manipulation of a 'customary' flow of gifts and favours between themselves and individual developers, they do so by the 'customary' orchestration of hostilities instead. But this renewal of the opposition between modern and traditional ways of 'doing business' obviously begs the
question whether both sides are inherently incapable of learning to appreciate the other’s point of view, or whether they are kept apart by certain aspects of the process or the concept of ‘development’.

At one stage in the development of the Lihir gold mine, when the landowners (or their leaders) were still formulating their concept of ‘compensation’, one of the mining company’s executive officers decided to purchase large quantities of traditional shell money from the islanders in order that ‘the company’ could make a corporate and ethnic contribution to the mortuary payments which Lihirians regard as the epitome of local ‘custom’. In the event, he was dissuaded from this course of action by colleagues who were perhaps mindful of a recommendation made in the socio-economic impact assessment of the mining project, that ‘the company should adopt a community liaison strategy which aims to preserve the power of Lihir “custom” without appearing to patronise it’ (Filer and Jackson 1989:74). If it is true that developers are more insistent than landowners on the need for ‘resource compensation’ to be set apart from those reproduction payments which sustain a local network of personal relationships, their insistence need not be due to an ignorance of local custom, nor even to their failure to perceive the benefits of being integrated into it, but may just follow from their recognition that a mining company cannot behave as if it were a ‘super-clan’ without disruption to the fundamental principles of any ‘gift economy’. And if the landowners of Lihir have now developed a concept of ‘compensation’ which is broad enough to encompass the anticipated fruits of ‘development’ and the local roots of ‘custom’, this need not imply that they believe developers, as a collective entity or as a set of discrete individuals, have the capacity or obligation to participate in the amalgamation of these roots and fruits.

On the other hand, we should be just as wary of assuming that landowners are bound to construe their own participation in relations with developers in terms of the familiar and relatively static features of their ‘customary’ rights and obligations. Even while some developers have been meditating on the feasibility of making a corporate descent into the underworld of ‘custom’, some landowners have been making a countervailing effort to assemble new roles or structures through which to regulate the process of ‘development’. As previously noted, some Lihirians have assembled a Society Reform Programme which purports to defend local ‘custom’ from the impact of ‘development’ by interposing a dense thicket of councils and committees whose combination of pseudo-bureaucratic and pseudo-traditional features might well cause the developers to label it a ‘cargo cult’ if they were not constrained from doing so by the requirements of politeness in the name of ‘compensation’. When I had occasion to ask a committee of Lihirians why they had included a Council of
Chiefs within the structure of their Society Reform Programme, when ‘we’ all knew that Lihir had no customary institution of hereditary chieftainship, they just said that they were following the ‘Fiji model’. On an earlier occasion, when discussing the social impact of the proposed Tolukuma mining project with what was definitely not a committee of Yulai landowners in Goilala District, I raised the possibility that they might also wish to regulate this impact by forming a Council of Chiefs, firstly because of the growing popularity of such bodies in other parts of Papua New Guinea, and secondly because Goilala custom, unlike that of Lihir, does contain hereditary chieftainship (Hallpike 1977; Hirsch 1988). This suggestion was rejected on the grounds that chiefs do not have councils and are not responsible for managing the local social impact of such things as gold mines. Instead the Yulai chose to fabricate three ‘clans’ for their community—where ‘clans’ were no more recognisable in Yulai custom than were ‘chiefs’ in that of Lihir—and then proceeded to demand that each new ‘clan’ should play an equal part in the negotiation of ‘development’ and distribution of its economic benefits, despite the fact that many individuals were still unable to decide which ‘clan’ was theirs or how to make their choice of membership.

Such ‘inventions of tradition’ have become a commonplace of Melanesian sociology. But once these artefacts are placed within the mutual relationships of landowners and developers, it is pertinent to ask how the social construction of such relationships, especially as this takes place in the sphere of ‘resource compensation discourse’, materially modifies the internal constitution of both landowning communities and the corporate entities which seek to organise the process of development. In light of the points already made, we can now see that there are two ways of answering this question, but they are not mutually consistent. On the one hand, we may conceive the substitution of resource compensation for bodily compensation as part of a wider process of commercialisation which has the general effect of ‘liberating’ individuals from a framework of local ‘custom’ which is thereby transformed into the reified instrument of their own personal pursuit of wealth and power in a new corporate environment. On the other hand, we may recognise that local networks of reciprocity are constantly escaping the reifications of custom from which individual landowners are also disentangling themselves, and are subject to their own forms of development which may threaten to subvert the bureaucratic rationality of the ‘developers’ as much as they constrain the social disintegration of the ‘landowning community’.

Both of these perspectives can be found in Andrew Strathern’s exasperated account of ‘excessive compensation claims’ in the central highlands. While landowners seek to deal with the State and other corporate agents of development
as if they were traditional corporate bodies (‘super-clans’), their application of this ‘clan mentality’ is somehow mixed with the ‘short-sighted selfishness’ of certain individuals, whose own preference for short term gains in the shape of ‘compensation’, combined with their reluctance to share such benefits with other members of their own community, creates an obstacle to that same process of ‘development’ which should ideally displace the ‘clan mentality’ from this arena (Strathern 1993a:60). Local journalist Frank Senge presents the same paradox in a somewhat different form. People whose mutual compensation demands were traditionally restricted by ‘the continuous possibility that a similar demand could be made in return’ have now discovered that this restraint does not apply to the business of negotiating pay-outs from the government or from big business, so individuals are encouraged to adopt a profit-maximising strategy in their approach to these negotiations, even while the process of ‘development’ has increased the scale, if not the solidarity, of those ‘customary’ groups which still engage in ‘normal tribal negotiations’, and places an ever diminishing burden on ‘the individual’s ability to pay’ (Post-Courier 2 January 1991).

These are not coincidental inconsistencies. On the one hand, they reflect a real contradiction in the social construction of ‘compensation’ as an economic relationship. On the other hand, they point to the existence of regional and sectoral variations in the form and significance of this relationship which cannot readily be fitted into any single definition or interpretation. In the remaining sections of this chapter I shall try to specify the nature of this contradiction and these variations.

The price of power

In the article to which reference has just been made, Frank Senge cites the ultimate absurdity in compensation claims in the shape of a letter written by a senior public servant in the Department of Eastern Highlands Province to the leader of the League for National Advancement, John Nilkare, on behalf of a group of disgruntled voters, demanding that the Member of Parliament pay them K10,000 because his party’s candidate had recently won election to the Lower Asaro seat in the Eastern Highlands Provincial Assembly. This demand was apparently justified on two grounds:

Being a person of notable status as a businessman, Mr Nilkare has used his position and money to deprive the small man; and [t]he transport (allegedly) provided by Mr Nilkare brought more people to the polls for the winning candidate, something which other candidates could not do.
Senge then reflects that:

With this demand, compensation claims have finally burst through the barrier of material goods and sailed clear into the complicated kingdom of morals, principles, justice and equality, and all the other brothers and sisters of right and wrong (Post-Courier 29 January 1991).

The absurdity of the demand lies partly in the fact that it does not belong to either of the categories which I have called ‘bodily’ and ‘resource’ compensation, but constitutes the ridiculous anticipation of a further stage in the history of compensation as an economic relationship, where the parties to that relationship are no longer landowners and developers, let alone traditional clans or tribes, but voters and politicians. In other words, in this scenario, ‘compensation’ no longer counts as the price of ‘development’, let alone the pursuit of ‘custom’, but as an economic form of political patronage. However, in the mind of an indigenous journalist, this form of ‘compensation’ does not consist in the cynical exchange of money and commodities for political support, but as a peculiar way of seeking to impose some fantastic ‘moral principles’ on this perfectly familiar (albeit regrettable) transaction.

The point at issue here is the tendency for all forms of compensation to be placed under the umbrella of ‘custom’ (a good thing) by those who actually claim them, but then to be repudiated as a form of ‘politics’ (a bad thing) when the claims are lodged by other people. So if it is still true to say that the transition from ‘bodily’ to ‘resource’ compensation has weakened the power of ‘custom’ as the moral basis for compensation claims, then the alternative is not exactly ‘politics’—a game which moral Melanesians cannot claim to play—but something more akin to an expression of dependency or powerlessness. Another national commentator, Koreken Levi, provides a perfect illustration of this sentiment:

When landowners stand with their compensation claims, it is not done in a vacuum. They stand opposed to the cunning, the smart, the educated and the exploiters. They stand, used and abused, and their land so often taken from them. It is in this light that we must look at compensation demands. Only then can we begin to understand why the people in the outlying areas of our country seem to have the urge to create problems for the Government, to provide challenges to their authority. The complicated bureaucratic bungling, the ineffective administration of resources, the unequal distribution of national income, an economy making a few rich and many poor, unequal distribution of services...you want reasons for ‘unreasonable’ compensation demands? There you have them... All these factors play a part in urging the rural people to get benefits any way they can. It allows the powerless to grab a little power in this unequal world that is Papua New Guinea (Levi, Post-Courier 31 January 1992).
Here again the 'spirit of exchange' is liable to bend the lines which we might seek to draw between relationships like 'compensation', 'rent' and 'theft' by reference to the economic values of material products or natural resources. There is, for example, a considerable difference between the spirit in which a 'rascal gang' seeks the bravado required for an armed hold-up and the spirit of righteous outrage in which a group of 'clan elders' assaults some item of public property in order to materially criticise the decline of government services. What is perhaps common to these two cases, however, is that singular lack of 'economic calculation' which so annoys the orthodox economist—an absence which is also evident in the way that rents and ransoms are actually negotiated and spent, which cannot be readily accommodated in a cynical portrait of political patronage, and which seems almost to resist the emergence of a formally rational approach to the pursuit of money and power. For there is little doubt that these two cases also share a common motivation in the popular belief that groups and organisations outside one's own 'community', one's own circle of continual material reciprocity, are necessarily engaged in the unscrupulous accumulation of wealth by theft, fraud and deception, thus inviting and deserving countervailing acts of 'negative reciprocity' or demonstrations of one's own superior morality through claims to 'compensation' from the perpetrators of injustice.

In this way we return to the question of *substantive* rationality, of what it is that Papua New Guinean villagers, landowners or citizens 'really want' when they seek various forms of 'compensation'. Money? Justice? Power? Publicity? Or variable combinations of such things, depending on the circumstances of the claim and the positions of the individuals who make it?

When Papua New Guineans accuse each other of 'playing politics' with compensation claims, they imply the existence of a moral standard by which 'false' or 'inauthentic' claims, of the kind denigrated by Frank Senge, can be distinguished from 'true' or 'genuine' claims, of the kind extolled by Koreken Levi. Furthermore, the general conception of 'politics' as a 'bad road' is one whose negative value seems to rely heavily on an image of the 'politician' as someone who simply uses money as a means to gain more power and simply uses power as a means to gain more money. But it is not so easy to define the path which people think is being followed by the makers of 'authentic' compensation claims, or to decide if the rhetorical components of such authenticity reflect a practical alternative to 'politics', or whether the inexorable spread of capitalist institutions and mentalities is turning all the claimants into politicians by default.
There is no doubt that most Papua New Guineans have a sincere desire for money. Indeed, the recent history of dealings between logging companies and local landowners reveals a remarkable willingness to exchange substantial ‘natural’ values for short term cash benefits which rapidly evaporate in ‘unproductive’ forms of personal consumption. The history of compensation, and especially of resource compensation, also shows that claimants are increasingly disposed to lodge their claims in monetary form. Such a preference can easily be taken to imply that money is dissolving or displacing other social forms of value from the realm of economic life, but economic anthropologists have shown that this deduction fails to comprehend the Melanesian version of the monetary form of customary values in a modern economic setting (Strathern 1979; Gregory 1980; Maclean 1984; Filer 1985; Nihil 1989). This means, amongst other things, that Papua New Guineans may place a very high value on the possession and circulation of money, but still deny that money and power may properly be used in pursuit of each other. And this denial, I would argue, is due to the fact that ‘power’ is not (yet) conceived in the Western manner, as something which, like money, can be a legitimate form of personal property, but in the ‘customary’ way, as something which is properly avoided, dissipated, multiplied or neutralised by the efficacy of moral agents. In popular discourse, therefore, the concept of ‘power’ is the subject of a silence as striking and profound as the volume of noise which distorts the meaning of ‘money’. And if the credibility of compensation claims is undermined when they are seen to be a way of ‘playing politics’, this does not mean that there is anything unworthy in those compensation games which are a way of playing money.

If compensation is more like gambling than extortion, what then can we say about the rules and risks of playing such a game? How do monetary calculations and demands reflect and shape the pattern of relationships between a group of players who are liable to have increasingly divergent understandings of the values which they stand to gain or lose as a result of their negotiations?

In his discussion of homicide compensation, Gordon has suggested that an answer to this question may be found in the practical ‘philosophy of money’ which the players use to reproduce the difference between ‘traditional’ and ‘spurious’ demands. According to Gordon, claimants betray the difference between genuine damages (sori moni) and false profits (win moni) by the manner in which their demands fluctuate through the process of negotiation. In the case of an inauthentic claim, ‘the demand is for almost immediate payment of the complete sum [and] initial claims tend to be very high and then rapidly drop, often to no payment at all’, while the authentic alternative is one in which ‘an
immediate token and a promise to pay later often suffice [and] claims tend not to be high initially and do not drop so drastically’ (Gordon 1981:99). In this example, it appears to be the conduct of the game itself which makes the difference, and not the strength of an appeal to principles of equity or commentaries on the motivations of the players. But what difference is made when the values at stake are natural resources rather than human bodies, and the players entering the game are either landowners or developers?

When landowners demand cash from developers, or robbers demand cash from their victims, both may seem to confirm George Simmel’s observation that an obligation to hand over money is more degrading than one which can be met with goods or services. On the other hand, Knetseh (1989) has proposed an alternative psychology, in which people value their material losses more highly than they value any compensating gains which have the same market price, and landowners should therefore prefer the mitigation of environmental damage to a compensation payment which reflects the value of their lost resources. In either case, developers have an understandable interest in minimising the cash component of their debts to landowners and converting the balance into ‘benefit packages’ whose ‘value’ includes the greater element of control which the developers are thereby able to exercise over the way that their own money is spent. From this point of view, one may readily imagine that some or all of the demands made by landowners are also motivated by the wish to minimise the price, and maximise the volume, of control which they exert, from their side, on the process of developing their natural resources. But in that case, it should not be so difficult to find the ‘magic formula’ by which the two sides can strike an appropriate balance of power at an equitable rate of exchange, and thus agree to call their compensation game a draw.

The obvious explanation for this difficulty is that landowners are not interested in a ‘fair price’ for their resources, or a reasonable ‘trade-off’ between financial and political rewards, but seek instead to do away with every form of wealth and power which makes them seem to be dependent or inferior in their relationship with ‘their’ developers. In that case, the compensation game cannot be drawn, and cannot even be concluded, because landowners do not frame their demands by reference to the value of their own resources, but by reference to the size of the developer’s pockets—the infamous ‘ability to pay’. In their endless and fruitless search for some form of material equality in what is necessarily an asymmetrical relationship, landowners may therefore seem bound to recycle the difference between authenticity and insincerity in resource compensation discourse as the opposition of some ‘norm of reciprocity’ to an assertion of unprecedented greed. And if developers can never actually be assimilated to a customary network of material exchange, it would seem that
the development of resource compensation as a capitalist institution must degenerate into that game of ‘politics’ where custom and morality are both discarded.

But why should we assume that Papua New Guineans who play the compensation game conceive the purpose or result of this exercise as a disposition of material wealth between the various players, and then only ask whether this arrangement conforms to customary standards of exchange or the realities of modern capitalism? Wolfers (1992:252) has suggested that some stake-holders in the resource compensation game may have a bigger stake in the perpetuation of conflict than they have in the negotiation of a settlement, not only because they cannot agree with developers about the value of their resources, but because these same resources may be both ‘a bargaining-chip for beneficial participation in change’ (Wolfers 1992:254) and the subject of intense local dispute over their real ownership (1992:246). Gordon (1981:93) has likewise decried the tendency of many anthropologists to regard the ‘custom’ of blood money as a form of dispute settlement instead of recognising that bodily compensation payments were often motivated by the fear of impending defeat in what was normally a violent relationship between neighbouring groups. In both cases, talk of ‘compensation’ may be said to obscure an imbalance in the distribution of power because it implies that this imbalance can be corrected by the redistribution of wealth. But beyond this, talk of an imbalance in the distribution of power can also be said to obscure a deeper discrepancy between the values which Melanesian and Western players seek to realise in the relationship of resource compensation, where landowners may be less interested in achieving the correct ‘balance of power’ between themselves and their developers than in demonstrating that the latter are as powerless as decent people ought to be.

Hence the curious ambivalence which seems, to Western ears at least, to be the hallmark of the Melanesian contribution to the resource compensation game. The philosophical equations of the Lihir landowners may thus be taken either as ‘a bargaining-chip for beneficial participation in change’, or as a fearful defence of local custom against the menace of a capitalist economy, or as a cunning ruse to lengthen the list of damages for which the mining company will have to pay, or as an instrument of insubordination which denies the right of company or government to wrap their own paternalistic principles around this package. Francis Ona’s infamous demand for ten billion kina contained a similar raft of ambiguities (Filer 1990a). Developers confronted with the kind of paradox in which landowners seem to demand and repudiate the same thing at the same time may be reminded of the Mock Turtle’s question: ‘Will you, won’t you, will you, won’t you, won’t you join the dance?’ Of course, the
form and substance of responses to this invitation vary over time, as local expectations of ‘development’ are progressively modified and largely disappointed by the actual conduct of developers whose ‘power’ to realise this condition turns out to have been overestimated (Stürzenhofecker 1994). Francis Ona’s final refusal to ‘join the dance’ is a long way from Mark Soipang’s insistence that ‘compensation’ should make landowners ‘live happily ever after’. But so long as landowners are still willing to play the game with developers, the true location and the final price of power remains a constant puzzle in their mutual relationship.

The state of difference

In the previous section I have only considered the power of the State as something which appears and disappears within the practice of compensation as an economic relationship between landowners and developers, where ‘developers’ may either be private companies or government agencies. In this final section I shall consider that same power as something which is exercised, abused or ignored in the regulation of such relationships. While the State may still confront the membership of landowning communities as an alien and somewhat incompetent provider of jobs, goods and services, it is also the place in which the landowning citizens of Papua New Guinea still play politics, despite themselves, with ever-growing numbers and intensity, and thereby constantly ‘politicise’ the rules, procedures and sanctions which apply to the measurement of value and the circulation of wealth. On the other hand, the problem of ‘governance’ does not merely consist in a singular national distortion of an ideal and alien form of political economy, but also in that Melanesian state of difference which makes it supremely difficult for the Government to make laws and policies which pay due regard to the diversity of local custom and practice without paying an unacceptable price in the sacrifice of national integrity.

In the case of compensation, this condition of diversity has several dimensions which can be conceived as intersecting paths through the terrain of ‘national development’. Firstly there is regional variation in the extent to which ‘compensation’ actually matters as an economic or political phenomenon. Scaglion’s (1981) collection of writings on the subject of ‘homicide compensation’ barely conceals the popular belief that such things exercise the minds of ‘highlanders’ to a degree which citizens of other regions neither understand nor aim to imitate. If such perceptions are correct, the difference may be ascribed, as we have seen, to regional varieties of ‘custom’ or the timing of specific features of the Pax Australiana. But whichever way we try to explain
the current disparity in attitude and practice between the ‘typical highlander’ and his (or her) lowland compatriot, we are liable to find as much variation within regions as between them, and ‘highlanders’ may then turn out to be divided by a mixture of cultural and historical factors which is quite unlike the mixture which supposedly unites them. While Strathern (1993) distinguishes between those highland cultures in which compensation traditionally had the effect of either sustaining or closing social relationships between neighbouring communities, Gordon (1981) proposes that ‘excessive’ compensation claims have come to be the hallmark of those highland communities in which the pace of development has simultaneously generated an increase in ‘tribal warfare’ and facilitated the acquisition of leadership by a new social stratum of ‘upwardly mobile’ individuals. It may be possible to reconcile these two perspectives, as Strathern himself has sought to do, and yet the task is much more difficult when the claims of ‘history’ and ‘culture’ have to be combined in local, regional and national domains.

It is certainly possible to construe the transition in emphasis from bodily to resource compensation, and the emergence of a national ‘ideology of landownership’, as elements in the creation or reorientation of a national political space, in which the polarisation of urban and rural sections of the population, or the separation of a mobile ‘educated elite’ from the tangle of ‘rural roots’ and ‘urban squatters’, has greater bearing on the shape of modern property relations than do the residues of ancient ‘culture areas’ or the receding vagaries of the colonial encounter. In this kind of account, ‘resource compensation’ figures as one of the more peculiar—perhaps even defective—economic substances in a process of ‘nation-making’ which cobbles together bits and pieces of custom and history, without any special regard for their actual place of origin, and attaches them to some new class or stratum of ‘Papua New Guinean’ or ‘Melanesian’ persons (Foster 1995). It may be argued, for example, that landowners, developers and other travellers along the Okuk Highway are now bound together by a single bundle of economic relationships, extending all the way from Lae to Kutubu or Porgera, which both encourages and overrides the sound of ‘Morobean voices’ crying for their lowland province to be ‘cleaned’ of highlanders and compensation at a single stroke. On the other hand, it can just as well be argued that local and regional sentiment is continually undermining the platitudes of national populism as the alien artifice of the nation-state is practically looted and pillaged by the latter-day leaders of traditional political communities (Jacobsen 1995). And this argument gains weight from the new forms of spatial differentiation and political disaffection which attend the general pattern of resource development and thus embrace the specific practice of resource compensation.
The mining and petroleum sector, whose financial and political weight appears to dominate the general pattern of resource development, presents the most extreme version of such novelties, for the uneven incidence of mineral exploration and extraction, in both space and time, has redivided rural areas according to the expectation and experience of such activities. The nation now boasts a small number of ‘lucky-strike’ communities whose members have been temporarily blessed (and perhaps ultimately cursed) with the discovery and exploitation of an ‘economic deposit’ beneath the surface of their land. Over the last ten years or so, the national government has seen fit to ‘compensate’ this particular group of landowners with a constantly increasing share of the resource rent which accrues from ‘their own’ project, thus reducing its previous commitment to deploy this surplus for the wider purpose of ‘national development’. Such has been the publicity accorded these acts of generosity, and so widespread the wanderings of company geologists, that the rest of the rural population has been more or less consumed in the anticipation of a mineral-dependent destiny. More so in those ‘impact areas’ where people’s fantasies and jealousies have been provoked by their proximity to an actual ‘project’ (Jackson 1991; Strathern 1993; Stürzenhofecker 1994); less so in those ‘traditional economic regions’ whose previous advancement is more likely to provoke complaints about the greed of the so-called ‘mineral provinces’ (West 1992:31). And then, of course, there is Bougainville.

In the period since the eruption of the Bougainville rebellion, public debate about resource compensation has naturally gravitated towards the boundaries of those enclaves of mineral resource development where the developers have been encouraged or obliged by government to take on many of the latter’s normal functions. On this score, resource compensation discourse is a way to talk about the problematic allocation of responsibilities for organising the distribution of wealth and power within these economic zones. The problem lies primarily in the political and economic consequences of a legal distinction drawn between the ‘true landowners’, the acknowledged owners of land leased to the developers, and the rest of the ‘local population’, which is normally the vast majority. For when people are excluded from a share of some resource rent on the grounds that they are ‘not landowners’, that is, not the owners of the particular resource on which the rent is being paid, their resentment springs not only from the perception of an arbitrary discrimination, but also from the feeling that an assault has been made on their most fundamental sense of identity, for if they are ‘not landowners’, then they are nothing.

Then again, mineral resources are not the only natural resources whose extraction generates this kind of concern. The logging industry, the fishing
industry, and even the ‘conservation industry’, contain their own specific versions of the resource compensation game, partly because these industries make different physical contributions to the general pattern of uneven development, and partly because their corporate ‘stakeholders’ have different rules and strategies for dealing with customary landowners.

In the logging industry, for example, the game is more like a form of guerilla warfare than a set piece battle. Despite the widespread damage caused by logging companies on customary land, the question of ‘compensation’ for such damage is rarely addressed through the pages of the national newspapers, nor is it the subject of elaborate legal and bureaucratic regulation. Although there are several factors which may be cited in explanation of this relative silence (Filer 1991; Brown and Holzknecht 1993), it is probably safe to say that the social and technical conditions of the industry have created a constellation of local relationships between landowners, loggers and government officials in which resource compensation certainly exists, both as a concept and a practice, but is normally managed in a more variable, flexible, informal—and sometimes illegal—manner than is typical of the mining and petroleum sector (Holzknecht, this volume). In the fishing industry, ‘compensation’ typically takes the form of ransoms paid to recover fishing boats which have been kidnapped by raiding parties of coastal villagers in those areas, most notably the Gulf of Papua, where the inshore fishery is especially lucrative. Although some fishing companies have been prosecuted for breaching the three-mile limit on the extent of ‘customary waters’, the government has normally abstained from such negotiations. In the conservation industry, by contrast, ‘compensation’ is the hidden topic of negotiations which involve the government with local resource owners, non-government organisations and members of the international community, and whose explicit focus is the nation’s wealth of ‘biodiversity values’. In this case, ‘compensation’ dare not speak its name because it must comprise a package of incentives which will motivate the customary owners of this wealth to sacrifice those rental incomes which accrue from its destruction—incomes which they tend to lump together with the ‘compensation’ paid by the ‘developers’ of their resources (Sekhran 1996). In this case, therefore, one is almost led to say that ‘compensation’ is the price of giving up ‘development’—which does not make much sense to rural villagers in Papua New Guinea.

When these sectoral variations are superimposed upon the various spatial polarities which I have previously mentioned, they produce the kind of playing field on which the best of referees would have some trouble staying upright. If local government councils were unable, despite their best efforts, to regulate
the size of brideprice payments in the later years of the Australian colonial regime, and if the newly independent State of Papua New Guinea found that compensation payments made for death and injury, especially the death and injury of central highlanders, were equally infertile ground for price control, how much more difficult must it now be for any part of government to regulate the compensation paid for natural resources whose diversity is both the envy of the world and the foundation of a national resistance movement whose success depends as much upon its fragmentation as its lack of any common enemy or the peculiar hypocrisy with which its leaders formulate their goals. In 1991, the National Parliament passed an amendment to Subsection 3(90) of the Criminal Code which announced a penalty of up to seven years in prison for those players of the compensation game who would not listen to the whistle. This stated that:

A person who, with intent to extort or gain anything in payment or compensation from any person: (a) demands the thing, payment or compensation and (b) in order to obtain compliance with the demand: (i) causes or threatens to cause injury to any person or damage to any property; or (ii) does or threatens to do any act which renders or is likely to render any public road, bridge, navigable river, or navigable channel, natural or artificial, impassable or less safe for travelling or conveying property; or (iii) otherwise unlawfully threatens or intimidates any persons, is guilty of a crime.

Some months after the gazettal of this amendment, the local newspapers reported that the police were not yet aware of its existence (Post-Courier 5 December 1991). Yet the absence of any subsequent prosecutions or convictions for these various ‘political’ offences provides a rather nice reflection of the corresponding lack of action under those environmental laws which ought to regulate the depredations of developers.

Some social scientists have racked their brains to think of other institutional solutions for the problem posed by the political necessity of denigrating, tolerating and supporting popular demands for ‘resource compensation’. These have recently included ‘[t]he equivalent of an environmental advocate or ombudsman...charged and funded to investigate and to press for redress of local grievances’ (Wolfers 1992:245), a ‘Compensation Commission’ to set ‘reasonable levels and principles in terms of which levels could be decided on an “actuarial” basis’ (Strathern 1993:61), and the establishment of ‘Local Area Development Trusts’ to ensure that the surplus incomes of landowners ‘are effectively and efficiently applied to capital reconstruction and expansion...so that the aim of improved economic security is achieved’ (McGavin 1994:xviii). Yet the authors of these bright ideas do not seem to have great confidence in
their application. Strathern instantly concedes the obvious point that local variations in both the substance of 'custom' and the level of 'development' make it difficult (if not impossible) to regulate 'traditional' payments between social groups, and can barely prevent himself from making the very same point about those 'modern' payments which are now part of the regular currency of relationships between landowning politicians and their landowning constituents. Wolfers thinks that his lone crusader 'is more likely to appear just to local people than a paternalistic state', but since the real contest is with local networks of political patronage, he promptly recognises that the establishment of this office 'would, arguably, be as likely to lead to an increase' as to a decrease in effective opposition to existing conditions—and thus bring about conflict generated by local people against those who benefit from these conditions' (Wolfers 1992:245).

The risk, as often recognised, is that the 'thinking of the Government' is subject to continual distortion by the most extreme, intractable or noisy presentations of this 'resource compensation problem'. Each 'solution' therefore only serves to dampen some particular enthusiasms at the cost of sponsoring a further round of aggravation in another corner of the country. In this 'state of difference', the best that can be said is that the noise of resource compensation discourse functions like a thermostat which measures and controls the heat or friction generated by the differential local impact of the process of 'resource development' itself. This means that we should not expect to find the element of regulation in the foresight or inventions of the State, nor in the values, strategies and tactics of the ordinary citizen, but rather in those murky pools of mutual misunderstanding, fear and loathing which consume relationships between the parties to this process, and occasionally, like volcanic geysers, spit them out.