

## **CHAPTER SIX**

### **LAND TENURE AND LAND DISPUTES IN THE SMALLHOLDER SECTOR**

#### **6.0 Introduction**

This chapter focuses on land tenure issues and conflicts over land on the LSS and VOP subdivisions at Hoskins and Popondetta. The study identified land issues as key factors currently affecting smallholder production. These issues pose potential problems and major challenges for the future viability and sustainability of the smallholder sector.

Land conflicts take many forms in the oil palm smallholder sector, from the large compensation claims demanded by customary landowners for land alienated for estate plantations and land settlement schemes to inter- and intra-household disputes over block ownership. Land conflicts are critical production issues as they have the capacity to cause short-term disruption of oil palm production to protracted disruption of oil palm production for individuals, groups and plantation companies. The following discussion outlines some of the main forms of land conflict and associated issues identified in Hoskins and Popondetta.

#### **6.1 Customary Landowners and Land Settlement Schemes**

As discussed in Chapter 1.2, land for the LSSs in West New Britain and Oro Province was alienated from the customary landowners to resettle people from other parts of Papua New Guinea. Grievances over the amounts of compensation originally paid for alienated land periodically surface in West New Britain and Oro Province in the form of demands for monetary compensation, the return of alienated lands and the forced repatriation of

settlers. These recurrent demands exist alongside ongoing simmering tensions between indigenous landowners and settlers on the LSSs. Such grievances and tensions take various forms in Hoskins and Popondetta.

#### 6.1.1 Hoskins land settlement scheme

Whilst there are some hostilities between settlers and landowners, overall, for most settlers their everyday activities and oil palm production are not constrained by outward aggression and intimidation by landowners, and there are no obvious signs that such conflicts are currently affecting LSS production (c.f. Popondetta discussion below). However, this is not to suggest that resentment among the local landowners towards settlers does not exist. Opposition to settlers can manifest itself in regular and ongoing intimidation of settlers, periodic calls for their repatriation and/or large-scale acts of group violence/protest against settlers. Generally, intimidation of settlers is spatially restricted to blocks bordering local villages. In these border areas, hostility to settlers is most often expressed through theft of garden food, tree crops, especially betel nut, tools and occasional damage to property. These acts serve to undermine a sense of social well-being and long-term security amongst settlers.

Since the early 1990s, there have been several confrontations between settlers and migrants, and calls for the repatriation of settlers. The most prominent incident occurred in 1993 at Kavugara sub-division when settlers from the 173 leased blocks abandoned their block following harassment by the customary landowners. The eviction, which came after several years of animosity between settlers and landowners, resulted in settlers being repatriated to their home provinces, moving to live with relatives elsewhere in WNB or PNG, or settling in informal settlements at Kimbe. Within a few weeks of the eviction, local landowners had removed houses, water tanks and other assets from the leaseholders' blocks<sup>1</sup>. The Kavugara subdivision has since been handed back to the two landowning groups in the area and one group has developed part of their land as a mini-estate.

The Kavugara incident is etched deeply in the minds of smallholders both in the Hoskins and Bialla schemes, and as a reminder of their vulnerable position as government leaseholders. Whenever discussions relating to land security emerged in conversations with LSS smallholders, Kavugara was raised to illustrate the uncertainty of their future tenure. The violent nature of the eviction, the loss of livelihoods, the lack of provincial and National government support for the Kavugara leaseholders and the failure to be properly compensated for their blocks have contributed to a sense of insecurity amongst many settlers.

Landowner resentment of settlers varies, and the following grievances are not universally held by landowners. A common grievance is the perceived inadequacy of compensation paid to landowners for land alienated for LSSs and company plantations. There is a feeling among some landowners (especially younger landowners) that because their forefathers who negotiated the land deals were uneducated and unaware of the value of their lands, then they were exploited and cheated by government and company officials into handing over their land for token compensation. In a meeting with landowners at Mosa VOP, they told how their educated children have made the older village people aware of the injustices that occurred with land alienation. They would like to see the government and company reconsider the issue of compensation or consider paying a royalty to landowners.

Existing alongside these compensation grievances appears to be a growing ethnic divide that has helped create an “us” and “them” division between settlers and landowners. The single most important concern among landowners is the increasing law and order problem that they attribute to the large number of migrant youth on the settlement schemes. The rape of local women, the drunken and intimidating behaviour of young male settlers on paydays and the perceived fear of attack by young settlers are fuelling resentment among the local population. One landowner, discussing how the people in his village no longer feel safe, felt bitter that villagers could no

longer feel safe 'in their own place'. This feeling of marginalisation was humiliating to landowners and felt to be unjust.

Of course, many settlers are equally concerned with crime issues and are often the victims of crime themselves. Also, many settlers blame blockowners' "undisciplined" sons for provoking anti-settler sentiments. Many pointed out that most confrontations between settlers and the local population<sup>2</sup> were sparked by crimes committed against the local population by settlers. For example, a three week road block in 1998 on the Kimbe/Bialla road by landowners near Buvussi LSS and their demands for the repatriation of settlers, followed the killing of an elderly man from Laveke Village by suspected young male settlers from Buvussi/Galai LSS. Although the provincial government was rumoured to have put together a package to repatriate the settlers, nothing eventuated.

The growing intolerance and resentment towards settlers is also partly linked with wider feelings of unease held by indigenous landowners at the high rates of in-migration in WNB, and a new generation of young landowners who see "outsiders" as the cause of growing land shortages in the area.

#### 6.1.2 Popondetta land settlement scheme

Disputes over land alienated for LSS and the plantation estates and opposition to settlers is currently more intense in Popondetta than Hoskins and is recognised as partly explaining why productivity is lower on the LSS than on the VOP blocks (ADS (PNG), 2001). Landowners' resistance to the land settlement schemes is evident in all the land settlement schemes and demands for compensation are ongoing. Among landowners there is a feeling of marginalisation, disadvantage and loss, and intense, long standing distrust of the oil palm company. There are several indications that suggest grievances over land threaten the viability of the industry and hinder the industry's future development in the province. For example, the reluctance to replant by some LSS smallholders (Chapter 7.5) and the large number of abandoned blocks has long-term implications for oil palm development in the province.

Unlike the situation at Hoskins, Popondetta landowners that lost land for oil palm development, have long been organised into united land pressure groups – although their level of activity is extremely variable. In 1982, after numerous failed compensation bids by a range of landowning groups, a landowning pressure group (Sangara Pressure Group – representing several villages) was awarded K200,000 for land alienated for the land settlement schemes and company plantations. Landowners continue to seek monetary compensation from the government as some see the 1982 settlement as “unfair” and further compensation necessary to overcome perceived problems of land shortages emerging as a result of being deprived access to customary land.

Presently a landowning company Hammwek Holdings – representing eight villages is preparing a case for the National Court to seek compensation for land and environmental damage, and to force the government and company to comply with decisions and recommendations set out in the 1982 court settlement. Amongst these recommendations is the return of some state land, and for landowners to receive preferential commercial opportunities from the oil palm company. The land owning company is also currently negotiating with the National and provincial governments to receive some of the National government’s share dividends in the company. Representatives from the landowning company told us they would like to receive compensation packages similar to those that other landowning groups are gaining from large resource development projects elsewhere in Papua New Guinea (mining was highlighted).

Representatives from the landowning company and other indigenous landowners feel that they have lost out in the development of the oil palm industry in the province as their interests and needs are not being met or considered by the company. There is also widespread resentment that “outsiders” are benefiting from the oil palm industry more than the local population, especially in regard to employment in the company. These perceived inequalities fuel jealousy and discontent. Also, for some landowners

there are certain expectations and obligations to local landowners that the company is not fulfilling. For example, preferential employment and commercial opportunities (such as transport contracting, store leases on company compounds) and the payment of land royalties were all raised in interviews with landowners. While the company has responded to some landowner demands, the relationship between the company and landowners remains fragile.

A bigger problem is the landowner-settler relationship. All stakeholders in the oil palm industry in Popondetta identify the tense landowner-settler relationship as a major constraint on smallholder production. In 1992 during the provincial election campaign, the current governor of Popondetta, Sylvenius Siembo, incited anti-settler sentiments by running on an “Oro-for-Oro” campaign. The campaign was based on the tenet that Oro Province should be developed and controlled by Orokavians and not outsiders (including expatriates). Oil palm settlers from outside the province were targeted by local landowners and several hundred were forcefully and violently evicted from their blocks or fled their blocks in fear. Some blockholders remained on their blocks but were intimidated during the campaign. Many settlers, particularly women and children, left the province, some placing caretakers in charge of their blocks (often male relatives married to local women). Whilst many settlers later returned to their blocks when the violence subsided, many others lost their blocks and now reside in their home villages, or in other provinces in PNG. Some live with relatives in Popondetta and are seeking compensation from the local landowners now occupying their blocks.

Unlike the large-scale eviction at Kavugara, Hoskins, the evictions at Popondetta were not restricted to one LSS subdivision nor one area, but occurred across all the LSS subdivisions and extended to “outsiders” living and employed in town. Although the scale of destruction varied between subdivisions, the harassment of settlers was widespread and continues in various forms today. As one settler remarked ‘*Oro-for-Oro igo iet*’ – Oro-for-Oro continues. Since the 1992 evictions there have been several small-scale

localised evictions or attempts at evictions, involving short periods of intense intimidation of settlers and attempts by some landowners to extract land rentals from LSS blockowners in several sections of Iseveni and Igora LSS. For many settlers, these events sit alongside ongoing harassment and economic restrictions imposed on settlers by landowners (Box 6.1 and Box 6.2).

Settlers are acutely aware that they can increase their risk of intimidation and violence by:

- Establishing small businesses on their blocks. Settlers who start businesses such as tradestores, transport or poultry enterprises are targeted with violence and forced to close the business. For this reason very few settler blocks have supplementary income sources.
- Appearing to earn high incomes from oil palm. Settlers who are observed to regularly harvest several nets for collection and are seen to be successful growers are more likely to be harassed and their houses burgled than low producers.
- Improving the block by replanting. This can be interpreted as reasserting one's claim on the block.
- Buying a block from a settler, selling a block to a settler or placing a settler as a caretaker on a block can all result in attempts by some local landowners to reclaim the block.
- Having no young men on a settler block increases the risk of intimidation and burglary as these blocks are perceived to be more vulnerable to attack.

These restrictions and acts of intimidation appear to stem largely from the intense feelings of loss and disadvantage experienced by landowners, and are a visible expression and reminder to settlers that landowners consider themselves to have sovereign control over "their" land. These types of problems faced by settlers place obstacles in the way of improving smallholder productivity. Many settlers feel insecure and uncertain about their future in Popondetta and

many are also keen to see landowner grievances addressed by the government and company.

Hostility towards migrants in WNB and Popondetta is not out-of-step with what is happening elsewhere in Papua New Guinea, particularly at sites of high in-migration such as urban centres and mining sites. Opposition to rural-to-urban/rural migration and to “outside” migrants is growing in many provinces in Papua New Guinea and there have been several attempts over the last few years to reintroduce the Vagrancy Act<sup>3</sup> (Curry and Koczberski 1999; Goddard 2001; Koczberski *et al* 2001). Thus, anti-settler sentiments on the oil palm schemes are part of a wider trend in Papua New Guinea (and other Pacific Island nations such as Solomon Islands and Fiji) where sharpening ethnic identities and rising land and resource pressure are contributing to new tensions surfacing between landowners and migrant groups. It would be worthwhile therefore for those oil palm schemes that have an LSS component to develop long-term strategies that work to ameliorate these tensions.

## **6.2 Customary Land and Village Oil Palm**

### **6.2.1 Hoskins VOP**

At Hoskins, significant changes are occurring to land tenure practices in several VOPs. That rules of land tenure are changing is neither new nor different from what is happening in many areas of PNG (see Crocombe 1972; Ward and Kingdon 1995). However, in the case of villages planting oil palm, it is the rapidity of change and the trend to “selling” two to six hectare blocks to “outsiders” for oil palm production which is of concern. “Purchasers” are most often migrants to the province. Land sales are occurring in several VOPs (e.g., Morokea, Dagi, Mosa, Siki) and although all land remains under customary tenure, landowners are allowing customary land transactions to take place under Section 73 of Chapter 185 of the Land Act (1984) which allows for the transfer or lease of customary land.

At Hoskins, there is enormous demand for land for oil palm production. LSS settlers see the purchase of land as a means of relieving population pressure on their existing LSS blocks and securing futures for themselves and their sons. For many settlers the purchase of VOP blocks is their only means of acquiring additional land for oil palm production as the price of LSS blocks (between K15,000 and K20,000) is far beyond their reach. Also, the acquisition of land on the VOPs is even more critical for second generation settlers who have either lost access to village land or have no village “home” to which to return. Similarly, company employees who have spent much of their working lives away from “home” and identify more closely with WNB (their children may have been raised in WNB), see an opportunity to secure a livelihood for retirement in WNB through the purchase of VOP land. Intermingled with some of these land transactions is an element of land speculation.

The following discussion is confined to Gaungo where most of our data were collected. The extent of land sales to non-clan members can be gauged by examining the year of planting of blocks by ethnicity. From the available data the first record of planting by an “outsider” was in 1985. The last five years has witnessed significant activity in land sales at Gaungo and settler oil palm blocks now outnumber those of local landowners. At least 60% of blockholders are “outsiders” and this is a conservative estimate as the WNB ethnic category includes settlers from other regions of the province, most notably, Bali Island. Nearly 20% of “outsiders” are from the ESP, and one of the roads in this VOP is known locally as Sepik Road.

Two major consequences are emerging from this “sale” of land to outsiders.

1. A realisation by some clan members that land shortages are emerging in their village and that many young clansmen will no longer have access to land for oil palm production. Access to land for oil palm is highly unequal in Gaungo as out of the seven clans, only two clans have primary land rights to plant oil palm. The members of the other five clans have secondary rights and must seek access to oil palm land through the land-owning clans. However, much of the land has been sold to “outsiders”.

Without a detailed land survey, this study is unable to determine the area left under customary use for food production. However, when an application was submitted to NBPOL in 2000 by some Gaungo landowners for a 100 hectare mini-estate, the Company Mini-Estate Officer advised against the development. He cited possible future shortages of gardening land if such an area of land were to be alienated for oil palm production (A. Barnes pers. comm.). Anecdotal evidence of brothers sharing blocks and others recognising that their sons will be denied access to land due to emerging restrictions on and shortages of land for oil palm are further evidence of real or perceived shortages of land and growing disparities in land ownership at Gaungo. These perceptions of land shortages, common amongst the younger generation, are fuelling suspicion of and dissatisfaction with senior men in the village for what people perceive as being “cheated” of their “birth right” to land (see below). Such grievances open the way for some landowners to feel justified in reclaiming their “birth right” to alienated land.

2. A further consequence of the “sale” of land to outsiders is the emergence of increasing land disputes and insecure tenure of “outsiders”. Land purchases at Gaungo are not governed by strict rules or protocols, but rather tend to be loose and informal, often based on verbal rather than written agreements between the vendor and purchaser. Generally, no detailed land survey is undertaken to mark or record the boundaries of the purchased land, and instead land marks, like coconut palms are used to delineate the boundaries.

Once an area of land and purchase price has been agreed upon, several different steps may follow. The purchase may be recorded on an official Transfer or Lease of Customary Land Form, a Customary Land Transaction Form and/or Notice of Change of Ownership Form, and then executed and registered at the Provincial Lands Office (prior to January 1999, OPIC was also executing customary Land Transfers on VOPs).

These officially executed forms lack land survey or payment details. However, many land transactions remain verbal agreements thus open to interpretation, and some do not have written records of payment instalments. Landowners say that in these cases the land will be registered when the full purchase price has been paid.

Although the sale price is said to depend on the size and quality of the block (e.g., bush, cleared, planted to oil palm), there is great variation in land prices. This is partly explained by the different types of relationships between the vendor and purchasers (see below). Also, with the rapid inflation of block prices over recent years, attempting to estimate average block prices is extremely difficult.

Over time, transfers of land can often end in dispute, and increasingly this appears to be the case at Gaungo where there is conflict between land being viewed as a commodity and as an inalienable resource held by the kinship group.

Land disputes take several forms, but the three most common forms recorded during fieldwork include:

- Initial agreed purchase price is increased by the landowner. Many blockholders who purchased their blocks several years ago and who mostly have completed or near completed payment for land, are now finding that the landowners are revaluing blocks. The new value, which can be one or two thousand kina above the initially agreed purchase price, must be paid by the blockholder if they wish to remain on the block. Often the new price reflects the component of inflation since a price was initially agreed upon. The landowners demanding the new price are often not the same clan members the blockowner initially dealt with when the block was purchased. These new landowners are often younger members of the clan (Box 6.3).

- Blocks, or parts thereof, are resold to another purchaser without the knowledge or agreement of the block owner (Box 6.4). Most of the initial blocks purchased were 4 hectares in size. Generally 2 hectares were planted to oil palm with 2 hectares reserved for food gardens. Some blockholders are now losing their 2 hectare garden area as landowners repossess the land for resale to another purchaser. The reasons why land is repossessed are extremely diverse and may include lack of regular and adequate land payments to landowners, disputes over purchase price, and/or failure of the blockholder to engage in indigenous exchange with landowners (see below).
- Monetary demands placed on blockowners. A recent trend to emerge is the demand by landowners for money from blockholders who have either completed or part-completed block purchases. These monetary requests usually occur when blockholders receive their monthly oil palm cheques.

Several factors help explain why these problems are emerging. Some members of the land owning group, mostly young men, feel that the money obtained from land sales has been unfairly distributed within the group. To some of these young men, the bigmen (senior males) in the village are treating the land as *bisnis* and in so doing favouring their own individual interests over those of the wider land-owning group. By not sharing the proceeds of land sales as expected, bigmen are seen as foregoing their customary obligations and responsibilities and denying the larger kin group their shared rights to the access and disposal of land. It is not surprising then that some landowning members are now reclaiming land or demanding additional payments from settlers.

Mixed with these grievances is the continuing perception that as kin group members they still retain certain rights in the land. The concept of exclusive individual “ownership” of land by the settlers and the idea of land being lost in perpetuity is difficult to embrace in the village context where land has been

held communally with members having inalienable rights of access. This creates tensions between some settlers and land-owning members as the former views their purchase as providing them with absolute rights of ownership whereas the landowners view the transaction more as use-rights over the land for an extended period.

Moreover, these use rights are not guaranteed by finalising payment of the purchase price, but rather are conditional on continued participation in customary exchange and fulfilling other “traditional” obligations. Settlers are thus expected to act like members of the landowning kin group and share some of their wealth and contribute to bridewealth and mortuary payments and other forms of compensation. These obligations serve to acknowledge that settlers have no absolute right to their land, and that whilst a commercial land transaction occurred, this does not free them from customary obligations. Failure to meet these obligations results in harassment, theft and demands for money. Many settlers who have bought land at Gaungo, do participate in indigenous exchange with land-owning members and have good relationships with Gaungo villagers, while others, for a range of reasons, interact less with landowners and experience greater insecurity of tenure.

These informal “sales” of customary land at Gaungo and other VOPs at Hoskins need to be addressed by the industry to ensure that both settler smallholders and landowners have secure access to land in the future.

### 6.2.2 Popondetta VOP

Most VOP blocks at Popondetta are located on customary land with a small number converted to Land Tenure Conversion (LTC) blocks. In the mid 1960s in an attempt to individualise land tenure and encourage export cash crop production in Papua New Guinea, the colonial administration introduced the Land (Tenure Conversion) Act 1963. This allowed for customary tenure to be transferred to individual or freehold title. In Popondetta, some areas of clan land were subdivided and registered as individual cash crop holdings. The early LTC blocks were planted to coffee, cocoa, or rubber and later some were

planted to oil palm. When smallholder oil palm production expanded into villages, some clan leaders allocated oil palm blocks to non-land owning members, such as in-married males, sisters' sons and in some cases, to men with whom they had long standing friendships. Some of these blocks were on customary land and others on Land Tenure Conversion blocks. Increasingly rights of access to these blocks are now being challenged by "core", often younger, clan members with the result that some blocks are being reclaimed by clan members or a "rental" fee imposed on current block residents. Many of these problems emerge following the death of the blockholder or the clan leader who allocated the oil palm block. In either case the "ownership" of the block is subsequently challenged for two main reasons:

1. Sons of the deceased clan leader may claim that the blockholder did not adequately contribute to the mortuary payments or participate sufficiently in mortuary-related activities of their deceased father, and/or
2. a blockholder or a deceased blockholder may be perceived to have inadequately fulfilled their customary obligations in indigenous exchange practices such as *pondo*, or may be chastised for not sufficiently sharing enough of the wealth gained from oil palm with land-owning clan members. In the case of a deceased blockholder, his sons or other male relatives' moves to take control of the block will be challenged and sometimes denied.

Thus, the principal element in securing ongoing access rights by non-clan members is through continuous obligatory gift giving and the more informal distribution of wealth. Such acts strengthen social relations and hence security of tenure. At another level the ongoing expectations and obligations of non-clan blockholders reinforce the concept of landowners' inalienable rights to customary land, and in particular their rights to the wealth generated on "their" land. Like the landowners at Gaungo, and landowners in other parts of Papua New Guinea, the idea of land being lost in perpetuity is inconceivable.

Land disputes have resulted in an increase in the number of “abandoned” blocks. Conflicts on the LTC blocks have been highlighted recently in the replanting programme at Popondetta where some smallholders have been refused permission by traditional landowners to replant unless a land “rental fee” is paid by the smallholder. Such disputes often mean that these blocks go out of production for prolonged periods. These “abandoned” blocks (both on the LSS and VOP) are now recognised as a major constraint on oil palm production. There are approximately, 2,000 hectares of “abandoned” blocks at Popondetta, which has reduced average yields to as low as 12 tonnes/hectare (ADS (PNG) 2001, 65).

### **6.3 Disputes Over Individual Titles on LSS Blocks**

Disputes over block ownership and lease transfers on the LSS schemes are a common problem, especially as the original leaseholders age and die. Disputes over ownership and lease transfers most often erupt after the father dies when the eldest brother attempts to assert absolute control over the block. This often alienates younger brothers. In some cases where the leaseholder has two wives the lease transfer can also be disputed by sons from the two marriages. The disputes surrounding deceased estates can result in the block being under-harvested for several years until some resolution is found.

Other forms of disputes over lease titles can include: incomplete payment for a block by a new purchaser; the sale of a block by a son/daughter/caretaker without the consent of family members; widowed leaseholders remarrying; the public tender of a block by the Rural Development Bank; and, claims of block ownership by caretakers. Caretakers are often in disputes with the registered leaseholder if the caretaker has looked after the block for many years while the leasee has resided elsewhere. In some cases the caretaker has undertaken poisoning and replanting, improved housing, repaid loans and planted fruit trees, coconuts and betel nut on the block. In these situations, the caretaker sometimes views this investment in the block as a claim to ownership of the block and will strongly resist any attempts by the original leaseholder or descendants to reclaim or sell the block. Monetary compensation is often

demanded by a caretaker if they cannot remain on the block<sup>4</sup>. Such disputes can result in reduced oil palm productivity for a protracted period.

#### **6.4 Conclusion and Recommendations**

There is a diversity of ways conflicts over land are emerging between different ethnic groups, between clan and non-clan members and, in the case of the LSS blocks, between family members. At every level there are numerous opportunities for disputes to occur. Disputes and issues surrounding land and land tenure on the oil palm schemes are very complex and in this chapter we have briefly outlined some of the main areas of concern:

- Growing intolerance and resentment of migrant settlers by indigenous landowners, and the occasional anti-settler sentiments expressed by provincial governments.
- A sense of insecurity and uncertainty regarding future tenure by many migrant settlers, most notably amongst LSS settlers at Popondetta.
- Perception of future land shortages among younger customary landowners.
- Volatility associated with the commoditisation of customary land at Hoskins.
- A limited concept by customary landowners of land being lost in perpetuity (despite acceptance of payment and formal agreements for land sales).
- Commercial land transactions do not necessarily escape customary norms and obligations.
- Principles of land tenure undergo change and reinterpretation over time.
- Landowner values of their land and other resources, and their relationships with companies/settlers change over time.

How these issues are dealt with and how adept the industry is at solving land issues will determine the future growth of the industry. Popondetta is a pertinent example of how land tenure disputes can have a serious impact on smallholder production and threaten the future viability of the scheme due to

the large number of “abandoned” blocks and the reluctance of growers who have insecure tenure to replant and invest in their blocks. Thus, land conflicts and insecure tenure are critical production issues as they act to reduce smallholder productivity by:

- removing oil palm stands from production;
- impeding replanting;
- undermining smallholder confidence in and commitment to the industry; and
- limiting broader economic development.

Devising effective corporate and OPIC strategies to address the emerging land problems will be a major challenge for the industry. There are no simple answers, and potential solutions will require time and commitment from all stakeholders. However, some of these land tenure issues are more amenable to resolution than others, and the industry should begin to put in place mechanisms to assist with the resolution of land disputes. With the ageing of the smallholder schemes, many blocks have changed hands through inheritance or sale, and the records are very much out-of-date. Hoskins OPIC has recently employed a former Lands Officer to update its register of LSS leaseholders and to register the “owners” of oil palm blocks on customary land. As the register of leaseholders is updated disputes over block ownership are being identified and frequently resolved with OPIC’s assistance. When the record of current LSS leaseholders is complete, future disputes over individual LSS leases should occur less frequently and be resolved more quickly thus increasing smallholder productivity. We recommend that smallholder lease/purchase records be updated for all LSS and VOP subdivisions, and these records be maintained and regularly updated.

More difficult to resolve from the industry’s perspective are macro-scale disputes between customary landowners and the residents of LSSs which sometimes cause major disruptions to smallholder production when whole subdivisions are involved. Such disputes in the past have led to significant disruption of smallholder production at Hoskins, Popondetta and Biiala.

Political solutions to these problems appear unlikely in the foreseeable future, but there may be opportunities to improve communication between the representatives of landowners and settlers for speedier resolution of disputes before they erupt into more widespread communal violence. While these problems have deep-seated causes related to land alienation and have been issues for many years, violent conflicts are often triggered by unresolved localised incidences of criminal offences inflicted on one side by the other. Bringing landowner and settler leaders together at an early point to mediate such grievances, may help prevent the diffusion of a sense of grievance through one side and contain the potential for communal violence. Through appropriate mediation and not excluding customary compensation payments, the risk of social unrest may be lessened or averted. How such a conflict resolution mechanism would be established cannot be answered here, and further investigation of appropriate conflict resolution strategies is recommended.

### **Box 6.1. Settler intimidation, Igora LSS, Popondetta**

John is from a village near Kokoda. He and his family vacated their Igora LSS block in 1993 due to criminal activities, intimidation and land disputes with the local landowners. Their block adjoins landowners' VOP blocks. They were threatened many times with factory and home made guns. The landowners would also come around at night and steal tool and household items like clothes and pots. They also stole from their food gardens and often demanded money from growers.

With this intimidation by landowners some settler families at Igora LSS moved to blocks owned by friends near the main road where they were away from the landowners. They moved onto blocks in groups so that there are several families living on the block for security. They only return to their blocks for harvesting and gardening and usually go in groups for protection. The women do not visit their gardens on their own as they fear attacks. These threats have also made it difficult for smallholders to set up other businesses on their blocks.

We were told that some settlers who abandoned their blocks because of threats from local landowners now have caretakers on their blocks and some "abandoned" blocks have been taken over by landowners who either have moved onto the blocks or visit the block to harvest.

### **Box 6.2. Land disputes, Iseveni, LSS, Popondetta**

The block was leased in 1978 to a Morobe man. He is currently living in another province and his parents are looking after the block with their six children: four adult sons and two daughters

The block relies mostly on income from oil palm and some supplementary income from selling items at local markets. Anna and her sons do not have any businesses on their block. They explained that by starting a business, like a chicken business one risks being targeted with violence by the landowners. Anna told of a nearby settler who was killed a few years ago when some landowners came to his block and killed his pigs and then shot him when he tried to defend himself. After this incident Anna and her family decided to close their pig business. Because of these problems with landowners Anna said that markets or off-block employment are the only way to earn a supplementary income.

In 1998 the landowners tried to evict the settlers in this section of Iseveni. Young and old men from Iseveni VOP came onto the blocks and threatened the settlers with tomahawks, knives and spears. They vandalised the houses and cut down coconuts and betel nut palms. They told the settlers that the government did not adequately compensate them for the land when it was initially sold, and now the settlers had to leave. After this incident several settlers abandoned their blocks. Landowners then moved onto the blocks. Later some of the blockowners returned to their blocks because they found it difficult to access land in their home villages. Some are still fighting to reclaim their blocks. They have approached OPIC and the Lands Department to sort out the ownership disputes.

Anna said that they experience continual threats and acts of intimidation by landowners. A few days before the survey period the young girl (grade 6) on the adjoining block was dragged from her bed and taken by a group of men and raped. They came armed with shotguns and stole bush knives, a spear and a torch leaving the family with no way to defend itself. Following this incident settlers held a meeting to establish community policing on the blocks. They want young men to form a group to police the area at night.

Anna told us that settlers who wish to sell their blocks and return to their home villages often face difficulties. If a blockowner attempts to sell the block, the customary landowners may attempt to reclaim the land before it is sold. If the block is sold and the complete purchase price is paid before the blockowner leaves for another province, then this will be the end of the problems for the blockowners, but will mean a new set of problems for the new blockowner as he/she tries to maintain ownership rights over the land. If a blockowner sells the land and only part of the purchase price is paid, then the new blockowner will be harassed by the customary landowners to pay the outstanding purchase price to them, not the previous blockowner. In some cases the new owner has been evicted from the block by the landowners.

### **Box 6.3. Change in purchase price, Gaungo VOP, Hoskins**

Martin bought 4 hectares in 1987 for K2,500 after working for NBPOL for several years. Martin has six children, one of whom is currently in full-time employment at Kimbe. Martin explained that some “outsiders” have completed payment for their block, but some landowners still visit the block to request more money for the land. He told of some settlers who were evicted after paying in full the agreed purchase price. The disputes begin when some members of the landowning group place a higher value on the land after seeing the block developed with oil palm. They demand the settler pay the new price. If they fail to pay the new price they are threatened with eviction.

In Martin’s case, after paying in full the agreed purchase price of K2,500 he was approached by landowners in 1999 to “buy” the block again (*šekon taim mi baim graun*). The landowners asked him for a further K1,500. However, he refused and eventually they agreed on the sum of K1,000 which he is currently paying off in instalments. The second time he “bought” the land, he was dealing with another sub-clan who also has ownership rights to the land.

### **Box 6.4. Resale of oil palm block at Gaungo VOP, Hoskins**

In 1985 this 4 hectare block was bought by Tom for an agreed price of K3,000. A few years ago, prior to completing the payments on the purchase price, the initial purchase price of K3,000 was raised to K6,000. After some negotiation, a price was eventually agreed at K5,000. However, after negotiations were completed the 2 hectares reserved for gardening, was reclaimed by the landowners after some dispute over the purchase price and the lengthy period of payment for the block.

The 2 hectares have since been “sold” for K3,000 by the customary landowners. Tom now “borrows” land for gardening on other blocks “owned” by kin or friends. The recent trend of reclaiming sections of land purchased by “outsiders” is a serious problem according to Tom, several other settlers, and OPIC extension officers working at Gaungo. The land being reclaimed is usually not planted with oil palm, but has been set aside for gardening. By reclaiming the “reserve” section, settlers are being denied access to gardening land, and will find it very difficult when their two hectare block requires replanting.

Because of his insecure tenure, Tom is reluctant to invest in a permanent timber house. His house is small and made of bush materials. Generally, settlers have poorer housing than Gaungo villagers living on their blocks. Settlers often refer to their housing standards as evidence of their lack of security.

## Endnotes

1. The Kavugara evictions occurred just prior to provincial elections. One electoral candidate was running on a “West for West” campaign that stirred up anti-settler sentiments at the time.
2. For example, the Kavugara 1993 evictions, the burning of about a dozen houses at Kapore 1994, and the Buvussi 1998 road-block by customary landowners, were all in response to “crimes” by settlers against the local population.
3. The Vagrancy Act was first introduced in the colonial period and was enforced until around 1973. The Vagrancy Act restricted movement of Papua New Guineans between provinces and into towns and cities. The Act was declared unconstitutional by the Supreme Court in 1986. Recent calls for the reintroduction of the Vagrancy Act aim to stem the flow of rural-to-urban migration as a means of reducing law and order problems in urban centres.
4. Many ownership disputes between caretakers and absentee leaseholders in West New Britain and Popondetta were concerned with the compensation level payable to the caretaker for vacating a block. In most cases, caretakers were seeking compensation for their labour in establishing, maintaining and paying off loans on the block, including compensation for other assets such as structures erected on the block and other economic resources such as coconut and betel nut palms.