FORSAKING THE FORESTS FOR THE TREES: FORESTRY LAW IN PAPUA NEW GUINEA INHIBITS INDIGENOUS CUSTOMARY OWNERSHIP

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Abstract: Illegal logging in the tropical forests of Papua New Guinea is one of the greatest threats to the forests and indigenous people of this island nation. Increasing pressure from the commercial logging industry, legislation that restrains customary ownership, and an unclear legal basis for this ownership subjects the indigenous people of Papua New Guinea to unscrupulous, unsustainable, and illegal logging practices. As a region central to the preservation of global ecological and cultural diversity, the devastating consequences of illegal logging in Papua New Guinea have become nationally and internationally significant.

Customary ownership of the forests by the indigenous clans of Papua New Guinea is one of the best mechanisms for indigenous peoples to curtail these illegal activities. Because indigenous peoples are the most dependent upon and familiar with forest resources, they have the most incentive to protect them. Indigenous Papua New Guineans can claim constitutional customary ownership over ninety-seven percent of the forested land in their country. Their claim is further strengthened by international law, which calls for empowerment of indigenous peoples and recognition of their customary laws. The indigenous peoples of Papua New Guinea, however, cannot use their customary law to the fullest extent possible in protecting their forests until the Forestry Act of 1991 is revised and customary ownership is given a clear, legal basis through further development in the land courts.

I. INTRODUCTION

Illegal logging results in losses to governments of developing countries of at least US $10 billion to US $15 billion annually.1 Illegal practices are linked with corruption, bad governance, and the impoverishment of rural communities that depend on forest products for their food and household needs.2 In Papua New Guinea ("PNG"), eighty-

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1 THE WORLD BANK, SUSTAINING FORESTS: A DEVELOPMENT STRATEGY 1 (2004) [hereinafter WB SUSTAINING FORESTS]. A sampling of these countries includes Tanzania, Poland, India, Indonesia, Malaysia, Honduras, Belize, Pakistan, and Papua New Guinea. See generally id., Appendices.

2 See generally INTERNATIONAL DEVELOPMENT RESEARCH CENTRE, CUT AND RUN, ILLEGAL LOGGING AND THE TIMBER TRADE IN THE TROPICS 10 (Rob Glastra, ed., 1999) [hereinafter CUT AND RUN]. Illegal forest activities include all acts that relate to forest ecosystems, forest-related industries, and timber and non-timber forest products. They include acts violating rights to forest land, corrupt activities to acquire forest concessions, and activities at all stages of forest management and the forest goods production
five percent of the population is rural, and the majority of this population lives at subsistence levels and depends on a healthy, natural environment for survival.\(^3\) Despite this dependence, “[g]overnance has been particularly poor in the area of forestry, with the side effect of promoting corrupt practice and undermining environmental sustainability in logging activities.”\(^4\) Unchecked illegal logging deeply affects the indigenous peoples\(^5\) of PNG, who suffer losses of traditional sources of food, cultural destruction, and ruination of spiritually significant areas.\(^6\)

Customary ownership, recognized by the Constitution of 1975 and numerous international instruments, can mitigate the problems caused by illegal logging.\(^7\) The Constitution of PNG recognizes custom as forming part of the underlying law of the country, along with adopted principles of English common law and equity.\(^8\) Through custom, local indigenous clans own ninety-nine percent of all forested land in PNG\(^9\) and manage most of


\(^4\) WORLD BANK INSPECTION PANEL, REQUEST FOR INSPECTION FILED BY CERTAIN NAMED CUSTOMARY OWNERS OF FORESTS IN KUNGA-AIAMBAK, WESTERN PROVINCE, PAPUA NEW GUINEA I (Nov. 29, 2001) [hereinafter WORLD BANK INSPECTION PANEL].

\(^5\) The terms “customary owners” and “indigenous peoples” are used interchangeably in this Comment. For the purposes of international law, indigenous peoples are defined as those groups that “represent a common set of experiences rooted in historical subjugation by colonialism, or something like colonialism. Today, indigenous peoples are identified, and identify themselves... by reference to identities that pre-date historical encroachments by other groups and the ensuing histories that have challenged their cultural survival and self-determination as distinct peoples.” S. James Anaya, International Human Rights and Indigenous Peoples: The Move Towards the Multicultural State, 21 ARIZ. J. INT’L & COMP. L. 13, 13-14 (2004). The customary landowning groups of PNG share historical experiences that pre-date colonialism, and have continually faced challenges to their survival and self-determination as distinct groups of people. See generally J.S. PINGLETON, LEGAL RECOGNITION OF INDIGENOUS GROUPS, FAO LEGAL PAPERS ONLINE 34 (1998), available at http://www.fao.org/Legal/legal/45.pdf (last visited on Apr. 20, 2005).

\(^6\) See Bjerre, supra note 3, at 431. See also DANIELA RENNER, PEOPLE IN BETWEEN: A CASE STUDY ON THE KUMIL TIMBER PROJECT 7 (Int’l Workgroup for Indigenous Affairs Doc. 65, 1990).


\(^8\) Id. at 249.

\(^9\) COLIN FILER & NIKHIL SEKHARAN, LOGGERS, DONORS & RESOURCE OWNERS 30 (1998) [hereinafter RESOURCE OWNERS]. This is based on ninety-seven percent of the total land area that remained unalienated by the colonial government at the time of independence. This land was granted at independence in 1975 under customary ownership, and has increased modestly as customary groups
these lands as common property. This constitutionally guaranteed customary land ownership, combined with both the Fourth and Fifth Goals of the Constitution and numerous international instruments, provides support for the rights of customary owners to control their resources. This control, however, is curtailed by the Forestry Act of 1991 and unclear definitions of customary ownership within the common law.

This Comment asserts that the commitment of constitutional and international law to customary ownership of forested land in PNG, if further strengthened and developed, can be effective in protecting the forests of PNG from illegal logging. Part II explores the varied environments and indigenous groups of PNG, the definitions and forms of customary ownership by which they govern themselves, and the illegal logging that threatens their survival. Part III argues that revising the Forestry Act of 1991 and developing a clear legal definition of customary ownership through the land courts will strengthen the rights of customary owners. Next, Part IV argues that stronger customary ownership of forests decentralizes control, giving indigenous groups and clans incentive to invest in and protect their forests from illegal logging. Ultimately, this protection ensures the survival of the indigenous cultures and forests of PNG.

II. ILLEGAL LOGGING THREATENS THE ECOLOGICAL AND CULTURAL DIVERSITY OF PNG

PNG contains one of the most biologically complex and culturally significant tropical rainforests remaining in the world. There are roughly seven hundred languages spoken by the indigenous population of PNG, evidencing the extent of historical isolation and indigenous cultural variation

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12 John Sowe et al., Environment Monitor 7 (National Research Institute, 2002) [hereinafter Environment Monitor].
among the groups that speak these languages.\textsuperscript{13} Separated into distinct linguistic groups and dependant upon their land for food and resource needs, the indigenous people of PNG have developed informal property law and customary ownership unique to their own localities.\textsuperscript{14} Often, these groups manage their resources communally.\textsuperscript{15} Looming over this framework of diverse cultures and forests is the threat posed by illegal logging.

A. The Physical Geography of PNG Has Created Extensive Biodiversity and a Variety of Cultures

The topography of PNG is extremely varied. Part of the island of New Guinea, plus over six hundred smaller islands and atolls make up PNG’s land area of approximately 464,000 km\textsuperscript{2}.\textsuperscript{16} The main island consists of a high central ridge with outlying mountain ranges; it is bordered to the north and south by large, swampy flood plains. Many of the outlying islands are rugged mountains with narrow coastal fringes.\textsuperscript{17} Such extreme differences in elevation create a number of diverse and isolated ecosystems.

The forested area of PNG covers about 279,932 km\textsuperscript{2} (with nearly seventy-seven percent natural forest) and is extremely diverse.\textsuperscript{18} PNG is home to approximately five to seven percent of the world’s biodiversity, remarkable for such a small country.\textsuperscript{19} Mangroves flourish in coastal zones, rainforests and swamp forests grow in the lowlands, and eucalypt savannah and various forms of montane\textsuperscript{20} forest thrive in the mid-elevation lands.\textsuperscript{21} Due to this large amount of ecological wealth in such a small country, ecologists designate PNG as a biological “hotspot.”\textsuperscript{22}


\textsuperscript{14} See Anaya, supra note 5, at 37. This is typical of traditional groups with distinct cultural, social and religious practices. Id.


\textsuperscript{16} See RESOURCE OWNERS, supra note 9, at 13.

\textsuperscript{17} See id.

\textsuperscript{18} See ENVIRONMENT MONITOR, supra note 12, at 2 (2002).

\textsuperscript{19} See id. at 7.

\textsuperscript{20} “[G]rowing in, or being the biogeographic zone of relatively moist cool upland slopes below timberline dominated by large evergreen trees.” Webster’s Ninth New Collegiate Dictionary 769 (1991).

\textsuperscript{21} See RESOURCE OWNERS, supra note 9, at 13. Within these regions live 304 mammal species, 15,000-20,000 plant species, 1,500 tree species, and 733 bird species. Among these are some unique species rarely found anywhere else on earth, such as tree kangaroos, birds of paradise, cassowaries, long-beaked echidnas, and the Queen Alexandria’s Birdwing Butterfly, the largest butterfly on earth with a wingspan of up to ten inches.

\textsuperscript{22} See John Charles Kunich, Fiddling Around While the Hotspots Burn Out, 14 GEO. INT’L ENVT’L. L. REV. 179, 191(2001). Hotspots are certain eco-regions, often within tropical forests, that contain
The indigenous people of PNG reflect the varied topography within which their cultures evolved. The 5.1 million people who live in PNG speak seven hundred different languages. These languages represent their different kinship and community groups. Indigenous groups dwell in either traditional rural settlement patterns of villages containing populations of one hundred to five hundred people, or in scattered family homesteads that each contain much smaller populations. Such variation results in identification with and allegiances to families, clans, and local villages.

1. Villagers Primarily Identify with Their Local and Traditional Societies

The indigenous people of PNG identify with their familial groups and clans. Unlike other civilizations with 100,000-year histories, the indigenous peoples of PNG remained decentralized in small clans of kinspeople that enjoyed large measures of equality and liberty within their own regions. Their ethno-political roots are grounded in their loyalties to their clans, and are often far stronger than their loyalties to the state. Though broader political commitments may exist, allegiances are first and foremost based on traditional hierarchies between young and old men and between men and women. Due to the localized nature of the indigenous populations and

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23 See RESOURCE OWNERS, supra note 9, at 27.
24 See id. The Kumil Timber Rights Purchase area, which encompasses seven different language groups, exemplifies this social structure. Of these groups, the Bunabun, Uligan, Meiwok and Ulatepun represent larger settlement centers, but people here may still share some language base with the Ereinduk, Pepaur, Toavulte-Korak, Meriwok, Tarikapa, Aleswan, or Gugubar language groups. RENNER, supra note 6, at 41.
25 See Cooter, supra note 13, at 761. Archeological studies have shown drainage tunnels cut into the Wahgi Valley to be 9000 years old. Over thousands of years, the isolating topography played a part in preventing the unification of Papua New Guinians under a single administration, as well as any development of permanent classes of slaves, serfs, landless paupers, tenants, nobles, kings, or landlords. Id.
26 See RENNER, supra note 6, at 7.
27 U.S. DEPARTMENT OF STATE, BUREAU OF EAST ASIAN AND PACIFIC AFFAIRS, BACKGROUND NOTE: PAPUA NEW GUINEA (2004), http://www.state.gov/r/pa/ei/bgn/2797.htm#political (last visited Feb. 22, 2005). Because PNG is based on a Parliamentary system inherited from the colonial Australian Administration, these regionally-based parties compete for power in a 109-seat unicameral Parliament. PNG’s politics are highly competitive with most members elected on a personal and ethnic basis rather than as a result of party affiliation. Currently, the Melanesian Alliance Party, led by Michael Somare, who had previously served as PNG’s first Prime Minister, holds nineteen seats, making it the single largest party in Parliament. Other parties include the National Alliance, People’s Progress Party, Pangu Parti, and People’s Democratic Alliance. Id.
28 RENNER, supra note 6, at 7.
their subsistence lifestyles, the villagers' interests tend to revolve around their natural resource base.

2. **Most Indigenous Groups of PNG Depend on the Forests of Their Customary Land for Food and Subsistence Needs**

Eighty-five percent of the population of PNG continues to live in rural areas and is thus dependent upon their customary land for survival. In forested areas, rural villagers rely upon the forest for a variety of subsistence resources. For example, the customary landowners of forests in Kiunga-Aiambak, Western Province, use their forests for the collection of housing material for temporary birthing houses, building material for canoes, access to sago palms which provide their local food staple, and hunting grounds for animal protein. The forest ecosystems ensure clean and free-flowing streams for water consumption, household use, and transport. In the Kumil region in the Madang province, the indigenous population depends upon the tropical rainforest to supply the entire basis for their livelihood: land for gardens, hunting and fishing grounds, gathering of legumes, spices, mushrooms, protection and shade, water, and materials for houses, canoes, and ritual items. For these groups, as well as for many others, their forested lands also represent sacred and spiritual places upon which they base their oral tradition, language, and culture.

**B. Unique and Local Forms of Customary Ownership Have Emerged from This Variety of Cultures**

Customary ownership applies to over ninety-seven percent of all the land in Papua New Guinea. Customary ownership is proprietary or possessory land ownership by which families, clans, or larger customary groups generally own the land. Ninety-nine percent of all forested land is

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29 RESOURCE OWNERS, supra note 9, at 27.
30 BERIT GUSTAFSSON, RURAL HOUSEHOLDS AND RESOURCE MANAGEMENT IN PAPUA NEW GUINEA 6 (Resource Management in Asia-Pacific Working Paper No. 32, 2002). These resources include timber, household items, firewood, food from the undergrowth such as fruit, nuts and oils, medicinal plants and herbs, and water and fish from the rivers and streams. Id.
31 WORLD BANK INSPECTION PANEL, supra note 4, at 17. Id.
32 Id.
33 RENNER, supra note 6, at 31.
34 WORLD BANK INSPECTION PANEL, supra note 4, at 17. See also Bjerre, supra note 3, at 431.
36 Brian Brunton, supra note 15.
owned customarily. In a country of seven hundred different clans and groups, customary ownership divides the land into small landholding entities, defended communally, with resources allocated according to reciprocal obligations.

1. The Details of Customary Ownership Vary in This Diverse Context

Cultural, social, and religious practices of traditional societies create informal property laws and customary ownership. The PNG Constitution defines custom as "the usages of indigenous inhabitants of the country existing... at the time... and [in] the places... [in] which the matter arises, regardless of whether or not the custom... has existed from time immemorial." In a property context in a society as diverse as PNG, this may mean that one clan’s inheritance rules follow patrilineal lines, while another clan’s inheritance rules follow matrilineal lines. One clan may forbid the sale of any parcels of land, while another may forbid the sale of land to anyone outside of the clan. Alternatively, one clan may claim ownership over land through use, while other clans may consider conquest as the only means to claim customary ownership.

Such variation in ownership rules is not conducive to answering the question of who owns the land. Dr. Peter Sack, professor at the University of Papua New Guinea, writes:

[although the traditional right to control the land resembles in some ways the Western concept of ownership, the group does not own the land it controls in the traditional sense. Land within a group’s sphere of control remains ownerless. Further, not only the non-ownable land but also the ownable objects on the land remain ownerless when the right of control is established. The right of control merely constitutes a claim that the members of the group are entitled to acquire the ownership of these objects and that outsiders are not entitled to do so, unless they have the group’s permission.

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37 RESOURCE OWNERS, supra note 9, at 30.
38 Brian Brunton, supra note 15. See also Cooter, supra note 13, at 768-69.
39 Anaya, supra note 5, at 37.
40 PAPUA N.G. CONST. sch. 1.2(b) (1975).
41 Cooter, supra note 13, at 768.
Thus, the rights of full ownership are often unbundled and dispersed among different people or groups. Such fragmented ownership may mean that a family within a clan has the right to collect certain foods from a tract of forest, but does not have the right to harvest timber for sale. Alternatively, it may mean that they can harvest timber, but only for their own uses, with limits set by mutual clan agreements.

Not surprisingly, the variables of customary ownership present a challenge to judicial interpretation. The Supreme and National Courts of PNG provide vague rules regarding the interpretation of customary ownership. The leading case from the National Court is *State v. Giddings*, in which two clans, the Ambai and the Pialin, continued their lengthy dispute regarding the boundary between their customary lands. The provincial land court delineated the boundary without proper notice to the parties, without allowing them to present their cases in each other's presence, and without holding public hearings. The National Court held that the provincial land court had not observed the rules of natural justice, an action that was inconsistent with the Land Disputes Settlement Act of 1975, which required the court to “endeavor to do substantial justice between all persons interested, in accordance with this Act and any relevant custom.” Finally, the National Court made substantive findings as to the relative weight given to different and conflicting customary laws.

A second important case involves an issue of “standing” for an appeal of a decision of the Provincial Land Courts. Augustine Olei, as representative of two customary landowning clans, applied for an order to quash a decision of the Provincial Land Court. The Provincial Land Court had determined that ownership of the land known as Vanapa East fell to the government, which could then sell the land to prospective vendors. The National Court found that, although the customary owners were not party to the original proceedings before the Provincial Land Court, they still had

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43 See Cooter, supra note 13, at 769.
44 See *State v. Giddings*, [1981] P.N.G.L.R. 423. There had been four previous court proceedings between the two clans, as well as four deaths over the disputed boundary. *Id.*
45 *Id.*
46 *Id.*
49 See *Id.*
"sufficient interest" as "person[s] aggrieved" to bring their action. Though the Court cautioned that it was not finding actual ownership in this case, it provided strong precedent for customary landowners' abilities to assert customary landowning rights. By establishing such precedent, the Court recognized and enforced the generally communal nature of customary landowning rights. Thus, although there are a great many forms of customary ownership, communal ownership provides a common framework.

2. Common Property Regimes Provide a Framework for These Varieties of Customary Ownership

Customary owners of forestland in PNG use common property regimes to allocate use rights between members. This means that their forest resources are owned by an identified group of people invested with the right to exclude others and the responsibility to maintain their resource. Clans have addressed the challenges of excludability and subtractibility by developing ownership schemes that involve long-run relations with many reciprocal obligations. Thus, property is not necessarily defined as the right of persons over things, but as obligations owed between persons with respect to things. For example, a clan may be able to assert their ownership over a certain tract of trees if it had fulfilled its promise to a downstream clan not to divert water. Similarly, a family may be able to assert its rights to collect timber for building materials if it had participated in guarding the forest. Such ownership provides an incentive structure that enhances coordination, cooperation, and investment amongst resource-using

50 See id. citing In re Poriton 56 Morobe, [1971] P.N.G.L.R. 442.
51 See id.
52 See infra Part III.C.2 and note 130.
53 See WAGNER, supra note 10, at 2. Common property regimes are by far the dominant type of property system in PNG and throughout the Pacific Islands. See id.
54 See S. Movik, Some Notes on Common vs. Private Property Rights to Natural Resources 3 (2004), at http://dlc.dlib.indiana.edu/archive/00001447/00/Movik_Some_040427_Paper131.pdf (last visited Apr. 20, 2005). The rules of common property management regimes most often apply to a common pool resource. ELINOR OSTRUM, GOVERNING THE COMMONS: THE EVOLUTION OF INSTITUTIONS FOR COLLECTIVE ACTION 29 (1990). Common pool resources can be natural or man-made resource systems that are large enough to make it costly to exclude others from using the resource. Id.
55 See S. Movik, supra note 54, at 3. Excludability refers to the costs of excluding non-owners through physical barriers or legal instruments, while subtractibility involves the fact that benefits consumed by one individual subtract from the benefits available to others. Id.
57 See id.
groups to protect their forests, and reflects operational rules of indigenous land use already in place.\textsuperscript{58}

\textbf{C. Illegal Logging Threatens to Destroy Unique Regions of Ecological and Cultural Diversity in PNG and the Efficient and Equitable Frameworks That Govern Them}

Unsustainable logging dramatically affects local communities by disrupting their customary forms of resource use.\textsuperscript{59} Among these unsustainable practices, illegal logging is a catalyst for the most severe forest degradation.\textsuperscript{60} The logging industry uses earnings to finance further access into the forest, leaving roads open for both large- and small-scale loggers as well as landless cultivators who use slash and burn techniques.\textsuperscript{61} Increased access to forest lands creates greater ecological disturbance such as habitat fragmentation, watershed degradation, erosion, and local and regional extinction.\textsuperscript{62}

In 1998, the forests of PNG faced a crisis caused by liquidation and corruption. The government decided to liquidate large tracts of forest areas in order to balance its budget, but allowed deficient logging practices, ignorance of required logging procedures, and corruption to undermine environmental sustainability.\textsuperscript{63} As a result, customary landowners were short-changed through the alienation of their resources.\textsuperscript{64} The groups most affected were those living in the lowland and coastal areas where there is a high concentration of commercially accessible timber.\textsuperscript{65}

\begin{thebibliography}{9}
\bibitem{58} \textit{CUSTOMARY LAND TENURE: REGISTRATION AND DECENTRALIZATION IN PAPUA NEW GUINEA} 42 (Peter Larmour ed., The National Research Institute 1991) [hereinafter \textit{CUSTOMARY LAND TENURE}].
\bibitem{60} \textit{See generally CUT AND RUN, supra note 2, at 2-11.}
\bibitem{61} Elli Louka, \textit{Cutting the Gordian Knot: Why International Environmental Law is Not Only About the Protection of the Environment, 10 TEMP. INT'L & COMP. L.J. 79, 93 (1996).}
\bibitem{62} Curt Wilson, Comment, \textit{The 1995 Salvage Timber Sale Rider: A Recipe for Environmental Devastation, 5 DICK. J. ENVTL. L. & POL'Y 419, 423 (1996).} \textit{See also, RESOURCE OWNERS, supra note 9, at 22. These destructive practices include feeder roads being constructed on a trial-and-error basis, little use of directional felling techniques, excessive use of dozer and bulldozer blades, and failure to cut vines when felling, which brings down smaller trees. Lack of adherence to environmental regulations, such as disregarding restrictions on logging on slopes over thirty degrees, along watercourses, and other sensitive ecosystems, results in soil compaction. This compaction prevents seedlings from taking root, causing formation of excessive gaps in the canopy, altering micro-climates, and suppressing regrowth of valuable species. Between thirty and seventy percent of residual trees suffer mortality as a consequence of logging or the physiological stress following harvest. Id.}
\bibitem{63} \textit{WORLD BANK INSPECTION PANEL, supra note 4, at 2.}
\bibitem{64} \textit{Id.}
\bibitem{65} \textit{See State Versus Custom, supra note 7, at 249.}
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In an attempt to halt this destruction and meet the conditions of a loan from the World Bank, the PNG government issued a moratorium on any new or extended timber permits. This moratorium was to last until National Forest Authority evaluations found all current logging proposals to be in accordance with the Forestry Act of 1991. The Forest Authority, however, continued to issue permits for "road-line clearances," setting up base camps for "advance roading," and harvesting logs, all in direct breach of this moratorium. Recognizing that the moratorium was not an effective mechanism to protect the forests, the government allowed the moratorium to lapse in 2001, drawing both praise and criticism from all parties involved.

Illegal logging is also linked with political corruption. Income from the timber industry is a major source of funding for political parties and politicians in PNG. At the national level, logging companies obtain the right to log by bribing politicians and leaders, who in turn issue permits outside of the established legal process for resource allocation. The Independent Forestry Review, set up in response to the conditions of the World Bank loan, found that of thirty proposed new concessions areas, four were already being illegally logged and attempts had been made to illegally grant permission for logging in at least another ten areas. This endemic corruption fuels environmental destruction and destroys the lives of PNG's rural populations, who are losing their food sources and suffering the negative social impacts of logging. Fortunately, customary ownership, recognized by the Constitution of 1975 and numerous international instruments, can mitigate the problems caused by illegal logging.

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67 Id. at 87.
68 See WORLD BANK INSPECTION PANEL, supra note 4, at 8. In particular, customary owners feared that these clearances and base camps would result in uncontrolled logging. Permission to conduct these activities was revoked in both cases, but while deliberations occurred, over 21,000 square meters of logs were cut. Id.
71 Id.
72 Id.
73 Id. See CUT AND RUN, supra note 2, at iv. See also WB SUSTAINING FORESTS, supra note 1, appendix A-23. "Politically motivated and protected concessions usually exclude local populations, especially indigenous forest dwellers, from using and benefiting from the forests." Id.
74 See State versus Custom, supra note 7, at 258.
III. NATIONAL LEGISLATION AND UNDERDEVELOPED PROPERTY LAW UNDERMINE CONSTITUTIONAL AND INTERNATIONAL SUPPORT FOR CUSTOMARY OWNERSHIP

Constitutionally guaranteed customary land ownership, combined with constitutional and international instruments, support customary owners' rights of control over their resources. However, the Forestry Act of 1991, which restrains customary landowners' abilities to directly negotiate and consult with commercial timber industries, severely weakens customary ownership. Unclear definitions of customary ownership within the common law further weaken indigenous groups' abilities to control their forests. Without formal definitions of customary ownership, a court may not recognize indigenous groups' claims of ownership.

In order to make customary law effective as an instrument of protection of indigenous rights to forest resources, PNG should revise the Forestry Act of 1991, and the land courts should develop a clear legal basis for customary ownership through mediation and adjudication. Recognizing the rights of forest communities allows the communities to make resource allocation decisions about the resources they are most dependent upon, and can be effective in protecting the forests, biodiversity and indigenous peoples of PNG. The Constitution provides the foundations of customary ownership in PNG and numerous international instruments give further support.

A. The Constitution Recognizes Customary Ownership as One of the Central Elements of Papua New Guinean Law

Customary law applies to ninety-seven percent of the land in PNG. The principles of custom were adopted at independence by the Constitution of 1975. Schedule 2.1 of the Constitution adopts custom as part of the underlying substantive law along with the principles and rules of common law and equity. Customary law applies to any appropriate matter, as long as it is not "repugnant" to the Constitution, statute, or general principles of

75 See RESOURCE OWNERS, supra note 9, at vi. See also Draft Declaration on the Rights of Indigenous Peoples, supra note 11.
76 See generally Cooter, supra note 13, at 773. "The formalization of customary law by the land courts has not proceeded far enough to eliminate the uncertainties and risks attending these transactions."
77 PAPUA N.G. CONST. sch. 2.1, 2.2.
78 Id.
humanity. The Supreme Court and National Court decisions have incorporated custom into the common law of property by reconciling constitutional and legislative intent with substantive customary law.

The Constitutional recognition of custom is the key policy consideration influencing forest use. The Fourth and Fifth Goals of the Constitution call for the "natural resources and environment to be conserved and used for the collective benefit of us all, to be replenished for the benefit of future generations," and for development "primarily through the use of Papua New Guinean forms of social, political and economic organizations." Recognition of custom occurs in several other sections of the Constitution, providing the foundation for customary ownership in PNG. In addition, indigenous rights to control resources are also supported by international law.

B. Recognition of Indigenous Peoples' Rights Is Currently a Central Theme in International Law

Contemporary international concern for indigenous peoples acknowledges the "importance of land and resources to the survival of indigenous cultures, and, by implication, to indigenous self-determination." Several declarations and covenants lay the foundation for this concern. This includes the United Nations Universal Declaration of Human Rights of 1948, which protects various individuals and groups from

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79 Id.
81 RESOURCE OWNERS, supra note 9, at iv.
83 Id. Goal V.
84 See generally PAPUA N.G. CONST., Preamble, §45 (religion); §53(5)(d) (disallowing the acquisition of customarily owned land); §54 (special provisions in regards to certain lands); §67 (eligibility for naturalization requires respect for the customs and cultures of the country); §78 (adoption); §130 (integrity of candidates); §171 (authorizing Parliament to establish other courts intended to deal with matters primarily by custom or in accordance with customary procedures); sch. 1.2(1)(b) (defining custom); sch. 2.3(1)(c) (establishing that where there is no underlying law, the National and Supreme Courts have a duty to draw analogies from custom), and sch. 2.11 (providing that court decisions overturning custom may not be applied retroactively).
85 Anaya, supra note 5, at 35.

A prominent international affirmation of indigenous rights, cultural integrity, and group identity is the International Labor Organization’s Convention on Indigenous and Tribal People.\footnote{Anaya, supra note 5, at 23.} Article 14(1) of this Convention recognizes the collective character of indigenous ownership rights, affirming that “the rights of ownership and possession of [indigenous peoples] over the lands which they traditionally occupy shall be recognised.”\footnote{Id. See also Anaya, supra note 5, at 23. The provisions of The International Labor Organization’s (“ILO”) Convention No. 169 of 1989 have been framed with the cooperation of the United Nations; the Food and Agriculture Organization of the U.N.; the U.N. Educational, Scientific, and Cultural Organization; and the World Health Organization. See Convention Concerning Indigenous and Tribal Peoples in Independent Countries (No. 169), U.N. Gen. Conf. of the International Labor Organization, Sess. 67 (1991) [hereinafter ILO Convention No. 169].} Articles 15(1) and 15(2) require states to safeguard indigenous peoples’ rights to “participate in the use, management and conservation of their resources,” asserting that they have a say in any exploration or extraction on their lands, a right to benefit from those activities, and a right to a process of consultation in regards to any resource
extraction that may in some way affect their lives. While PNG has yet to sign this Convention, several NGOs are advocating for its ratification.

The Convention on Biodiversity ("CBD") further represents the international community’s commitment to the preservation of biodiversity and indigenous rights. The CBD, by identifying the problem of dwindling diversity, sets overall goals, policies, and general obligations, as well as organizes technical and financial coordination. As a party to the CBD, PNG is obliged to develop a national biodiversity strategy and action plan, and file reports on efforts to implement treaty commitments. Several articles of the Convention lay out the requirements for a biodiversity plan, including protection of indigenous peoples’ practices. Though the execution of each requirement is "subject to" the legislation of the state, Article III affirms the responsibility of member states to ensure that "activities within their jurisdiction or control do not cause damage to the environment of other States or of other areas beyond the limits of [their] national jurisdiction." Recognizing the global consequences of the loss of biodiversity, this provision allows for national sovereignty, but also checks potential abuse by requiring accountability in an international context.

Other international plans and policies have developed guidelines and examples for strengthening the role of indigenous peoples in their communities. Despite the international community’s recognition of indigenous ownership rights, customary ownership in PNG is limited by the Forestry Act of 1991.

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94 Kunich, supra note 22, at 187.


96 G.F. Maggio, Recognizing the Vital Role of Local Communities in International Legal Instruments for Conserving Biodiversity, 16 UCLA J. ENVTL. L. & POL’Y 179, 211 (1998). This is a very broad qualification.

97 Convention on Biological Diversity, supra note 95, art. 3.

98 Kunich, supra note 22, at 189.
C. The Forestry Act of 1991 Curtails the Sovereignty of Customary Ownership

The Forestry Act of 1991 ("the Act") restrains customary owners' constitutional right to directly negotiate and consult with commercial timber industries. The PNG government enacted this law to protect landowning groups from manipulation and abuse in direct, unchecked negotiations with logging companies. To achieve this protection, the Act implemented government control over allocation of timber rights, creating an intermediary between the customary owners and commercial timber companies. Despite its goals, the Act has many adverse effects and warrants a revision to strengthen customary ownership rights.

1. While Well-Intentioned, the Act Removes Customary Landowners from Decisions Impacting Their Forests

A history of excessive forest extraction led to the need to protect customary landowners from the unscrupulous dealings of loggers. In response to this need for protection, Parliament enacted the Forestry Act of 1991. This Act prescribes a process of "resource acquisition" in which the National Forest Authority enters into a Forest Management Agreement ("FMA") with customary landowners. Under the FMA, the State will manage the forests for a "term of sufficient duration in order to allow for proper forest management measures to be carried out to completion."

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99 RESOURCE OWNERS, supra note 9, at 180.
100 State versus Custom, supra note 7, at 250. In 1989, the Barnett Commission of Inquiry documented an "out of control" timber industry tainted by pervasive corruption, transfer pricing, and reckless logging practices. The potential for logging companies to abuse and manipulate landowning companies was attributed in part to the Forestry (Private Dealings) Act of 1971 and the Forestry Act (Amalgated) of 1973. These acts allowed either unchecked direct dealings with timber-harvesters or government restrictions imposed without consideration of the customary landowners, and were repealed by the Forestry Act of 1991. See RESOURCE OWNERS, supra note 9, at 3-10.
101 See JIM FINGLETON, REGIONAL STUDY ON PACIFIC ISLANDS FORESTRY LEGISLATION, FAO LEGAL PAPERS ONLINE No. 30, 5-6 (June 2002) [hereinafter Fingleton on Forestry Legislation]. The Act has been revised a number of times, first by the Forestry Act (Amendment) of 1993, and further amendments in 1996 and 2000. The 1991 Act remains the main forestry law, and amendments have been taken into account. Id. at 12.
102 See RESOURCE OWNERS, supra note 9, at 180. Allowances are made for FMAs to be executed by the "authorized agents" of the owners, provided that seventy-five percent of the adult resident members of the landowning groups give their written consent. Id. See also Forestry Act of 1991, Part III, Div. 4, §§ 56(1) and 57(2)(b) (Papua N.G.).
The National Forest Authority’s virtual monopoly over the acquisition of harvesting rights through FMAs creates numerous problems. First, because the National Forest Authority is concerned with ensuring an adequate timber supply to maintain the industrial base of the timber industry, most FMAs do not specifically ensure the sustainability of forests. Second, even if appropriate provisions for sustainability are incorporated into the FMA, the National Forest Authority often lacks the capacity or will to regulate vast tracts of forest. Third, even after entering the FMA with the indigenous landowning groups (“Land Groups”), the National Forest Authority accepts proposals from commercial logging companies. Submitted proposals for timber permits must meet Project Guidelines, which are developed in consultation with the customary landowners. Once proposals are submitted, however, the evaluations of these proposals do not include consultation with the customary owners, especially if the boundaries of the Timber Permit Area do not correspond to the area covered by one, single clan of landowners. As a result of this exclusion, the landowners do not have legal control over which timber company holds the permit, the

104 See Fingleton on Forestry Legislation, supra note 101, at 20.
105 LYNNE ARMITAGE, CUSTOMARY LAND TENURE IN PAPUA NEW GUINEA: STATUS AND PROSPECTS, 8 (2001).
106 RESOURCE OWNERS, supra note 9, at viii. This is evidenced by continued permitting of logging outside of the requirements of the Act and newspaper headlines that reveal numerous violations of forest law and customary ownership. See, e.g., supra note 68, for a description of illegal permitting in the Kiung-Aiambak customary lands, as well as the Pondo and Tuwapu areas; RENNER supra note 6, at 14; see also Alex Rheeney, Maintain Forestry Review Report in its Entirety, PNG POST-COURIER, Aug. 18, 2004 available at LEXIS, Allwld File; NGO calls ECP help, PNG POST-COURIER, Sept. 10, 2004, available at LEXIS, Allwld File; Outrage at Teak Export, PNG POST-COURIER, May 17, 2004, available at LEXIS, Allwld File.
107 State Versus Custom, supra note 7, at 250. Indigenous landowning groups can incorporate under the Land Groups Incorporation Act of 1974. See RESOURCE OWNERS, supra note 9, at 180-81. Through this device, clans became legal corporations run according to customary law. Id. Title to the land must be vested in these groups or registered under a law providing for the registration of title to customary land. Id. In situations in which this is “impractical,” allowance is made for the FMA to be executed by “authorized agents” of the owners, provided that seventy-five percent of the adult resident members of the landowning groups have given their written consent. Id.
108 See Fingleton on Forestry Legislation, supra note 101, at 5.
109 Forestry Act of 1991, Part III, Div. 5, § 63 (1-3). Project Guidelines are developed through Development Options Studies, Forestry Act of 1991, Part III, Div. 5, Subdiv. A, § 62. The government’s record on fulfilling the mandates of the Development Options Studies is poor, as it has failed to carry out any form of study that meets the requirement that it must make a preliminary assessment of the likely socioeconomic impact of the project so that the landowners can make informed decisions. See State Versus Custom, supra note 7, at 253. Further, any application for timber permits must be accompanied by an environmental plan approved under the Environmental Planning Act. Forestry Act of 1991, Part III, Div. 5, Subdiv. C, § 77. Inadequate funding and capacity curtail implementation of the environmental plans. See Fingleton on Forestry Legislation, supra note 101, at 36. Although PNG has one of the most elaborate systems for forestry sector planning, it may be so complex that it is unlikely to produce its intended benefits. Id. at 15-16, 32.
110 RENNER, supra note 6, at 16.
type and amount of infrastructure the timber company is to construct, or the rate at which timber is harvested.\textsuperscript{111} They also lack the freedom to negotiate royalties.\textsuperscript{112} Finally, they are subject to license transfers, a banned practice that continues due to lack of enforcement.\textsuperscript{113}

Perhaps the most troubling effect of the Act involves the redefinition of customary leadership roles. Leaders of indigenous landowning groups think that the reform process threatens their leadership positions within their own communities.\textsuperscript{114} They believe they are nothing more than the puppets of logging companies and can no longer claim to represent the interests of their communities.\textsuperscript{115} Despite this perceived lack of control, leaders of indigenous landowning groups do not challenge logging companies because the companies continue to offer lucrative profits to the indigenous groups.\textsuperscript{116} Thus, their leadership decisions fail to meet the resource and social needs of the communities.\textsuperscript{117} This scenario has been repeated time and again in many developing countries faced with reconciling customary law and formal statutory law.\textsuperscript{118} Upending the local institutional roles and regulations already in place has intensified the debates over power and authority and increased the competition for now commercially valuable resources.\textsuperscript{119}

Faced with state-imposed limits on control over their resources, local landowning groups are advocating for increased strength of their ownership of forest resources.\textsuperscript{120} They seek the security of customary ownership and

\begin{enumerate}
\item Id. at 17.
\item ROBERT MITCHELL, PROPERTY RIGHTS AND ENVIRONMENTALLY SOUND MANAGEMENT OF FARMLAND AND FORESTS, RURAL DEVELOPMENT INSTITUTE, 37 (2004). Instead of royalties, a log export tax is imposed on the timber concessionaires. Id. The government shares a portion of the revenue with customary landowners, but this is at most twelve percent of the market value of logs, a highly inequitable distribution. Id.
\item See Fingleton on Forestry Legislation, supra note 101, at 37. Logging companies perform company takeovers, in which they obtain a license through legal means, but then sell all of their shares to a different company that is not subject to the license agreements. Customary owners then find strangers cutting the forests on their customary lands, with no adherence to the Project Guidelines. Id.
\item Id. at 33.
\item See Fingleton on Forestry Legislation, supra note 101, at 34.
\item Id. at 33.
\item ARMITAGE, supra note 105, at 4.
\end{enumerate}
freedom from restrictions in negotiation. Several existing mechanisms can facilitate these goals.

2. The PNG Government Should Revise the Forestry Act of 1991 to Give Customary Forestland Owners Legally-Enforceable Rights

The Act should allow customary forest landowners to self-determine their development paths through direct negotiation with logging companies that result in legally-enforceable contracts. As the law currently stands, there is no legal relationship and no privity of contract between the local landowners and forest rights purchasers. Not only are the local landowners excluded from final negotiations over the timber rights, but they also cannot sue for any breach of concession agreements, even though such breach affects their own forests. Thus, revisions to the Act must lift the restrictions on direct dealings between customary owners and commercial timber companies.

Lifting these restrictions will allow direct negotiations, which can help local landowners to acquire political, administrative, and technical skills. Giving appropriate information and professional advice to the customary landowners is essential. To balance negotiation inequities and strengthen customary landowners’ bargaining power, legislation must support, rather than supplant, custom. Because customary ownership is often held communally, group decision-making processes will check direct negotiations, raising the transaction costs of development and slowing the rush to sell valuable resources. If customary law requires an individual to seek the clan’s permission in order to sell his land, and that individual ignores this law, the sale is typically considered void. Furthermore, land

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121 See generally RENNER, supra note 6, at 74-76.
122 See WORLD BANK INSPECTION PANEL, supra note 4, at 19. Privity of contract is defined as the relationship between the parties to a contract, allowing them to sue each other but preventing a third party from doing so. BLACK’S LAW DICTIONARY 556 (Second Pocket Ed. 2001).
123 See WORLD BANK INSPECTION PANEL, supra note 4, at 19.
124 COLIN HUNT, PRODUCTION, PRIVATIZATION AND PRESERVATIONS IN PAPUA NEW GUINEA FORESTRY iii (Colin Hunt ed., 2002).
125 See State Versus Custom, supra note 7, at 266.
126 See Fingleton on Forestry Legislation, supra note 101, at 35.
127 State Versus Custom, supra note 7, at 258. Legislation already in place allows investigation into the fairness of dealings done under the forestry laws repealed by the Forestry Act of 1991. See Fingleton on Forestry Legislation, supra note 101, at 34.
128 Cooter, supra note 13, at 787.
129 Id.
court cases suggest that respecting the equities of a dispute by adhering to custom provides cooperation and development in the long run. Revisions allowing direct negotiations based on group decision-making processes can meet many needs. Customary groups may negotiate (or renegotiate) the basic conditions of project development, especially the priorities for social and economic infrastructure. They may formulate and apply rules for the distribution of project revenues earmarked for the benefit of the entire community. Furthermore, revising the Act would facilitate local monitoring of the developers' compliance with timber permits and environmental planning conditions and would enable customary owners to seek compensation for any breaches of such conditions. Finally, direct negotiations could enable customary landowners to lobby the government or the developer for greater community access to project employment or business development opportunities.

Revising the Act in order to meet the aforementioned needs of customary landowners is essential, but it cannot happen in a framework of underdeveloped customary property law. Resolving claims to land and disputes about development between customary landowning groups is crucial to strengthening customary ownership rights. The Land Disputes Settlements Act of 1975 created a system of courts to resolve disputes involving land under customary ownership. Both the procedural customary law and substantive customary property law of these courts, however, require further development.

D. Underdevelopment of Customary Ownership Rights Currently Limits the Land Courts' Ability to Enforce Them

Problems arise when deciding who actually owns land under customary law. The Land Groups Incorporation Act of 1974 allows indigenous people to form a Land Group in order to enter an FMA with the

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130 Id. at 788, n.82. To illustrate, two parties developed a joint cattle project on marginal riverine swampland over which village pigs formerly enjoyed free range. The land later increased in value because it proved suitable for a coffee plantation. Each of the two parties claimed it, but the magistrate held that they had an equal interest in it, so development would require cooperation between them. Id.


132 Id.

133 Id.

134 Id.

135 Cooter, supra note 13, at 773. "The formalization of customary law by the land courts has not proceeded far enough to eliminate the uncertainties and risks attending these transactions." Id.

136 Id.
National Forest Authority. This FMA must now be made pursuant to the Forestry Act of 1991. Registering a Land Group does not involve any adjudication regarding the ownership of land. Thus, the National Forest Authority risks entering a legal contract for the purchase of timber rights from land that may only belong to the customary landowners through color of their own assertion. Substantive law regarding the determination of ownership of this land has only begun to take shape, with local land courts facilitating the effort.

1. The System of the Local Land Courts, Although Well-Established and Sensitive to the Customs of Different Localities, Requires Further Refinement

The Land Disputes Settlement Act created a system of courts to resolve land disputes involving land under customary ownership. Claimants bring suits before an appointed panel of mediators. They are usually indigenous, elderly men with little formal education, who command great respect due to their knowledge of unique rules and principles of custom in their region. If a settlement seems possible after hearing the two sides of a dispute, the mediators may propose one. If accepted, this settlement could be the end of the legal process.

If unsuccessful, mediators may refer the dispute to the local land courts. In land courts, a magistrate presides along with mediators, and reviews the case de novo. Although these are new mediators, close community ties and communication mean that people sitting on the court

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137 See supra note 107 and accompanying text.
138 RESOURCE OWNERS, supra note 9, at 182. Incorporation of a land group is not recognition of an award of customary title. Id.
139 RESOURCE OWNERS, supra note 9, at 182.
141 CUSTOMARY LAND TENURE, supra note 58, at 35.
142 Id. Lawyers are usually excluded in order to keep proceedings simple and non-technical. Id. Exclusion of lawyers also ensures that traditional people will have access to the proceedings and the decisions will be intelligible. Id. Provincial Land Dispute Committees appoint these mediators. Id.
143 Cooter, supra note 13, at 788.
144 CUSTOMARY LAND TENURE, supra note 58, at 35.
145 Id.
146 Id.
147 Id.
often have knowledge of the dispute.\footnote{148} Not only must these courts record boundaries, but they must also make explicit, authoritative statements of customary law.\footnote{149} If resolution does not come from the local land courts, parties may appeal to the provincial land courts, which require a fee.\footnote{150} A provincial court will examine the written record and call witnesses.\footnote{151} The National Court hears appeals, but on a limited basis because this court has general, rather than just land, jurisdiction.\footnote{152} The strongest basis for appeal is that the provincial court departed from its statutory mandate in deciding a case.\footnote{153} The National Court sees its role as overseeing the Land Dispute Settlement Act, not interpreting custom, and has decided that customary principles should be given substantive weight.\footnote{154}

Several improvements are necessary to expedite the development of customary property law in PNG. First, magistrates need further training in common-law methods.\footnote{155} Second, the ban on lawyers should be lifted, as many members of customary groups have been or could be trained as lawyers.\footnote{156} Finally, these courts also need customary management to actually function as intended. A clan leader in East Sepik Province stated:

The fact is today that customary management is in dire need of improvement. The young men have a grasp of the problems but they don’t have confidence in the elders who can be bamboozled into making decisions that are not in the long term interest of the clan. These discussions can be spurred by greed or even misguided respect for application of land, timber rights, etc. by rich and powerful people like National Ministers for example. Incorporation of Land Groups will give them a chance to develop decision making by committee, which will give an opportunity for the younger men. Just as customary law can be developed so also decision-making systems can be improved.\footnote{157}

Enforcement of customary ownership by the local land courts will prove

\footnotesize{\begin{itemize}
\item \footnote{148} Id.
\item \footnote{149} Cooter, \textit{supra} note 13, at 786.
\item \footnote{150} \textsc{Customary Land Tenure}, \textit{supra} note 58, at 35.
\item \footnote{151} Id.
\item \footnote{152} Id. at 36.
\item \footnote{153} Id. at 35.
\item \footnote{155} See Cooter, \textit{supra} note 13, at 790.
\item \footnote{156} See \textit{id}.
\item \footnote{157} See \textit{id}. at 789 n.84.
\end{itemize}}
useless unless the rules of management are appropriate for the resource.

2. Mediation and Adjudication of Land Disputes in the Land Courts Furthers the Needed Development of Customary Ownership of Forest Resources

Despite the needed improvements, advantages of the local land courts allow them to perform adjudicative functions better than the political representatives in Parliament. Magistrates, who often do not serve in their home province, can act as disinterested parties, have fewer incentives to acquire power, have more local information based on the local land courts’ records, and more legal expertise. Furthermore, local courts are neutral arenas in which customary owners determine for themselves their own forms of ownership and development. This local land court system is an appropriate, well-used, and functional mechanism capable of integrating customary ownership into the modern property regime of PNG. Between 1976 and 1987, official statistics report an average of sixty-three disputes decided per year by the local land courts, with provincial land courts deciding an average of thirteen disputes per year. The requirement that land courts make explicit and authoritative statements on customary law also provides an example of the courts’ ability to base decisions on unique aspects of custom. For instance, a magistrate in the highlands decided that land surrounded on three sides by the relatives of one of the disputants belonged to that disputant because only he could defend it. A magistrate in the case of Mundua Imbo and Damatach Endemongo cited another determinative principle in 1982: “There is little point in a Land Court awarding a piece of land to a group if they will be unable to use it [due to] intimidation or other pressures from rival groups.” Similarly, a different magistrate ordered the owner of land to compensate the evicted trespasser to avoid further harassment by the trespasser and “his men.”

The decisions of these courts make sense in their local context. They

158 Id. at 792.
159 CUSTOMARY LAND TENURE, supra note 58, at 46.
160 See BERNARD NAROKOBI, LO BILONG YUMI YET: LAW AND CUSTOM IN MELANESIA 12-13 (Ron Crocombe et al. eds., 2003). Mr. Narokobi suggests that the area of land tenure was clearly defined in customary law.
161 Id.
162 Id. at 786.
163 Id. at 787.
164 Cooter, supra note 13, at 787.
reflect the unique rules and obligations of customary ownership that appropriately allocate land and resources. They represent a decentralized forum of resource management. The next section explores why these forms of management have survived, their adaptability to changing circumstances, and their potential to protect the forests of PNG from illegal logging.

IV. STRONGER CUSTOMARY OWNERSHIP OF FORESTS CAN BE EFFECTIVE AS AN INSTRUMENT TO PROTECT FORESTS FROM ILLEGAL LOGGING

Customary ownership, as a form of common property management, is an appropriate resource-allocation system for the forests of PNG because it provides an equitable and efficient mechanism for customary landowners to protect their forests. Customary landowners have, throughout history and though current popular protests, resisted attempts to convert customary ownership to freehold title. As an adaptable form of relational property with obligations to current and future clan members, customary ownership restrains decision-making processes, thus slowing the rush to sell valuable resources and instead encouraging investment in and protection of forests.

A. Customary Ownership Has Survived Attempts to Convert It to Freehold Title

Colonial policies attempted to eliminate customary land tenure, but failed to establish freehold title when faced with customary owners’ continuing adherence to customary ownership practices. In response to the failure of establishing freehold title and increased land disputes, the Australian administration created the Commission of Inquiry into Land Matters in 1972. Membership was entirely indigenous and served to reassert primacy of customary title. Subsequently, the enactment of the

165 Freehold title is “an estate in land held in fee simple, fee tail, or for term of life.” BLACK’S LAW DICTIONARY 295 (Second Pocket Ed. 2001).
166 See Part IV.B.1, infra, for a discussion of relational property.
167 See RESOURCE OWNERS, supra note 9, at 30. In order to facilitate use of their land as security for commercial credit, the Land Tenure (Conversion) Act of 1963 allowed members of customary landowning communities to obtain individual freehold title by mutual agreement with their fellow members. Id. It also allowed the Land Title Commission to demarcate and register the title of customary landowning groups. Id. This Act did not have the intended effect of liberating large amounts of land and only increased the amount of land disputes, which stalled any sort of use of the land and lacked a mechanism for adjudication. Id.
168 Id. at 30.
169 Id. at 30-31.
Land Groups Incorporation Act of 1974, 170 along with the previously mentioned Land Disputes Settlement Act of 1975, facilitated the return of alienated land to indigenous title. 171 This resurgence of customary title (as opposed to freehold title which is inconsistent with traditionally communal forms of ownership), 172 the requirements for group negotiations, and the establishment of local dispute resolution procedures has ensured a place for indigenous forms of production, culture, and identity. 173

Current popular sentiment in PNG reflects the importance of customary ownership as common property. In 2003, violent protests erupted in the capital of Port Moresby against an amendment to the Customary Land Act which would require registration of customary lands and produced fear that customary owners’ rights to land would be undercut. 174 Conversion to freehold title is generally regarded as a political and economic failure. 175 In fact, most of the recent work of the Land Titles Commission has been reversion, in which customary landowners assert challenges to the agreements allocating their land in the first place. 176

B. Customary Ownership Curtails Unsustainable Practices and Provides an Adaptable Framework for Changing Circumstances

The group decision-making processes of customary ownership slow down those who are eager to sell timber rights for development, while

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170 Id. at 31. This Act allows indigenous people to form a landowner company in order to enter a FMA with the National Forest Authority. Id. Because the Act does not require identification of the land or the clan members in order to register, logging companies, anxious to streamline the process, are able to short-cut the procedures, but may end up entering a legally-binding contract with people whose ownership of land is only based on their assertions. Id. at 182.

171 Id. at 31.

172 See Cooter, supra note 13, at 760. Cooter notes that the wholesale conversion of rural land to freehold is tremendously disruptive to the economy and life of the countryside. Id.


174 Kalinga Seneviratne, Development: Papua New Guinea Wants to Prove Skeptics Wrong, Inter Press Service/Global Information Network, Dec. 15, 2003. See also Joel M. Ngugi, Re-Examining the Role of Private Property in Market Democracies: Problematic Ideological Issue Raised by Land Registration, 25 MICH. J. INT’L L. 467, 471-72 (2004). Professor Ngugi points out that while land registration is a technical exercise, it is also used to accomplish hidden political motives. Id. He goes on to note that capturing customary rights is often done with the aim of transforming the rights of various groups, using Kenya as an example. Id. While the government envisioned complete commodification of the land, certain sectors refused to accept the near absolute powers of the individually registered owners. Id. Instead, they organized, invented, and mobilized customary norms to frustrate formalized registration. Id.

175 See Cooter, supra note 13, at 779.

176 See id. at 778.
providing an adaptable framework for long-term cooperation and development. As a form of relational property that creates obligations to current and future relationships, customary ownership curbs unsustainable practices and accommodates changing circumstances.

1. Customary Ownership Is a Form of “Relational Property” That Serves Indigenous Groups More Appropriately Than “Market Property”

In PNG, many customary land transactions take place between relatives. The “web of mutual obligations” that binds people together in their indigenous kin networks constrains a seller’s freedom to pursue his or her best advantage. In contrast, in the common law countries from which PNG draws its formal legal framework, most land transactions are between people who only relate to each other on a commercial level, under a freehold regime that works best when parties do not have strong commitments to each other.

Relational property rules maintain an incentive structure where, in the long run, cooperation benefits everyone, while non-cooperation benefits no one. Thus, self-interested people can still cooperate with one another through this community-enhancing framework. The relationships within indigenous groups serve as this framework, creating a complicated, yet flexible and familiar understanding between parties making decisions regarding the use of their forests. Thus, rather than working within a “market property” system, which enables strangers to transfer property rights in one-shot transactions, forest user groups work best within a framework of coordination and cooperation, creating “relational property” among kin.

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177 CUSTOMARY LAND TENURE, supra note 58, at 41.
178 Id.
179 Id. These countries include Australia and the United States. Id.
180 Id. at 42.
181 Id. at 42.
182 Cooter, supra note 13, at 773. “An understanding supplies a vague, uncertain and flexible basis for coordination and cooperation. The parties rely on informal means of interpretation and enforcement, and they adjust the terms of the understanding in response to changing conditions.” Id. In contrasting understandings with contracts, Robert Cooter points out that understandings may be preferable to contracts for a variety of reasons, including those parties who are in long-run relationships. Id. at 774. He uses game theory’s demonstration that repeated play can solve problems of opportunism that occur in one-shot contracts. Thus, commitment to a long-run relationship may be superior to binding, legal agreements in the right circumstances. Id.
183 CUSTOMARY LAND TENURE, supra note 58, at 42.
2. The Obligations to Current and Future Relationships Amongst Clan Members Curtails Illegal Practices

Unlike Western societies, where mutual obligations are minimal, the definitions of customary property law do not involve a person's right over things, but rather, obligations owed between persons in respect of things.\textsuperscript{184} These obligations are to those within kinship groups, which in the context of land includes children and ancestors.\textsuperscript{185} Extending relational property law to include these future generations curtails illegal logging practices, as the current users have customary obligations to maintain the resource for their children.\textsuperscript{186} The Constitution of PNG also supports guardianship of resources for future generations.\textsuperscript{187} Further, "[i]t is no exaggeration to say that a clan's land is sacred, since its dead have been buried in it from time immemorial."\textsuperscript{188} Thus, indigenous groups possess the desire and incentive to protect their land out of respect for their ancestors and in order to maintain a resource base for future generations.

3. The Adaptability of Customary Ownership Enables It to Accommodate Changing Circumstances

Customary ownership's capacity for change arises from its origins as a practical interaction between kinsmen.\textsuperscript{189} Like a language that evolved out of the necessity to trade with other cultures (for example, Adzera or Yabem, which are Austronesian languages spoken within PNG),\textsuperscript{190} customary ownership evolved along with the necessity to allocate resources amongst related members of a clan. New situations required accomplishing spontaneous responses capable of addressing the situation without a formal set of procedures as to how to change the rules.\textsuperscript{191} Recognition of a change

\textsuperscript{184} \textit{GLUCKMAN}, supra note 56, at 171.
\textsuperscript{185} \textit{ARMITAGE}, supra note 105, at 3-5. In fact, the role of land is to ensure the survival of the clans traditionally through a high level of self-sufficiency. \textit{Id.} at 3.
\textsuperscript{186} Anastasia Teleetsky, \textit{Graun Bilong Mipela Na Mipela No Tromweim: The Viability of International Conservation Easements to Protect Papua New Guinea's Declining Biodiversity}, 13 GEO. INT'L ENVTL. L. REV. 735, 752 (2001). "As an important part of their worldview, New Guineans generally associate both their given communal and individual rights to a piece of land with customary responsibilities to maintain the land." \textit{Id.}
\textsuperscript{188} \textit{Cooter}, supra note 13, at 772.
\textsuperscript{189} \textit{CUSTOMARY LAND TENURE}, supra note 58, at 39.
\textsuperscript{191} \textit{CUSTOMARY LAND TENURE}, supra note 58, at 39.
in custom by the local land court in Rabual provides an example. According to Tolai custom before 1953, leaders of the clan could decide whether to sell that clan’s land. As population pressure increased land values, the Tolai became alarmed that leaders were disposing of clan land for their own personal profits. In order to address their concerns, customary law was changed and enforced by the courts. Now, clan land cannot be sold without the agreement of all the affected members. This demonstrates that substantial popular support for change in customary law can motivate the courts to respond accordingly.

Unlike statutory law, which tends to be inflexible, customary law is open to flexible interpretation by the newer generations, whose values and needs may change. Thus, customary owners are more likely to accept and enforce customary law when they know that it can be adapted to fit the realities of their changing circumstances. This adaptability allows customary ownership to be dynamic and responsive to the specific needs of the locality as circumstances change and development pressures increase.

C. Recognition of Indigenous Rights of Resource Management Dramatically Increases the Protection of Forests

Durable and ecologically sound resource management institutions are valuable in and of themselves and are even more valuable when they internalize norms of resource use that are consistent with the public interest. Local management of natural resources works most efficiently and effectively when rural communities, rather than the state, are involved in making their own investment decisions. Many case studies investigate the decentralization of resource management, indicating the success of these allocative structures. Examples of such decentralization in PNG include

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192 Cooter, supra note 13, at 788.
193 Id.
194 Id.
195 Id.
196 Id.
197 Telesetsky, supra note 186, at 759.
198 See id.
199 Cooter, supra note 13, at 788.
201 See AGARWAL AND NARAIN, supra note 3, at 7.
202 See e.g., JESSE C. RIBOT, DEMOCRATIC DECENTRALIZATION OF NATURAL RESOURCES, WORLD RESOURCES INSTITUTE (MARTHA SCHULTZ ED., 2002); AUGUSTA MOLNAR, ET AL., WHO CONSERVES THE WORLD’S FORESTS? COMMUNITY-DRIVEN STRATEGIES TO PROTECT FORESTS AND RESPECT RIGHTS, FOREST TRENDS (2004).

The failure of the Lak pilot and the success of the Ramu pilot demonstrate that the most successful programs give full information to landowners and build consensus around development options.\footnote{ENVIRONMENT MONITOR, supra note 12, at 11.} These pilot sites, combined with case studies from around the world, "show that open and participatory village institutions which have been given clearly defined property rights, remain the best institutions to manage conflict and determine burden- and benefit-sharing within communities."\footnote{AGARWAL AND NARAIN, supra note 3, at 30.} Landowners involved in negotiations with the timber industry have retained their land and have generally not been displaced from their traditional villages.\footnote{STATE VERSUS CUSTOM, supra note 7, at 262.} Further, a process that allocates resources in a more participatory and accountable way contributes to better forest management and reduces social conflict.\footnote{See TACCONI, supra note 2, at 10.} Thus, customary landowners have also been successful in some regions when establishing their own development projects, such as small-scale forestry projects.\footnote{GUSTAFSSON, supra note 30, at 6. See also Ron Martin, \textit{Small-Scale Community Based Forestry: Issues in the Conservation of Papua New Guinea's Biodiversity}, in \textit{The Political Economy of Forest Management in Papua New Guinea} 269, 270 (Colin Filer ed., 1997).} They recognize that while their forests give them access to the monetary sector, they are also valuable resources that must be sustained and protected for future generations.\footnote{GUSTAFSSON, supra note 30, at 6.}

Furthermore, because they are dependent upon their forests, customary owners with recognized rights are effective protectors of their resource. As noted earlier, many groups in PNG are entirely dependent upon the tropical rainforests for their survival needs and have created landscapes that have resulted from long-term interactions with their environments.\footnote{U.N. CSD, \textit{Implementation of Forest-Related Decisions of the UNCED at the National and International Levels, Including the Examination of Sectoral and Cross-Sectoral Linkages}, Programme Element I.3: Traditional Forest Related Knowledge, E/CN.17/IF1996/9, paras 16-19 (1996).} Thus, "[i]n many situations, groups who claim rights to trees and other forest products may be particularly efficient in guarding against unplanned harvesting of trees and forest products, especially where the group has traditionally regarded the forest as its common property
resource.” Even in cases where the state has tried to assert management over forests, “group management may be a better alternative for preserving threatened forests where state administrative capacity is not adequate at the local level . . . .” Such is the case in PNG, where customary owners have continued to adhere to their traditional forms of forest management and control, calling for even greater strength of their ownership rights under growing pressure from commercial logging.

V. CONCLUSION

Of the various forest sector issues, the costs of illegal logging and forest corruption remain the areas of greatest concern. In PNG, where a large majority of the population remains rural and dependent upon natural resources for subsistence economies, loss of forest resources to illegal logging can be devastating to local and indigenous communities.

To secure their customary ownership, the indigenous people of PNG can turn to constitutional and international instruments. However, the Forestry Act of 1991 and the underdevelopment of customary property law in the local land courts curtail the sovereignty of customary ownership. Thus, the Act should be revised to allow direct negotiations, subject to customary law, between customary landowners and loggers. The local land courts have begun developing a legal basis for customary ownership and should continue to be the forum for the evolution of this ownership.

As an adaptable framework comprised of long-term kin obligations, customary ownership can be effective in protecting forests. Due to their connection to and reliance on the forests, indigenous Papua New Guineans can present the first line of defense in preventing the devastating consequences of illegal logging.

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211 Mitchell, supra note 112, at 29.
212 Id. at 30.
213 ARMITAGE, supra note 105, at 1.
214 WB SUSTAINING FORESTS, supra note 1, at appendix A-23.