

A CASE STUDY OF NATURAL RESOURCE RELATED CONFLICT

**FROM GRUBS TO GOLD AND GEOPOLITICS:
THE MANY LAYERS OF VIOLENCE AT
GRASBERG**

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We tend to judge events from our own frames of reference. But when people come from cultures and environments radically different from our own, it becomes very difficult to measure what is happening to them, or to understand how they are likely to react to change. Reaching such understandings is precisely one of the challenges of globalization, because globalization permits people from radically different backgrounds and cultural frameworks to have enormous impacts on each other, at long distance, without knowing each other.

Modern natural resource development in poor rural regions of developing countries presents cultural gulfs as wide as any that exist. People on either side of those gaps effect each other enormously, with almost no mutual understanding or empathy. This is one of the seeds of violence.

We think that the best way to illustrate this is through looking at an example. The example we present is Grasberg, the world's richest gold mine. We use Grasberg because it is a case of violent conflict, because it is a major project, and because we have at least some information on how the project looks 'from the ground up.'

Grasberg is owned by Freeport McMoRan Gold & Copper, Inc.¹ It sits in the interior of the island of New Guinea, in what is now the Indonesian province of Irian Jaya. Freeport's operations in the area, starting in 1967,² have been the center of ongoing violence which has cost of thousands of lives.³

Development has occurred in two phases – the mining of the original Ertsberg deposit, and the mining, starting in the early 1990s, of the subsequently discovered Grasberg, at an expanded scale of operations.⁴ There is now open talk of more finds in the area and an even greater pace of development.

¹ The company website is www.fcx.com

² Wilson, Forbes. *The Conquest of Copper Mountain*. New York; Atheneum, 1981

³ Because the entire province is a closed military zone, information is difficult to obtain or assess for reliability. The official figure is over 100,000 deaths. These numbers refer to the total native deaths at the hands of the Indonesian military, mostly in sporadic fighting. But the actual number of deaths directly or indirectly related to the mine is most likely considerably higher than the official version, because it fails to account fully for the deaths from increased intertribal conflict caused by displacement from traditional territories, or the deaths due to the recent spike in fighting between local people and immigrant artisanal miners, or the deaths of mine employees. See: "Suharto Avoids International Tribunal".

www.globalpolicy.org/intljustice/tribunals/timor/2006/0328suharto.htm

"Famine Grips West Papua". *Down to Earth*. #36. February 1998. <http://dte.gn.apc.org/36fam.htm>

"Reconciliation and Consolidation among Papuans". *The West Papuan Project*, Center for Peace and Conflict Studies, University of Sydney. Position Paper #4, January 2003.

⁴ The Grasberg deposit was discovered in 1988, and light production began in 1990. By 1995, the expansion plan was complete and the Grasberg mine was operating at full capacity.

Mealey, George. *Grasberg: Mining the richest and most remote deposit of copper and gold in the world, in the mountains of Irian Jaya, Indonesia*. Freeport-McMoRan Copper and Gold Inc. Singapore, 1996.

This complex and difficult situation cannot be understood by looking at it on one scale. It has local, regional, national and global dimensions. We shall start with the local picture, and work up.

I. THE LOCAL SCALE -- THE KAMORO PEOPLE

We all consume some combination of 'free' ecosystem goods⁵ and goods bought for money in organized markets.⁶ The richer we are, the more our 'basket of necessities' is bought in markets, while the poorer we are, the more our 'basket' comes from nature in the form of natural ecosystem goods. Whether we speak of 'income from natural capital,' 'usufruct,' or 'subsistence resources,' the idea is the same. People who live almost entirely outside the market system, from subsistence farmers to hunter gatherers to artisanal fishermen and others, depend upon these ecosystem services⁷ for their livelihoods.⁸ The poorer people are, the more heavily they depend on intact ecosystems, and the more dependent they are, the more profoundly they are impacted when such ecosystems are damaged.⁹



⁵ We have been in a long process of transition from 'free' ecosystem goods to market goods. And some places are starting to charge for air, just as they started charging for potable water a century ago. See "Canned Oxygen Could Be the Next Bottled Water" www.failedsuccess.com/index.php?weblog/comments/canned_oxygen_flavored_air/

⁶ "Ecosystems and human well-being: Biodiversity synthesis". *Millennium Ecosystem Assessment*. World Resources Institute, Washington D.C. 2005. <http://www.millenniumassessment.org/documents/document.354.aspx.pdf>

⁷ De Groot, Rudolf S, et al. "A typology for the classification, description, and evaluation of ecosystems functions, goods, and services". *Ecological Economics*. 41, 2002. pp393– 408.

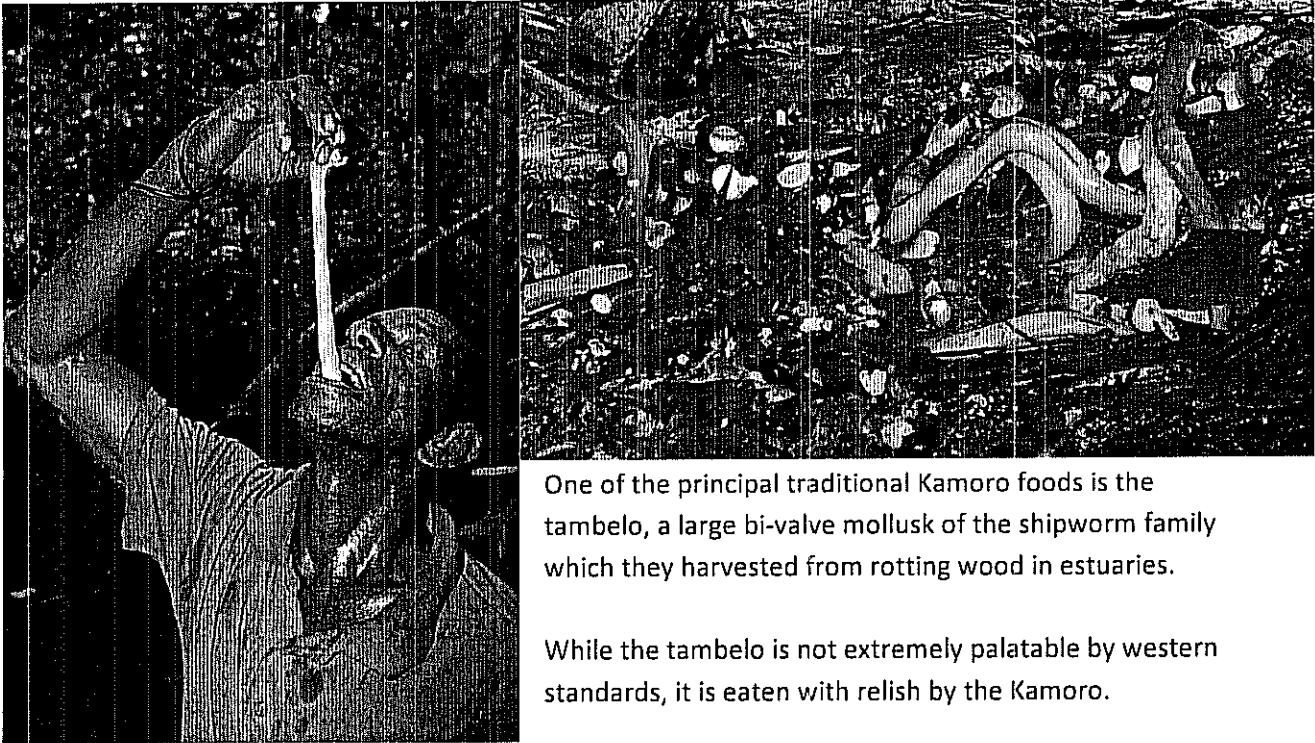
⁸ Daily, Gretchen C., ed. *Nature's Services*. Island Press, 1997.

⁹ "Chapter 6: Vulnerable People and Places". *Current State and Trends of the Millennium Ecosystem Assessment*. World Resources Institute, 2005. <http://www.millenniumassessment.org/documents/document.275.aspx.pdf> See also other documents at www.millenniumassessment.org for more information.

Before the coming of mining, the Kamoro people in the southern lowlands of New Guinea¹⁰ lived almost entirely outside any modern market systems.¹¹ They were one of the thousands of ethnic groups that make New Guinea the most linguistically diverse place on Earth.¹²

While the interior of the island rises to almost 16,000 feet above sea level, and is the site of one of the world's few equatorial glaciers, the Kamoro live in the wet lowlands that stretch from the foot of the mountains to the sea.¹³

Tambelo



Enjoying the Tambelo

One of the principal traditional Kamoro foods is the tambelo, a large bi-valve mollusk of the shipworm family which they harvested from rotting wood in estuaries.

While the tambelo is not extremely palatable by western standards, it is eaten with relish by the Kamoro.

¹⁰ There are no really reliable population estimates for the Kamoro. Recent estimates range from 8,000 to 15,000 people, but there are figures outside that range. See Muller, Kal. "Life from the Mangroves: The Kamoro Way of Life". 2006.

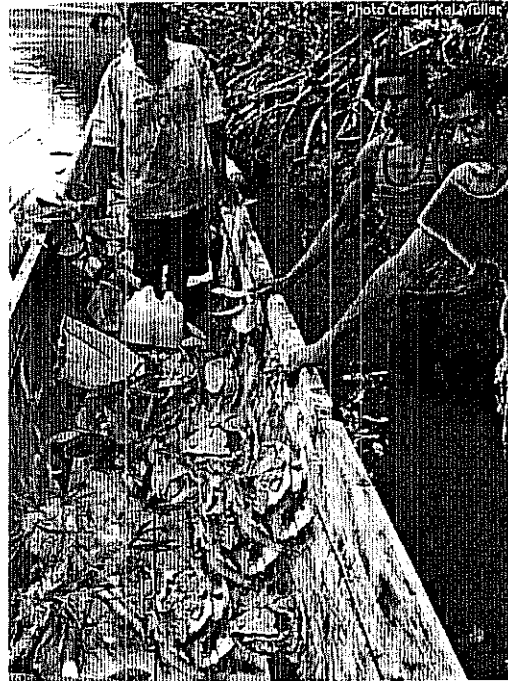
¹¹ Hills, Jonathan, and Richard Welford. "Auditing for human rights: Freeport-McMoRan Copper and Gold in Papua". *Corporate Social Responsibility and Environmental Management*. 13:2, 2006. pp108-114.

¹² Indonesia has 742 languages, most of which are concentrated in Irian Jaya (West Papua), while the other half of the Island, Papua New Guinea, has 820 languages, Together these two nations are only 3.6% of the world's population but are home to nearly 23% of the world's languages. See Ethnologue: http://www.ethnologue.com/ethno_docs/distribution.asp?by=country

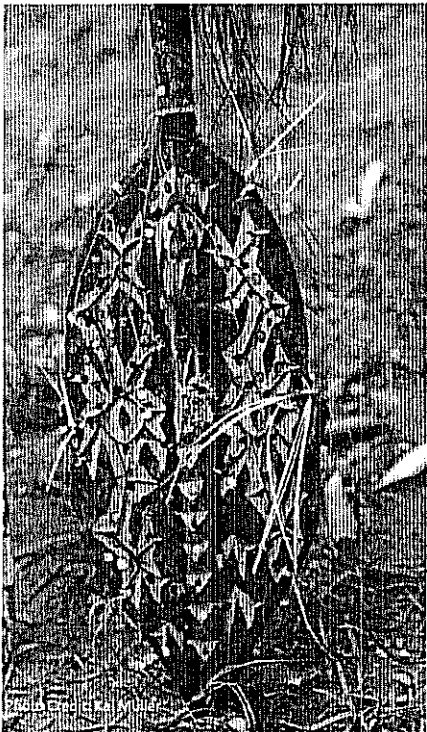
¹³ Mealey, George A. *Grasberg*. Freeport-McMoRan Copper and Gold Inc, Singapore, 1996.



Harvesting the tambelo



Bringing the harvest home



Kamoro Art

An important part of Kamoro life revolves around searching for and gathering tambelo and other traditional foods.¹⁴ Luckily for the Kamoro, the tambelo are easy to catch. Their other staples are equally easy to harvest, which means the Kamoro could traditionally collect enough food for a month with just a few days of hard labor.¹⁵ In the past, this gave the Kamoro considerable time for religious, ritual and other cultural activities, which they put to good use. Kamoro art is highly prized by collectors. The tribe is also famous for its drumming and music.

¹⁴ Muller, Kal. "Life from the Mangroves: The Kamoro Way of Life". 2006.

¹⁵ Ibid.

Kamoro Drum Ceremony



Grasberg Mine is located in the high mountains above the coastal Kamoro homelands.

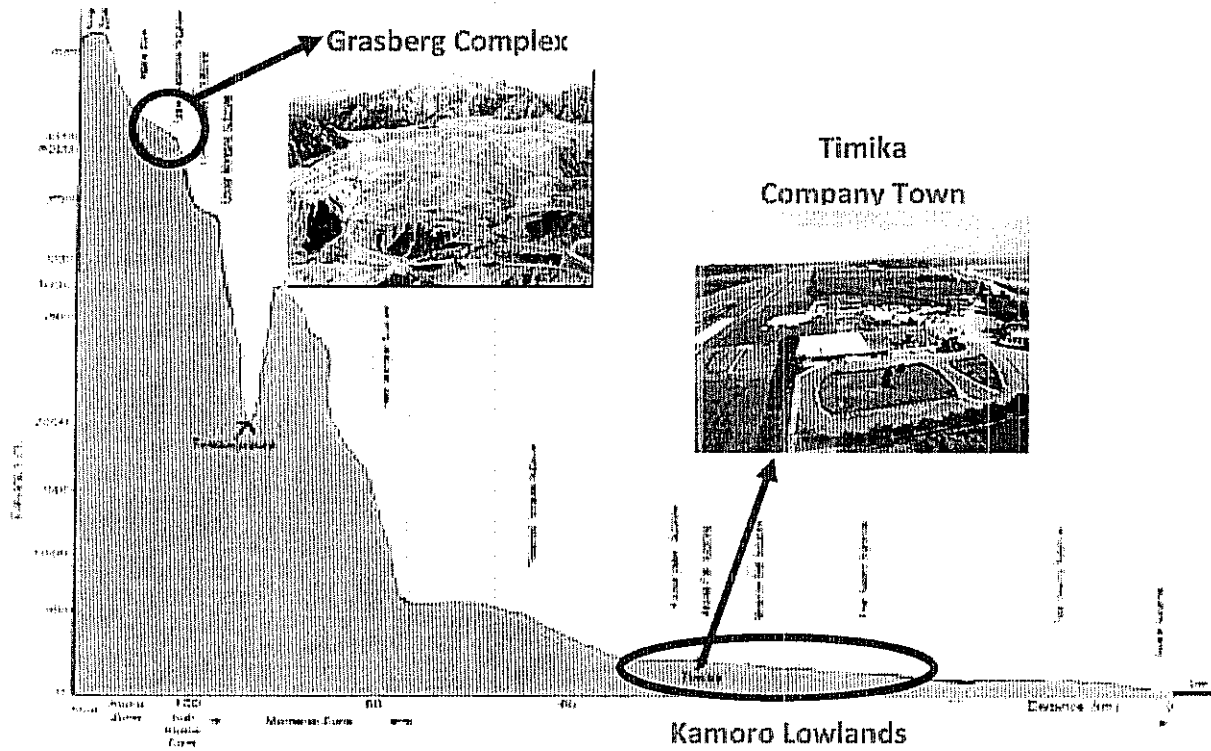




Photo: Luke Danielson

The Grasberg Complex



Photo: Luke Danielson

The Grasberg Pit

Note the trucks on the left

The mine is the world's most productive gold mine, and the world's largest recoverable copper reserve. It produces approximately 60 million metric tons of ore each year, from which is extracted over one billion pounds of copper and nearly two million metric ounces of gold.¹⁶

The valuable metal concentrates go to the sea in a pipeline.

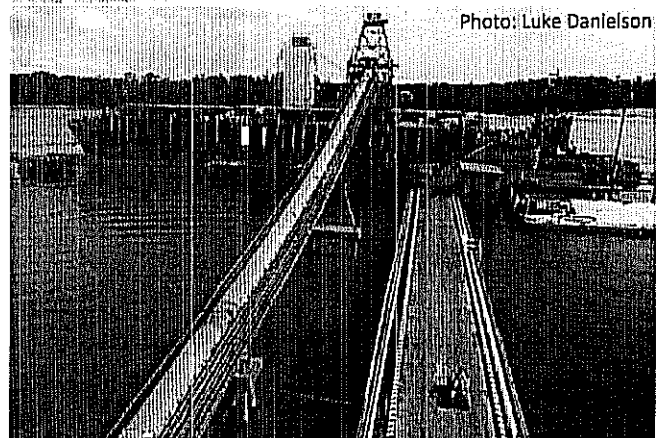
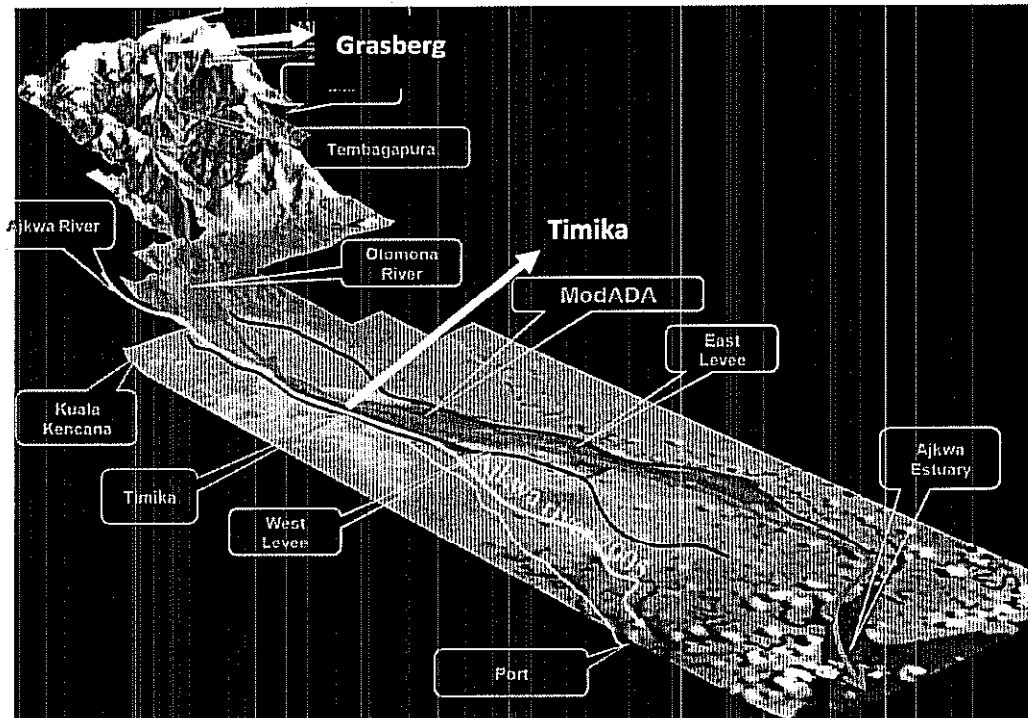


Photo: Luke Danielson

Headed out to sea

¹⁶ www.fcx.com



The enormous quantity of waste tailings is discharged into the Aikwa River, which flows through the heart of the Kamoro territory. As the river rushes from the steep mountains to the coastal lowland, the velocity of the flow is reduced and the tailings mostly settle out.

A River of Tailings

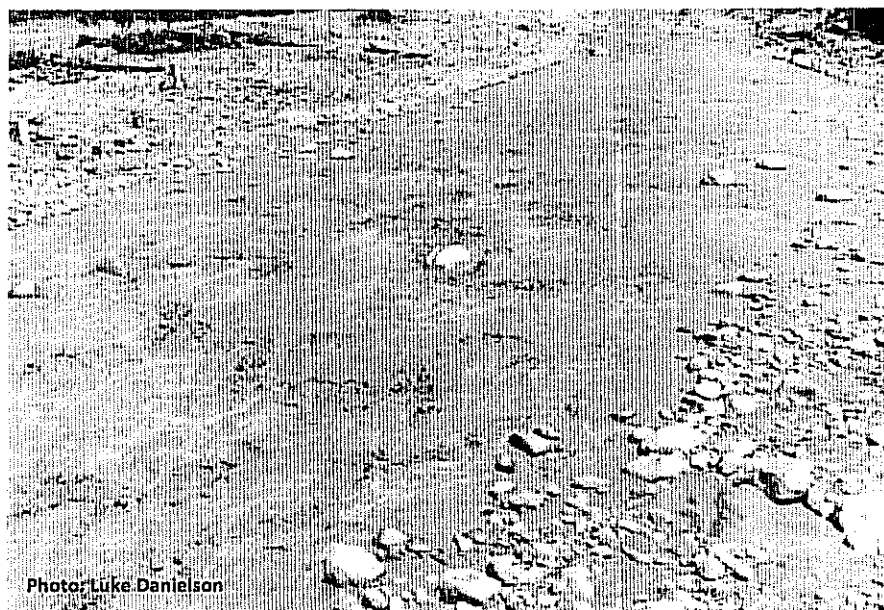


Photo: Luke Danielson

Much of the lowland course of the Aikwa is being covered with a growing layer of tailings. The tailings cause the water level to rise, which in turn kills large areas of trees whose roots suffocate. The result is the slow decay and death for the heart of Kamoro territory.

Dying Mangrove Forests



Photo: Luke Danielson

Entirely aside from the various other problems inherent in having much of their territory covered with tailings, the Kamoro began to report that the tambelo were no longer tasty or even palatable. After some period of resisting these complaints, the company became concerned and had the tambelo tested for contamination.



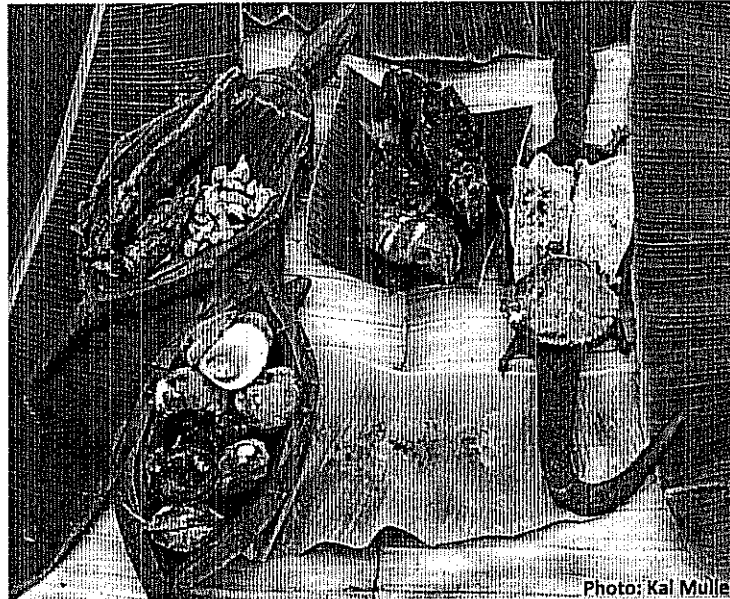
Other foods being tested for contamination

Environmental scientists reported that the trace contamination did not exceed World Health Organization standards, and therefore was not harmful to eat. The company now has a modern laboratory that routinely tests foodstuffs, to ensure food safety.

Although the trace contamination may not be harmful, it is still enough to make the tambelo entirely unappetizing for the Kamoro. They therefore face the choice of abandoning this traditional food, and the part of their complex cycle of livelihood dedicated to collecting it, or eating something they find distasteful. Neither option is particularly appealing.

This is the story of just one of the traditional Kamoro foods. Some of the other Kamoro staples are shown below. Each of these foods has a similar story, most of them equally tragic and some of them worse.

Other traditional Kamoro foods



For example, the sago palm provides the Kamoros' main staple starch [see upper right in photo] and is home to their principal source of protein, the sago grub [upper left]. In many areas, the sago palm population has declined drastically because of the root flooding caused by tailings. As the sago palm dies, so too does the grub, and the Kamoro lose significant sources of both starch and protein.¹⁷ The sago starch is their main staple, so its increasing demise is more worrisome than the loss of a tasty tambelo, since cutting starch from their diet has more drastic effects than leaving out a single source of protein. In order to avoid a food crisis, many have been forced to replace their staple food with an imported staple, such as rice,¹⁸ which is more expensive if bought, even with some company-sponsored help, and more time consuming if they chose to grow it themselves.



Sago Grubs

The loss of traditional foods and consumption patterns is not the only loss the Kamoro have suffered. Indonesian law recognizes traditional *adat*, or communal, land rights, but the recognition only extends to fixed villages and land cleared for agriculture, not to traditional hunting grounds or tambelo and sago harvesting grounds, which are significantly more extensive than the settled

¹⁷ Muller, Kal. "Life from the Mangroves: The Kamoro Way of Life." 2006.

¹⁸ Yamin, Kafil. "Freeport spells an end to freedom for Kamoro wanderers". *Asia Times Online*. March 1, 2000. <http://www.atimes.com/se-asia/BC01Ae01.html>

lands.¹⁹ These latter areas are routinely overrun by immigrants and mining operations. Even the areas that are covered by the law are constantly being taken over, as there is no functional court system in the area, and Indonesia has no effective way protecting even such rights as are recognized.²⁰

Such government as does exist is largely dominated by the recently arrived Asian Javanese, and there is evident racial tension between them and the black Melanesian Kamoro. The Kamoro may lack the capacity to avail themselves of government remedies if they did exist. And they get little support or encouragement from NGOs, as the status of the area as a closed military zone effectively prohibits open NGO activity there. As a result, the Kamoro are beginning to lose their semi-nomadic way of life.

The Kamoro are now facing another challenge. Thousands of artisanal gold panners from other islands of Indonesia have invaded their territory. There have been clashes, some of them violent, between the Kamoro and the gold panners. Attempts by the Kamoro or Freeport to manage this problem have had limited success because the gold panning is an extremely lucrative business.²¹ Indonesian army officers are rumored to control the gold buying syndicate, which further hampers attempts to control this activity.

The Kamoro have not been compensated for these enormous intrusions on their territory. In fact, most often they have not been compensated for any of their loss of land and livelihood from the mine. The company "was not required to compensate...for the loss of their food gardens, hunting and fishing grounds, drinking water, forest products, sacred sites, and other elements of the natural environment upon which their cultures and livelihoods depend,"²² and neither was the government.

Nor have they been able in most cases to benefit from development of alternative opportunities that the mine has presented. Because the Kamoro have no written language, cannot read and write, do not speak any of the languages spoken by work supervisors, do not have a cultural tradition of hourly work, cannot get from their villages to work sites, and lack numeracy, they have been generally unable to take advantage of the jobs offered by the mine.

Their territory is largely overrun by people emigrating from other islands of Indonesia,²³ who tend to view the Kamoro as inferior in all ways.²⁴ The Indonesian government does not by and large provide the

¹⁹ Mealey, George A. *Grasberg*. Freeport-McMoRan Copper and Gold Inc, Singapore, 1996. Pages 303-304.

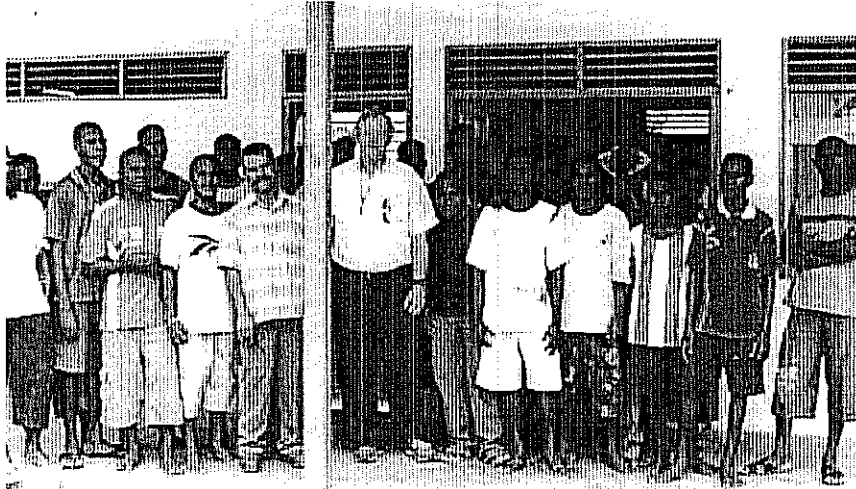
²⁰ Leith, *Politics of Power*. page 188.

²¹ See the company's website at http://www.fcx.com/envir/art_mining.htm See also the 10-Q SEC 2006 quarterly report at: <http://sec.edgar-online.com/2006/11/02/0000831259-06-000134/Section13.asp>

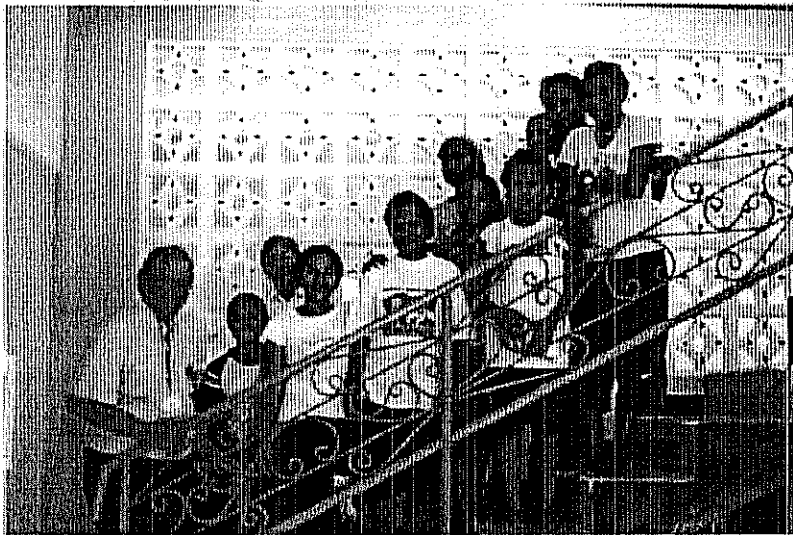
²² Abrash, Abigail. "The Amungme, Kamoro & Freeport: How Indigenous Papuans Have Resisted the World's Largest Gold and Copper Mine". *Cultural Survival Quarterly*. 25:1. April 30, 2001. <http://www.culturalsurvival.org/publications/csq/csq-article.cfm?id=652>

²³ Reliable area population numbers are hard to find, but the population of the city of Timika, adjacent to the Kamoro territory, was well over 60,000 in 1990, and is well over 200,000 by now. West Papua is the fastest growing area of Indonesia, and it is not growing in favor of the native West Papuans. In 1971 native Papuans were

Kamoro with public education. Freeport provides most of the educational opportunities, but these are in general available only to those who will leave their villages and relocate to the city. It is in any case unavailable in Kamoro or the other languages spoken by 70% of the province.²⁵ Reportedly, such efforts as have been made foundered because there are no Kamoro teachers, and non-Kamoro teachers could not bridge the conceptual gaps to engage the Kamoro villagers.



A Kamoro School for Men



A Kamoro School for Girls

96% of the population. If growth rates of migrants and natives continue as they are now, by the year 2030 native Papuans will be only 15.2% of the population. For further statistics, see Elmslie, Jim Dr. "West Papua: Genocide, Demographic Change, the Issue of 'Intent', and the Australia-Indonesia Security Treaty." Paper presented at the *West Papua: Paths to Justice and Prosperity* conference Sydney University, August 9-10, 2007.

<http://www.arts.usyd.edu.au/centres/cpacs/docs/Indo%20Solidarity%20paper.pdf>

²⁴ Chauvel, Richard. "Constructing Papuan Nationalism: History, Ethnicity, and Adaption". *East-West Center Washington, Policy Studies* 14. 2005. <http://archives.pireport.org/archive/2006/March/papua-nationalism.pdf> Pages 41 - 47.

²⁵ Leith, *Politics of Power*. pages 126-129.

The profound ecological, demographic, and social changes in Kamoro territory have drastically undermined the Kamoro way of life. Due to their previous isolation, the abruptness of Freeport's arrival, the lack of government support, the lack of consultation, and above all the lack of any say as to what has happened to them, the clash has been unnecessarily hard on the Kamoro. The result is said to be a demoralized people.²⁶ One missionary to the area says that the lowlands "strikes a person as a dead area filled with zombies... Religion of the past is no longer celebrated and the Christian religion means nothing to the people. The past is gone forever. The present lacks vitality. The future holds no hope."²⁷

For the Kamoro, the experience amounts to a complete loss of control over their own destiny. Whether their GDP per capita has increased, or can even be measured, is really beside the point. Nobel Laureate Amartya Sen has identified the key indicator of development as the freedom to choose:

"Development [is]...a process of expanding the real freedoms that people enjoy...Viewing development in terms of expanding substantive freedoms directs attention to the ends that make development important, rather than merely to some of the means that, inter alia, play a prominent part in the process."¹

In other words, freedom is both the ends and the means of development, and true development only occurs when people have the freedom to choose how they want to live and think.

By this indicator, the record of development in Irian Jaya is very mixed. The local people may have a new clinic, and if they go to it that may be taken as some indication that they value it. But it is something given to them, rather than something they achieved, and it is something someone else decided they should want, rather than something they chose for themselves. The choice of maintaining their traditional way of life and culture has been foreclosed by past decisions in which they were never given a chance to participate. Whoever is driving this fierce process of change, and whoever gets to say yes or no to decisions, it is not the Kamoro.

Ultimately, whether the local people 'should' lament the loss of culture and traditions, or 'should' celebrate the fact that they can now watch movies, or have less malaria, is really not for us to say. The one thing consistently lacking over recent decades is anyone asking the locals what they want, or giving them control, even at the margins, over their own future.

We have hardly touched the overwhelming impacts of change on the Kamoro. We have focused mainly on their food supply. The full picture of what the Kamoro have lived through since they were removed from their territory without compensation starting some 40 years ago is much broader, more disturbing,

²⁶ Freeport has several explanations for why the company has failed to achieve more significant employment of Kamoros: they cannot read and write, they lack numeracy, they are polychronic, they cannot speak English, Bahasa Indonesia, or other languages spoken by mine managers, etc. But the Kamoros are also frequently said to be simply "too passive." LD personal communication.

²⁷ Muller, Kalman. "The Kamoro". Jan. 2000. http://kalmanmuller.com/thekamoro_en.html

and fraught with violence. Some of that violence is easy to understand: individual disputes with people interfering with their traditional activities or coming into their territory (such as the invading artisanal gold panners),²⁸ or incidents of the Kamoro resisting intrusion by the activities of the company that end in bloodshed.²⁹

The company's past lack of understanding of the issues facing the Kamoro is illustrated by Forbes Wilson's book *The Conquest of Copper Mountain* and George Mealey's *Grasberg*, both of which focus almost entirely on the engineering challenges of building the mine, and seem simply to assume that the natives are better off.³⁰ But the natives are not necessarily better off, and these conflicts are more complicated than they seem, with deeper roots and causes. The company has shown a much greater understanding in recent years, but has a tremendous amount of catching up to do, hampered by the fact that it cannot 'catch up' without serious cooperation by the Indonesian government, which is at this stage hard to detect.

What is happening to the Kamoro cannot really be understood apart from what has happened in West Papua as a whole. Let us move our sights up from this one people to the region in which they live.

II. THE EXPERIENCE OF NEIGHBORING PEOPLES

As distressing as the story of the Kamoro is, we could possibly ignore it and pass on by if this were an isolated case or if their suffering did not affect mine production. That is one position in the long running debate over the "winners and losers" of development: the theory that "development without losers" is an unrealistic fantasy, that making omelets requires breaking eggs, and if the Kamoro are the losers, others are winners somewhere else. But even if we are willing from our armchairs to write off the existence of a single small people halfway around the world, the Kamoro experience is not unique.

Take the Kamoro's immediate neighbors, the Amungme. Their traditional territory was the mountainous areas where the mine processing system and main company town, Tembagapura, were installed. They face similar issues as the Kamoro: displacement, loss of land, traditional foods, and livelihoods, etc. They also have more intense and personal issues with the mine, which have led to a considerably greater level of violence.³¹ While the Amungme never inhabited the copper mountain itself, the tall

²⁸ See the company's website at http://www.fcx.com/envir/art_mining.htm See also the 10-Q SEC 2006 quarterly report at: <http://sec.edgar-online.com/2006/11/02/0000831259-06-000134/Section13.asp>

²⁹ Abrash, Abigail. "The Amungme, Kamoro & Freeport: How Indigenous Papuans Have Resisted the World's Largest Gold and Copper Mine". *Cultural Survival Quarterly*. 25:1. April 30, 2001. <http://www.culturalsurvival.org/publications/csq/csq-article.cfm?id=652>

³⁰ Wilson, Forbes. *The Conquest of Copper Mountain*. New York; Atheneum, 1981.
Mealey, George A. *Grasberg*. Freeport-McMoRan Copper and Gold Inc, Singapore, 1996.

³¹ One of the reasons that the Amungme have a greater level of violence is because they are considerably more organized and have a stronger sense of unity and tribal pride. Keith *Politics of Power*. pages 87 – 89.

peak (which is now a deep hole) was the center of their religious universe. For the Amungme, the mine is destroying the Great Mother herself.³²



Amungme men prepared for violence

The Amungme have tried numerous times to defend their sacred lands. They have tried twice to reach justice through lawsuits against Freeport in its home country, once in the company's home state of Louisiana and once in the federal courts. The charges were human rights abuses, cultural genocide, and environmental degradation.³³ Both cases failed.³⁴ They have tried talking to the company directly. In order to have their voice heard, they have banded together in a tribal council, called LEMASA, which has a voice strong enough to negotiate with the mine.

Locals have periodically taken matters into their own hands by blocking roads, sabotaging equipment, and doing whatever they can to physically prevent the mine from operating. This has included rolling rocks down from the heights on the mine facility.

They have caused several temporary halts to mine production,³⁵ and the company has subsequently tried to appease the Amungme people and LEMASA. Freeport invited Tom Beanal, a tribal leader and the same man who filed the federal

³² "Repressive Mining in West Papua". *Canada's West Papua Action Network*. July 13, 2003. <http://www.westpapua.ca/?q=en/node/28>

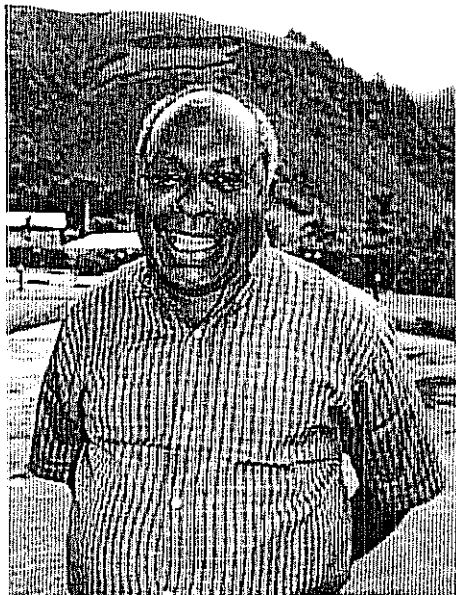
³³ A large quantity of information on these cases is gathered at the Business and Human Rights Resource Center: <http://www.business-humanrights.org/Categories/Lawlawsuits/Lawsuitsregulatoryaction/LawsuitsSelectedcases/Freeport-McMoRanlawsuitsreWestPapua>

³⁴ The cases failed because the tribal defenders, Tom Beanal in the federal courts and Yosefa Alomang in the state court, did not provide 'sufficient underlying facts'. Ibid.

³⁵ See Budiardjo, Carmel. "West Papua: Under the Indonesian Jackboot". *Human Rights Defender*. 1996. <http://search2.austlii.edu.au/au/journals/HRD/1996/6.html> and Leith, Denise. *The Politics of Power: Freeport in Suharto's Indonesia*. University of Hawai'i Press, 2005. and Perlez, Jane, and Raymond Bonner. "Below a Mountain of Wealth, a River of Waste". *New York Times*. December 2005. <http://www.nytimes.com/2005/12/27/international/asia/27gold.html?pagewanted=1&r=1>

court case, into their decision-making councils. Beanal and Freeport CEO Jim Bob Moffett signed a Memorandum of Understanding in 2000, which seemed to point to improved relations.

Tom Beanal



However, it is extremely difficult to analyze the results of talks³⁶ between LEMASA and Freeport, as the sides view the situation very differently. Freeport claims marked improvement, pointing to the continued dialogue and the MOU and quoting Beanal as saying that "...this agreement has been carefully and honestly negotiated and ensures that we will treat each other fairly and as equals from now on..."³⁷ LEMASA and other indigenous organizations claim that they are present in the decision-making councils but are neither heard nor heeded, quoting Beanal as saying, "What Freeport has done to me is to present me with a single limited choice, prepared by the company, so that I was not able to choose freely, but was always obliged to choose what was desired by Freeport."³⁸

NGOs have been understandably suspicious of this process, because they have largely been prevented from playing what they see as their important role of providing locals with information, counsel, and access to outside experience, to help locals make wise choices. The Indonesian military, on the other hand, tends to see the NGOs as responsible for 'stirring up' the supposedly naïve, uneducated, and easily misled Amungme, and often automatically ties NGOs to the armed separatist movement in West Papua (OPM).³⁹ To control the secessionists and prevent the NGOs from spreading dissent, therefore, the entire province of Irian Jaya is a closed military zone. Travel to the area is not permitted without permission of the military (although company permission is a sure way to get military permission).⁴⁰ Journalists are mostly not allowed to travel to the province.⁴¹

³⁶ Mine employees refer to some of these events as "rock festivals," because of the tendency of local people to gather on the heights above the mine roads and roll large rocks down to disturb operations. But the attempts at humor end when the Indonesian Army, which sees its role as keeping the mine in operation, and keeping the tax revenues flowing to Jakarta, steps in to "keep the peace" in an often violent and brutal manner. Perlez, Jane, and Raymond Bonner. "Below a Mountain of Wealth, a River of Waste". *New York Times*. December 2005. <http://www.nytimes.com/2005/12/27/international/asia/27gold.html?pagewanted=1& r=1>

³⁷ Bryce, Robert. "What's Yours is Mine". *The Austin Chronicle*. September 1, 2000. <http://www.austinchronicle.com/pyrobase/Issue/story?oid=oid%3A78470>

³⁸ Abrash, Abigail. "The Amungme, Kamoro & Freeport: How Indigenous Papuans Have Resisted the World's Largest Gold and Copper Mine". *Cultural Survival Quarterly*. 25:1. April 30, 2001. <http://www.culturalsurvival.org/publications/csq/csq-article.cfm?id=652>

³⁹ See Section III, page 14, below.

⁴⁰ Leith, Denise. *The Politics of Power: Freeport in Suharto's Indonesia*. University of Hawai'i Press, 2005.

What is clear from everyone's point of view is that no matter the causes, violence certainly does exist in the region, and is often centered on Freeport. Direct resistance to mine operations, and to the occupation of traditional lands by squatters and migrants, has led to sporadic (but often intense) violence since Freeport began in 1967. Recently, this violence has begun to increase, in a chicken-or-egg cycle of increased resistance and increased military response.⁴²

The Kamoro and the Amungme are only two of the seven peoples that Freeport regards as directly impacted by its activities. The others are the Dani, Ekari, Moni, Nduga, and Damal,⁴³ and all share similar stories, although the Kamoro and Amungme are the most drastically affected. All of these groups are struggling, some more than others, to deal with the changes wrought by Freeport.

But no matter how many groups Freeport wants to count as directly affected by its mine, the undeniable truth remains that all of West Papua has been directly affected by the development of the Ertsberg and Grasberg minerals. These connections have to be examined in a larger context, however, as the violence in the area is only one part of the larger pattern of violence throughout West Papua.

III. VIOLENCE IN WEST PAPUA

To further understand the links to violence, we must take a step back to examine Indonesia as a whole, and its relationship to West Papua or Irian Jaya, the province in which Grasberg sits. What is now Indonesia is a complex archipelago of 17,508 islands, 6,000 of which are inhabited.⁴⁴ Its 237 million citizens speak 742 different languages.⁴⁵ There are Hindus, Christians, animists Buddhists and Muslims.

Prior to the coming of the Dutch, the area had never been unified. Indeed, Indonesians have been known to remark that the only thing that unifies Indonesia is that the Dutch tried to colonize it. And that small tie is not enough to make some areas identify with Indonesia. This is certainly true of the western half of the island of New Guinea.

⁴¹ For example, determined efforts by the New York Times to send reporter Jane Perlez to the area two years ago failed to secure the necessary permission.

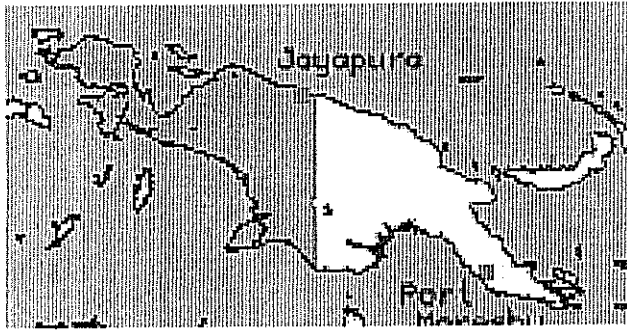
Perlez, Jane, and Raymond Bonner. "Below a Mountain of Wealth, a River of Waste". *New York Times*. December 2005. <http://www.nytimes.com/2005/12/27/International/asia/27gold.html?pagewanted=1& r=1>

⁴² "Indonesia: Investigate Escalating Violence in Papua". *Human Rights Watch*. London, March 17, 2006.

⁴³ Leith. *Politics of Power*. page 87

⁴⁴ CIA World Factbook <https://www.cia.gov/library/publications/the-world-factbook/geos/id.html>

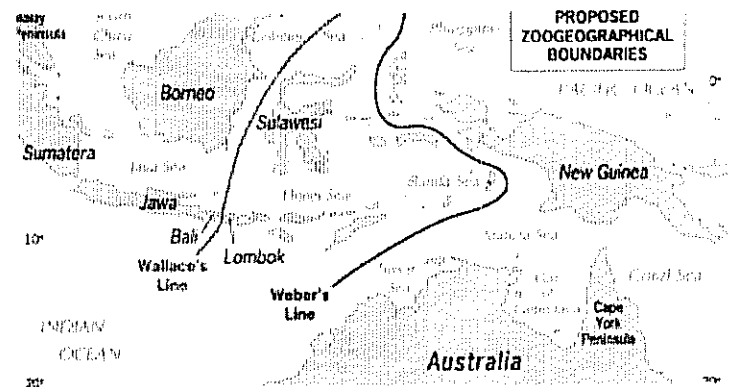
⁴⁵ Ethnologue http://www.ethnologue.com/ethno_docs/distribution.asp?by=country



New Guinea was colonized in bits and pieces by various imperial powers, principally Britain, Germany, and the Netherlands. In general, the eastern part of New Guinea, now the independent nation of Papua New Guinea, was part of the British (and later Australian) sphere of influence, while West Papua was nominally under Dutch rule.⁴⁶ West Papua is highly malarial. The

coastal waters are shallow, which means there are very few good harbors. At the time, the Dutch East India Company was looking for spices, slaves, and other exotic riches, and found the territory to be sadly lacking in those valued resources. Loath to waste energy on an 'economically unrewarding'⁴⁷ area, the Dutch kept their colonial presence light, with haphazard administration. A few missionaries were the strongest European influence.⁴⁸

While throughout the 19th century the Dutch more or less ignored the island, naturalists, explorers, and geologists did not. These early explorers gradually began to discover that the area was quite different from the rest of the Dutch East Indies. It was on the east of the 'Wallace Line', which separates Asian ecosystems from those of Australian origin, marking it as biologically distinct from the other principal Indonesian islands.⁴⁹ While the Wallace Line denotes differences in flora and fauna, it also seems to mark the cultural and racial differences between West Papua and the rest of Indonesia: most Indonesians are Asian, and speak Asian languages, while West Papuans are Melanesian, with Negroid features.⁵⁰



It was the discovery of oil in West Papua, and the desire to find more minerals on the island, that led Jean Jacques Dozy, a Shell geologist, to make his discovery of Ertzberg in 1936.⁵¹ He published a report, which was promptly forgotten in the upheaval of WWII. West Papua was invaded by

⁴⁶ <http://www.vanderheijden.org/ng/history.html>

⁴⁷ See below, page 45.

⁴⁸ Mealey, George A. *Grasberg: Mining the richest and most remote deposit of copper and gold in the world, in the mountains of Irian Jaya, Indonesia*. Freeport McMoRan Copper and Gold, Inc. New Orleans, 1996. Pp38-48.

⁴⁹ Mayr, Ernst, PhD. "Wallace's Line in the Light of Recent Zoogeographic Studies". *Quarterly Review of Biology*. 14:1, 1944. http://www.knaw.nl/Indonesia/Honig_Verdoorn/Honig31.pdf

⁵⁰ Chauvel, Richard. "Constructing Papuan Nationalism: History, Ethnicity, and Adaption". *East-West Center Washington, Policy Studies* 14. 2005. <http://archives.pireport.org/archive/2006/March/papua-nationalism.pdf>

the Japanese during the war, along with the rest of Indonesia. During the chaos of the invasion and subsequent fighting, the Independence movement grew strong enough to declare Indonesia independent at the end of the war.⁵²

It is important to note that the fight for independence began in and was always centered around Java.⁵³ The West Papuans never really participated in the fight against the Dutch,⁵⁴ as Dutch ruled their island considerably less harshly than Java.

After the war, Holland fought to regain its colonies, but by this time the United States had taken an interest in the archipelago. Partly out of its declared anti-colonialist sentiment, and partly out of a desire for easy access to whatever natural resources the area might have, the US pressured Holland, via the United Nations, to give up Indonesia. After four years of fighting and intense negotiations with the UN, the Dutch finally recognized Indonesian sovereignty in 1949.⁵⁵

During negotiations, the new government laid claim to all former Dutch islands, including a few, like West Papua, over which it had no control and no credible claim.⁵⁶ The Dutch held on to the island, despite President Sukarno's attempts to oust them with military force, claiming that was geographically and ethnically different and should be given self-determination. The UN agreed, and in the late 1950's the Dutch began preparing the West Papuans for independence.

In 1959 the long-forgotten Dozy report was rediscovered by a Dutch company and brought to the attention of Forbes Wilson, a geologist for the American company Freeport. Wilson traveled to Ertsberg, took samples, and returned convinced that mining the mountain could be an extremely lucrative venture.⁵⁷ By the end of 1960 Freeport had a plan of attack prepared. The unstable political situation, however, forced the company to wait.

⁵¹ Ertsberg, meaning Ore Mountain in Dutch, was at the time the largest above-ground copper deposit in the world. Wilson, Forbes. *The Conquest of Copper Mountain*. Antheneum, New York, 1981.

⁵² "History: Nationalist Movements". Indonesian Embassy in Ottawa. <http://www.indonesia-ottawa.org/page.php?s=1000history#NM>

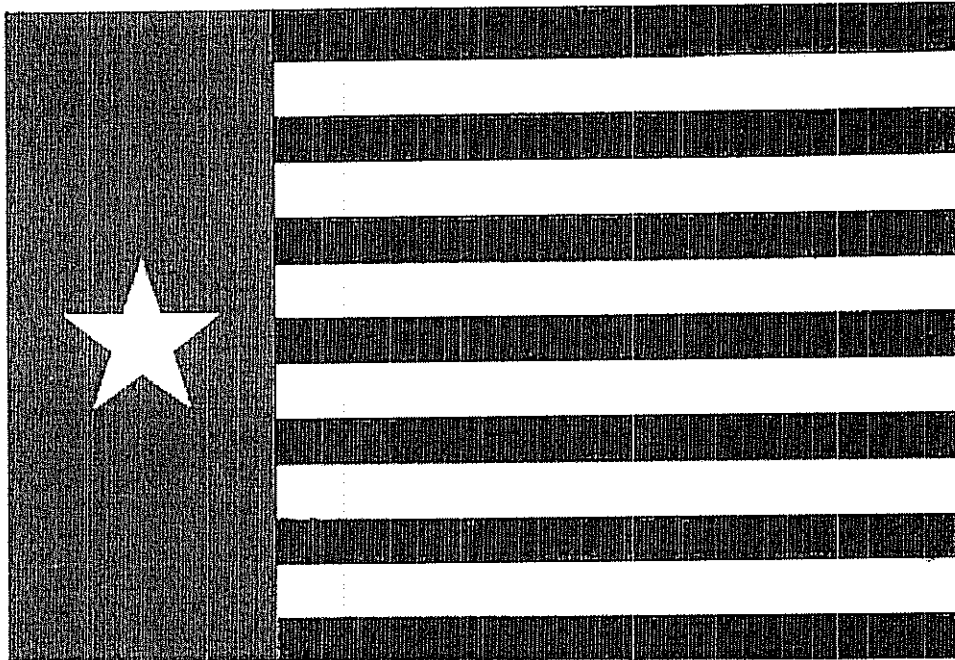
⁵³ Java is hardly the largest island in the Indonesian chain, but the Javanese are the largest component of the population, constituting roughly 45% of the total, and they dominate Indonesian politics. <http://www.buyusa.gov/indonesia/en/aboutindonesia.html>

⁵⁴ Chauvel, "Constructing Papuan Nationalism"

⁵⁵ "History: The Birth of the Republic". Indonesian Embassy in Ottawa. <http://www.indonesia-ottawa.org/page.php?s=1000history#NM>

⁵⁶ Other such areas include Aceh, parts of Sumatra, and others.

⁵⁷ Wilson, *Conquest*.



WEST PAPUA FLAG

West Papua had at this point a national flag, a national anthem, and a governance council, and was avidly moving forward with its independence agenda. The Indonesian government, on the other hand, was steadily but quietly infiltrating the island and threatening all-out invasion if the Dutch did not hand over the territory.⁵⁸ Sukarno backed up this threat in 1961 by sending in paracommandos under the command of General Suharto.⁵⁹ Faced with the possibility of open war between Holland and Indonesia, the international community, particularly the US, intervened. Believing, perhaps, that there would be easier access to the territory's mineral wealth under Indonesian rule, and wanting to counter growing Soviet influence in Indonesia, the US heavily pressured the Dutch to give up West Papua. Diplomatic negotiations were successful, and the territory spent a year under United Nations control before it transitioned to Indonesia in 1963.⁶⁰

Whatever the US motive for its participation in Indonesian politics at the time, the result was not, at least immediately, an 'investor-friendly regime.' One of Sukarno's first moves upon gaining control over West Papua was to expropriate almost all foreign investments in the region. He also began to strengthen his ties with the communist bloc.⁶¹ The US strongly objected to these policies and was quite

⁵⁸ Chauvel, "Constructing Papuan Nationalism" pages 20-21.

⁵⁹ Leith, *Politics of Power*. Page 11.

⁶⁰ The United Nations formed a Temporary Executive Authority (UNTEA) to administer the territory. See: "The United Nations in West New Guinea: An Unprecedented Story". *UN Office of Public Information*. <http://www.vanderheijden.org/ng/UNTEA/UNTEA.pdf>

⁶¹ Wilson, *Conquest*.

determined not to let another Asian country 'fall to communism' as the Vietnam War heated up. In 1965 the strongly anti-Communist General Suharto, almost certainly backed by US support, ousted President Sukarno in a military coup.

Two years later, after rounds of intense negotiations, Freeport became the first foreign company to sign a concession under the Suharto regime's 'investor friendly' Foreign Investment Law,⁶² and so began the very close relationship between the Indonesian government and Freeport that continues to this day. Emerging from the chaos of decades of armed conflict, Suharto was willing to concede quite a lot in return for the "stability, legitimacy, and development" the Freeport mine would give him.⁶³ This is not, and never was, a one-way relationship, however, and Freeport financed the Suharto government and acted as its "influential public relations agent" in exchange for political and physical protection and a relatively free reign for its operations.⁶⁴

When Freeport finally entered West Papua, it did so without ever having exchanged a word with the people living in the area, or discussing any of its development plans, which were to turn the the province upside down in two or three decades.⁶⁵ It began operating without any consent from the locals, in the midst of internal conflict between the original inhabitants and the Indonesian government. While Freeport and Suharto were busy cementing their friendship, the West Papuans, unaware of the juggernaut rolling towards them, were already well-immersed in their own violent conflict with the Indonesian military – a conflict which had turned violent when Suharto himself, under orders from Sukarno, had invaded in 1961.⁶⁶

President Sukarno was determined to stamp out any remaining secessionist tendencies. Based on his theory that "a pluralistic country like Indonesia could only be independent and strong if it was firmly united and integrated,"⁶⁷ the Javanese began systematically spreading their influence over the islands, through migration and military force. The "Internal Transmigration Program," justified publicly as a way of relieving population overcrowding on Java, was also intended to implant loyal citizens in territories of

⁶²As the law was drawn up *after* Freeport was purposefully asked to submit a draft of its own contract, it is certain that the Freeport draft heavily influenced the eventual Law. Ibid.

⁶³ Leith, *Politics of Power*.

⁶⁴ For a detailed analysis of the relationship between the Suharto government and Freeport, see Leith's *Politics of Power*, above. Quote comes from page 4.

⁶⁵ Wilson, *Conquest*.

⁶⁶ It is likely not entirely coincidence that the General in charge of invading West Papua became the general leading the coup to head the country. Freeport was certainly highly interested in West Papua by that time, and would have been sending out tentative feelers exploring the possibilities. They would likely have gotten to know Suharto, and the business relationship quite possibly started then.

⁶⁷ "History: The Birth of the Republic". Indonesian Embassy in Ottawa. http://www.indonesia-ottawa.org/page.php?s=1000birth_republic

doubtful allegiance.⁶⁸ Many Javanese considered the natives as racially inferior,⁶⁹ and believed the best way to unite and build a strong country was by total pacification or eradication of such inferior ethnic groups.⁷⁰ The Papuans were well aware of this racism.

Suharto continued these policies when he took power. Although during its brief rule the UN had attempted disarmament of both the Papuan independence force (OPM) and the Indonesian forces in the area, the military was still the most cohesive part of the incipient country, and Suharto was able to utilize this tool much more effectively than Sukarno did, especially in West Papua.⁷¹ From the moment the UN officially transferred power, the Indonesian military, led by General Suharto, systematically destroyed anything connected with West Papuan independence, from banning flags, songs, political parties, and even words to hunting down and eradicating members and suspected supporters of the Free Papua Movement (OPM).⁷² It was no longer permitted to call the area West Papua; General Suharto renamed it "Irian Jaya," which means 'Triumphant Irian.'⁷³

The West Papuans, having participated in the initial U.N backed plan, under Dutch auspices, to become independent, were never consulted in the decision to become part of Indonesia.⁷⁴ As previously noted, they were already well on their way to independence when they were incorporated into Indonesia, and they were understandably upset at having that independence wrenched so violently away.

The UN was caught between its principles of self-determination and the reality that Indonesia, backed by the U.S., now was in control. The original UN agreement had stipulated that Indonesia had to allow the West Papuans to choose whether or not to stay with Indonesia. So, in 1969 Indonesia legitimized its claim through the "Act of Free Choice," by which it gathered up over a thousand selected village leaders

⁶⁸ Nguyen, Minh. "View on Indonesia: The Political and Human Rights Situation". *UNIYA: Jesuit Social Justice Center*. July 2004. http://www.uniya.org/research/view_indonesia.html

⁶⁹For a more detailed analysis of the roots of the racism and animosity between the two groups, Indonesians and West Papuans, see Chauvel, Richard. "Constructing Papuan Nationalism: History, Ethnicity, and Adaption". *East-West Center Washington, Policy Studies* 14. 2005. <http://archives.pireport.org/archive/2006/March/papua-nationalism.pdf> Pages 41 - 47.

⁷⁰ The West Papuans are by no means the only 'minority' groups who have resisted Javanese dominance. Other areas include East Timor, Aceh, South Sulawesi, and various parts of Sumatra. Ibid.

⁷¹ Abrash, Abigail. "The Amungme, Kamoro & Freeport: How Indigenous Papuans Have Resisted the World's Largest Gold and Copper Mine". *Cultural Survival Quarterly*. 25:1. April 30, 2001.

⁷² Ibid.

⁷³ Jaya means Triumphant in the language spoken by the majority of the Javanese. The actual meaning and origin of the term Irian is highly disputed, "Discussion of Aspects of the Irian Jaya Problem with Mr. Amunggut Tabi". Eastnet, 1998. <http://w3.rz-berlin.mpg.de/~wm/PAP/amngtab.html>

⁷⁴ Van der Heijden, Peter. "History of Netherlands New Guinea (West Papua/Irian Jaya)". 2005. <http://www.vanderheijden.org/ng/history.html>

and forced them to publicly agree to join Indonesia, speaking for all West Papuans.⁷⁵ The promised plebiscite was never held.

With the “act of free choice,” the last hope that any of the west Papuans held for easy, semi-peaceful independence evaporated, and the violence between the Indonesian military and the Papuans escalated. The military, which had been building up its presence in the area since before the Dutch ever handed over West Papua, was a formidable armed, political, and economic force. To counter this force, the Papuans, through the OPM, began a low-level guerilla war, with sporadic larger outbursts. The OPM had begun to form and fight in the early 1960’s, and was formally established in 1965 as an armed resistance group. Gradually, the Papuans have also formed non-violent resistance groups, most of them centered around the Freeport operations.⁷⁶

Freeport is the epicenter of the violence for a variety of reasons. While the animosity began with the initial lack of local consultation and unconcern with what local people thought or wanted, it became violent with uncompensated displacements, environmental and cultural degradation, and broken promises.⁷⁷ And heavy handed military response by Indonesian army and police then escalated the violence, among tribes who often has cultural traditions of vendetta or revenge killing.

Activities surrounding the initial Ertsberg development displaced thousands of Amungme, who received little or no compensation. To work the mine, the government brought in thousands of ‘loyal’ settlers through the transmigration program, and these migrants were often the cause of more violence between angry displaced locals and government-protected settlers. When the Grasberg gold deposit was discovered in 1988 and made operational several years later, these problems increased. The local tribes, especially the Kamoro and the Amungme, were simply moved off the project site with no compensation and no benefits, because the national legal system of Indonesia did not (and still does not) recognize them as landowners, though they had occupied the area from time out of mind.

Freeport also attracts considerable animosity because of its connections with the government. Since it first received the commission for Ertsberg, it has been very closely linked with Suharto personally, his government, and his military. Freeport supplied tremendous amounts of money to Suharto and other top military officials, and was one of, in not *the*, biggest sources of revenue for the government.⁷⁸ With the Grasberg concession, Freeport received an asset worth somewhere from \$54 billion to \$80 billion.

⁷⁵ Nearly all sources are in agreement that it would be more appropriate to call this the “Act of No Choice.” For a more comprehensive analysis see John Saltford, *The United Nations and the Indonesian Take-over of West Papua: 1962 – 1969*. Routledge, 2003.

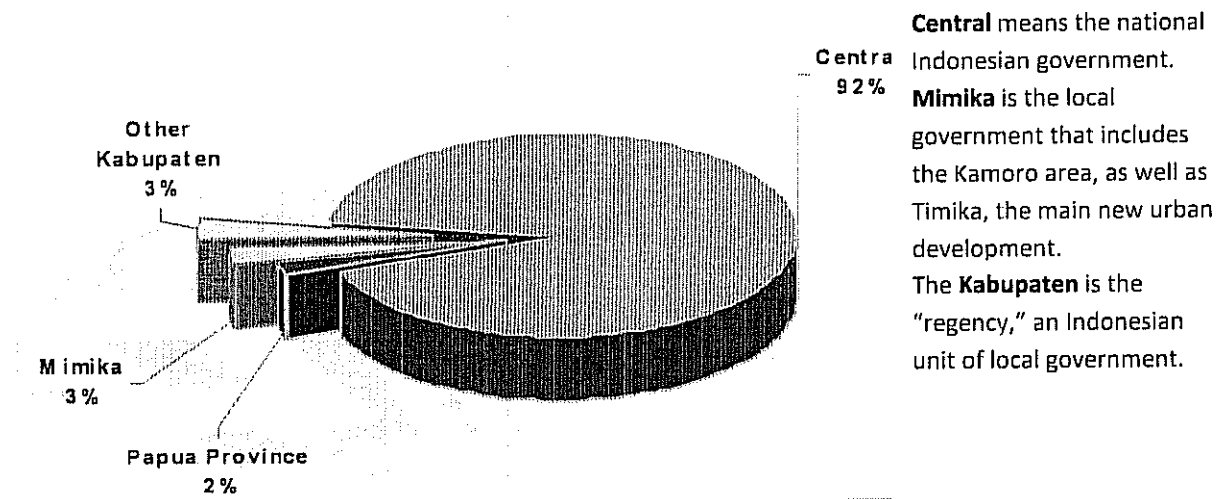
⁷⁶ Leith, *Politics of Power*.

⁷⁷ Seeing this new invader as friends of the man who had stripped them of their independence regalia two years before probably did not do a whole lot to boost West Papuan confidence, either.

⁷⁸ Perlez, Jane, and Raymond Bonner. “Below a Mountain of Wealth, a River of Waste”. *New York Times*. December 2005. <http://www.nytimes.com/2005/12/27/international/asia/27gold.html?pagewanted=1& r=1>

The Indonesian government owned approximately 20% of this enterprise, 9.36% directly and 9.36% through PT Indocopper Investama, a company made specifically for the purpose and owned by a man “close enough to Suharto to be considered a family member”.⁷⁹ In addition to the revenues flowing to it through these shares, the government also received enormous tax revenues, employment, and military support.⁸⁰

Taxes and Royalties (2006)	
Taxes (29 types)	\$1.6 billion
Royalties	\$146 million
Dividends to Gov.	\$159 million
Total	\$1.9 billion



But while the Indonesian government received this great bounty, it showed limited desire to spend for economic and social development in West Papua. What little it did spend largely went to the ‘loyal’ immigrant population rather than to the ‘natives.’ It is not clear that even that most of that was spent wisely, transparently, or with a positive development impact. There is considerable doubt about the capacity of such local government as exists in the area to manage the complex challenges of rapid and

⁷⁹ When Suharto first gave Freeport the Ertzberg concession, his position was unstable enough that he gave Freeport whatever it wanted, remaining content with his 9.36% government share. By the time the Grasberg concession came around, however, his position had been much consolidated and he felt confident enough to begin making more and more demands from Freeport. For a more detailed analysis of the complexities of the shareholding, see Leith, *Politics of Power*, pages 4, 68-71.

Leith makes the point that Freeport almost immediately began buying up PT Indocopper Investama, and as of 2002 Freeport owns the company completely, returning its percentage of the operations to 90.64%. See “Freeport to wholly own Indocopper”. *Indonesian Commercial Newsletter*. July 2002.

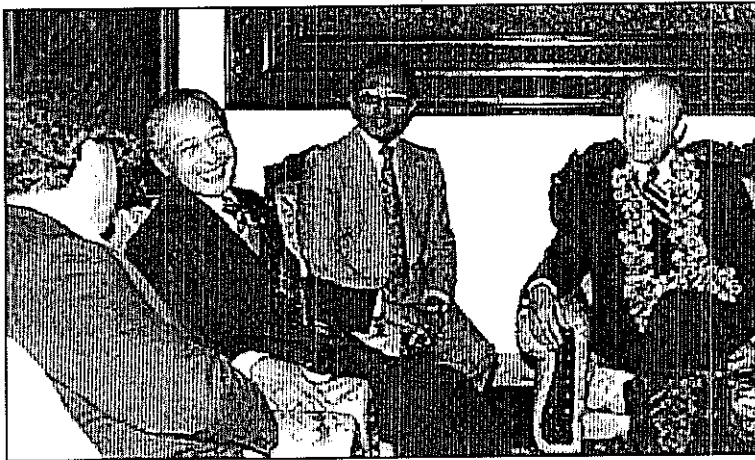
http://findarticles.com/p/articles/mi_hb150/is_200207/ai_hibm1G189814709

⁸⁰ Leith, Denise. “Freeport and the Suharto Regime: 1965 – 1998”. *The Contemporary Pacific*. 14:1. Spring 2002.

chaotic expansion. But the pattern seems to be Freeport and the “One Percent Fund” focusing on the original natives, and government focusing on the immigrants, with little coordination.

Both the government and the company were profiting immensely, and – at least until rather recently – the Kamoro and Amungme received little except a few volleys of rifle fire from Indonesian soldiers when they complained.

The issue is not simply one of government spending. The role of PT Indocopper Investama and the Suharto family and associates as principal beneficiaries of this development has been intensely controversial in Indonesia.⁸¹ So has the issue of Freeport payment to the Indonesian military⁸² and the role of former U.S. Secretary of State Henry Kissinger, who was the Secretary of State of the United States during part of the suppression of West Papuan independence, a close associate of the Suharto family, and a senior advisor to Freeport.⁸³



Left to Right:
President Ford
General Suharto
(Suharto aide)
Henry Kissinger

When the Suharto regime ended in 1998 the “marriage of mutual convenience”⁸⁴ between the Indonesian government and Freeport did not end, although Freeport’s position was not as secure as it had been. While the personal ties between the two were no longer as strong, the financial ones were, and the government, rather than investigating the allegations against Freeport, continued on much as Suharto had.

⁸¹ Leith, *Politics of Power*.

⁸² See PAYING FOR PROTECTION, www.globalwitness.org/media_library_detail.php/388/en/freeport_and_indonesia039s_security_forces_troubli

⁸³ “With Friends Like These: Kissinger Does Indonesia”. *Third World Traveler*. April 2000. http://www.thirdworldtraveler.com/Kissinger/Kissinger_Indonesia.html
See also Leith, *Politics of Power*.

⁸⁴ Perlez, Jane, and Raymond Bonner. “Below a Mountain of Wealth, a River of Waste”. *New York Times*. December 2005. <http://www.nytimes.com/2005/12/27/international/asia/27gold.html?pagewanted=1& r=1>

Unfortunately, this conflict is far from over, and human rights abuses, deaths, and armed violence continue to occur. What is worse, they do not seem to be lessening – to the contrary, if anything they are getting worse, to the point where the question of ‘genocide’ is beginning to rise with alarming frequency.⁸⁵ The military has not left the region by any means, though the Papuans have moved away from the OPM, which lasted until the fall of Suharto, and have begun focusing on their non-violent resistance movements.⁸⁶

Local residents around the site of Grasberg and Ertsberg thus have not only the specific and very deep grievances about having been dispossessed of their land without compensation, having their traditional livelihoods disrupted, and having received precious few of the benefits flowing from the world’s most productive gold mine,⁸⁷ but also the grievances of all West Papuans about being denied promised independence, and having their province dominated by people from other islands, many of whom make no attempt to hide their contempt for the local Melanesians.⁸⁸

IV. GRASBERG AND FREEPORT AT THE INTERNATIONAL LEVEL

The Grasberg Mine, Freeport’s operations in Indonesia, have been the target of an immense amount of criticism from foreign NGOs and academics, who have focused on human rights abuse, the tremendous ecological impacts, the failure to provide development benefits to local people, the suppression of West Papuan independence, endemic corruption, and a variety of other issues.⁸⁹

Yet at the same time that Freeport is the target of this withering barrage, its ability to control the situation in Irian Jaya may be slipping. There are certainly voices in Indonesia which question why Freeport is getting such a heavy percentage of this asset. Freeport’s concession is set to expire in 2021.⁹⁰

⁸⁵ Elmslie, Jim Dr. “West Papua: Genocide, Demographic Change, the Issue of ‘Intent’, and the Australia-Indonesia Security Treaty.” Paper presented at the *West Papua: Paths to Justice and Prosperity* conference Sydney University, August 9-10, 2007. <http://www.arts.usyd.edu.au/centres/cpacs/docs/Indo%20Solidarity%20paper.pdf>

⁸⁶ King, Peter. “Morning Star Rising? Indonesia Raya and the New Papuan Nationalism”. *Indonesia*. 73, April 2002. Pp89-127. <http://www.jstor.org/stable/3351470>

⁸⁷ Perlez, Jane, and Raymond Bonner. “Below a Mountain of Wealth, a River of Waste”. *New York Times*. December 2005. <http://www.nytimes.com/2005/12/27/international/asia/27gold.html?pagewanted=1& r=1>

⁸⁸ Chauvel, Richard. “Constructing Papuan Nationalism: History, Ethnicity, and Adaption”. *East-West Center Washington, Policy Studies* 14. 2005. <http://archives.pireport.org/archive/2006/March/papua-nationalism.pdf>. pages 41-47.

⁸⁹ The list of NGOs who have recently criticized Freeport’s actions in Indonesia is endless. Single NGOs, such as Global Witness and Down to Earth, as well as campaigns involving multiple NGOs, such as the Right To Know and the Publish What You Pay campaigns, have publicly targeted Freeport for its failings.

⁹⁰ Freeport McMoRan Copper and Gold, Inc. Form 10-K. <http://www.fcx.com/news/2008/FCX%202007%2010K.pdf>

There are a variety of pressures that affect the Freeport operations in West Papua on the international level, and that therefore affect the level of violence around the mine.

One of these realities is certainly the resolute support of the United States military for its Indonesian counterpart. The United States support for the Indonesian central government and its policies have been repeatedly criticized for human rights, democracy, and environmental aspects, as the Indonesian military has brutally maintained central control over minority nationalities in Aceh, East Timor, West Papua, and elsewhere. Waves of criticism have erupted over U.S. ties to the forces that repressed Aceh at the cost of hundreds of thousands of lives,⁹¹ and that tried forcibly and brutally to incorporate East Timor into Indonesia.⁹² While these caused the Clinton Administration to suspend U.S. military cooperation with Indonesia, and training of Indonesian forces, that cooperation was quickly restored, to the rejoicing of both the U.S. and Indonesian militaries.⁹³

The U.S. has clearly made a strategic calculation that it is in the American interest to maintain Indonesian unity, and to prevent the rise (or restoration) of independent or autonomous regions that may serve as bases for interests viewed as hostile to U.S. objectives. It takes something as egregious as East Timor to force exceptions to that policy,⁹⁴ and even then it was not just the conflict, but other tensions within the relationship as well that caused a temporary hiatus in military support.

The original U.S. support for the Suharto government was largely justified by fear of communism. This was the era of the Vietnam War and the 'domino theory,' and concern that Chinese-style communism would come to dominate all of Asia. The 'greater good' of preventing Communist expansion was thought to justify overlooking some fairly grisly deeds, the worst of which was encouraging the massacres authorized by Suharto during his take-over, which reportedly killed nearly one million people.⁹⁵

The U.S. did continue to ensure strong economic support for Jakarta, especially during the Reagan and first Bush Administrations. Under Paul Wolfowitz' tenure as U.S. Ambassador to Indonesia in the late

⁹¹ Aceh is an Indonesian province in Northern Sumatra with a long and proud tradition as an independent multiracial kingdom, and of unceasing struggle against Dutch (and now Javanese) domination. It is also the home of the major Exxon operation in the Lhoksemeawe Industrial Zone. The Acehnese independence struggle and the Indonesian attempt to suppress it have cost an estimated 2,000 lives in the last 20 years. See Davies, Matt. *Indonesia's War over Aceh*. Routledge, April 2006.

⁹² For more information see the East Timor Action Network, <http://www.etan.org/timor/> and the US Department of State, <http://www.state.gov/r/pa/ei/bgn/35878.htm>

⁹³ See the US Department of State, *ibid*. Also see Becker, Elizabeth. "United States and Indonesia Quietly Resume Military Cooperation". *New York Times*. May 24, 2000.

⁹⁴ Niksch, Larry. "CRS Report for Congress: Indonesian Separatist Movement in Aceh". September 25, 2002. <http://www.fas.org/irp/crs/RS20572.pdf>

⁹⁵ Nevins, Joseph. "The US Must Atone for Aiding Suharto". *CommonDreams.org NewsCenter*. February 3, 2008. <http://www.commondreams.org/archive/2008/02/03/6814/>

1980s,⁹⁶ Jakarta became one of the world's principal recipient of World Bank loans and a major recipient of other economic support from the U.S., including a guarantee by OPIC, the Overseas Private Investment Corporation,⁹⁷ of some of the financing for Freeport's Grasberg expansion.

However, with the demise of militant communism expansionism in the 1980s, the rationale for unqualified U.S. support for the Indonesian government's iron hand in 'rebellious provinces' was harder to define. Certainly, the U.S. was aware of and supportive of Exxon's interests in Aceh (and elsewhere) and Freeport's investment in Grasberg. But these were not adequate public policy rationales for overlooking the level of violence and human rights abuse that developed. As a result, the U.S. began to explore more of a 'mediator' role in Aceh, and distanced itself from the killings in East Timor, which is why it temporarily suspending military training and cooperation in September 1999.⁹⁸

The fall of the Suharto government in 1998⁹⁹ gave hope for a more nuanced U.S. approach, still supportive of Jakarta, but pressuring the Indonesian government toward democracy, and toward dialogue with internal dissidents. This had some effect in moving the Indonesian government into a more conciliatory approach in Aceh, West Papua and elsewhere. There were promises made for increased sharing of natural resource revenues with the provinces.

The new environment left Freeport feeling very vulnerable. International criticism was limiting the willingness of the U.S. government to back Freeport publicly. Indeed, it led the OPIC to cancel its \$100 million guarantees of the Freeport loans in 1995, leading to a Freeport lawsuit against OPIC and a reinstatement of the insurance policy.¹⁰⁰ The company's stalwart protectors, the Suharto family, were out of power, and the company's past association with them now posed a serious political liability.

This insecurity led the company to a profound internal reexamination of its policies and change in orientation. While it is very difficult to imagine how much of the past can be undone, there is no doubt the company is looking for a different public profile at Grasberg. This is evident for example, in the establishment of the "One Percent Fund" in which 1% of the mine's earnings are put into a series of foundations for local development.¹⁰¹

⁹⁶ McDowell, Robin. "Wolfowitz Tenure in Indonesia Eyed". *Associated Press*. May 4, 2007. <http://www.washingtonpost.com/wp-dyn/content/article/2007/05/04/AR2007050400273.html?tid=informbox>

⁹⁷ <http://www.opic.gov/>

⁹⁸ Dillon, Dana Robert. "Military Engagement with Indonesia on the War on Terrorism". *The Heritage Foundation*. June 12, 2002. <http://www.heritage.org/Research/AsiaandthePacific/EM818.cfm>

⁹⁹ See Leith, *Politics of Power*.

¹⁰⁰ Bryce, Robert. "Spinning Gold". *Austin Chronicle*. September/October 1996. <http://www.motherjones.com/news/feature/1996/09/bryce.html>

¹⁰¹ However positive these attempts might seem to outside eyes, however, they are still met with fierce local condemnation. See Abrash, Abigail. "The Amungme, Kamoro & Freeport: How Indigenous Papuans Have Resisted

But U.S. policy changed dramatically after the 9-11 attacks on the United States. The U.S. reverted to something very close to its Cold War approach. Instead of a bulwark against Communism, however, the Jakarta government was now a bulwark against militant Islam. Indonesia is the world's most populous Muslim nation and home to a Muslim extremist movement, as is evident from the Bali bombings,¹⁰² the bombings of the Marriott Hotel in Jakarta,¹⁰³ and the Australian Embassy bombing.¹⁰⁴ It was again necessary to 'overlook' some of the activities of the Indonesian military in the interest of the 'greater good,' this time the "War on Terror."¹⁰⁵

However, the return to this more traditional policy certainly seems to have slowed the process of reform, and hopes for better relations with West Papuans as part of an opening and democratization of Indonesian government have dwindled.¹⁰⁶

A second major reality is Chinese commercial expansion and the Chinese search for access to natural resources. There has long been a Chinese community in Indonesia, and there are many Indonesians of Chinese ancestry. There has also been a long history of hostility toward ethnic Chinese and envy of Chinese business success.¹⁰⁷ This has erupted sporadically into bloody pogroms, including one at the time of the 1998 fall of Suharto.¹⁰⁸ This history of violence is narrated in Amy Chua's excellent *World on Fire*.¹⁰⁹

Despite this history of ethnic hostility, there is also a history of Chinese business success in Indonesia. There is also a real potential that internal dissidents may look to outside sources for support, and a real desire in some quarters to use Chinese interests in a bidding contest, if for no more reason than to pressure other foreign investors to 'sweeten the deal.'

the World's Largest Gold and Copper Mine". *Cultural Survival Quarterly*. 25:1. April 30, 2001.
<http://www.culturalsurvival.org/publications/csq/csq-article.cfm?id=652>

¹⁰² Harvey, Rachel. "Islam's Role in Indonesia". *BBC News*. September 10, 2003.
http://news.bbc.co.uk/2/hi/talking_point/3091594.stm

¹⁰³ See Wikipedia, 2003 Marriott Hotel bombing en.wikipedia.org/wiki/2003_Marriott_Hotel_bombing

¹⁰⁴ Holt, Andrew. "Indonesia and the Global War on Terrorism: Jakarta's Mediocre Response to Terror". *Global Terrorism Analysis*. <http://www.ijamestown.org/terrorism/news/article.php?articleid=23507>

¹⁰⁵ Dillon, Dana Robert. "Military Engagement with Indonesia on the War on Terrorism". *The Heritage Foundation*. June 12, 2002. <http://www.heritage.org/Research/AsiaandthePacific/EM818.cfm>

¹⁰⁶ "West Papua Report: February 2008". *East Timor Action Network*. February 2008.
<http://www.etan.org/issues/wpapua/0802wpap.htm>

¹⁰⁷ Hoon, Chang-Yau. "Assimilation, multiculturalism, hybridity: The dilemmas of the ethnic Chinese in post-Suharto Indonesia". *Asian Ethnicity*. 7:2, June 2006. p149-166.

¹⁰⁸ Ibid.

¹⁰⁹ Chau, Amy. *World On Fire*. New York: Anchor Books, 2004.

And China is hardly the only foreign investor interested in Indonesian resources. Indonesia is a center of Japanese interest.¹¹⁰ India has interests there and would like to have more.

There is also some real concern over the business model of some foreign investors in Indonesia, who may not be exclusively, or even primarily, from China. Some 25% of Indonesian coal exports are now estimated to come from large, well funded, but unidentified “informal companies.”¹¹¹ There is also massive deforestation of Indonesia’s majestic old growth tropical forests,¹¹² also largely by nameless and unidentifiable companies, and destructive drag netting off Indonesian coasts, including the coast of West Papua,¹¹³ again by enterprises hard to identify. All of these are rumored to be in various financial relationships with government and especially military officials. Their lack of visibility means these enterprises are subject to relatively little public scrutiny; there is no way of putting much pressure on unknown owners; entities with no reputation to protect needn’t worry about image.

Finally, there is the reality that international pressure has had a real impact on Freeport. The international NGO movement has had some significant success in calling attention to the real problems at Grasberg¹¹⁴, starting if not earlier, with the 1994 withdrawal of the OPIC guarantee of the Grasberg loan. This movement, and its growing success in pressuring Freeport on its tailings disposal practices,¹¹⁵ links to human rights abuses by the military,¹¹⁶ the suppression of West Papuan identity,¹¹⁷ corruption, the cultural devastation of the Kamoro and Amungme, and the exclusion of independent researchers and journalists from the island, have clearly got the company’s attention. The company has moved from an early period of resistance and sometimes belligerent response, to a more flexible attitude.

And well it should. The stakes, and the business pressures, are enormous.

¹¹⁰ Indonesia is the largest recipient of Japanese foreign aid. CITE

¹¹¹ Private communication to author by Indonesia based mining executive.

¹¹² The World Wildlife Fund (WWF) has extensive information on Indonesia’s deforestation: <http://www.wwf.or.id/>
See also: “Indonesia Struggles to Curb Rapid Deforestation”. *International Herald Tribune*. August 26, 2002.
http://www.ihf.com/articles/2002/08/26/rforest_ed3 .php

¹¹³ “Aust, Indonesia, to probe illegal fishing”. *ABC News Online*. December 15, 2005.
<http://www.abc.net.au/news/newsitems/200512/s1534450.htm>

¹¹⁴ Global Witness, the World Wildlife Fund, and the NGOs involved with the Publish What You Pay campaign are just a few that have called international attention to Freeport.

¹¹⁵ Bryce, Robert. “Written in Stone: Freeport McMoRan in Indonesia”. *Austin Chronicle*. September 23, 2005.
<http://www.minesandcommunities.org/article.php?a=1028>

¹¹⁶ “Paying for Protection”. *Global Witness*. July 2005.
http://www.globalwitness.org/media_library_detail.php/139/en/paying_for_protection

¹¹⁷ *Ibid.*

First, Grasberg is an asset of astonishing value. It is, quite simply, the world's most valuable gold mine, and one of the world's most valuable copper mines as well. It is quite vulnerable.

The Grasberg concession expires in 2021.¹¹⁸ It needs to be renegotiated by that date, at a time when Freeport no longer has the Suharto government to support it. And while the Indonesian government may have been daunted by the original challenge of developing the mine, and may have needed Freeport to tackle that tremendous technical challenge, it has occurred to some that continuing to operate the mine is not as difficult as building it in the first place, and might be done without Freeport. If partners are needed, there are certainly plenty willing to step forward.

Second, Grasberg is not all that is at stake. While company officials are providing no clear information, it seems quite likely that another deposit, perhaps equal to Grasberg, has been discovered nearby, which could come on line when and as Grasberg itself is exhausted. We may therefore be talking about assets considerably more valuable than Grasberg itself. And negotiations for development of such an additional deposit have, so far as we are aware, not even begun. When they do, they are likely to be difficult.

Third, Freeport is increasingly constrained by the growing body of international standards, and NGO pressures. The company's system of tailings disposal simply does not meet modern standards. While the company would like to think that its system is somehow 'grandfathered,' it is not entirely clear that it will not have to enter into an entirely new system of engineered tailings disposal that would be an enormous engineering challenge, further intrude on territories of local inhabitants, and cost colossal amounts of money. What is clear is that the company will not be able to build any future or successor project on the current model. While Freeport is increasingly constrained by international standards, media attention, and NGO pressure, it is also apparent that:

- 1) Not all its potential competitors feel those same restraints;¹¹⁹
- 2) The NGO strategy of pressuring Freeport to pressure the Indonesian government for reform is wearying many in the Indonesian government, who might like a partner that does not pressure so much; and

¹¹⁸ The company's 2007 Form 10K filing with the United States Securities and Exchange Commission states: "The initial term of our Contract of Work covering these ore reserves expires at the end of 2021. We can extend this term for two successive 10-year periods, subject to the approval of the Indonesian government, which under our Contract of Work cannot be withheld or delayed unreasonably. Our ore reserves reflect estimates of minerals that can be recovered through the end of 2041 (i.e., through the expiration of the two 10-year extensions) and our current mine plan has been developed, and our operations are based on the assumption that we will receive the two 10-year extensions. As a result, we will not mine all of these ore reserves during the current term of our Contract of Work, and there can be no assurance that the Indonesian government will approve the extensions." Form 10K at 56, <http://www.fcx.com/news/2008/FCX%202007%2010K.pdf>

¹¹⁹ Freeport is exceedingly aware of the potential disadvantages it – as a publicly traded company from an open society in which there is a free press and a vibrant NGO movement – would have competing with interests not subject to such pressures.

3) As pressure on Freeport mounts, its ability to control events is declining.

Fourth, there are tremendous environmental stakes in the long run that could be significant long term liabilities. The shallow Arafura Sea has significant biodiversity, including important coral reef systems. And that is where, unless constrained, the massive quantities of tailings will wind up. Company efforts at this stage are oriented to trying to keep the tailings deposited on land, and get them to deepen and stabilize rather than continuing to migrate to the coast. There are significant challenges to even this limited objective.¹²⁰

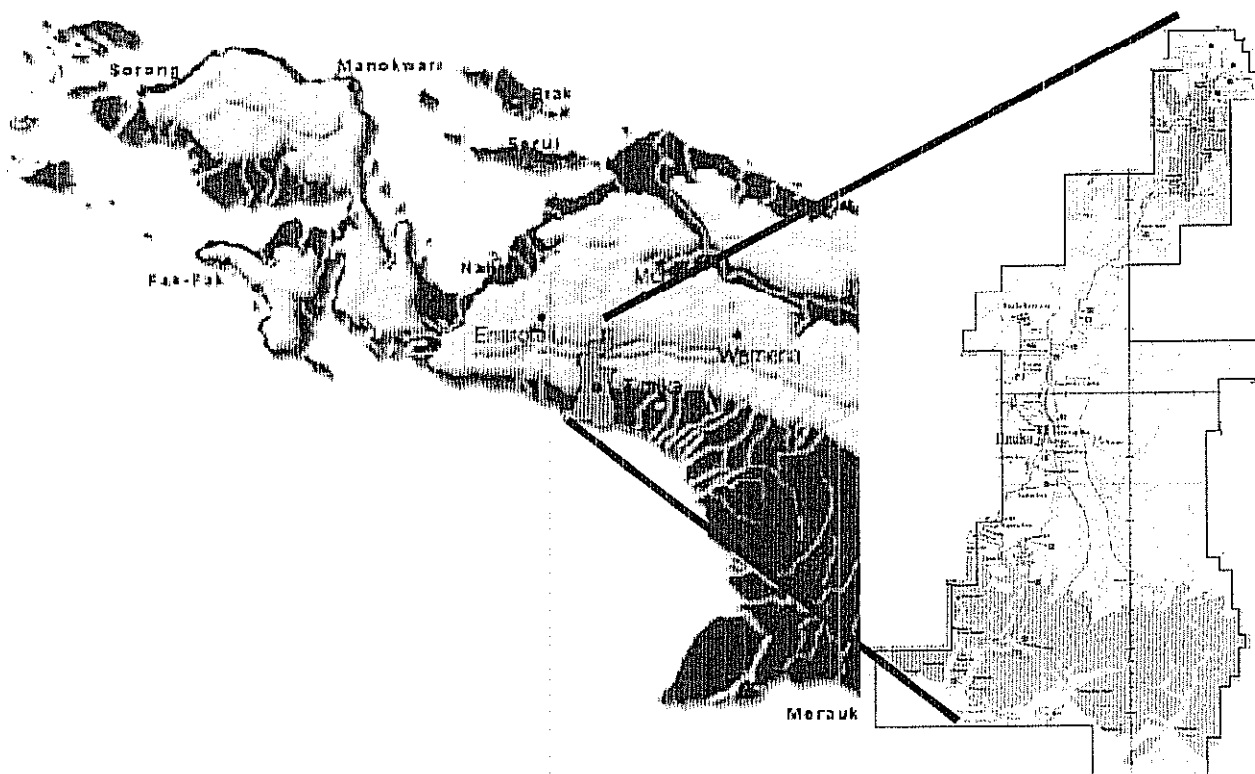


Photo: Luke Danielson

Estuary and tailings in foreground, Arafura Sea in the distance

¹²⁰ The company's 2007 Form 10K filing with the United States Securities and Exchange Commission states: "Our primary challenge is to dispose of the large amount of crushed and ground rock material, called tailings, that results from the process by which we physically separate the copper-, gold- and silver-bearing materials from the ore that we mine. Our tailings management plan, which has been approved by the Government of Indonesia, uses the river system near our mine to transport the tailings to the lowlands where the tailings and natural sediments are deposited in a controlled area contained within an engineered levee system that will be revegetated... Certain Indonesian governmental officials have from time to time raised issues with respect to our tailings and overburden management plans, including a suggestion that we implement a pipeline system rather than our river deposition system for tailings disposal. Because our mining operations are remotely located in steep mountainous terrain and in an active seismic area, a pipeline system would be costly, difficult to construct and maintain, and more prone to catastrophic failure, and could therefore involve significant potentially adverse environmental issues." Form 10K at 54-55, <http://www.fcx.com/news/2008/FCX%202007%2010K.pdf>

And this is not the only massive environmental challenge: stabilization of the 2:1 slopes on the enormous waste piles at the mine site, at 14,000 feet elevation is at the edge of what may be possible. And there is a real possibility of acidification of the tailings and drainage from them, which could create an acid mine drainage problem on a disturbing scale.¹²¹ Fifth, there is now a potential for competition. If nothing else, Freeport has managed to keep most of the uncontrolled sprawling urbanization west of its concession area to start exploding east of its concession area.

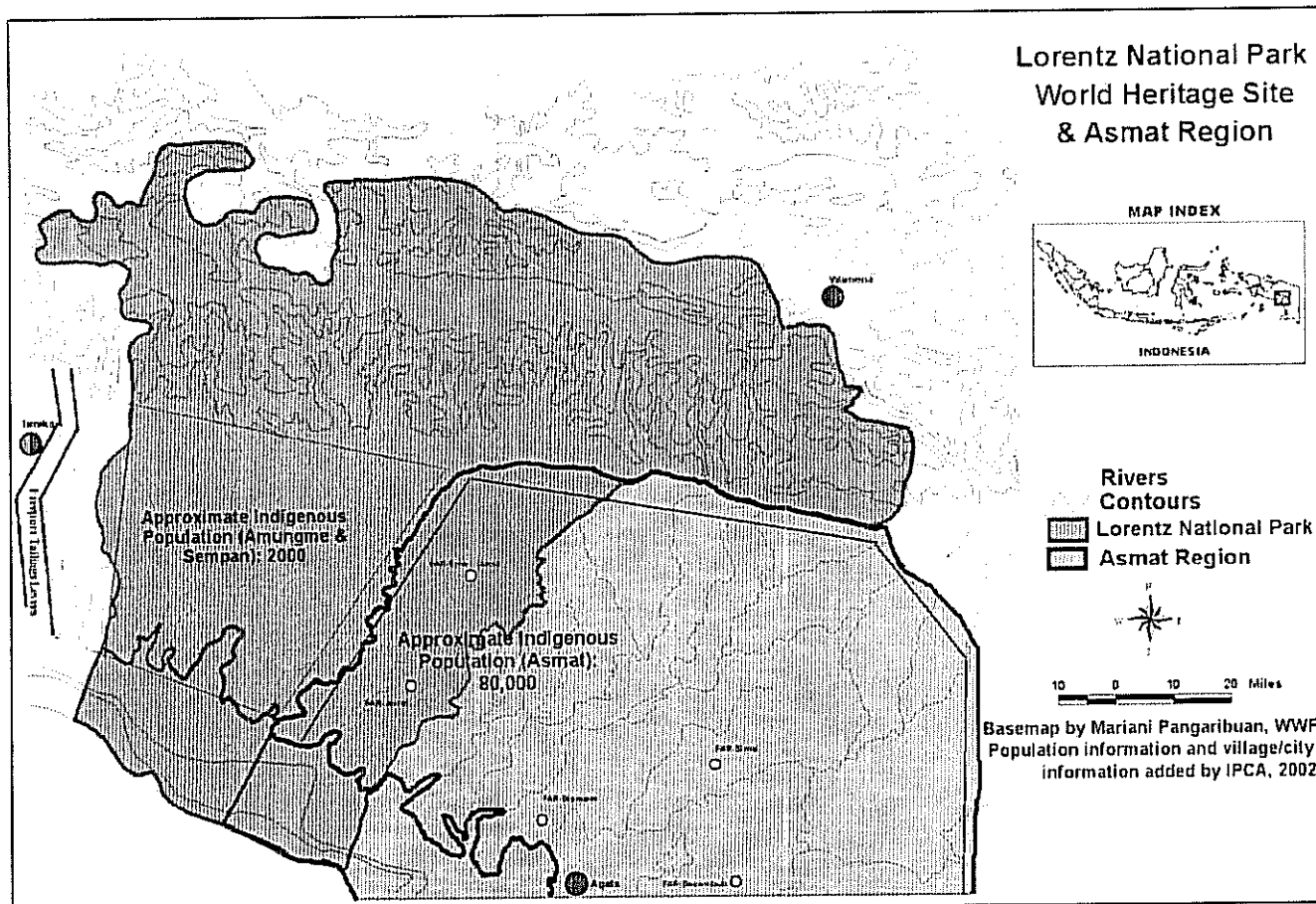


This means that many of the environmental and social impacts have been at least moderated in the zone east of the concession, because Freeport controls the transportation system that would allow access there. That is important for many reasons, one of which is that this area includes the Lorens National Park, a crown jewel of world conservation. Extending from the summit of the cordillera into the Arafura Sea, the Lorens is the world's only national park to contain both glaciers and coral reefs. Its biological diversity is enormous but still very incompletely catalogued.¹²²

¹²¹ The company's 2007 Form 10K filing with the United States Securities and Exchange Commission states: "Another major environmental challenge is managing overburden, which is the rock that must be moved aside in the mining process in order to reach the ore. In the presence of air, water and naturally occurring bacteria, some overburden can cause acid rock drainage, or acidic water containing dissolved metals which, if not properly managed, can have a negative impact on the environment." Form 10K at 55, <http://www.fcx.com/news/2008/FCX%202007%2010K.pdf>

¹²² Freeport has embarked on a project with Kew Royal Botanical Gardens for some surveys in the area.

However, it is now clear that an independent company has located a major gold deposit in the Lorenz, and is seeking funding for further evaluation and possible development. This should be of deep concern because of a fear that multiple other cultures may be subjected to the kind of experience that Kamoro have suffered, because of the threat to one of the world's greatest biological treasures, and because of the potential for additional violence and human rights abuse in the process.



Map shows Lorenz National Park (Bright green) lying between the Freeport tailings area (shown at left) and the Asmat region to the right (tan-green). Lower left is the Arafura Sea.

Even if leading international companies with reputations to protect would eschew such an enterprise, and even if emerging international standards would forbid this, there are plenty of others who do not feel subject to these standards. And whether the Indonesian government would turn down multiple billions over concerns about the Lorenz or its inhabitants is questionable.

Finally, Freeport is constantly at risk of production interruptions at Grasberg, since it has to say the least failed to achieve a 'social license to operate' in the area, and the ongoing violence can flare up literally at any moment.¹²³ Production interruptions at Grasberg have serious consequences for the company. But

¹²³ The company's 2007 Form 10K filing with the United States Securities and Exchange Commission states: "Because our Grasberg mine in Papua, Indonesia remains our most significant operating asset, our business may continue to be adversely affected by Indonesian political, economic and social uncertainties. Indonesia has faced

even more serious may be the unpredictable consequences of attempts by the Indonesian military to squelch the protests and resistance. International outrage over what are seen as massacres of local villagers may well cause the company more harm than the interruption of production.

This is an excellent example of the effects of globalization. Grasberg's production is sufficient that interruptions are said to affect the world gold price, not to mention Freeport's shares. So Amungme villagers are having a major influence on banks and corporate boardrooms halfway around the world, when they roll rocks down a mountain. The Amungme and Kamoros may be completely unaware of the existence of the boardroom, and the boardroom is probably very poorly informed about what is motivating them. Both are heavily constrained by other actors largely outside their control, from the U.S. government to the Indonesian army. Interest vital to each of these actors are at stake, but there is not effective forum in which they can meet to work these out. Indeed, the various parties have almost no understanding of each others' motives, interests, language, culture or priorities.

CONCLUSIONS

The situation at Grasberg is complex. One of the purposes of this paper is to bring out that complexity. It is difficult to see the easy solutions to the violence, misery and ecological degradation.

But it is a mistake to see Grasberg as an aberration. Indeed, it is precisely because so many of the issues at Grasberg are typical of troubled and violence-plagued natural resource development that it is a useful case study. As tragic as some aspects of this story may be, this is neither the bloodiest nor the most complicated of these cases.

Our purpose is to set the stage for some important questions, not because it should be OEF's purpose to 'solve' the specific problem of violence at Grasberg, but because one option might be to develop the capability to deal constructively with problems in this general category. This leads to some obvious questions:

- Is that even possible? Does this go in the 'too hard' bin?
- What would be some of the elements of a strategy for success?

political, economic and social uncertainties, including separatist movements and civil and religious strife in a number of provinces. In particular, several separatist groups are opposing Indonesian rule over the province of Papua, where our Grasberg mine is located, and have sought political independence for the province. In response, Indonesia enacted regional autonomy laws, which became effective January 1, 2001. The manner in which the new laws are being implemented and the degree of political and economic autonomy that they may bring to individual provinces, including Papua, are uncertain and are ongoing issues in Indonesian politics. In Papua, there have been sporadic attacks on civilians by separatists and sporadic but highly publicized conflicts between separatists and the Indonesian military. Social, economic and political instability in Papua could materially and adversely affect us if it results in damage to our property or interruption of our activities."

Form 10K at 55, <http://www.fcx.com/news/2008/FCX%202007%2010K.pdf>

Scale

Our hypothesis is that the conditions for conflict and violence can exist on a variety of scales, from very local disputes to grand geopolitics. Further, the most intractable problems are those in which the conditions for violence exist at several scales at once.

Here, that is certainly true. Disputes over food gathering at particular sites, or occupation of traditional territories by Freeport operations, associated army bases, or hordes of immigrants attracted by the operation have led to significant and persistent conflict that has understandable and quite local origins.

But this is overlain by the whole question of West Papuan independence vs. incorporation into Indonesia.

This in turn is simply a subset of the larger national issue of maintaining the authority of the central government of Indonesia in the face of a number of provinces where separatist ambitions are strong and ties to Jakarta weak.

Finally, all of this is deeply affected by international commercial and security concerns of a number of major powers in and out of Asia.

The concern is that even a skillful and well conceived intervention in one layer of this problem can be thwarted by lack of progress at other levels. To give just one example, attempts at dialogue on the question of Papuan aspirations for autonomy could be thwarted either by outbreak of hostilities on the ground stemming from purely local grievances, or by international tensions in the region that made Papuan autonomy more threatening to the central government.

Lack of Control

The day – if there was one – when any single actor had control of these events, has slipped away. It may be that in the late 1960s, through a combination of economic leverage in Indonesia, personal relationships with government leaders, and its influence over U.S. policy, Freeport could call the shots. Freeport is still influential, but there are a lot of issues on which it cannot simply get its way.

Therefore, an NGO strategy of trying to put increasing pressure on Freeport, so that it will in turn pressure the Indonesian government or army, increasingly has limits. The NGOs have become very good at pressuring Freeport. But Freeport may be less able to deliver change on the ground, especially with the advent of the ‘War on Terror’ and the resultant increased dependence of the U.S. government on Indonesian government cooperation.

Other factors also point this direction. There may be less of an Indonesian need for Freeport now than in the 1970s. The concession does expire and any extension does need to be negotiated. There are others ready to step in if Freeport falters. There is even the potential for competing mining projects in West Papua, some of which could wind up being run by entities which are not public companies with open Annual Meetings, required accounting disclosures according to GAAP, and reputations to protect, and which could therefore be much harder to pressure than Freeport. Oddly, the NGOs may on some level

wind up 'needing' Freeport, which may be much easier for them to influence than most of the other actors. Certainly, Freeport's help could be necessary in what could wind up as a desperate struggle to protect the Lorentz National Park and its inhabitants from the kind of 'development' experience we have seen at Grasberg.

International standards for mining operations are strengthening, but a key point is that there are still major players outside the standards system, and who are – if they will play at all – going to require a major overhaul of the standards system before they accept it.

Final Thoughts

There is no need to convince Freeport of the importance of a new approach to this problem. The company fully recognizes that past approaches will no longer work and are positively harmful to its interests. What the company needs is not someone to convince it, but someone with assets and abilities it does not have, who can add value to the situation.

The wiser heads in the NGO community also know that their strategy of pressuring Freeport may wear out, as other possibilities loom on the horizon, and even powerful Freeport's ability to simply decree what it wants is eroded. But no one needs to tell them that there is a problem – they are already the leaders in defining it. They are in general more than open to new approaches if they do not require excessive risk, and can be shown effective. This probably requires an incremental approach.

Indonesian government is often hostile to the NGO movement, which is bitterly critical. But while it is happy to take part of the return from Grasberg, it wonders whether it is getting a fair share, or whether Freeport's deal is too sweet. And it does resent lecturing from Freeport almost as much as lectures from international human rights organizations. There is a diminishing marginal return to lectures. But again, there is an openness to finding a way to manage these mineral resources better to yield a greater benefit to Indonesia.

While there is thus a shared idea among most of the major actors that there may be better ways to proceed, there is such a deep gulf of mistrust that it is extremely difficult to explore the possibility of common ground.

This leaves us with the question of the level at which such a process could most effectively start. There is a range of alternatives, from starting with concrete, attractive actions that can provide demonstrable benefits to individuals, a "bottom up" approach, to starting in the international councils of the great and the good, and working toward the specific, a "top down" approach.

Whether we start with chilled champagne on the diplomatic terraces of Geneva, or eating tambelo and sago grubs in the humid wetlands of West Papua, some of the key issues are the same:

- **What value can a new organization add?** How could we develop the capability to do things the actors cannot already do for themselves?

- **Where is the organization positioned?** Does it function chiefly with and through one of the actors – as an aid to government? As a support to communities and NGOs? As some kind of appendage to business? Or does it work “in the middle” as a neutral, able to communicate with all sides and facilitate/broker dialogue among them? Our experience suggests there is much more room and need for the latter than the former, but this may be a matter of opinion. The former is easier, but the latter may have more impact if successful. This is a decision that probably can’t be unmade.
- **Is the focus on research and deepening understanding?** Or on action on the ground? Or are these two alternatives reconcilable?
- **Can we help build capacity?** A key obstacle to constructive engagement is the lack of capacity of most of the actors to engage constructively. Is capacity building a helpful and necessary role?