

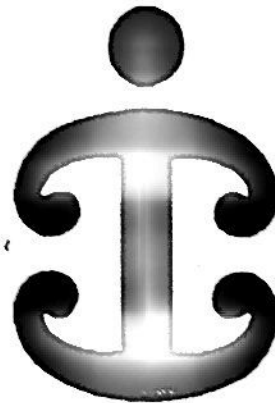
**SOCIAL IMPACT ASSESSMENT  
OF THE PROPOSED ZZZ PNG CANNERY  
AT SEK HARBOUR, MADANG PROVINCE**

Prepared by

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for

**THE ASIAN DEVELOPMENT BANK**



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Penelope Schoeffel

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**EXECUTIVE SUMMARY AND RECOMMENDATIONS**

The ZZZ PNG Cannery proposed for Sek Harbour will have major social impacts on the surrounding communities. Many of these impacts could be beneficial but there could also be negative impacts. The potentially negative impacts could be ameliorated or avoided if they are recognised by the investors, the cannery management and the provincial government and if steps are taken to reduce these problems.

**1. POSITIVE IMPACTS**

The cannery will provide numerous employment opportunities to people in the surrounding villages. Many of these villages are extremely short of land for food production, commercial agriculture and other economic activities. The people of these villages are already dependent on the cash economy. All villages in the area who were consulted (7) say that they have many young people who have left school and are looking for wage employment. Most villages say they have smaller numbers of people with higher levels of education and skills training who would also seek work with the cannery.

The people of the area are in favour of the cannery being built in the area because they believe it will create employment opportunities for them and opportunities for spin-off business. However, they were all worried about some aspects of the proposed cannery.

(d) **"Land-owner" Expectations**

The former land owners (at Kananam, Rempì and Budup) believe that their status as former land-owners gives them claim for special consideration by ZZZ PNG Canning Pty. Ltd. The people of Kananam have formed a "land-owner" association based on their five clans to negotiate for benefits they believe will come to them from the ZZZ PNG Cannery. Other clans at Rempì and Budup apparently plan to organise themselves similarly. Their expectations have been stimulated by promises made to them by various persons that the Cannery will benefit them as a "compensation" for the fact that the land they sold to the Catholic Mission in 1904/5 was resold to the government of PNG and leased to ZZZ PNG Canning Pty. Ltd on a 99 year lease. Although the former land owners appear to recognise that they have no legal claim to this land, they still consider themselves to have an interest in it, which is why they expect special consideration from ZZZ PNG Canning Pty. Ltd. in allocating jobs and spin-off business opportunities. Dissatisfaction arising from disappointment may cause problems between these groups and the Cannery management.

(e) **Labour Camps**

Some 600-700 people live on the land leased by ZZZ PNG Canning Pty. Ltd. These people are former employees of the Catholic Mission, and their families. About 50-60 people are said to be still employed by Kina Gilbanks who now manages the plantation. There is some uncertainty about the future of these people. They come mainly from Bogia district of Madang province, but some are from the Ramu area. The people of nearby villages wish them to leave and return to their own lands and villages. However, most of these people hope to be relocated to another site on the plantation owned by ZZZ PNG Canning Pty. Ltd. and to stay and work on the plantation or in the Cannery. Local people are likely to renew their efforts to have these settlers sent away if the Cannery goes ahead.

(f) **Environments**

People in coastal villages in and around Sek Harbour are worried that their fishing grounds will be spoiled and the harbour and beaches polluted by the Cannery, despite assurances from the Cannery management that this will be avoided. Further assurances and monitoring by the provincial government will be required.

(ii) **Other Potentially Negative Impacts Noted**

(a) **Nutrition**

The employment of large numbers of women from surrounding villages may have a negative impact on local food production, since this is mainly women's responsibility. However, this could be offset by an increase in women's autonomy and choices made possible by wage employment.

(b) **Law and Order**

If the company does not discriminate in favour of local villages for employment opportunities, it is likely that their fears of outsiders becoming squatters in the area will be realised. If squatter settlements develop in the area, law and order problems will result. At present there are few law and order problems in the area. An increase in law and order problems in the project area will be a cost to the government of PNG in dealing with it.

(c) **Prostitution**

It is possible that the increased number of seaman from tuna boat contracted to ZZZ PNG Canning Pty. Ltd. could lead to an increase of prostitution in Madang township. Sexually transmitted diseases are already a health problem in Madang province and two cases of HIV/AIDS have been confirmed in the province.

## RECOMMENDATIONS

### 1. RECOMMENDATIONS TO THE ASIAN DEVELOPMENT BANK

In order to ensure the successful operation of the proposed ZZZ PNG Cannery and the success of the Bank's investment in it, it is suggested that the Bank advocate in its policy dialog that the following recommendations be implemented by the Government of PNG, the Madang Provincial Government and ZZZ PNG Canning Pty. Ltd.

### 2. RECOMMENDATIONS TO ZZZ PNG CANNING PTY. LTD.

#### (a) **Personnel**

ZZZ PNG Canning Pty. Ltd. should, whenever possible, select its workforce from neighbouring villages to its project site and from villages in the periphery of Sek Harbour. Workers who are not from the local area or Madang town should be provided with accommodation.

#### (b) **Industrial Relations**

The company should consider using a worker-management committee system to reduce the potential for industrial conflict.

(c) The company should provide health services for workers, including family planning and health education for workers.

(d) The company should consider providing meals for its workers, mid-shift, to improve the health and performance of workers.

#### (e) **Childcare**

The company might consider assisting local women, working through the Catholic Mission at Alexishafen or the Madang Provincial Council of Women, to establish a child-care centre on company land to provide child care for the pre-school children of its female workers.



(f) **Malaria Prevention**

The company should consider issuing impregnated bed-nets to its PNG workers and organising the re-dipping of the bed-nets at six monthly intervals, as a strategy to reduce Malaria among its workers.

(g) **Spin-off Business**

The company should take the following steps to reduce the problem of unrealistic expectations and possible demands on the company, and the problem of grievances arising from disappointment among neighbouring villages.

- At an appropriate time, appoint a PNG national with high-level qualifications as a public relations officer.
- Keep the Provincial Tuna Committee briefed on the company's plans and inform them about any possible goods and services it might need which may be supplied locally.
- Maintain regular communication with the Provincial Tuna Committee to ensure that the committee understands the company's thinking and that the company understands the plans and aspirations of people in the province.

(h) **Conduct of Seamen on Tuna Boats**

The company might consider briefing its contractor tuna fishermen on the need for circumspection in dealings with local people, particularly in the rural areas around Sek Harbour, and warning them about the dangers of sexually transmitted diseases (STDs) transmission.

(i) **Collaboration with Provincial Agencies**

The company might consider providing a small contribution to funding the following agencies:

- to the provincial government to assist in carrying out a human resources survey of the North Ambenob and Sek Rempi areas;
- to the provincial government to carry out an inventory of people living on company land at Sek Harbour;
- to the PNG Institute of Medical Research to carry out a base-line study of the nutritional status of the population in North Ambenob and Sek Rempi;



## A. INTRODUCTION

### 1. The Project

The Z Fishing Company of Guam, operating as ZZZ PNG Canning Pty. Ltd., plans to build and operate a tuna canning plant on land it has acquired under a 99 year lease from the Government of Papua New Guinea at Sek Harbour near the town of Madang in Madang province. The plant will process 200 tons of tuna per day on a two shift basis. The plant will employ between 1000 - 1300 people, mainly PNG nationals (see Appendix 1: Manpower Detail). It will be supplied by about 12 modern tuna purse seiners, each with a crew of 20 men who will call regularly at Sek Harbour. The cannery will produce canned tuna for export and for the domestic market.

The schedule of implementation for the cannery is for land preparation to begin in October 1993, followed by dock construction and building construction commencement in the following months. Installation of equipment is planned for June 1994 and it is anticipated that the plant will commence operation in May 1995.

### 2. Methodology and Acknowledgement

The social impact assessment of the proposed project was carried out in the Madang-Sek Harbour area between 8 and 18 June. After a preliminary review of relevant literature on the area, community consultations were carried out at Kananam, Rempi, Siar, Riwo, Nobonob, Midibar and Vudar Plantation. Provincial authorities were consulted with respect to police and justice issues, health, employment and industrial relations, non-government organisations and the churches, development planning, local government, the village services scheme and other relevant local issues.

Particular assistance was provided by the Provincial Tuna Committee: Mr Thomas Amepou (Assistant Secretary, Fisheries Department and Chairman of the Provincial Tuna Committee); the members of the Committee, Mr Herman Masai (Senior Constable, PNG Constabulary), Mr Kasen Kong (Assistant Secretary, Commerce), Mr Pascal Feria (Primary Industries) and Ms Balim Pokpok (Planning).

## C. ATTITUDES TO THE PROPOSED ZZZ PNG CANNERY

### 1. Introduction

Due to time constraints it was not possible to hold community consultations in all the villages in the primary impact area or the peripheral area. Eight communities were selected for consultation; four in the primary impact area and three on the periphery.

### 2. Primary Impact Area

#### (i) Kananam

Kananam is the "big name" for a group of villages occupied by people of the same political, socio-linguistic grouping. Their original home was on Sek Island but now the people occupy seven or more hamlets on the coast and on the island. Their ancestors came from inland areas and settled on the coast many hundreds of years ago. They have five (exogamous, patrilineal) clans, which vary in size but which all have equal status. The clans are Matanan, Seg, Gamaramatu, Gevnan and Panufon. Most households belong to the Catholic church.

Approximately 20 people, mainly men, have wage employment as carpenters, painters, mechanics, welders, drivers etc., and some commute to Madang each day. In addition, one man owns a truck which is used for passengers and transporting goods. Each clan has a trade store run by a clan member. The Kananam people depend on cash as they have very little land left and all households make copra, go fishing for money and subsistence. Five households own small boats. Most households also earn income from the sale of various produce at local markets and the Madang town market.

The children of Kananam go to school at the Catholic Mission Community School at Alexishafen or to schools in Madang town. They also obtain health services from Alexishafen Catholic Mission. As in all the villages consulted, everyone in the community suffers from intermittent attacks of Malaria.

Their houses are built from a mixture of traditional bush materials and permanent materials. Few have toilets or water tanks; most households use the bush or shore line as a toilet, and collect water in 44 gallon drums. In dry spells, they collect water from wells on the shore line. Unlike many other villages in the area, they do not have connections to an electricity supply.

The Kananam people originally owned the land and surrounding plantations which have been acquired by ZZZ PNG Canning Pty. Ltd., but they acknowledge that some clans from Rempri and from Budup also had an interest in, or rights to, the land, because their ancestors from Sek shared the proceeds from the sale (trade goods such as tobacco and axes) with those people.

When they heard that the land had been sold by the Catholic Mission to the Government of PNG, which it then leased on a 99 year basis to ZZZ PNG Canning Pty. Ltd., they were very upset, feeling that they should have been consulted. Many had hoped that the land would be returned to the original owners, since they were now so short of land.

However, when they learned of the plans for the cannery, their leaders were persuaded that such a development would benefit them, and that they should give up their feelings of dissatisfaction on the land issue and concentrate on the opportunities the cannery would provide for them.

When asked about their attitudes to the proposed cannery, the following statements were made:

(a) **Concern About Environmental Impacts**

Two men said that because of land shortage, fishing was important to the local people. They did not want their fishing grounds to be polluted or spoiled.

(b) **Concern About Economic Opportunities**

Many men spoke about their hope that they would not "just be workers" at the cannery, but that they would be the primary beneficiaries of spin-off businesses arising from the cannery. They said that clan leaders from the

Kananam villages had made a plan that all spin-off businesses from the cannery were to go to Kananam people and that the minutes of this planning meeting had been sent to the provisional tuna committee (see Appendix 3) dated 24 February 1992. The clan businesses which were identified at the meeting were:

#### Seg Clan

- |                                       |                     |
|---------------------------------------|---------------------|
| 1. Net maintenance                    | 2. Supermarket      |
| 3. Distribution of canned tuna in PNG | 4. Catering service |
| 5. Service station                    | 6. Stevedoring      |
| 7. Electrical contract.               |                     |

#### Gavner Clan

- |                        |                       |
|------------------------|-----------------------|
| 1. Service station     | 2. Trucking service   |
| 3. Clean-up Service    | 4. Restaurant Service |
| 5. Mechanical workshop |                       |

#### Mananan Clan

- |                             |                               |
|-----------------------------|-------------------------------|
| 1. Security and dog service | 2. Bus service                |
| 3. Laundry service          | 4. Carpentry service          |
| 5. Sewing clothes service   | 6. Pallet service             |
| 7. Outboard motor repairs   | 8. Supply of fresh vegetables |

#### Nuwo Clan (amalgamated with Matanan Clan)

- |  |                               |
|--|-------------------------------|
| 1. Packing of tinned fish into cartons | 2. Supplying chickens to mess |
| 3. Cleaning                            | 4. Market service             |

#### Gamarmatu Clan

- |                    |                      |
|--------------------|----------------------|
| 1. Food bar        | 2. Transportation    |
| 3. Cleaning        | 4. Highway transport |
| 5. Service station | 6. Tug boat service  |
| 7. Piggery         |                      |

These activities will be done under the collective name of "Tunfun Development Cooperation". The councillor of Kananam has also registered some clan land and hopes to build houses on it to rent to cannery workers. Such hopes and expectations have been greatly increased by surveys and enquiries by government and private sector agencies conducting feasibility studies in regard to spin-off business opportunities in the area.

The people were somewhat indignant that the consultant conducting this SIA study had not been told of their plans, but they were enthusiastically recounted at my meeting with them.

Several persons present asked, *Why, when these plans had been made, and written down; had no-one come to tell the Kananam people how they were to finance and operate the businesses they planned?*

Some people hoped that ZZZ PNG Canning Pty. Ltd. would provide the money, others mentioned the provincial government. Some asked if the Asian Development Bank would assist (it was explained that ADB would not do this).

(c) **Concern About Outsiders**

The Kananam people were extremely anxious that the cannery would attract outsiders into the area who would set up squatter camps, cause law and order problems and deprive the Kananam people of jobs and business opportunities from the cannery. They were already anxious about the approximately 700 people living on the adjoining plantation land that is now the property of ZZZ PNG Canning Pty. Ltd. They wanted these people to be sent back to Bogia and Rama, where they originally came from.

(d) **Concern About Priority for Jobs**

The people felt that they should be given priority in obtaining jobs with the cannery. They said that both men and women wanted to work and that they had many people who had been to school but who had no jobs.

- (e) **Assistance for Village Development from ZZZ PNG Canning Pty. Ltd.**  
 One man said that he believed that the cannery should help the Kananam people with such things as water supply and sanitation, electricity and improving local schools, aid posts and health centres.
- (f) **Royalties for Use of Sek Harbour by Tuna Boats**  
 One man asked if the Kananam villages could collect royalties or fees from tuna boats using the harbour as a way of financing village development.
- (g) **Shares in ZZZ PNG Canning Pty. Ltd.**  
 The people of Kananam want to acquire a shareholding in the cannery, but don't know how they will get the money to buy shares. Some speculated that this would be done on their behalf by the Provincial Government.

During the consultation, the people were asked about the following matters:

- (a) **Were their expectations for spin-off businesses realistic?**  
 Some acknowledged that, having made plans for businesses, they were unsure about how they were to finance them. They admitted they knew little about the cannery's proposed operations or what its exact needs would be. Nevertheless, there was a strong expectation that somehow they would achieve their plans, and that they had the requisite skills to implement them. Capital was their problem.
- (b) **What would be the effects on the community if many women wanted to work at the cannery? Would women be allowed to work evening shifts?**  
 There was no opposition expressed to women working at the cannery, including evening shifts. The people were short of land and there would not be enough land for all the younger generation to make food gardens. Women present said that they thought most younger women would want jobs at the cannery.



The cannery would attract outsiders into the area who might set up squatter camps around the area. Already they feared the labour camps on the ZZZ PNG Cannery property were growing in population as people waited for the cannery to be built. They feared others would soon be moving in as squatters. Their village was close to the road, so they feared that outsiders would intrude into their village. They worried that new churches would come and try to convert their young people from their Catholic faith to new churches; they did not want that to happen as it would disrupt their community and their faith.

They wanted the Provincial Government and the Local Government Council to take steps immediately to prevent outsiders coming into the area and a commitment from ZZZ PNG Canning Pty. Ltd. to hiring most of its workers from nearby villages. They also expressed concern about the unrealistic expectations in many local villages about spin-off businesses.

### 3. Villages in the Periphery of the Project Site

Community consultations were held at Siar, Riwo and Nobonob villages.

#### (i) Siar

Siar is a large, nucleated settlement, unlike the villages in the primary impact site which are divided into small separate hamlets. Its people belong to the Austronesian speaking, coastal/offshore island people who live on the southern side of KarKar Island, Bagabag Island and the islands in and around Madang Harbour. The village is notable for its cleanliness, landscaping and generally neat and attractive appearance, which gives it the look of a modern, progressive community. Its social structure is similar to other villages in the Madang area. The people belong to six clans; Lilung, Badarlon, Waifun, Digfon, Banablau and Misimu. It is referred to above in the section on gender relations above with regard to the study conducted there by Stephanie Fahey.

Despite its appearance of relative prosperity, village leaders said that Siar people have serious economic problems. Perhaps a quarter of its adult population are in wage employment, mainly in Madang town, but it has a large, youthful, surplus workforce



who would like jobs but cannot find them. Having lost most of their land in this century, there is great pressure on the remaining land. There is no cash cropping, although most households sell some produce in local markets. Seven families run trade stores, but at present no Siar people operate trucks or small buses. Fishing is important for cash and subsistence in the village economy. Some households earn money from boat-building. To travel to town, Siar people rely on buses on the highway near their village. Many houses are built from permanent materials and most of those built from traditional materials are in good repair. Most houses have toilets or latrines, and electricity, but water is a problem for households without tin roofs and water tanks, and wells are used to collect water which is carried from the shore or bush to the houses. The village has a community school and there are several secondary schools accessible to the village. There is also an aid post, but people complained about shortage of basic medicines. Most people in Siar belong to the Lutheran church.

The people had heard about the cannery proposal at Sek Harbour, but did not know much about it. They said they were extremely pleased to hear about it and hoped that it would be built, as it would provide another source of employment in the area. They said they had a large, well educated population who were eager to find work. Most of their children were now being educated to at least Grade 8 level, both boys and girls, and many were educated at senior secondary and tertiary levels.

The main concern about the cannery was that it would attract an influx of outsiders which would cause all sorts of problems for villages in the area. To avoid this, they hoped the company would make it a policy to hire its workers in the local area. They were concerned that although the Barnes cannery, outside Madang, was supposed to benefit local people, the majority of its workers were settlers in Madang town, not local villagers as had been promised. (They did not specify who had made such promises.)

Siar people said they had heard rumours about spin-off business opportunities from the cannery and hoped they too could benefit if such opportunities indeed existed. However, they wondered where local villagers would find the capital and feared outsiders might benefit most from these opportunities, rather than villages in the area.

## D. KEY IMPACTS AND ISSUES

### 1. Labour Migration

The main concern, expressed in all villages where community consultations were held, was that the cannery would attract an influx of migrant labour from other parts of the province and from other provinces in PNG. Their concern was not merely that they wanted jobs and business opportunities arising from the cannery for themselves, but that they feared the social problems that would arise if significant numbers of labour migrants settled in the area.

These fears are well grounded. Many provinces and sub-provincial areas of PNG are overpopulated and lacking in economic opportunities, consequently when such opportunities arise in other areas, labour migration occurs. In parts of PNG where labour migration has occurred or settlement schemes have been encouraged by government, local villages have paid a heavy social cost as problems that their social institution cannot deal with arrive on their doorstep. For example, in Oro Province recently, there were massive, violent demonstrations by local villagers protesting about agricultural settlers at Higatura and outside workers in Popondetta. These settlers and migrants were blamed by locals, rightly or wrongly, for causing law and order problems and for "stealing" economic opportunities that locals believed should rightfully be theirs.

This perception must be put in the context of PNG attitudes. PNG was once a land of some 800 separate mini-nations who spoke distinct languages. Within and between many of these groups conflict was endemic. During the colonial era, peace was enforced and in many localities different groups learned to live in peace with one another. Nowadays, people from the same districts have reasonably good relations with one another in most parts of the country, and there is some tolerance towards people of different districts from the same province. A wider sense of tolerance is growing slowly in PNG, but will take many more generations to establish firmly. Fear and distrust of "outsiders" is still very strong in most parts of PNG.

In the Sek Harbour area of Madang district, there are many different socio-linguistic groups who have learned to live together peacefully. The Austronesian-speaking people of the coastal/offshore islands area and the people of the hinterland south of Sek Harbour are united

## 2. Expectations About Spin-off Business Opportunities

While it was wise of the Provincial Government to encourage local villagers, particularly the former land owners, to concentrate on the positive aspects of the cannery, expectations in this regard seem to be excessive. Given the long history of "cargo cult" beliefs in the Madang area, there is some cause for concern that the disappointment among village people, who believe that the advent of the cannery will turn them into prosperous businessmen, will be very great, if their hopes are not fulfilled.

Investigation by the PNG Business Development Corporation, officials of the Provincial Government and staff of local accounting companies into the potential for spin-off businesses in the Sek Harbour area has created inflated expectations among many villagers in the area (see Appendix 3 and 4). A rumour has been widely circulated that ZZZ PNG Canning will finance such businesses, that it will give out large contracts to local villagers in preference to other contenders, and that it will be obligated by the PNG Government to do these things.

During the community consultations, the consultant responsible for the SIA study did her best to question these beliefs, pointing out that the scale of the cannery seemed far too large for contracts to go to village businesses, and ZZZ PNG Canning would not be able to finance spin-off businesses in local villages, because it had to borrow, itself, in order to finance the cannery venture.

There is no doubt that the establishment of the cannery at Sek and the employment of a large local workforce *will* increase economic opportunities for villages in the area and that small spin-off business opportunities *will* arise. But it is not likely that these will be of the magnitude currently expected by many local people and their leaders.

There is a need for the Provincial Government to address this issue diplomatically through its Tuna Committee. Local people need to develop a realistic understanding of what the company's local requirements will be, and to what extent local villagers will realistically be able to participate in these. Furthermore, it would be an advantage if local villagers could be given some training in business feasibility studies. The Madang-based NGO Business Enterprise Support Team (BEST) has a successful track record in training for community level business feasibility studies. If the province, in consultation with the ZZZ PNG Canning

Pty. Ltd management team, could identify some realistic options for village spin-off business, BEST could provide training on how to get started, particularly if the provincial government were to provide some support for this activity.

### 3. Impact on Women

Women are the backbone of the village economy in all the villages around Sek Harbour, although they have low status and little, if any, political power. They work longer hours than men and carry most of the responsibility for food production and household maintenance. There is no doubt that the employment of large numbers of women from local villages on the Sek Harbour area will have some effects on local food production. This will be greater in villages such as Nobonob and Rempi, where clans still have reasonably large land-holding and less in villages such as Kananam, Midibar, Riwo and Siar, where land is in short supply and where people already depend on cash to support themselves.

Against the impact which female employment may have on food production, the positive effects of female employment need to be considered. As Fahey's study of Siar indicates, women's access to wage employment increases their independence and expands their range of choices. Women with their own money can increase their social status by providing for their families and making contributions to local ceremonies.

Women are also more likely than men to use their earnings to buy food for their households and less likely to spend their money on alcohol, although many young women earning cash do spend money on drinking and entertainment.

### 4. Nutrition

Most studies of the nutritional status of PNG communities seem to show that children in households who have cash to spend on food, as well as subsistence production of food, are better nourished than households who have only subsistence food supplies, or only cash incomes. Increased cash flows to households in the Sek Harbour area could improve nutritional standards, but a wholesale dependence on cash incomes and a major reduction of subsistence food production may be detrimental.

In the villages in which community consultations were held, few infants or young children with visible signs of malnutrition or severe skin disease were seen, except in Midibar where two children with thin arms and legs and distended stomachs were noted. It would be of great value if a nutritional survey of the Sek Harbour area were carried out in order to establish *baseline data against which changes could be measured and monitored.*

There is a branch of the PNG Institute of Medical Research in Madang, which has the expertise to conduct such a study if it were given the resources to do so.

## 5. Industrial Relations

The Madang area is a buyer's market as far as labour is concerned. The Barnes Cannery reports that one of its major problems in its early phase was dealing with the crowds of people who appeared at its gates asking for jobs. The Provincial Labour Officer also reports that already he has received hundreds of enquiries from people wanting jobs at the ZZZ PNG Cannery.

The PNG Government has recently abolished the distinction between rural and urban minimum wages. As of October 1, 1992, a single minimum wage applying to both rural and urban wages has been determined (see Appendix 5).

At present, there are harmonious industrial relations prevailing in most of the major industries in Madang, according to the Provincial Labour Officer, Mr Peter Neimani. Major employers, such as Barnes and Wills, have non-unionised workforces with inhouse worker-management committees. JANT has a company-based union.

Unions seem, at present, not to be well respected in Madang Province, due to problems within the unions themselves. Consequently, unions have not had much success in expanding their membership among workers in Madang township. This is undoubtedly also related to the fact that employers are able to dictate terms and wages due to the demand for wage employment and shortage of employment opportunities.

Despite the advantageous position of employers, workers appear to be fairly well treated by major employers in the town. Barnes reports a low worker turnover rate and a low absentee



survey in the North Ambenob and Sek-Rempi areas. Such a survey could record the population of the area by village, age, sex, educational level and employment experience, including level of interest in employment at the proposed cannery at Sek Harbour.

## 6. Land

The former owners of the land leased by ZZZ PNG Canning Pty. Ltd. recognise the legality of the transaction under which the land was sold by the Catholic Mission to the Government of PNG and leased to ZZZ PNG Canning Pty. Ltd. However, many people at Kananam, Rempi and possibly also at Budup, feel aggrieved about the transaction. Their feelings must be understood in the context of wider land issues in PNG. Land sold early this century was consented to by people who had no concept of European property rights, such as the right of private, permanent ownership. In many parts of Madang district, people sold more land than they could afford to, and were left with inadequate land for the future. A long-standing grievance on this issue exists around the Madang area, particularly when people have heard that in some other parts of PNG the government acquired alienated land and returned it to the former owners.

The principal proprietor of ZZZ PNG Canning Pty. Ltd., Mr Lawrence Zuanich, is concerned about the use of the term, "land owner" to describe the people of Kananam, and some groups in Rempi and Budup. He would prefer that they term themselves, "neighbours", which is a more accurate description of their real status vis-a-vis the cannery.

His viewpoint and the term "neighbours" will probably be accepted by the former land owning clans, but their feeling that they have, and deserve to have, special status vis-a-vis the cannery is likely to remain. If this is not recognised by the cannery management, it is likely that local clans will be resentful and obstructive in their attitudes towards the cannery. At present, there appear to be exaggerated expectations as to what that recognition will entail (as described above), therefore, it will be important for ZZZ PNG Canning Pty. Ltd., working through the Provincial Tuna Committee, to develop a clear understanding, with the former land owners, of what they can and cannot expect from the company. Such an understanding should be negotiated as soon as it is clear that the cannery will go ahead.

The advantage to ZZZ PNG Canning Pty. Ltd. of working with former land owning clans and local villages through the Provincial Tuna Committee will be as follows:

- (i) The Provincial Government will be informed and keep records of all communications between local people (former land owners and others) and will therefore be able to facilitate solutions to any problems, misunderstandings or disagreements which may arise.
- (ii) The expectations of local people in the Sek Harbour area are properly the concern of the Provincial Government and not of the cannery management. If the cannery uses the Tuna Committee as its channel of communication to local villages, this will reinforce in the minds of local people that they should work through the Tuna Committee rather than trying to approach the cannery management directly.
- (iii) If all parties; Provincial Government, local villages and the cannery management, communicate through the Tuna Committee, the potential for misunderstanding and misinformation will be reduced.

#### 7. "Labour Camps" at Vidar and Marawai on ZZZ PNG Canning Pty. Ltd. Land

A potentially contentious issue exists over the presence of some 600-700 people on ZZZ PNG Canning Pty. Ltd. land. As described in Section C above, these people were brought into the area by the Catholic Mission when they owned the land now leased by ZZZ PNG. Many have been there for two generations. There are conflicting reports from the people and from the Catholic Mission. Brother Theo Becker, the Procurator/Treasurer for the Archdiocese of Madang believes that the people on Vidar/Marawai are no longer employed by the plantation management agents, Kina Gilbanks. However, the spokesmen for the inhabitants of the labour camps said that 50-60 people were still employed by Kina Gilbanks.

At the meeting, held with people from the "labour camps" (which look exactly like local villages), the people were somewhat constrained in the present or were somewhat constrained by the presence of the councillor from Kananam, whom they know is energetically trying to have them removed completely from the area before the cannery is built. They know local villagers do not want them to become squatters in the area, competing for jobs in the cannery, although they did directly say so.



It is also evident that they have been getting confusing, mixed signals. They have been told to leave, yet they have also been told that they can stay and that the cannery will re-house them elsewhere on the plantation land around the cannery site.

While the situation of the inhabitants of the labour camps must commend sympathy, ZZZ PNG should think through the issues raised by their continued presence.

- (i) They are a thorn in the side of local villages in the area, who want them to leave and go back to their own land and villages.
- (ii) If they remain, they will inevitably bring relatives and wantoks into the area which will provoke antagonism from surrounding villages.
- (iii) If, during the interim period of construction, many more people settle on the ZZZ PNG land around the cannery site, they will build houses and plant crops and make compensation demands on the company when it tries to remove them.

There is an urgent need to carry out an inventory of the people living on the ZZZ PNG land at present. The inventory should record the names, ages, sex, family name and reason for being on the land, of each resident. This will ensure that if ZZZ PNG decides to let them stay, only the legitimate, long term residents on the land remain, and will provide base line data to prevent further migration of settlers on to ZZZ PNG land. The Provincial Government (through the Tuna Committee) could do this for ZZZ PNG, although the company might be expected to assist with costs.

#### 8. Impact of Fishing Boats Calling at Sek Harbour to Supply Cannery

There will be upwards of 10 modern purse seiners calling at Sek Harbour to supply fresh tuna under contract to ZZZ PNG Canning Pty. Ltd. The male crews of the boats will remain in port for about eight days. The crews of the boats (about 19 per boat) will be mainly Europeans and will take their shore leave in the town of Madang. According to ZZZ PNG management, these seamen are well paid and will contribute to the economy of the town by using its hotel and restaurant facilities.

No concern about visiting tuna boat crews was volunteered in the villages consulted, however, when they were asked about it, the sentiment expressed in all villages was that the seamen should stick to the town area and keep out of local villages unless arrangements were made in advance for them to come sight-seeing.

The town of Madang has about six hotels, of which three at least have facilities approaching international standards. These hotels all have bars, restaurants and recreational facilities, such as diving, fishing and local sight-seeing tours. Two of them have craft-markets where artifacts and handcrafts are sold.

Prostitution in Madang is not a major problem at present. The sister in charge of the STDs Clinic in Madang said that there is some prostitution, but it is rather casual and not organised. She said that the town has many young women who are poor, unemployed and are looking for fun and a "good time" and there is a risk that as tourism grows in the town, such young women could be drawn into prostitution.

ZZZ PNG Canning Pty. Ltd. management say that as their contract tuna boats have well paid crews who can afford to visit their wives or girlfriends or bring them to visit Madang, they do not believe that there will be too many problems associated with these men while they are in port. However, the presence of large, additional numbers of seamen in the town does raise some concerns. The incidence of STDs among men and women in Madang province is believed to be quite high, although there are no reliable indicators or records. The following data was collected from the STDs Clinic in Madang.

**Table 7: Incidence of STDs Among Men and Women attending the Madang Hospital STDs Clinic**

First Quarter	1993	1992
Ghonorrea	63	74
Syphilis	51	54
Trichomoniasis	33	45
Non-specific Urethritis	28	30
Donovanosis	6	9
Others (herpes, PID, venereal warts)	3	n.d.



There have been two confirmed cases of HIV/AIDS in Madang Province. The sister in charge of the STDs clinic at Madang Hospital said her records are not a reliable indicator of the incidence or prevalence of STDs in the province. Many townspeople seek private medical attention for STDs and thus do not appear on hospital records. In rural areas there are very inadequate procedures for diagnosing or referring cases of STDs for treatment, particularly among women (as most rural health workers are males).

Company tuna-fishing contractors should be warned by the company management about the following issues:

- Attempts to consort with rural girls and women will cause problems and may meet with aggressive responses from village men.
- There is probably a high incidence of STDs among the people of Madang Province and crews should take precautions to avoid spreading or contracting infections.