



INTERGOVERNMENTAL FORUM  
on Mining, Minerals, Metals and  
Sustainable Development

IGF Guidance For Governments:  
Leveraging Local Content Decisions  
for Sustainable Development

## CASE STUDY

# PAPUA NEW GUINEA: DIRECT EMPLOYMENT

## WOMEN AND THE EXTRACTIVES INDUSTRY

### OVERVIEW

#### LEVEL OF OPERATION:

National; industry; site

#### GOVERNMENT ROLE:

Policy development, negotiating terms of engagement in BSAs

#### LINK TO POLICY ADOPTED:

see [Women in Mining National Action Plan 2007–2012](#)

#### KEY COMMODITIES:

Gold, copper, silver, nickel, cobalt, oil and gas

#### TOTAL NATURAL RESOURCE RENTS (AS % OF GDP) (2015):

23.6 per cent<sup>1</sup>

#### NATIONAL EXTRACTIVES COMPANY:

Ok Tedi Mining Limited (OTML)

#### UNDP HUMAN DEVELOPMENT INDEX VALUE (2016):

0.516 (Rank 154)<sup>2</sup>

#### DIRECT EMPLOYMENT IN MINING SECTOR (2016):

Reliable data unavailable; the 2011 census estimates formal employment in the mining and quarrying industries at 9,011 (2.5 per cent of formal workforce).<sup>3</sup>

Papua New Guinea is a resource-rich country. The extractives industry has had a substantial impact on the country's economy since independence, with mineral exports typically accounting for 70–80 per cent of total exports.<sup>4</sup> However, despite new channels of foreign direct investment that have led to increased economic opportunities, there has so far been little change in the extent or depth of income poverty across the country; social and economic

<sup>1</sup> World Bank Group. (2017). *Total natural resource rents (% of GDP)*. Washington, DC. Retrieved from <https://data.worldbank.org/indicator/NY.GDP.TOTL.RT.ZS>

<sup>2</sup> United Nations Development Programme. (2016). *Human Development Reports: Papua New Guinea*. Geneva, Switzerland. Retrieved from <http://hdr.undp.org/en/countries/profiles/PNG>

<sup>3</sup> Unpublished census data 2011, cited in Jones, L.T., & McGavin, P.A. (2015, June). *Grappling afresh with labour resource challenges in Papua New Guinea: A framework for moving forward* (Port Moresby Discussion Paper No. 96). Institute of National Affairs, p. 139. Retrieved from [http://www.inapng.com/pdf\\_files/Grappling%20afresh%20with%20labour%20resource%20challenges%20in%20Papua%20New%20Guinea%20-%20a%20framework%20for%20moving%20forward-Final\(2\).pdf](http://www.inapng.com/pdf_files/Grappling%20afresh%20with%20labour%20resource%20challenges%20in%20Papua%20New%20Guinea%20-%20a%20framework%20for%20moving%20forward-Final(2).pdf)

<sup>4</sup> Korinek, J. & Ramdoo, I. (2017). *Local content policies in mineral-exporting countries* (OECD Trade Policy Papers, No. 209). Paris: OECD Publishing. Retrieved from <http://dx.doi.org/10.1787/4b9b2617-en>



inequalities appear even to have risen in some areas.<sup>5</sup> Mining projects have also generated significant local conflicts and human rights violations, most notably the Bougainville Civil War (1988–1998) that emerged from tensions surrounding the Bougainville Copper Mine, and the multiple cases of sexual violence against local women by security personnel at the Porgera gold mine.<sup>6</sup>

Local content in Papua New Guinea's extractives industry is made up of formal Benefit Sharing Agreements (BSAs) negotiated between government, companies, local communities and landowners. Given that many of the country's extractives sites are located in very remote areas away from government services, these BSAs are targeted to address context-specific needs.<sup>7</sup> While they are seen to have been effective in delivering some benefits to the local economy, most notably in the way of local employment, enforcement and monitoring mechanisms remain underdeveloped.<sup>8</sup> There are also concerns regarding the resourcing and capacity of national regulatory institutions, which has placed "heavy reliance on self-governance by the industry."<sup>9</sup>

## WOMEN IN EXTRACTIVES IN PAPUA NEW GUINEA

Gender inequality is a pronounced problem in Papua New Guinea (PNG). Traditional power relations between men and women, as well as high levels of gender-based violence, constrain women's abilities to access meaningful pathways for social and economic empowerment.

The Women in Mining (WIM) (later termed the Women in Mining and Petroleum, or WIMAP) initiative was established by the PNG Chamber of Mines and Petroleum and the World Bank in order to increase women's equitable participation in mining projects, as well as build local capacity. Ongoing dialogue between government, industry and local stakeholders, as well

**A number of WIM national conferences gave women working in the industry and living near extractives sites a platform to voice concerns and discuss solutions for change.**

as three international conferences (held in 2003, 2005 and 2010 respectively), led to the establishment in 2005 of the government's WIM Steering Committee. Two years later, following consultation with local women's organizations, the Steering Committee released the WIM National Action Plan 2007–2012. This plan envisioned a "future of peace and prosperity resulting from improved quality of life and level of living where the quality of life is reflected in the extent to which women are able to make choices on issues affecting their lives and having the means to put these choices into actions."<sup>10, 11</sup>

The WIM/WIMAP initiative represented a strategic focus of national efforts to improve women's social and economic empowerment within the extractives sector. A number of WIM national conferences gave women working in the industry and living near

<sup>5</sup> United Nations Development Programme (UNDP). (2014). *From wealth to wellbeing: Translating resource revenue into sustainable human development* (Papua New Guinea National Human Development Report 2014). New York, NY: UNDRP. Retrieved from [http://hdr.undp.org/sites/default/files/2014\\_png\\_national\\_human\\_development\\_report.pdf](http://hdr.undp.org/sites/default/files/2014_png_national_human_development_report.pdf)

<sup>6</sup> Human Rights Watch. (2010). *Gold's costly dividend: The Porgera joint venture*. Retrieved from <https://www.hrw.org/sites/default/files/reports/png0211webcover.pdf>

<sup>7</sup> Korinek & Ramdoo, (2017), Id. note 4.

<sup>8</sup> Filer, C. (2012). The Development Forum in Papua New Guinea: Evaluating outcomes for local communities. In M. Langton and J. Longbottom (Eds.), *Community futures, legal architecture: Foundations for indigenous peoples in the global mining boom*. Abingdon: Routledge (pp. 147–161).

<sup>9</sup> UNDP (2014), Id. note 5.

<sup>10</sup> The World Bank. (2012). *Engendering mines in development: a promising approach from Papua New Guinea*. (East Asia and Pacific Region social development notes). Washington, DC: World Bank. Retrieved from <http://documents.worldbank.org/curated/en/485601468332991560/Engendering-mines-in-development-a-promising-approach-from-Papua-New-Guinea>

<sup>11</sup> *Women in Mining National Action Plan 2007-2012*. Department of Mining, Government of PNG. Retrieved from [http://siteresources.worldbank.org/INTEXTINDWOM/Resources/png\\_five-year\\_wim\\_action\\_plan.pdf](http://siteresources.worldbank.org/INTEXTINDWOM/Resources/png_five-year_wim_action_plan.pdf)



extractives sites a platform to voice concerns and discuss solutions for change.

In 2008, the Self-Reliance Programs for Women in Mining and Petroleum Areas launched as part of the WIMAP initiative. The project aimed to promote the extractives industries to women in remote areas of PNG, as well as build capacity in local women's associations to better manage community participation in decision-making processes. Carried out in six mining areas and eight petroleum areas, the project is said to have benefited more than a thousand women and men who underwent training and capacity-building programs for social and economic empowerment, allowing them to set up local businesses and more effectively consult with mining companies on areas of community concern.<sup>12</sup> Programs such as this contribute to an enabling environment in which there is increased normative push for women's agency within the industry as a whole.

Other, private sector-led programs have created direct employment opportunities for local women. At the Lihir mine, for example, 175 Lihirian women were engaged in direct employment in 2014, representing 24 per cent of the Lihirian mine workforce (of which 91 per cent overall were PNG nationals).<sup>13</sup>

Sustainable impact requires a focused strategic plan at the national level, with an integration of policies and collaboration between public, private

and local stakeholders. Monitoring and evaluation is also important when considering whether policy interventions are actually resulting in desirable change at the local level. Women's voices are critical to this process.

## KEY LESSONS

- The case of Papua New Guinea indicates how economic growth alone is insufficient for human development.
- Women's voices are critical to the process of rectifying historical injustice and traditional gender inequalities. Programs for women's empowerment need to have women's input at all stages of development and implementation. Particular focus should be given to women in rural and remote areas, who are furthest from centralized service delivery, and who can be isolated in dealing with gender-based violence and discrimination. There should also be complementary awareness programs for men, as education is key to normative change.
- Strong monitoring and reporting mechanisms are essential to gaining a reliable insight into how programs for training and direct employment are affecting change at the local level.

<sup>12</sup> Eftimie, A. (2011). *Striking gold: Women in Mining Initiative in Papua New Guinea*. Washington, DC: International Finance Corporation (IFC). Retrieved from [https://www.commdev.org/wp-content/uploads/2015/05/P\\_Striking\\_Gold\\_Women\\_in\\_Mining\\_Initiative\\_in\\_Papua\\_New\\_Guinea.pdf](https://www.commdev.org/wp-content/uploads/2015/05/P_Striking_Gold_Women_in_Mining_Initiative_in_Papua_New_Guinea.pdf)

<sup>13</sup> UNDP (2014), Id. note 5.



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