



Department of Justice, Peace and Human Development Office of International Justice and Peace

Background: Extractive Industries February 2009

What is the Issue?

From jewelry and coins to electronics and energy, the global mining and oil industries touch every part of our lives. Globalization both creates new opportunities and imposes new burdens on poor and marginalized communities where people struggle to protect their families, live in dignity and improve their lives. The extraction of natural resources, such as oil, gas, copper, coal, lumber and diamonds, is a central feature of modern economies. But all too often, countries get caught in a “resource curse” in which the exploitation of their natural resources does not lead to equitable development, but actually leaves people even poorer than before. Poorly-governed regions, indigenous lands, conflict-ridden areas and untouched environments have been opened up for exploitation. These industries can bring progress but, when poorly managed or badly exploited, they can also bring social conflict, feed corruption, displace people from their homes and lands, pollute rivers and seas, destroy people’s health, and cause irreversible biodiversity loss. The contributions of mining and other extractive industries to human development and the common good depend on employing practices that respect local communities and the environment.

Why should people of faith care?

Catholic social teaching calls on Catholics to uphold the life and dignity of every human person, to be in solidarity with our brothers and sisters worldwide, and to care for God’s creation. Therefore, natural resources should be used in ways that sustain the natural environment and contribute to human development.

Since the extraction of oil, gas, minerals and timber affects the poor most acutely, the Church has been closely involved in addressing issues with extractive industries around the world. Catholic agencies and affected populations are engaged in advocacy with their own governments, international financial institutions, and extractives companies, urging changes to reduce the negative impacts of resource extraction and increase benefits for the poor.

In a 2001 Pastoral Statement, the U.S. bishops addressed growing concerns about the activities of extractive industries in Africa, saying, “too often [foreign corporations] demonstrate little concern for the negative impact their activities may have on peace, stability, human rights, and the environment” (*A Call to Solidarity with Africa*). In 2007, the Bishops of Latin America and the Caribbean expressed increased concern regarding extractive industries when they stated:

Today the natural wealth of Latin America and the Caribbean is being subjected to an irrational exploitation that is leaving ruin and even death in its wake, throughout our region. The devastation of our forests and biodiversity through a selfish predatory attitude, involves the moral responsibility of those who promote it because they are jeopardizing the life of millions of people, and particularly the milieu of peasants and indigenous, who are pushed out toward hillside lands and into large cities where they live overcrowded in the encircling rings of poverty.¹

¹ *Concluding Document of the Fifth Conference of the Bishops of Latin America and the Caribbean* (2007), no. 473

What Should We Do?

To protect the lives and dignity of poor people and to assure that potential benefits of natural resource extraction are realized, all parties involved in the extractive industry (EI) sector - producers and consumers - need to change some of their practices and work together.

Therefore, USCCB and CRS urge the U.S. government to:

- Support development assistance that improves the ability of governments to manage extractives revenues in ways that reduce corruption and promote human development through investments in areas such as education and health.
- Support transparency by requiring extractives companies to disclose what they pay to governments for access to natural resources.
- Work with governments and civil society in developing countries to promote human rights, democracy, and transparent, responsive government.
- Put in place social and environmental standards that ensure respect for communities, workers, and all of God's creation.

We urge extractive industry companies to:

- Support the international "Publish What You Pay" campaign that asks extractive industries to disclose in a regular and timely manner all payments made to foreign governments or to local communities. Allowing people at the local level to have this type of control (known in Catholic social teaching as subsidiarity) can help reduce corruption and help people hold their government accountable for how revenues are used.
- Fully respect human rights and the environment.

We invite all U.S. Catholics to

- Respond to action alerts to help support policies promoting resource use that contribute to human development and reduce conflict.
- Be thoughtful consumers by
 - Reducing, reusing and recycling to lessen the need for extraction of natural resources. Explore ways to reduce your use of gasoline and donate or recycle old phones, computers, and computer games.
 - Purchasing diamonds that are certified "conflict free" and jewelry made of "clean" gold, silver and precious stones that were mined with respect for the environment and for human rights.
 - Asking companies involved in extractive industries to publish what they pay.
 - Writing to companies to ensure that the metals used in their products were produced in ways that did not contribute to conflict or environmental contamination.

Action in Congress

- It is likely that legislation will be introduced that focuses on the extraction of natural resources and the corresponding impact on the poor. We will keep advocates informed about such legislation as it proceeds.
- USCCB and CRS are urging members of Congress to support legislation that
 - Requires companies to *publish what they pay* to the government in countries where they extract oil, gas and minerals. This is a vital tool for reducing corruption and helping people hold their government accountable for how revenues are used. See <http://www.publishwhatyoupayusa.org/> for more details on this initiative; and
 - Requires companies to assure that the production of the metals that they use does not benefit human rights violators.

For further information: Rev. Andrew Small, OMI 202-541-3153 (ph); 202-541-3339 (fax); asmall@usccb.org or Rees Warne, Catholic Relief Services, 410-951-7274 (ph); 410-234-3189 (fax); rwarne@crs.org