

Position Paper for GIAN

Governance of Natural and Mineral Resources (GNMR)

OUR CONTEXT: The challenge of living in harmony with creation

1. General Congregation 35 of the Society of Jesus (GC 35) called attention to the many changes brought about by globalisation¹ and in response to this the Social Justice and Ecology Secretariat of the Society of Jesus (SJES) has established five advocacy networks viz peace and human rights, the right to education, migration, ecology, and the governance of natural and mineral resources.
2. GC 35 also recognised the fundamental relationship between ourselves and creation and called for a deepening of this relationship with the life giving gift of God. This relationship touches the core of our faith in, and love for, God.²
3. Humanity is gifted with life and we celebrate with gratitude the gift of all creation. We therefore take up with hope our responsibility for sustaining the earth and seeking opportunities for true human development.³ We also recognise that creation has come to be considered by many to be material, extractable and marketable. As part of the Society of Jesus' mission to heal our relationship with creation,⁴ we have been called to respond so that we can live in harmony with creation. Natural and mineral resources provide abundance, providence, and the means with which to enhance our wellbeing and dignity. However, the approach taken to governance of natural and mineral resources can often be driven by greed and exploitation. Where this occurs, the impacts are borne mostly by the poor and vulnerable. However, there are also broader consequences for all of us, including damage to our natural environment and the acceleration of climate change.

EXPERIENCE

4. We are a group of Jesuit related organisations committed to living a faith that does justice with a particular care for the impoverished and excluded of our world. We have been witness to the way in which many indigenous and rural communities have been able to sustain their natural environment, drawing from it what they need to live, flourish, and achieve fullness of life. It is these same communities who now often experience the worst impacts of the expansion of the frontiers of extraction of natural and mineral resources. Poor governance of resources results in environmental degradation, loss of forests, the deterioration of soil and biodiversity, and in water and air pollution. It leads to disease, reduces the quality of life, and destroys the livelihoods of communities, especially those that have traditionally developed a culture of sustainable management of these resources.

¹ GC 35, Dec. 3, # 10-12, 20, 26,

² GC 35, Decree 3 and "Healing a Broken World" PJ, 106

³ In using the term 'development', we recognise the contested meaning of the term and its negative connotations for many communities throughout the world. The term is used in this position paper to denote the practical side of the organisation of society in ways that promote human welfare, wellbeing and the expansion of human freedom and capabilities. We accept that the notion of development does not necessarily equate to progress or justice and through our work we seek to interrogate many of the negative premises of development associated with neo-liberalism.

⁴ GC 35, Decree 3 # 31-36

5. However, the consequences of current arrangements regarding the governance of natural and mineral resources extend beyond individual communities. They result in a range of interdependent and adverse consequences across localities, countries and globally. These consequences include conflicts, population migration and displacement, human rights abuses, and economic exploitation - and it is the poor, the marginalised and indigenous communities who suffer the worst consequences. The complex nature of this issue reminds us of Mahatma Gandhi's words "*The world has enough for everybody's need but not enough for anybody's greed*"⁵.
6. Through our work we have seen not only the negative consequences of our present approach to resource governance, but also how effective advocacy can prevent or reduce the worst impacts on vulnerable communities.
 - Africa is blessed with an abundance of natural resources, yet the Society of Jesus in Africa has seen how exploitation of these resources, frequently by foreign companies working hand in hand with governments, has aggravated poverty and seriously damaged the environment. In Chad, for example, a mechanism for distributing revenues resulting from resource extraction existed for five years. However, the government abruptly altered key elements of the distribution mechanism by including new priorities (military capacity building), cancelling the funds intended to provide for the needs of coming generations, and raising the proportion of revenues (from 10 to 15 per cent) allocated for the use of the government. In the Democratic Republic of the Congo, richly endowed with mineral resources, there is a close connection between resource exploitation and the violent conflict and wars,⁶ which directly and indirectly have caused millions of deaths and have plunged parts of the country, especially the east, into humanitarian crisis and ongoing insecurity. Armed groups also fund themselves with the proceeds of mining. There are also serious economic, social and environmental problems resulting from high-risk, small scale mining carried out under pitiful working and living conditions. Civil society is striving to have the country's mining code changed to provide greater transparency, accountability and participation for local communities.⁷
 - In South Asia, the water, forest, and even the land on which tribal peoples (who call themselves indigenous) depend have been appropriated by mining companies without their consent, and sometimes by force. As a result, the mining areas have become centres of conflict.⁸ Powerful mining and industrial companies are seeking to obtain mining concessions in Central India and are planning massive hydro-power dams in the Northeast, taking land inhabited by the tribal communities.⁹ In these areas, resistance to forced displacement is presented as an anti-national act and is suppressed with force. The human rights of people resisting dispossession are violated. High levels of corruption have been reported in the allocation of mining contracts to private companies - for coal all over India, for copper in eastern India and for iron ore in western and southern India. In Goa, in western India, some success has been achieved in mobilising the community in a campaign to prevent the expansion of Special

⁵ Quote from Mahatma Gandhi, India

⁶ UN Reports 2009, 2010, 2011

⁷ Proposals for reform have been drafted by Jesuit Social Centre CEPAS, see CEPAS, Proposals for Mining Code, July 2012, Kinshasa, DRC.

⁸ The Indian Minister for Rural Development has acknowledged in public more than once that the Maoist struggles are caused by forced displacement of hundreds of thousands of persons from the tribal communities that call themselves indigenous. The Sen Gupta Report (2009) of the Planning Commission of India stated that hundreds of people died in the Maoist rebellion

⁹ IWGIA. *The Indigenous World 2004*, p. 314

Economic Zones (SEZ). In Afghanistan and parts of Pakistan, the competition for natural and mineral resources has been a factor that has influenced armed foreign interventions and ongoing conflicts. These conflicts have displaced millions of people¹⁰ and pushed the poor to the edge of existence. We have seen that the post civil war political agenda in Sri Lanka has been to invite as many foreign companies as possible to exploit the rich natural resources of the island. In Bangladesh the demands of the domestic energy market for greater exploitation of natural gas reserved is causing tension between the government and the people and between India and Bangladesh. Thus the quest for minerals is now a major source of tension and violation of human rights.

- In Latin America, the degradation of natural environments caused by extractive industries has directly impacted upon the health and livelihoods of communities. In La Oroya, Peru, public health studies have shown that young children in the community are suffering from lead poisoning caused by contamination from the Doe Run Peru company's smelting complex. In Colombia, the El Cerrejon open pit coal mine in the Guajira region has contaminated the local environment and affected the wellbeing of local indigenous and Afro-Colombian communities. Mining companies have plans to divert the River Rancheria which is the only source of water for many local communities in the Guajira region. Efforts to exploit natural and mineral resources have also resulted in division and conflict within communities throughout Latin America. Members of the Guaraní-Kaiowá indigenous community in Brazil have been the victims of violence in response to their campaign to avoid being displaced from their land by mining interests. Communities in the woodlands of Tetel, Mexico, the Huasco valley in Chile, and Famatina in Argentina continue to participate in struggles to prevent the exploitation of their land. These struggles often take on a national character such as the "gas wars" in Bolivia or the campaign for Hondurans to consent to the Mining Act passed by that country's parliament. In trying to address these situations a number of Jesuit organisations have undertaken studies and research, made public statements and have participated in resistance activities of affected communities. These organisations oppose the injustices and appalling consequences of the indiscriminate exploitation of natural and mineral resources.¹¹
- In North America (Canada and the US), civil society organisations including churches, labour unions, and NGOs, campaign for the right of communities to exercise free, prior and informed consent (FPIC) over developments that will affect their well-being and for binding legislation to regulate Canadian extractive companies working abroad. They also undertake shareholder advocacy as currently over 40 per cent of mineral exploration capital globally is raised on the Canadian stock exchange.
- In Asia and the Pacific, the fragile ecosystems on which indigenous and other communities depend have been degraded by mining. For decades, mining operations in Bougainville, Papua New Guinea and Grasberg-Ertsberg, Indonesia

¹⁰ See, Elizabeth Ferris, Erin Mooney and Chareen Stark. 2011. *From Responsibility to Response: Assessing National approaches to Internal Displacement*. London: The Brookings Institution. London School of Economics, pp. 25-26.

¹¹ These include the Environment, Natural Resources and Agriculture Institute of the Jesuit University Rafael Landívar in Guatemala, the Humánitas Institute of the Sinus University in Brazil, the Gumilla Centre in Venezuela, the Environmental and Rural Studies School at Xaveriana University and the Center for Research and Popular Education, both in Colombia, the Jesuit Province of Central-East Brazil and the National Coordination of Indigenous Pastoral in Panama, among others.

have severely damaged the environment and provided very little economic benefits to local communities and national economies. In the Philippines, the failure of tailings dams due to tropical rainfall has resulted in contamination of environments that local communities depend on for their livelihoods. Throughout the region, the relatively new phenomenon of extraction of rare earths (which are used in many modern electronic devices) is now responsible for the destruction of local landscapes and there are also problems with small-scale and artisanal mining. Mining companies have divided local communities and in some instances incited violence in order to proceed with controversial plans to exploit mineral resources. Although countries such as Australia and the Philippines have legal processes that require indigenous peoples to grant free prior and informed consent prior to mining on their lands, this has often involved the local leadership without a full understanding of the consequences by community. The focus of governments and communities in Asia and the Pacific must shift from the often hollow financial promises of mining to its environmental and social impacts. This is especially the case for indigenous groups whose ancestral lands often host quality ore bodies.

- In Europe, Jesuit institutions are part of a wider civil society effort which is working to enhance the transparency and accountability of European based mining companies. This involves research, engagement and dialogue with European institutions, including the Commission and the European Parliament. Progress towards Europe-wide regulation, however, is often hampered by inconsistency in national and international standards.

REFLECTION

Expansion of the Frontiers of Extraction

7. As the frontiers of the exploitation of natural and mineral resources expand, the need for effective advocacy in favour of vulnerable and marginalised people increases. Mining and the exploitation of natural resources, especially timber, continue to spread into ecologically and socially sensitive areas. Billions of dollars of investment in the exploration and development of new mines and oil wells is being driven by an ever increasing demand for resources. This demand comes from emerging economies like Brazil, China, India and South Africa as well as the already rich countries of the 'global north', and is the consequence of an economic system which measures success in terms of financial wealth, mostly for the benefit of a select few, with scant regard for the environment and the natural resources on which future generations will depend. Governments are part of this system because they support and authorise extractive companies to appropriate natural resources. This poses a threat to the land, biodiversity and other resources on which peoples and communities depend for their livelihoods. Land use changes resulting from extractive activities are also fuelling climate change. The negative impacts on the most vulnerable, including women and indigenous peoples, are well documented. The demand for minerals also provides livelihoods in every continent for millions of people working as small scale artisanal miners – a form of mining noted for its poor rewards, dangerous working conditions and destructive environmental impacts.

We are aware of the damage caused by the exploitation of timber, large-scale plantation agriculture and the depletion of aquifers which can have equally destructive impacts on poor and indigenous communities, however at present the focus of our advocacy will be on extractive industries.

Unjust Economic Development

8. Extraction and exploitation are justified in the name of economic development but few direct benefits filter down to communities in need and frequently the revenues paid by extractive companies to governments are shrouded in secrecy. Moreover, in many countries governments use the imperative of national development as a justification for reforms which loosen regulation and permit indiscriminate exploration and exploitation. The identities of smaller communities are ignored and stifled by the assertion of national identity and destiny. At the same time there is a dramatic contrast between the enormous financial gains which individuals, companies and governments make from exploiting resources and the extreme poverty, insecurity and intimidation that frequently characterise communities directly affected by mining. The huge imbalances of power between huge national and multinational mining and oil companies, on the one hand, and communities which struggle to make their voices heard on the other, is a problem in many developing countries. The power and influence of these companies are increasingly reflected in 'investor-friendly' legislation and regulation, removing the few constitutional protections which vulnerable communities still enjoy.

The Ecological and Social Consequences of Resource Extraction

9. The continuing expansion of the frontiers of natural and mineral resource extraction calls for reflection on current approaches to economic development. We believe that development strategies which emphasise material progress to the exclusion of other considerations, hardly ever result in improvements to individual and community well-being. In *Caritas in Veritate* (No. 48) Pope Benedict XVI stated that this model does not sustain the earth and the environment. On the contrary, it disrupts and destroys the ecological cycles and balances that have developed and evolved over thousands of years. This model is therefore the cause of significant social volatility and great ecological risk, including climate change. In the end it produces greater marginalisation, sharpens social inequalities and causes more violence.

Violence and Repression

10. The exploitation of natural resources and the responses of communities often results in violence, counter-violence and ongoing militarisation. There is a growing trend in Africa, Latin America and Asia to criminalise legitimate social protest and trade union activity around development projects. Many of us have witnessed violence and death on the doorstep of the places where we work. When communities try to defend their livelihoods and environment, those who want to appropriate resources often respond with violence, mobilising the police, security forces and even criminal elements to quell protests. People's resistance, met with repression, combines to create a climate of violence. This vicious circle of violence and counter-violence has been witnessed in South and South East Asia, East, West and Central Africa and in some parts of Latin America.

The Absence of Free, Prior, and Informed Consent

11. Although it is usually companies that move in to appropriate and exploit natural resources, they do so with the authorisation and support of local and/or national governments. The quest for economic development leads governments to enter into arrangements with companies for the extraction of resources, often with little regard to the rights and wellbeing of communities living on the affected lands. It is rare that such communities are afforded the right of free, prior and informed consent to mineral exploration and resource extraction on lands with which they have deep historical and

cultural ties and where they may have lived sustainably for generations. Where national laws and policies are in place, and the community has the capacity to utilise them, they can be effective. Initiatives such as the Dodd Frank Act in the United States and the Right to Information Act in India provide powerful tools to obtain information and undertake advocacy on decision making in relation to the use of natural resources. However, laws and policies differ between countries, and in many countries they are biased towards the interests of the wealthy and powerful.

Emerging Global Advocacy Efforts

12. The process of natural and mineral resource extraction and exploitation often transcends local and national boundaries. Transnational advocacy on the regulation of natural and mineral resource extraction is needed to respond to the activities of multinational mining and oil companies active in the increasingly globalised economy. International advocacy has already resulted in initiatives such as the Extractive Industries Transparency Initiative (EITI), the UN Protect and Respect Framework, and regional frameworks in the European Union and the African Union. Despite some progress, these initiatives have their limitations. Participation in these schemes is often voluntary, as in the case of the EITI, and remedies under them can be limited, as is the case with the UN Protect and Respect Framework.

Our Shared Responsibility

13. From our experiences we have gained an understanding of both the complex and interrelated drivers and the consequences of the current approach to governance of mineral and natural resources. This complexity in part reflects the interconnectedness of our modern world referred to in GC 35. This complexity has the potential to both support and hinder advocacy efforts. Communities often have open to them the possibility of engaging and negotiating with companies and national or local authorities. However, these negotiations are rarely successful at stopping companies going ahead with mining or forcing them at least to adopt best practice in terms of environmental safeguards. It is clear that notions of shared responsibility are critical, and that advocacy efforts must be focused on a variety of levels, calling for engagement and partnership within and across the Society of Jesus, local communities, nations and international institutions.

Challenging Contemporary Paradigms of Development and Lifestyle

14. Throughout the world many communities are raising their voices to demand more ecologically and socially sound models of development. In poor and marginalised communities, collective action has, at times, prevented inappropriate exploitation of natural resources and ensured that communities have received their due benefits from resource extraction projects. Successful advocacy through international civil society organisations shows that there is also a growing understanding of the interconnectedness of our wider global community and the impact of our lifestyles on others. However, there is a need for well off communities to develop a greater awareness of the impact of their lifestyle on the environment and on their fellow human beings. In particular, we must understand that products which many people throughout the world regard as essential to modern life, such as cars, computers and mobile phones, contain and are powered by natural and mineral resources and that the everyday choices and consumption patterns of the well-off have a negative impact on impoverished and marginalised people and the environment.

OUR WAY OF PROCEEDING

15. Drawing on our traditions of Ignatian heritage¹² and Catholic Social Teachings¹³, our experience grounded in our direct engagement with affected people and communities, and reflecting on and analysing principles (including international human rights law) and the evidence coming from valid research, we have discerned a series of principles for a more appropriate approach to the governance of natural and mineral resources and our way of proceeding:

I. Peace and the Promotion of Dignity

16. Every human being has a right to a life with dignity. Development models should ensure each person's most fundamental needs are met. One has, therefore, to work for genuine peace that is not merely the absence of armed conflict but a society in which all have the right to a life with dignity. Resource use should enhance the dignity of individuals and communities rather than divide people into winners and losers.

II. Equity and Justice

17. Every human being and every community should have an equal opportunity to flourish in the world. The heaviest impacts of extraction, exploitation, use and disposal of natural and mineral resources fall on particular individuals and communities, especially the poor, indigenous and rural communities, and women. Equity and justice require more than the mere softening or elimination of these disproportionate impacts. We believe that positive action must be taken to promote dignity and to provide individuals and communities with opportunities to realise their hopes and fulfil their full human potential.

III. Hope and Solidarity

18. The complex and interconnected nature of the causes and consequences of natural and mineral resource extraction requires us to forge new relationships and commit ourselves to work for change that will make these hopes and aspirations a reality. We stand in solidarity with communities and groups affected by the exploitation of resources, notably the poor and women. Through our actions we seek to promote solidarity of consciousness and action between individuals and communities throughout the world.

IV. Stewardship

19. Resources must be managed in a judicious way that is mindful of the fact that they are not unlimited and that we are merely the custodians not only for our own, but also for future generations who will be dependent on them.

V. The Common Good

20. The main principle governing such resource management is the common good. The processes that result in certain groups of people or organisations appropriating resources and diverting them for the benefit of a few at the cost of the majority have to be reversed. Under the common good, all people and all social groups are provided with opportunities to achieve their potential. Most importantly, these opportunities are not and cannot be provided at the cost of violating the rights of minorities. The common good cannot be calculated only in economic terms, but must include consideration of less

¹² Sp. Ex. 23, 230-237; GC 34, Dec. 20, #2; Peter-Hans Kolvenbach, Introduction to 'We live in a broken world', P.I. 70, April 1999.

¹³ John Paul II, World day of Peace Message in 1990, 1998; Chapter 10 of The Compendium of the Social Doctrine of the Church, "Safeguarding the Environment"; Benedict XVI, Message of Peace (1 Jan. 2008)

tangible imperatives such as identity, culture and healthy environments. Authentic governance of resources should ensure that the benefits reach all groups and all people and that these resources are properly conserved for future generations.

VI. The Precautionary Principle

21. We have seen a multitude of examples of the negative and unintended results of mining and the exploitation of natural resources. The people we work with and their children have to live into the future with these perverse consequences. Risks, therefore, should be managed according to the precautionary principle: “when any activity threatens to affect human health or the environment, precautionary measures should be adopted even if some cause-effect relationships are not sufficiently scientifically established.”¹⁴ This may mean that certain extractive activities should be halted altogether.

VII. Participation and subsidiarity

22. Meaningful participation of communities in decisions concerning their livelihood is critical. Any process that affects the resources of local people and communities should be clearly explained in the relevant language and in a culturally appropriate manner and their voice should be central to all decisions affecting their lives. Decisions relating to natural and mineral resources must be made only with the free, prior, informed consent of the communities who depend on these resources for their sustenance. In the case of indigenous populations, this right is protected by International Labour Organisation 169 and Declaration 13 Sept 2007. Meaningful participation extends to rights of association. Local communities should have the right to organise themselves and the power to make decisions over matters that affect their lives, providing that they too adhere to the principle of the common good. External interests and institutions should respect these rights.

VIII. The Dignity of labour and livelihoods

23. The right of peoples and communities to choose and protect livelihoods that promote dignity is basic to human wellbeing. Only inclusive and participatory decision making processes can generate and nurture a culture that combines the protection of resources with a range of productive activities that go beyond economic growth and whose benefits reach the communities most in need. For centuries indigenous and tribal communities have treated the natural environment which surrounds them and is the source of their livelihood as an inheritance from their ancestors, to be used by the present generation according to its needs and environmental imperatives and preserved for posterity. This concept of managing all natural and mineral resources for the benefit of present and future generations has to be a fundamental part of any development paradigm.

IX. Transparency and Accountability

24. Transparency is a precondition for accountability. It involves making available to communities and to wider societies all relevant information about decisions that will affect their lives and have an impact on the environment. This information should be in an accessible and understandable form, and provide a comprehensive statement of all relevant matters such as mineral deposits to be exploited, mine plans, environmental and health risks, contracts, revenues, rehabilitation plans, and royalties paid. Accountability is the ability to hold companies and official bodies responsible for their actions and, if necessary, to obtain redress for harm done to communities and societies.

¹⁴ Tickner, J, Raffensperger, C, and Myers, N. n/d. “The Precautionary Principle in Action. A Handbook.” In www.sehn.org/rtfdocs/handbook-rtf.rtf

ACTION

25. The network on the Governance of Natural and Mineral Resources, guided by gospel values and Ignatian ideals, stands in solidarity with communities affected by resource extraction and exploitation and those throughout the world who seek justice for them. After reflection on our shared experiences and discernment over how to proceed, we have identified pressing needs for action. We have made plans for coordinated advocacy efforts, drawing on the experience and expertise of affected communities, rigorous research and scientific evidence and local and global advocacy organisations. We seek transparent and just policies, laws and practices which will guarantee the proper participation of people and local communities in those decision-making processes that relate to the management of natural and mineral resources, the protection of their rights, care for the earth, and the restoration and protection of the local environment and public health. Our immediate focus will be on **promoting and strengthening solidarity with those affected by mining and resources exploitation, and also on enhancing the levels of transparency within, and accountability throughout, the governance of natural and mineral resources**. We invite members of the Society of Jesus and Jesuit institutions, as well as the wider global community, to stand in solidarity with us as we embark on this endeavour.