Extractivism:

Burden over Benefit Demands a Just Response

In recent years, it's been hard to watch the news, open a newspaper, or engage in daily life without encountering stories of unrestrained fossil fuel expansion, environmental degradation and the conflict and tragedy they bring. From the Dakota Access Pipeline protests, to the assassination of Honduran Indigenous Lenca leader and human rights activist Berta Caceres, to reports of global-warming-related drought and starvation around the world, these stories overwhelm us with their suffering, frequency and scale. Seldom, however, do these reports—or even our own personal encounters with the devastation they bring—leave us with a sense of how these injustices came to be so common in our world, what connects them, or how we can effectively address them.

As people of faith, we have long felt compelled to decry these disturbing injustices and accompany those most impacted, while also recognizing that our ability to create a truly effective response demands rigorous investigation of the vast and systemic causes of this crisis. Today, we now understand that there is a central organizing feature underlying these interconnected issues: the destructive global paradigm of extractivism.

What is extractivism?



Extractivism is a model of development that exploits natural resources such as oil, gas and minerals on a massive scale globally.

Extractivism creates enormous economic benefit and profit for a few in the short term. For example, public companies involved in extracting, transporting, refining, distributing

and trading in fossil fuels in the United States and Canada made \$257 billion in profit in 2014.1

Extractivism, however, comes with immense environmental, climate and human costs, most of which are borne disproportionately by the 3.5 billion people—half of the global population—that live in the 81 countries richest in oil, gas and minerals.² Annually, Africa loses a minimum of \$148 billion, 60 percent of which is accredited to capital flight due to corporate mispricing of natural resources extracted from the continent.³ (This financial loss is the equivalent of four times its foreign aid.)

Even if one were to ignore the blatant immorality of this calculation, extractivism would still fail since it is a fundamentally unsustainable and nonrenewable system.

Nevertheless, governments and extractive corporations argue that natural resource exploitation is justified because it serves the economic and energy needs of our world. The truth is that the scale and method of exploitation rarely serves the basic needs of persons living in resource-rich countries. For example, while extraction of non-renewable resources accounts for one quarter of the world's Gross Domestic Product (GDP),⁴ 70

Characteristics of Prevailing Extractive Development Model

- Unrestrained capitalistic, economic growth model of development
- Based on exploitation and plundering of natural resources, vital ecosystems and Mother Earth
- Promotes an export model of accumulation and profit for extractive industries and its shareholders
- Necessitates mining rent negotiations and royalty payments for natural resources
- Commonly architected on a pro-extractive industries legal and regulatory system
- Exploits labor through low wages or short-term contracts and exposes workers to hazardous working conditions, and women are particularly at risk for genderbased violence and discrimination in the workplace
- Moves natural resources and wealth from developing to developed countries and overwhelmingly to benefit transnational corporations and country elites
- Stands as an obstacle to sustainable development and to the development of diversified and local economies

¹ Oil Change International, http://priceofoil.org

²World Bank: Extractive Industries Overview, http://www.worldbank.org/en/topic/extractiveindustries/overview

³ To Cook a Continent. Destructive Extraction and the Climate Crisis in Africa. 2012, Nnimmo Bassey.

⁴ World Bank: Extractive Industries Overview, http://www.worldbank.org/en/topic/extractiveindustries/overview

percent of persons in these resource-rich countries live in extreme poverty.⁵ Moreover, natural resource exploitation fundamentally profits only the wealthy and large corporations and is always servant to the insatiable consumption and market-driven patterns of our world.

Extractive industries include hydraulic fracturing for unconventional gas (commonly known as "fracking"); coal and oil extraction; and gold, copper and ore mineral mining. Yet as political economist Ulrich Brands insists, "extractivism is not just the activity of resource extraction but a development model, which organizes - on the basis of exploitation and



Marianne Comfort, Institute Justice Team, and Sister Aine O'Connor, Institute Leadership Team, stand in solidarity with the water protectors at Standing Rock, in Washington, D.C.

marketing of resources for export - the political, socio-economic and cultural relations within the respective country or region: the economy and class structures, gender relations, the state and public discourse." This analysis illuminates the systemic nature of this crisis which transcends any specific industry or resource. In some cases, corporate- and profit-driven renewable energy and climate mitigation projects are carried out at the expense of rights

of indigenous peoples and local communities in a similar manner.

Overarching impacts

Extractivism too often is accompanied by violations of indigenous, human and environmental rights. Increasingly, governments and extractive industries are making decisions about economic development without due consideration of its impact on these rights. The costs, which are so often ignored, fall disproportionately on the people who have been historically most marginalized and discriminated against: indigenous peoples and women.

⁵ The United Nations' Special Rapportuer on Extreme Poverty: Extreme poverty is a lack of income and a lack of basic services and social exclusion and cannot fully their human rights. (A/HRC/7/15, para. 13) www.ohchr.org/EN/Issues/Poverty/Pages/SRExtremePovertyIndex.aspx ⁶Ulrich Brand, Austria & Germany: Energy policy and resource extractivism: resistances and alternative, 2013.(p. 3)

Indigenous peoples who live in harmony with nature and primarily advance non-capitalistic relationships with their land are frequent targets of extractive development, land seizure operations and violations of their indigenous rights. The most egregious abuse faced by indigenous peoples is the violation of their right to Free Prior and Informed Consent (FPIC), which is their right to determine whether or not extractive development can take place on their land. Indigenous peoples and human and environmental rights defenders are increasingly threatened, criminalized and stigmatized for protesting large-scale projects or for speaking out against gas and mining extraction. According to the 2015 Global Witness Report, there were 185 killings of human rights and environmental defenders in 16 countries worldwide that year. This represents a 59 percent increase in killings from 2014: an average of three persons killed a week.

Women are also common victims of the extractive development model which threatens "the communal wealth from which women create livelihoods for families and communities" particularly peasant women who produce 60-80 percent of the food within rural households in places like Sub-Saharan Africa. Their labor harvesting critical fruits, medicinal plants and herbs is threatened by oil, gas and mineral development projects. Moreover, growth-centric, extractive economic models as a whole perpetuate gender-specific violence over "women's bodies, labor, [and] livelihoods." In particular, within the extractive development model, "women workers experience particular oppression: sex for work at the point of recruitment, sexual harassment, rape and inappropriate facilities.¹⁰"

Examples

Gold Mining: According to the Gaia Foundation,¹¹ in our mining history the 171,300 tons of gold that have ever been mined (all of which could fit into a 20-metre cube) have had a devastating impact on human livelihoods and vital ecosystems. In their report, *Mining: When is Enough, Enough?* the Foundation paints a desperate picture of the true price we pay for this precious metal: "On average a large gold mine will use 1,900 tons of cyanide per year to separate the gold from the ore. A rice grain-sized dose of cyanide is enough to kill a human, and far smaller quantities will kill fish and other animals..." They continue, "half of all gold mined worldwide

⁷ United Nations, Human Rights Council, Twenty-fourth session, Report of the Special Rapporteur on the rights of indigenous peoples, Extractive industries and indigenous peoples, James Anaya, Distr.: General A/HRC/24/41, 1 July 2013
8 On Dangerous Ground, Report, June 2016, Global Witness

⁹ WoMin, Collection 2, <u>The Impacts of Extractivism on Women in Africa</u>, October 2015

¹⁰ World Social Forum 2013, Tunisia

¹¹ Mining: When is Enough, Enough? Gaia Foundation

comes from the territories of indigenous peoples. More than a quarter of mines are located in or near protected natural areas."

Fracking: The process of natural gas extraction known as hydraulic fracturing or fracking is a plain example of the exploitation inherent in the extractivism model, what social and climate activist Naomi Klein describes as "a nonreciprocal, dominance-based relationship with the earth, one purely of taking." To frack a single well for natural gas requires between 2 and 10 million gallons of water. Since 2011 three-quarters of the 40,000 oil and gas wells drilled in the United States were drilled in water-scarce areas and of these another 50 percent were drilled in areas already experiencing droughts. In addition to extraordinary water use, fracking also contaminates water and poses a significant threat to people's health. In the *Compendium of Scientific, Medical and Media Findings Demonstrating Risks and Harms of Fracking* which peer-reviews the risks and harms of fracking, 69 percent of original 685 research studies on water quality found potential for, or actual evidence of, water contamination. Furthermore, it revealed that 84 percent of the original research studies on human health risks of fracking show "signs of harm or indication of potential harm on human health."

Of course, it is impossible to discuss the full costs of extractivism without identifying the price paid by all the parts of this world which cannot speak for themselves: animals, plants, vital ecosystems, biodiversity and the climate. Worldwide, the highest human fossil fuel consumption record was reached in 2016,¹⁷ the same year that the hottest temperatures on record were also registered.¹⁸ Critically, these developments also coincide with the fact that our planet is now in the midst of its sixth mass extinction of plants and animals in the past half-billion years.¹⁹ Fossil fuel-induced global warming now poses an existential threat to life on our planet and the future of human civilization. Climate activist Bill McKibben warns that if the world is to guarantee that the average temperature not rise by more than 1.5 degrees celsius (a change which would have catastrophic impact), based on a study by Oil Change International²⁰, "we can't dig any new coal mines, drill any new fields, build any more pipelines. Not a single one. We're done expanding the fossil fuel frontier." ²¹

¹² This Changes Everything, Naomi Klein, 2014,(p.169)

¹³ Earthworks Hydraulic Fracturing 101

¹⁴ <u>Hydraulic Fracturing and Water Stress</u>: Water demand by the numbers https://www.ceres.org/resources/reports/hydraulic-fracturing-water-stress-water-demand-by-the-numbers

¹⁵ Compendium of Scientific, Medical, and Media Findings Demonstrating Risks and Harms of Fracking (Unconventional Gas and Oil Extraction) Fourth Edition November 17, 2016 (p.4)

¹⁷ World Sets Record for Fossil Fuel Consumption, Robert Rapier, Forbes Magazine

 ^{18 2016} warmest year on record globally, NASA and NOAA data show: Third record-breaking year in a row for average surface temperatures
 19 Science Advances: Accelerated modern human-induced species losses: Entering the sixth mass extinction, July 2015, Ceballos et al. and Accelerating extinction risk from climate change Mark C. Urban, May 2015
 20 The Slave Limit Will also Build Climate Country

²⁰ The Sky's Limit, Why the Paris Climate Goals Require a Managed Decline of Fossil Fuel Production

²¹ Recalculating the Math: The numbers on global warming are even scarier than we thought Bill McKibben, September 2016 (p.1)

Human Rights and Ecological Impacts

- Abuses of the rights to life, health, land, food; water and sanitation; to work and to housing; and to freedom of assembly, access to information, to a cultural life; and to nondiscrimination
- Violation of indigenous peoples' rights, treaty rights and sovereignty, including failure to implement Free Prior Informed Consent (FPIC) and desecration of sacred sites
- Redistribution of wealth in favor of the North, transnational corporations and county elites
- Weakened democratic governance and control
- Criminalization of protectors and human and environmental defenders, repression of protests, including using the legal system to protect corporations over people
- Use of military and security forces to protect natural resources and corporate interests, which at its extreme has led to the assassination of human rights and environmental defenders
- Gender-based violence and discrimination against women including economic injustice, increasing reports of rape by police, security forces and paramilitary

Faith-based response and call to action

As people of faith we have rarely ever had such a clear mandate: extractivism is one of the gravest moral issues of our day, and it calls for urgent and unequivocal resistance. Why? Extractivism is violence. Extractivism harms and overwhelmingly burdens people and planet. Extractivism, above all, denounces the interconnectedness of all life and it fails to serve life's abundance and dignity.

For the people of Standing Rock, for the life and legacy of Berta Caceres, for the promise of sustainable development, for the future of fresh air, water, land and all future generations, we are called first and foremost to heed the cry of people and Earth and to speak out from the rooftops about this moral injustice of our day.

Pope Francis speaks out on the moral necessity to take care of our Common Home and to address the destruction and abuses inherent in extractivism. Pope Francis insists that: "The entire mining sector is undoubtedly required to effect a radical paradigm change to improve the situation in many countries... All these people are called upon to adopt behavior inspired by the fact that we constitute a single human family, that everything is interconnected, and that genuine care for our own lives and

our relationships with nature is inseparable from fraternity, justice and faithfulness to others." ²²

Religious leaders such as Pope Francis join with indigenous peoples,



Sisters Catherine Kuper and Kathleen Erickson oppose routing the Keystone XL pipeline through Nebraska.

farmers, women, mining-affected communities and human rights workers in responding to this destructive force. They insist that we work towards a model of development that acts in harmony with nature, that is just and sustainable, and that is oriented in service of life over death, generosity over exploitation, the common good over profit. They are challenging the assumption that growth can be unlimited and is compatible with unlimited use of natural resources. They are calling

on governments to fulfill their duties to protect, respect and fulfill human and Indigenous rights. Furthermore, they are asking for investment in and the development of local and diversified economies where people can reassert their rights over the commons, and where women in particular can experience gender, environmental and development justice.

We must join them in their call to action.

Prepared by Mercy Sister Áine O'Connor, RSM, April 2017 for the Interfaith Working Group on Extractive Industries

²² <u>Pope Francis' message to representatives of communities</u> harmed by extractive activities in "A Day of Reflection – United to God We Heed a Cry," Rome July 17-19, 2015

Extractivism Resources

Women and Mining

<u>WoMin</u>: African Women Unite Against Destructive Resource Extraction

Human and Environmental Rights

<u>Center for Environmental and International Law</u> <u>Global Witness</u>

Social movements, policy groups addressing Extractive injustices

Mining Watch Canada Yes to Life No to Mining

Water

Blue Planet Project

Anti-fracking

Kathleen Dean Moore: Fracking Goes on Trial

Video: Faith Against Fracking

Dr. Sandra Steingrabber Short Video: Fracking and the Un-

Hoodwinking of America

Faith Groups and Mining

REPAM: Pan-Amazon Ecclesial Network

Churches and Mining

Kairos Canada

NGO Mining Working Group at the United Nations

Inter-Religious Working Group on Extractive Industries' Statement

of Principles