



INDIGENOUS PEOPLE INDIGENOUS VOICES FACT SHEET

INDIGENOUS PEOPLES AND INDUSTRIAL CORPORATIONS

BACKGROUND

While indigenous peoples in all regions of the world live on lands and territories that contain a great wealth of natural resources, they remain some of the most vulnerable people on earth due to centuries of marginalization and discrimination. Many of the as yet unexploited traditional lands of indigenous peoples are viewed by governments and the private sector as opportunities for economic growth and exclusive profits, and indigenous peoples' special relationship with their lands – a fundamental element of their spiritual, religious, cultural and physical survival – is often at odds with these interests.

Indeed, the history of relationships between indigenous peoples and industrial corporations is one fraught with conflict and often characterized by exploitation and violations of fundamental freedoms and human rights suffered by indigenous communities, including rights to lands, territories and resources.

Extractive industries, such as mineral, oil and gas extraction, have proven especially problematic and continue to disproportionately impact indigenous peoples. Particularly serious challenges to indigenous rights are generated by mega-projects, such as mining, oil, gas and timber extraction, monoculture plantations and dams. The impact of such projects includes environmental damage to traditional lands in addition to loss of culture, traditional knowledge and livelihoods, often resulting in conflict and forced displacement, further marginalization, increased poverty and a decline in the health of indigenous peoples.

PROMISING PRACTICES

While major challenges remain in establishing state and corporate social responsibility and accountability, there are examples of practices in which the interests of states and the private sector have been aligned with the welfare of indigenous communities.

- In **Australia**, a participation agreement exists between Argyle Diamonds and the Miriuwung, Gidja, Malignin and Woolah peoples on whose lands an Argyle mine sits. The agreement recognizes the local indigenous peoples as the landlords of Argyle's mining lease and establishes a



long-term relationship between the company and local indigenous communities.

- In the **Arctic** region, the Saami Council successfully encouraged Stora Enso, a multinational paper company, to change its wood procurement practices, some of which were at odds with the company's own sustainability policies. Working with environmental organizations, the Saami Council raised its concerns with sustainability and ethical indices in the UK and Europe, resulting in considerable damage to the company's reputation and putting an end to logging practices that had been negatively impacting the Saami People.
- The constitution of the **Russian Federation**, approved in 1993, gives indigenous communities the right to sign direct agreements with oil companies, which are prohibited from drilling without the permission of the ancestral community holding the rights to the use of local lands. Indigenous peoples in Russia also have the right to take disputes with a corporation to a court of arbitration.
- In **Canada**, indigenous peoples have signed three-tiered agreements with the government, the local administration and relevant corporations, with the obligations of each partner clearly outlined and agreed upon from the outset of a development project.

WHAT CAN BE DONE TO IMPROVE THE SITUATION?

International legal norms, including those set out in the United Nations Declaration on the Rights of Indigenous Peoples, provide the foundation for corporations, national governments and international organizations to develop and implement policies and laws for the protection of indigenous peoples' human rights in relation to the activities of industrial corporations. The UN Permanent Forum on Indigenous Issues has recommended that such policies include:

- Obtaining the free, prior and informed consent of indigenous communities affected by the exploitation of lands and resources, with indigenous peoples participating equally – and with legal representation where necessary – in negotiations over sharing benefits.
- Respecting indigenous rights at all stages of the resource exploitation process. If employing indigenous workers, corporations must ensure that international labour standards are upheld and that indigenous employees do not suffer discrimination due to their indigenous status, with particular attention given to indigenous women.
- The adoption of a rights-based approach by international financial institutions to the financing of projects which impact indigenous peoples, taking into account the principles of equality and equity, accountability, empowerment and participation.
- Respecting local indigenous cultures, traditions and customs and utilizing the traditional knowledge and experience of indigenous peoples in environmental protection and sustainable development.

SOURCES CONSULTED

Concept Paper, 2009 International Expert Workshop on Indigenous Peoples' Rights, Corporate Accountability and the Extractive Industries, available online at http://www.un.org/esa/socdev/unpfii/en/EGM_IPCR.html

Selected documents from the 2007 International Workshop on Perspectives of Relationships between Indigenous Peoples and Industrial Companies, available online at <http://www.un.org/esa/socdev/unpfii/en/workshopPRIPIC.html>

