



## COVALENCE ANALYST PAPERS

### **The Impacts of Oil and Gas Multinationals on Indigenous People: A Corporate Social Responsibility Analysis**

[Ashleigh Ferris](#), International University Bremen (Germany), intern analyst,  
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This week the UN's Sub-Commission on the Promotion and Protection of Human Rights is holding its 23<sup>rd</sup> session for the Working Group on Indigenous Populations. At the session indigenous people from across the globe have come together to discuss the most pertinent issues currently facing them. Among the most significant matters outlined in the working paper created for the session is that of the strong inherent link between indigenous people, their culture, land and natural resources. It is therefore quite striking that, as is shown in the data analysis produced by Covalence, several multinational corporations continue to destroy the land of indigenous people, their natural resources, and thus their basic livelihoods. These issues are frequently manifested in a few of Covalence's criteria in particular, including impact on the environment, human rights policy, intellectual property rights, and product relation to culture. From this data, it can be found that the oil and gas sector has had an especially large and often harsh impact on many indigenous people.

The consequences of transnational oil and gas corporations' activities have been widespread and felt by indigenous people around the world. The indigenous inhabitants of Africa, for instance, are far from strangers to the destruction caused by big oil companies. One of the most infamous cases of destruction comes from Shell's operations in Nigeria. Shell has destroyed much of the nation's land, and threatened the lives of its native people both through pollution and the highly precarious problem of rampant gas flaring, occurring more often in Nigeria than any other place on the planet. In fact, this method for burning of surplus vapors in which gas literally bursts meters into the air, causing pollution, creating danger, and wasting resources, is a process that is banned in numerous countries. Although Shell has repeatedly promised to stop the practice, it continues to push back deadlines to do so. Moreover, while Shell has profited heavily, making more than thirty billion US dollars since the 1950s from its endeavors, the majority of Nigerians, an astounding seventy percent, continue to survive on less than a dollar a day. Similarly, the pipeline work of BP in Alaska proves a threat to indigenous people on the continent of North America. Current oil production there has damaged the air and water, caused shifts

in the caribou population, and threatened the traditional way of life for its indigenous inhabitants. Moreover, recent revelations by some BP whistleblowers have exposed that due to problems with maintenance, numerous oil spills have occurred in the area, causing even greater damage to the environment. In light of plans to further exploit this Arctic Refuge region, it is apparent why the Gwich'in nation, made of some 7,000 members, are fearful of the impact BP will have on the land on which they have lived for over 20, 000 years.

Currently, one of the threats to Indigenous people made most prominent in the media is the project for the Sakhalin pipeline, underway off the eastern coast of Russia, whose main sponsor is Shell. Although plans have recently been made to move the pipeline away from a breeding ground for an endangered species of grey whales, it has been shown that harmful impacts from the pipeline will still occur. When the pipeline is built, deforestation, pollution, and harm to wildlife are sure to follow. What is more, the devastation to the wildlife in the area attacks the heart of the indigenous livelihood, including the caribou, reindeer, and fish that sustain them. Beyond that, the pipeline is going to be built on one tribe's sacred burial ground.

Some have advocated that with regards to their destruction, Shell and companies involved in the project should provide monetary compensation to the native Sakhalin people. This is a common practice among multinational companies, who attempt to trade hallowed lands for meager fiscal payments. When such reparation is given, according to the Covalence coding system, an offer could be entered into the database. However, although it might be portrayed as an offer in the media and viewed as such for many shareholders, it would be far from it for most indigenous people. As has been outlined in both the Heritage of Indigenous People's Working Group Paper and presentations made by various members of the conference, it is clear that many indigenous people do not hold a view of property rights in the modern western sense. Section "o" of the Annex of the expanded working paper of the group, states that for Indigenous people, "conventional intellectual property rights are often inadequate." As one representative of the Kanaky people aptly stated at the work group on the 19<sup>th</sup>, they hold the belief that "people belong to the land, and not vice versa." Nonetheless, it should be noted that the case of indigenous people is a very unique one, and the Covalence database must maintain wide definitions for its criteria that can encompass a great breadth of topics. Thus in this instance, the indigenous people's cause could be greatly served if the media would bring contrasting views on property rights and ownership to the forefront. Moreover, as aforementioned, company's who offer financial compensation for damage done to indigenous people, are in the eyes of many in the modern world, taking an ethically sound action.

In closing, the exploration that Covalence does into these issues is of critical importance in terms of indigenous people and corporate social responsibility. First and foremost, companies have a duty to uphold the basic rights of the people on the lands in which they operate, and to not trample over their sacred terrains and traditions. At a more practical level, however, since the UN has declared an extension for the International

Decade of the World's Indigenous People, and several different projects involving the indigenous are being pushed in various UN bodies, the rights of indigenous people are becoming more salient. As the voice of these people grows louder to the public abroad, it will be of utmost importance for companies to be able to answer to their customers, shareholders, and governments regarding such issues. At such a time, Covalence's database could potentially serve as an objective measure of multinationals' performance in terms of human rights violations, impact to the environment, and other important areas influencing indigenous people. As indigenous people continue in the struggle to make their voices heard, Covalence might serve as another tool towards ultimately winning their battle.

Covalence SA, Av. Industrielle 1, 1227 Carouge, Geneva, Switzerland  
tel: +41 (0)22 800 08 55 ; Fax: +41 (0)22 800 08 56  
US Representative Office, 143 Dudley Street, Cambridge MA, 02140, USA, tel +(1) 617 429 4758  
Scandinavian Rep.Office, Lokföraregatan 7C, 222 37, Lund, Sweden, Tel: 0046 (0) 46 14 97 15  
<http://www.covalence.ch> / email [info@covalence.ch](mailto:info@covalence.ch)