WHAT IS THIS REPORT ABOUT?
This report analyzes the issue of racial equality and extractivism and underscores States’ obligations and the responsibility of private corporations to uphold “racial equality and non-discrimination [principles] enshrined in the reform, regulation and evaluation of the extractivism economy (A/HRC/41/54, para. 5). This analysis rejects ahistorical or “color-blind” approaches that are pervasive within the business and human rights space, outlining instead how international human rights law requires a substantive approach to racial equality that is rooted in colonial histories. This report “should be seen as opening the door for further, much-needed analysis of how race, national origin, ethnicity and gender influence the winners and losers in the extractivism economy” (para. 21).

DEFINING RACIAL DISCRIMINATION:
International human rights law prohibits discrimination by States, including on the basis of race, and provides that all persons are equal under the law and entitled to equal protection of the law without discrimination (UDHR, Art. 2; ICCPR, Art. 2(1) and 26; ICESCR, Art. 2(2)). Racial discrimination means “any distinction, exclusion, restriction or preference based on race, colour, descent, or national or ethnic origin which has the purpose or effect of nullifying or impairing the recognition, enjoyment or exercise, on an equal footing, of human rights and fundamental freedoms in the political, economic, social, cultural or any other field of public life” (ICERD, Art. 1(1)).

DEFINING THE EXTRACTIVISM ECONOMY
The extractivism economy “refers to the industries, actors and financial flows, as well as to the economic, material and social processes and outputs, associated with the globalized extraction of natural resources” (A/HRC/41/54, para. 6). This includes “mineral and fossil fuel extraction, and monocultural large-scale agricultural, forestry and fishing operations” (Id.). Extractivism “typically involves the removal of raw materials from territories that were previously colonized, and the processing, sale and consumption of those materials in a global economy that disproportionately benefits nations, transnational corporations and consumers in the Global North or so-called developed world” (para. 7). The extractivism economy also includes what is called neo-extractivism, which is a development strategy (often associated with leftist, popular politics) where national governments use the surplus revenue from resource extraction towards social redistribution policies, while at the same time perpetuating the inequality and discrimination often associated with extractivism (para. 10).

THE GLOBAL EXTRACTIVISM ECONOMY IMPACTS PEOPLE AROUND THE WORLD
As the report outlines, the extractivism economy “is not merely about the economic and material processes of natural resource extraction, it also has an impact on political and social relations (including race and gender relations) and advances particular cultural and normative world views that define the lives of many people and deeply influences their possible futures” (A/HRC/41/54, para. 11). There are many stakeholders in the extractivism economy, including: powerful actors like States, national and transnational corporations and their shareholders, international financial and development institutions, and multilateral governance bodies and institutions; as well as less powerful actors like human rights movements, other civil society actors, and affected communities in territories of extraction (para. 6).

THE GLOBAL EXTRACTIVISM ECONOMY HAS ITS ROOTS IN COLONIALISM
Between the 16th and 18th Centuries, colonial powers extracted human and natural resources from the places they colonized in the Americas, Asia, and Africa. Race and racial identity were used as instruments of social classification and hierarchy in colonized nations and territories. Colonial powers deemed certain groups—such as indigenous peoples or people of African descent—inferior, which facilitated the exploitation of their (often enslaved) labor and the dispossession of their lands. At the same time, the “overwhelming material and social benefits of the colonial extractivism economy accrued along racial lines,” with the extracted resources from the Global South being used to drive capital accumulation and industrial development in Europe (para. 26).

THIS COLONIAL HISTORY STILL SHAPES THE GLOBAL EXTRACTIVISM ECONOMY TODAY
In recent decades, the extractivism economy globally—including in many Global South countries—has expanded. Since decolonization, States in the Global North and Global South have supposedly been able to participate equally in the global economy or in the international legal system (the principle of sovereign equality). In reality, as the report outlines, the “colonial-era” inequalities between States persist, and contemporary models of extraction perpetuate the racial, ethnic and indigenous exploitation that occurred during colonialism (para. 35). Many extractivist projects in the Global South are undertaken by transnational corporations headquartered in the Global North. As the report notes: “it is those people who, under the colonial extractivism economy, were socially constructed as non-white or non-European that today remain subordinate, excluded and marginal within the global extractivism economy” (para. 42). Even within the Global South, the primary beneficiaries of extractivism are local elites and not affected communities.

CORPORATIONS IN THE EXTRACTIVISM ECONOMY HAVE A RESPONSIBILITY TO RESPECT HUMAN RIGHTS
In addition to affirming States’ obligations under international human rights law, the UN Guiding Principles on Business and Human Rights provide that businesses have a responsibility to respect human rights. This means that they must avoid infringing on human rights through their activities, address any adverse human rights impacts that do occur as a result, and implement human rights policies, including requiring human rights due diligence and providing for remedies (UNGPs, Arts. 11-24).
THE GLOBAL EXTRACTIVISM ECONOMY PRODUCES RACIALLY DISCRIMINATORY HUMAN RIGHTS VIOLATIONS

Marginalized groups living near or within territories of extraction experience the most acute human rights violations resulting from extractivist projects. These groups include: “small-scale farmers, rural communities, women, displaced persons, artisanal miners and fisherfolks, pastoralists, migrant workers, and poor and working-class communities” (para. 48).

Around the world, indigenous peoples and people of African descent are particularly at risk. They have less political, economic, and social power or ability to protect themselves from the harms caused by States and corporations. Citing the IACHR Report on Indigenous Peoples, Afro-Descendant Communities and Natural Resources, the Special Rapporteur describes regional human rights violations against indigenous and Afro-descendant people in the Americas, including:

- The destruction of ecosystems.
- Violations of the right of affected communities to free, prior and informed consent in the implementation of extractivist projects.
- Violations of indigenous communities’ cultural rights, which often relate to the environment and related practices.
- Environmental pollution leading to illness and death within affected communities, in violation of their rights to health and life.
- Encroachments on land of affected communities, leading to loss of livelihood.
- Violations of the right to food, caused by interruption of traditional subsistence activities carried out on territories of extraction.

Other human rights violations, which disproportionately harm racially marginalized people, include:

- Land grabs, which “usually entail a change in land use and ownership from local food production to other corporate and industrial purposes” and exacerbate the vulnerability of rural ethnic, racial and indigenous communities, often leading to displacement and other human rights violations.
- Unsafe working conditions on extractivist projects, leading to labor-related human rights violations.
- Violence against human rights defenders resisting extractivist projects, including killings.
- Criminalization of indigenous peoples and people of African descent who are resisting extractivist projects.
- Intersectional harms, including sexual and gender-based violence and exclusion of women from resisting or participating in the processes around extractivist projects.

(See paras. 48-64)

INTERNATIONAL HUMAN RIGHTS LAWS CREATE STATE OBLIGATIONS IN RELATION TO THE EXTRACTIVISM ECONOMY

Under international human rights law, States have a duty to combat intentional discrimination, as well as discrimination in effect—where laws and policies that are neutral on their face still result in unequal treatment. Similarly, States have a duty to dismantle structural discrimination—the racial inequality that exists at a structural level, which is rooted in systems of subordination and oppression. The prohibition on racial discrimination under international human rights law provides not only for “formal equality before the law, but also substantive (de facto) equality in the enjoyment and exercise of human rights,” and applies to the extractivism economy (para. 47).

As the report outlines, there is a complex international governance regime to regulate the extractivism economy, including the UN Guiding Principles on Business and Human Rights. The Guiding Principles affirm States’ existing obligations under international human rights law to protect people from human rights abuses committed by private actors, including private corporations (UNGPs, Arts. 1-10). States must also ensure that people who suffer human rights abuses have access to effective remedies which, as outlined in the UN Basic Principles and Guidelines on the Right to a Remedy and Reparation, include “access to justice, protection against possible violations, guarantees of cessation and non-recurrence of violations, while also combating impunity” (A/HRC/44/57, para. 65; UNGPs, Arts. 25-31).

The governance regime that regulates the extractivism economy must address global structural racial inequality, in particular the persisting inequality between Global North and Global South States. It must be rooted in: the principles of sovereign equality among States; the right to self-determination (ICERD, Art. 1; ICESCR Art. 1(1); Declaration on the Right to Development, Art. 1(2)); and the right to development (Declaration on the Right to Development, Art. 1(1); see also Permanent sovereignty over natural resources). Similarly, States must ensure human rights principles, including non-discrimination and equality, are upheld within the regulatory principles of corporate due diligence and State and corporate transparency.

THE SPECIAL RAPPORTEUR’S RECOMMENDATIONS WITH RESPECT TO THE EXTRACTIVISM ECONOMY

- States in the Global South must reject “corrupt practices and undue foreign intervention” in order to protect their natural resources and ensure permanent sovereignty over them.
- Powerful States, including former colonial powers in the Global North, “must commit to undoing the structures of subordination and inequality that persist” around the world.
- States must ensure human rights principles, including non-discrimination and equality, are upheld within the regulatory principles of corporate due diligence and State and corporate transparency.
- States should respect community opposition to extractivist projects, not criminalize it, and “should understand this opposition and resistance as human rights-based resistance to global neo-liberal economic structures that continue to reinforce racial, ethnic and gender inequality.”
- All participants in the extractivism economy must reject color-blind and gender-blind approaches that obscure the persistence of structural and individualized discrimination.

(See full list of recommendations: A/HRC/41/54, paras. 65-67)