Through the extraction of natural resources countries have an opportunity to enhance equitable development and reduce poverty and unemployment. However, poor management and dependence on the exploitation of these valuable resources, labeled ‘the curse of the plenty’, can significantly increase the risk of conflict. The poverty situation can actually deteriorate by inequitably appropriating the enormous wealth produced from these industries. Furthermore, existing inequalities can be exacerbated, leading to greater corruption and violence.

The extractives industry operates in countries where the government collects 25% of its revenue from resources such as oil, gas and minerals. Companies, international and local, often are more efficient at mining and producing the resources governments otherwise would not be able. Many of these countries are experiencing high levels of conflict, poverty, and inequality in addition to low levels of education and transparency. Although direct connections are not always available, it is often seen that fighting, sexual violence, and murder occur in the same areas resources are being exploited. The revenue created from this exploitation is not finding its way to the sectors of the country in most need and producing deeper tension and corruption.
Transparency and Corporate Social Responsibility

Increasing and spreading transparency has been a predominant goal for many organizations working in the area of natural resource extraction. Transparency is seen as a necessity in addressing the issue of business exploitation of resources and aiding the rule of law. Secrecy deals between companies and governments and confidential contracts hinder any progress possible in reducing the adverse impact resource exploitation creates.

One example of an effort to increase transparency is section 1504 in the US Dodd-Frank act of 2010. Covering 90% of the world’s largest companies and subsidiaries, it requires annual disclosure of payments and created a database of reports on disclosed information. Data is produced regularly, in a clear format, and can be accessed by organizations for review.

Notably, mandatory disclosure laws can benefit multiple levels of the society involved in extraction. It aids the local communities, including indigenous populations, with transparency and awareness, whether people are receiving their fair share. Governments are able to record what environmental impacts exist and how it will affect their interest and communities. Also, investors will be aware of which projects harbor a liability. Although regulations have the capacity to disrupt interests, economies, and patterns of behavior, these kinds of laws and standards, either through legislation or soft law codes of conduct, set a new global guidance for other markets, such as the European Union, G8, Australia, Canada, and Hong Kong.

However, transparency of information and practice must be accompanied by the leverage to intervene progressively and find lessons learned, focusing on where transparency is used, who uses it and where in the process of resource exploitation is it used. More specific inspection of the industry is required, including contracts and revenue. Detailed information on where the money goes and the amount received by governments and communities is a vital source in understanding the impact resource exploitation has and the adverse effects.

The Role of Civil Society and Community Activism

Organizations and individuals in the field of natural resource exploitation, such as Catholic Relief Services and Publish what you pay, have been active in promoting the kinds of transparency mentioned thus far. Initiatives have been developed to educate companies and governments to work more efficiently with civil society and local populations on the issues created by resource extraction. They design controlled conversations and constructive dialogue as well as pushing for greater Corporate Social Responsibility.
Through capacity building, communities can engage effectively with companies and vice versa. Involvement of communities and public pressure has resulted in the Peruvian government getting involved in the environmental impact of the Don Run company’s exploitation practices, pushing the firm to improve environmental remediation measures and reduce emissions. Angolan companies have also been recognized for their work with international organizations on cooperation and corruption. Progress is demonstrating organizations finding avenues into the halls of government agencies.

**Conclusions**

Natural resource extraction has the potential to benefit many in the developed and developing world and progress is showing, although predominantly at a micro-level, to address serious adverse effects on the environment, government corruption and the livelihood of local populations. Still in many developing countries, people living near the extractive industry operations see little benefit from the extraction of this natural wealth. Instead they bear a disproportionate share of the cost: environmental contamination and health risks, degraded livelihood security, ruptured social fabric and conflict.

While diagnosis and monitoring are developing and organizations are in the early stages of advocacy, incremental improvements are being made in transparency and government involvement. "Small steps are having an impact." Payment disclosures, government budget monitoring and standard setting are becoming conversation wedges on issues concerning resource exploitation.

Information and transparency is key to acquire the knowledge and awareness on where the money is being used locally and the adverse impacts occurring. Transparency has the ability to be neutral in a way that brings multiple actors to the engage in the issues. The discourse is developing to address complex issues where working and environmental conditions are poor, yet populations are surviving off of the exploitation of the natural resources. The industry of resource extraction produces a multitude of opportunities and problems and while the focus often points out overwhelming difficulties for countries, other cases that were much worse off previously and have improved may provide for the best example of progress and sustainable development.