

Gold industry asked to act responsibly

By ELIZA BARCLAY

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Standards for social and environmental responsibility are becoming increasingly important to global corporate leaders, but have made few inroads into the gold industry. A consumer campaign launched just before Valentine's Day is targeting gold retailers in the hopes of pushing social and environmental ills to the top of the gold industry's agenda.

Currently no alternative to the gold the campaign calls "dirty" is available from mining companies.

Oxfam America and Earthworks/Mineral Policy Center, the non-profit organizations spearheading the campaign, are calling on consumers to create the pressure that will change the way gold is mined, bought, and sold. The campaign also includes a No Dirty Gold pledge that demands that the global mining industry provide retailers and consumers an alternative to dirty gold.

"We've started with educating consumers as well as retailers and manufacturers of gold and hope that, collectively, they will form a base for pressuring mining companies," Payal Sampat, international campaign director for Earthworks, told United Press International. "And we want them (the mining companies) to step up to the challenge."

"Dirty Metals: Mining, Communities, and the Environment," a report by Earthworks and Oxfam America, details the human and environmental costs of mining. Many gold mines use heap leaching where a cyanide solution drips through massive mounds of ore, separating out the gold to be extracted in an electro-chemical process. According to the report, the production of a single 18 Karat gold ring weighing less than an ounce creates at least 20 tons of toxic waste.

The campaign is modeled on the successful, consumer-driven campaigns that shifted social and environmental priorities in the diamond and forest product industries. In early 2003, human rights and environmental activists celebrated a success of the Campaign to Eliminate Conflict Diamonds when the Kimberley Process Scheme was launched, which requires governments and the diamond industry to implement import/export control regimes on rough diamonds.

In the forest product industry, a victory for environmentalists came in 1999 when Home Depot agreed to phase out its sales of old growth timber.

The "No Dirty Gold" campaign is the first targeting gold, and most major retailers of gold have not yet formulated positions on the campaign or on social and environmental issues surrounding gold mining.

Wal-Mart, which did \$2.5 billion in sales of jewelry in 2001, declined to make statement on the issue in response to questions from UPI. The World Gold Council and the International Council on Mining and Metals, both based in Britain, also declined to comment on the campaign.

Jewelers of America, a national association of retail jewelers, is aware of the campaign and considers itself a stakeholder in the dialogue.

Fred Michmershuizen, spokesman for Jewelers of America, said, "We support standards for responsible mining and agree with the long-term objectives of the report."

Environmental and human rights activists contend that the well-documented incidents of environmental and human rights violations in precious metal-rich countries like Peru and Ghana deserve international attention and are stepping up the effort to get it.

Daniel Owusu-Koranteng is a mining activist from the Tarkwa district of Ghana, whose group Wassa Association of Communities Affected by Mining works with mining communities who have fallen victim to forced eviction, cyanide spillage, and brutal treatment at the hands of mining companies.

"Surface mining activities take place in rural areas where there is high prevalence of illiteracy and poverty and consciousness on community rights is low," said Owusu-Koranteng. "The social conditions existing in rural areas and the desire of mining companies to externalize the environmental cost of mining leads to human rights abuses in mining communities."

The No Dirty Gold initiative is casting gold mining practices in the limelight at the same time the World Bank is reviewing recommendations from the Extractive Industries Review.

The EIR has made recommendations on how the World Bank Group can best meet its goal of poverty eradication through sustainable development working with the oil, gas, and mining industries. If adopted, the recommendations mean the World Bank will only provide limited financial support of extractive industries unless mining companies and governments meet precise pre-conditions.

On Feb. 13, five Nobel Peace Laureates, including Archbishop Desmond Tutu, called on World Bank President James Wolfensohn to endorse recommendations included in the EIR.