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The Coming Battle over Your Gold Jewelry—Hold on to Your Emotions

Matthew A. Runci, the President of Jewelers of America, the U.S. trade association for retail jewelers, is now officially worried about how the public perceives gold and diamond jewelry. Runci backed up his concerns with research when he spoke recently at a trade show in Las Vegas. He said that research shows that 90 percent of consumers would switch buying habits as a result of negative product perception and that 86 percent would switch to a brand associated with a positive cause. Further, 85 percent said they would consider social responsibility in their product purchase. Those are pretty good numbers.

And because, as Runci says, the jewelry industry is selling “dreams and emotion” there is reason for the jewelry industry to proceed with care. After all, it is society itself that has chosen to express values like love, friendship, commitment and romance by exchanging gold wedding rings. There is nothing inherent in the ring itself that imbues it with these values. Let's face it: diamonds are forever because that's what DeBeers tells us. And it works, as long as we, as consumers, choose to believe it and make buying decisions on that basis.

Our wedding ring may give us a certain kind of buzz, when we get it, but it's not like the morning buzz that we get from coffee or the special satisfaction that we get from cocoa. It's not like the wood that we use to build our house or the paper that our laser-jets print on. And it's not like the fish that we eat or the organic food that we may choose to buy for our meals. Gold and diamonds are different, in many ways unique, because as Runci said, a jewelry purchase is about intangible things like dreams and emotions, and not about filling our stomachs, jump-starting our mornings or the 2x4's we're using to remodel the garage.

What Runci and other jewelers fear is that the public might change their perceptions once they learn about the on-the-ground impacts that too often result from mining gold, silver, platinum and other metals. The human rights abuses and death that can result from mining and trading diamonds and gold and the historic role that these minerals have played in fuelling conflicts in unstable regions. The streams or rivers that can run orange from acid drainage—seeping from mine sites and the pollution that lasts for hundreds of years. The cyanide spills from mines that have resulted in massive fish kills. The mercury spills that have harmed people near mines and the mercury air emissions that can result from processing gold. This can be emotional stuff, particularly if you live near a mine—or a proposed mine. For example, the town of Rosia Montana, in Romania, where a company wants to dig a big open-pit gold mine where the town sits. It will get emotional if you live in Rosia Montana. And it will get emotional if you are the Shammel family in Montana and the wells on your ranch are polluted from mining.

There's only one solution to the problem faced by Jewelers of America. It's time to make jewelry about more than just dreams and emotions. It's time to add environmental, human rights and social dimensions to jewelry. To make sure that jewelry is sourced from operations that follow the highest environmental, human rights and social standards. We need a system that guarantees customers that they are buying a ring that is from a safe source, and an environmentally responsible source.

“The integrity of jewelry depends upon trust of consumers... [w]e are selling dreams and emotion, and this requires special care in order to be preserved.”

Matthew A. Runci,
President,
Jewelers of America

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The key question is this—what standards must be followed to create a responsible source for the gold, diamonds and other precious metals that end up in jewelry? And this is a \$45 billion question (the annual sales figure for retail jewelry in the US)!

This is where the battle for your emotions is likely to come into play. Some in the mining sector are out to convince retail jewelers that they are already producing responsibly-sourced minerals—all that's really needed is for a few mining companies and jewelry retailers to launch a major marketing effort and the problem will be solved. In this scenario, all you need is speed and the right public relations firm—get to the microphone quickly and announce that you have the problem solved. But history shows that an approach driven primarily by concerns about public perception is likely to be a losing and costly proposition. It's a gambit that can make or break careers and reputations. The problem with this strategy is that it ignores reality—the real, tangible environmental and social problems still being faced at mining sites around the world. What happens the first time one of the “responsible” companies who are part of this exercise has a major cyanide spill or accident at one of their mines?

And what about the reaction from the families with polluted wells in Montana and those that live in Rosia Montana? They will get even more emotional, because no one likes the wool to be pulled over their eyes. And what about the NGOs like EARTHWORKS, Oxfam, Greenpeace, Amnesty International, Rainforest Action Network and Global Witness who find that the rush to market a “solution” fails to address the real problems?

Fortunately, there are a number of leaders in the jewelry retail sector and in mining companies who want to address the real issues, and take the time necessary to create real solutions, rather than rush to the microphone. The jewelry retailer Tiffany & Co. has gone on the record calling for responsible sourcing of metals. The mining firm BHP-Billiton has made a public commitment to protect rivers and the seas from mining wastes; the company has a written policy that it will not use ocean or riverine disposal of mine wastes.

So get ready, the battle will be engaged in emotional terms. You can count on EARTHWORKS and its partners to fight until the problems are actually solved. After all, there is a lot at stake: safeguarding human rights, communities, and our environment; love, friendship, commitment and romance; the brand equity of companies like Cartier, Tiffany & Co. and Zales – and \$45 billion.

And Runci is right, our dreams are at stake. But so are human lives, biodiversity, clean water, and natural treasures—which is why this cannot be just a public relations exercise, but must be about real, tangible and verifiable changes in the way that the mining sector goes about its business.

Stephen D'Esposito
President

In The News

COURT REJECTS ROCK CREEK MINE

In March 2005, a federal district court ruled in favor of grizzly bears, bull trout and the people of Montana by rejecting the U.S. Fish and Wildlife Service's approval of the proposed Rock Creek Mine.

The U.S. Fish and Wildlife service will now have to create a new biological opinion, which could take a year or two to develop. EARTHWORKS, along with the Rock Creek Alliance and the many other organizations involved, will continue to work to protect this remarkable place from inappropriate mineral development and pollution.

More Info:

www.rockcreekalliance.org

BLACKFOOT RIVER PROTECTED

In June, Montana's highest court ended a 5-year legal showdown over Montana's historic ban on cyanide leach mining. The court ruled unanimously against Canyon Resources, the Colorado mining company that filed a “takings” suit against the State of Montana, claiming that the State could not pass a law that prohibits the development of its proposed cyanide leach mine without compensating the company for the financial loss. The Supreme Court also stated that because the right to a clean and healthful environment is guaranteed in the Montana constitution, Montana voters were not out of line when they banned a mining method that uses a toxic substance like cyanide.