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# **Shame campaigns and environmental justice: Corporate shaming as activist strategy**

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Shame campaigns aim to change industry practices by targeting the reputational value of individual firms. They occupy a contested political space from which they leverage existing inequalities in the market to redress political inequalities on the ground. This article assesses two such campaigns – the No Dirty Gold and Global Finance campaigns – based upon their ability to overcome the limitations of relying on markets for leverage and selectively targeting firms directly. While activists connect companies' right to profit with social and environmental responsibilities, they do not directly tackle overconsumption and have done little work to reduce economic inequality. However, campaigners work to rectify existing political inequalities through their efforts to promote transparency, supply educational information, and facilitate inclusive debate amongst stakeholders. While shame campaigns reflect many of the inherent contradictions of global civil society, activists manage to challenge unwanted industry activities by circumventing the state institutions that facilitate their imposition.

**Keywords:** environmental activism; direct-targeting; mining; finance; jewelry

## **Introduction**

There often appears to be a discrepancy between the resources available to environmental activists and the scope of their ambitions. This is especially true for those embracing a comprehensive vision of environmental justice. Despite its contested parameters, environmental justice was usefully defined by David Schlosberg (2004) as concerning equity in the distribution of environmental risk, recognition of the diversity of the participants and experiences in affected communities, and participation in the political processes which create and manage environmental policy. Recently, the use of the term has expanded yet further, encompassing an ever broader range of issues and levels of analysis, including being

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extended to communities and the human relationship with the nonhuman world (Schlosberg 2013). While environmental quality and human equality are inextricably linked (Agyeman *et al.* 2003), this expanded mandate also creates dilemmas for activists. Not only might activists occasionally face trade-offs when pursuing both ecological and social justice goals, but campaign energies may become diluted when attempting to tackle such a broad set of concerns (Newell 2006). In this article, I explore how activists attempt to balance these potential trade-offs while maximizing their impact by confronting corporations directly using market-based, shame campaigns.

Activists must be selective regarding the issues they focus on and the tactics they use to achieve their goals due to their limited resources (Richards and Heard 2005). One such tactic is the market-based, shame campaign, which targets the most branded and thus vulnerable firms within a production chain and attempts to shame them into demanding sustainable practices from their suppliers (Sasser 2003, Schurman 2004). I define shame campaigns as activist campaigns that make strategic use of public shaming – a tactic built upon the notion that when a consumer-facing firm’s brand reputation is linked to unsavoury practices along their supply chains, the firm’s management will be incentivised through economic and social pressure to join activists in condemning these practices. Economically, targeted firms may be concerned with damage to their brand value, losing customers to a boycott, diminished prospects for recruiting and retaining employees, and a weakened ability to raise capital (Klein 1999, Baron 2003, Sasser *et al.* 2006). Sociologically, activists reframe the issue in ways that associate the negative ecological and social impacts of the industry with specific companies and the individuals within them, which may clash with the corporate culture of the firm and the personal worldviews of its leadership (Keck and Sikkink 1998, Khagram *et al.* 2002).

Recent examples include the high profile campaign focused on the apparel industry that targeted *Nike* and similarly branded companies, as well as the campaign against the forestry industry that took aim at *Home Depot* and other DIY retailers (Gereffi *et al.* 2001, Bartley 2003). Directly targeting firms has proven effective at spurring corporations to reduce their exposure to such attacks by changing their practices, collaborating with environmentalists, and committing to various non-state regulatory initiatives, creating a political space outside the state system in which threats to the public interest may be challenged (Wapner 1996, Ruggie 2004). However, there are limitations to these market-based, shame campaigns.

As products of their historical context, these campaigns rely on non-state and often market-based solutions to regulating global industries. Paul Gilding, the former head of Greenpeace, famously summed up the mood of activists when he said: ‘OK, you want to play markets – let’s play’ (Friedman 2001). As such, they appear to work within the current system of a deregulated economy and, therefore, are somewhat limited by its requisites. The necessarily selective nature of direct targeting not only limits the use of this strategy to certain types of firms and industries, but it risks reproducing inequalities within commodity chains and across regions while the results they achieve may inadvertently reinforce the status quo. However, activists are often self-reflective about these potential shortcomings and employ a variety of tactics to overcome the limits to their approach.

In this article, I focus on two campaigns – the *No Dirty Gold* (NDG) and *Global Finance* (GF) campaigns – identifying and comparing the tactics utilised by activists to maximise their impact while attempting to avoid simply reinforcing existing practices and power asymmetries. I selected the campaigns based on their shared endeavour to change practices within extractive industries by targeting vulnerable nodes in natural resource production chains. Both campaigns make strategic use of public shaming to achieve their

goals; the NDG activists focus on the retail node for gold jewellery while the GF campaigners target the financial node for extractive projects.

I collected data for this qualitative study from campaign publications, websites, and reliable mainstream media sources to supplement information drawn from interviews I conducted with 45 civil society and industry actors, including eight interviews with key informants from the two campaigns.<sup>1</sup> I selected interviewees based on their involvement in the campaigns and recruited them through their respective organisation's website. The interviews were semi-structured and conducted in person where possible, though a few were necessarily conducted by phone, with questions focused on the strategic decisions behind campaign design, the goals of the campaigners, and the ways in which they attempt to maximise their impact despite the limitations to such an approach. While both campaigns have faced difficulties actually impacting the bottom-line of their targets, they have managed to compel industry to adjust their practices with responses ranging from single-firm standards to industry-wide certification. The criteria by which I judge the campaign strategies, which constitutes the core framework for comparison, is distilled from the literatures on global civil society and market-based activist campaigns.

### **The campaigns**

The NDG campaign was started in 2004 by *Earthworks* (formerly the *Mineral Policy Center*), a small NGO focused exclusively on the mining industry, and *Oxfam America*. While campaigners at *Earthworks* initially conceived of the campaign, they felt they needed to get a big NGO 'of note' and *Oxfam* had the brand equity (NDG, personal communication, September 20, 2010). Even once they had *Oxfam's* name behind them, they still had limited resources and did not want to risk losing any credibility, and thus leverage, by hitting

companies that they did not think would budge without achieving any bottom-line impact (NDG, personal communication, September 20, 2010). Therefore, their initial focus was on the high-end jewellery specialists who traded on their brand name and image. Based in Washington DC, but with field offices in Berkeley, Durango and Missoula, the campaign's goals are captured in its 'Golden Rules', which is a pledge for jewellers to only source gold from projects adhering to numerous social and environmental criteria.

### **The No Dirty Gold campaign's Golden Rules**

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- Respect basic human rights as outlined in international conventions and laws;
- Obtain the free, prior and informed consent of impacted communities;
- Respect workers' rights and labor standards including safety;
- Not operating in areas of armed or militarized conflict;
- Not forcing communities off their lands;
- Not using water bodies or streams for mine waste or tailings;
- Not operating in fragile ecosystems, protected areas, or other places of high conservation or ecological value;
- Not polluting water, soil or air with acid drainage or other toxic chemicals;
- Paying all costs of closure and reclamation of mine sites;
- Allowing independent verification audits.

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**Table 1: NDG Golden Rules (adapted from [www.nodirtygold.org](http://www.nodirtygold.org))**

The activists attempt to incentivise jewellers to sign the pledge through a number of public shaming tactics that take aim at their well-established brands. These tactics include grassroots street demonstrations and letter writing, use of the media in the form of advertisements in the *New York Times* and industry journals, and the use of the internet to disseminate information, coordinate email campaigns, and provide media kits for journalists.<sup>2</sup> The results achieved

thus far include work to establish criteria for responsible mining, such as the ‘Golden Rules’ themselves as well as the more elaborate ‘Framework Convention for Responsible Mining Practices’ (Miranda *et al.* 2005). Their efforts have also indirectly led to an industry-led initiative to certify the jewellery supply chain through the *Responsible Jewellery Council* (RJC) as well as the creation of the multi-stakeholder *Initiative for Responsible Mining Assurance* (IRMA), which seeks to certify individual mine sites and is set for launch in 2014.

The GF campaign was started in 2000 by the *Rainforest Action Network* (RAN), a direct-targeting NGO based in San Francisco. The campaigners believe that banks should take responsibility for the social and environmental impacts of their investments and develop policy safeguards to ensure they are not financing projects that are needlessly destructive. Jim Gollin, chair of the group, offers a to-the-point summary of the group’s approach to environmental advocacy: ‘Most environmental groups try to get the government to enforce changes of behaviour on people and corporations. Thirty years ago, that was the cutting edge, but I feel there’s very little cheese down that path now. At RAN, we essentially ignore Washington, ignore politics, ignore regulations and regulatory structures, and focus instead on making deals with corporations’ (Gollin 2005).

Their actual tactics are similar to the NDG campaign in that they take aim at the bank brands using shaming tactics. One example is their use of advertising throughout the campaign with ‘[y]ears filled with advertisements on CNN and the *New York Times*,’ explains Michael Brune, ‘When Sandy Weil (former chairman of *Citibank*) was vacationing in Europe, we took out an ad in the *International Herald Tribune*. We create pressure by raising awareness, and then investors, employees, and customers usually ask how they can help. Executives get it from all sides’ (Brune 2006). In addition to advertisements in mainstream media, the group’s activities include grassroots demonstrations, shareholder activism and letter writing, and use of the internet to maintain a network of activist groups,

trace bank lending and investment, and disseminate information. The element of shame at the core of the campaign is laid bare in a study by David Baron and Erin Yurday (2004), based on conversations with GF campaigners:

‘By the spring of 2003, action at universities had increased, particularly at Columbia, and the [GF] campaign became personal as activists canvassed Citigroup CEO Sandy Weill’s hometown. Adding to Citigroup’s vulnerability, Weill was on the verge of retiring from the CEO position. RAN believed that the attention generated by its campaign could jeopardize Weill’s legacy and reputation.’

These tactics seemingly achieve results as many of the banks targeted, including *Citigroup*, *Bank of America*, *JP Morgan Chase* and *Goldman Sachs*, have developed first-party standards for responsible investment. Additionally, through their engagement with the *Bank Track*, a network of activists focused on the financial sector, GF campaigners have supported the establishment of the ‘Collevecchio Declaration’, which is a universal set of standards industry signatories agree to abide by.

### **The Collevecchio Declaration**

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- Commitment to sustainability;
- Commitment to ‘do no harm’;
- Commitment to responsibility;
- Commitment to accountability;
- Commitment to transparency;
- Commitment to sustainable markets and governance.

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Table 2: Collevecchio Declaration (available in full at: [http://www.banktrack.org/download/collevecchio\\_declaration/030401\\_collevecchio\\_declaration\\_with\\_signatories.pdf](http://www.banktrack.org/download/collevecchio_declaration/030401_collevecchio_declaration_with_signatories.pdf))



In the following section, I outline the potential limitations of this type of activist activity that have been considered in the global civil society and market-based activist campaign literatures before turning to an empirical study of how the NDG and GF campaigns attempt to overcome these limitations. The findings reflect both the opportunities and limitations of pursuing environmental justice campaigns outside the state system and the tactical innovations activists employ to maximise their impact.

### **Potential limitations of shame campaigns**

The limitations facing civil society campaigns that target firms directly are two-fold: first, they run the risk of promoting a regulatory culture based on market solutions and individual responsibility while ignoring deeper systemic issues and, second, their selection bias as to which industries and markets to target forgoes comprehensive regulatory coverage and may simply reinforce global power asymmetries.

### ***Market-based solutions to systemic problems***

The first concern relates to the difficult task of effecting meaningful change while working outside the state system and within the market landscape. While shame campaigns attempt to highlight and change unsustainable practices, the end result tends to be a glut of non-state initiatives that, arguably, have difficulty challenging the underlying systemic causes of environmental degradation and risk shifting political concerns to a technical arena (Stringer 2006). This is why some scholars have expressed doubt as to the ability of market-based, civil society initiatives to alter industrial practices in a meaningful way (Mutersbaugh *et al.*

2005, Taylor 2005, Klooster 2006, 2010). Indeed, one of the major ways in which market-based initiatives achieve popular support is that they tend to not tackle the tough issues, such as, overconsumption and inequality (Princen *et al.* 2002).

Market-friendly initiatives conform to what Steven Bernstein (2001) has called ‘liberal environmentalism’, which is the product of attempts to reconcile global environmental protection with the promotion of the liberal economic order and its tenets of economic growth, efficiency, and corporate freedom. This compromise approach to environmental protection is epitomized by the concept of ‘sustainable development’ and views environmental problems as stemming from such drivers as the poverty forcing populations to eke out unsustainable livelihoods, market failures leading to negative environmental externalities, a lack of technological innovation that would otherwise increase industrial efficiency, and weak institutions that have proven insufficient at facilitating adequate cooperation at the global level (see also Clapp and Dauvergne 2005 for a detailed discussion).

Unlike these market-friendly approaches to environmentalism, tackling overconsumption and inequality demands that people accept less. For example, while the eradication of poverty is a goal that finds few dissenters, reducing inequality is a much tougher sell (Bloomfield 2012).

### ***The selective nature of corporate targeting***

The second concern focuses on the selective nature of campaign targeting, which itself has two potential limitations: campaigns may only be effective for certain industries and could have the unintended effect of reproducing global inequalities.

*Only effective for certain industries*

A key concern with market-based, shame campaigns is that there seems to be limited scope for the types of industries they could be effective on. They do not target the firms that actually carry out the most irresponsible practices directly and many of the worst violators will go unpunished as they remain insulated from this type of action. An industry must have a branded node in the commodity chain that draws significant value from its reputation so activists can pose a credible risk to its business interests. Relatedly, campaign effectiveness will be increased if the product they provide is visible to end-use consumers so they can choose to avoid these products if they so choose. Additionally, this product cannot be a necessity and, if it is highly desirable, the campaign chances for success increase with the number of viable substitutes available.

Regardless of which commodity or product is being targeted, most successful market campaigns have focused on either the US or the EU market for products. Even though the gold jewellery markets in China and India dwarf that of the US, the NDG campaign focuses on the US market as it is seen to hold the most latent potential for leveraging consumer demand for jewellery made from ‘responsible’ gold. Likewise, the GF campaign focuses on the largest US banks, while large but less branded funds as well as commercial and investment banks from developing countries avoid this exposure. There are numerous reasons for this, including the political culture of these markets as well as the location of the campaigns themselves. While the strategic rationale is seemingly sound, the repercussions can be significant.

The selectivity with which shame campaigns are waged leads to an uneven approach to global business regulation and, therefore, such campaigns will probably not lead to

comprehensive coverage (Newell 2001, Falkner 2003). Additionally, scholars note that campaigns must affect a wider range of actors than simply Western consumers if they are to make a significant impact on global trade in any commodity (Nest 2011). At least equally important is the potential for the selective nature of campaign targeting to lead to the perverse effect of reinforcing unequal power relations between the global rich and poor.

### *Risk of reproducing existing inequalities*

By directing campaigns at the US and EU markets, activists risk reproducing the unequal economic relations between rich consumers in the global North versus the much poorer suppliers in the global South. By leveraging consumer demand these campaigns are offering rich consumers the chance to dictate the practices of poor producers by voting through their consumption decisions. Those with more money potentially have more votes.

These concerns resonate with those of scholars who have remained sceptical of the emancipatory potential of a global civil society (Chandhoke 2002, Ford 2003, Amore and Langley 2004). For example, Pasha and Blaney (1998, p. 411) argue that while global civil society holds some democratic potential, it also holds many contradictions ‘as a site of both inequality and movements to redress inequality, of seemingly incommensurable identities and values and the negotiation of commonalities, of imposition and domination and the possibility of conversation and democracy.’ The concern is that much of the work of these global activists has the potential to compromise local autonomy and local control of development policies, especially in the global South. While these campaigns and the often ‘private’ regulatory initiatives that result exert significant influence on the global South, the representation of Southern stakeholders in such global civil society-led initiatives remains low (Dingwerth 2008). Global activists risk simply reproducing existing inequalities

underpinning the international political economy while obscuring these inequalities by advocating a Western vision of 'global' values (Pasha and Blaney 1998).

The remainder of the article is divided to reflect this two-part critique. In the first section, I evaluate the campaigns based on their ability to address some of the major issues underlying environmental problems, namely, poverty, market failures, a lack of technology, and weak institutions as well as the much tougher issues of overconsumption and inequality. In the second section, I evaluate the efforts of the campaigns to challenge the existing power asymmetries in the global economy and base this analysis on their ability to overcome the limitations of selection bias when choosing targets through their efforts to maximise the impact of direct-targeting and to shift regulatory power from political and industrial centres to the populations these campaigns attempt to empower.

### **Overcoming the limitations of working within markets**

The NDG campaign addresses many of the underlying causes of environmental degradation quite effectively. The campaign's use of the market mechanism to promote its goals maintains and promotes free trade and free market values. Increasingly strict adherence to these economic principles has, arguably, been one of the main catalysts for the unprecedented economic growth of recent times – and the concomitant reduction in absolute poverty.

In economics, a market failure refers to the inefficient allocation of goods or services in a society, often the result of incomplete information (Stigler 1961). By informing the public of the hidden environmental costs of gold production and encouraging consumers along the supply-chain to choose less destructive options they are creating demand for an

environmentally sound alternative. Activists and industry are now working towards institutionalizing this market mechanism in the form of certified gold products.

The campaign encourages ingenuity through its use of shame tactics. By raising the costs of degrading the environment, activists create monetary incentives to develop and implement innovative technological and managerial fixes for environmental problems.

And finally, by engaging with industry actors directly and negotiating compromises that allow for reasonable reforms of the gold mining sector, the NDG campaign promotes cooperation between industry and activists. This should lead to the development of more effective institutions, such as, third-party certification.

The campaign represents a movement to reform the metals industry and does not advocate for decreased production. By adhering to the economic tenets of free trade and free markets, the campaign does not attempt to reign in economic growth and so falls short of the goals of more radical environmentalists who call for limits to growth. Likewise, there is no attempt by the campaign to address problems of overconsumption and economic inequality, both of which can be seen as fundamental sources of environmental destruction. In fact, the certified product that results could actually be viewed as a step backward by making the industry and its products more palatable to socially and environmentally conscientious consumers.<sup>3</sup>

The effects of the GF campaign on the ability to alleviate poverty are debatable. The campaign does not attempt to halt the free flow of capital that has helped increase rates of economic growth in both the developed and the developing world. However, developing countries tend to rely on primary resources for a large portion of their development dollars and so a perverse effect could eventually be the channelling of much needed funds away from developing nations toward more developed economies. To date, this remains purely

hypothetical as there is no evidence of any such trend. In fact, one could argue that the campaign focuses on projects that are unnecessarily destructive to and uninvited by local communities and so reduces the burden of poverty. The aggregate effects – direct and indirect – are therefore ambiguous at this point.

Market failure occurs when the price of a good does not reflect the full costs or benefits to society and so results in an inefficient allocation of resources. The GF campaign can be seen as tackling market failures by nurturing a market for ‘socially responsible investment’ (SRI). It focuses on projects with negative externalities, hoping that the financial backing will be reallocated to less harmful projects. Through improved information, activists help industry realize the potential societal gains not previously captured.

The GF campaign encourages technological innovation by directing funds away from projects utilizing older, dirtier technologies. It pressures banks to invest in cleaner, more sustainable industries and this may translate into resources being channelled away from the more primitive extractive sector in favour of high technology and knowledge-based industries. Even if capital is not channelled away from resource extraction, best practices in environmental aspects of mining usually involve the use of high technology that is predominantly manufactured in the developed world, forcing developing countries to import these high value-added technologies, further decreasing their terms of trade.

By working directly with industry in order to, as RAN Executive Director Michael Brune (2006) has put it, ‘bypass the middleman’ (by which he means government), the campaign creates the basis for cooperation toward a greener path for the mining industry. Through their involvement in *Bank Track*, the campaign also works with intergovernmental organizations, specifically the UN, and helps to lay the foundation for tripartite cooperation and the building of more effective institutions.

The campaign shows its commitment to longer-term environmental goals by advocating for investment to be channelled away from fossil fuels and toward renewable energy. With the focus on connecting the right to profit with the responsibility of sustainability, the campaign seems to encourage a new type of economy more interested in social and environmental health. The campaign's manifesto, the 'Collevecchio Declaration', is based on the principle that there is an historic detachment between the world's natural resource base, production, and consumption and as we reach the ecological limits, financial institutions must take their share of responsibility to reverse the effects of this detachment. This certainly seems to be a productive step toward fostering an economy based upon sustainability and ecological rights.

The campaign tackles some of the most visible examples of overconsumption and inequality by attempting to repel capital from investing in environmentally irresponsible resource extraction projects. This may not have much of an effect on the rich but, by protecting the natural environment, the poorest – who tend to rely the most heavily on natural resources for their well-being – should be better off.

### **Overcoming the limitations of selective targeting**

The second potential limitation of this activist strategy is the selective nature of campaign targeting, which itself has two potential limitations: campaigns may only be effective for certain industries and risk reproducing global inequalities.



### ***Campaigns as only effective for certain industries***

Both campaigns are very aware of the selection bias present when choosing which firms to target. In fact, the effectiveness of their strategy depends on it. The original idea for the NDG campaign was to identify and target the most susceptible firms within the multiple resource chains that the mining industry feeds into. The campaigners needed a leverage point and the gold jewellery supply chain seemed a good fit. While most mined minerals find their way into myriad products where they remain hidden from the consciousness of consumers, the consumer market for gold was dominated by demand from the gold jewellery industry where the gold is prominently displayed for the beauty and status it conveys. The campaigners hoped to apply pressure to gold miners through the demand of the jewellery companies. If they could succeed in getting a few large, diversified miners on board, then there was a good chance that the gains made in changing practices would then be transferred to these companies' projects extracting other metals and minerals as well (NDG, personal communication, October 20, 2010). Additionally, the campaigners did not target gold jewellers indiscriminately; they were very aware that not all jewellers would find their campaign strategy equally threatening. They instead focused on the highly branded, luxury jewellers – like *Tiffany & Company*, *Cartier*, and *Rolex* – knowing these companies could not stand for their reputations to become tarnished. While this strategic decision limited the campaign to a small portion of the market for gold jewellery, the activists hoped they could get a couple of these luxury jewellers onside, develop a model for responsible sourcing of jewellery, and then take this model to the lower-end and less branded jewellers (NDG, personal communication, October 20, 2010). In this way, the campaign hoped to go from a select few luxury jewellers, spread across the gold jewellery industry, affect the practices of gold suppliers down the commodity chain to gold miners, and spread from gold mining

practices to the practices of mines extracting other metals and minerals (NDG, personal communication, October 20, 2010).

The GF campaign also recognises the insulated nature of resource extraction companies and so does not target, for example, coal mining companies directly. Additionally, coal is predominantly used for industrial purposes and, therefore, coal consumers are not very malleable targets. By targeting banks, the GF campaign has found a gateway into multiple commodity chains. In contrast to many extractives firms, commercial banks are heavily branded as they rely on their reputation to market many of their financial services, such as credit cards, loans, and other personal banking options. In fact, a survey of over 250 senior executives in global financial institutions conducted by *PricewaterhouseCoopers* and the *Economist Intelligence Unit* found that the only concern these executives scored as more critical to attracting customers to their company than ‘underlying brand strength and awareness’ was the ‘quality of service and staff’, with other factors such as ‘financial performance’ ranking far down the list (VRL Publishing 2006). Additionally, the upstream, financial node is vital to virtually all commodity production and distribution; while it is difficult to target miners of coal directly, their projects all need financing. There are certainly multiple ways of raising capital for projects besides large, branded banks. The idea is that the campaign targets the largest and most branded banks to pull them into negotiations to set the parameters of acceptable investment practices – even if this means single-firm, internal commitments – to at least establish what responsible portfolios might look like (GF, personal communication, October 26, 2006). The hope is that other investors will then follow.

### *Campaigns and the risk of reproducing existing inequalities*

A second, and arguably more disconcerting, limitation related to the selective nature of campaign targeting is that it runs the risk of reinforcing existing global inequalities. The vast majority of large natural resource extraction projects are located in the developing world and often on the lands of indigenous peoples. If due care is not taken to incorporate the needs and preferences of local communities, these campaigns could impose the values and preferences of the Northern communities in which they are embedded. The campaigns need to counter the potential side-effects that could result in their tactics empowering the already rich and powerful. These market-based campaigns empower consumers of jewellery and financial services, giving them voting rights over global practices through their consumption preferences. The targeting also, somewhat ironically, empowers the managers of the Northern companies they target by negotiating ‘private’ regulatory initiatives directly with them.

The activists are well aware of these dangers and so seek to counter these adverse effects through various methods of empowering otherwise marginalised voices and promoting local autonomy for those occupying sites of resource extraction. There is significant overlap between these goals and the actions advocated by scholars and practitioners interested in transnational democracy promotion.

Obviously, democracy is a hotly contested concept, but we need not wade very far into the debates for the purposes of understanding how shame campaigns may challenge existing political and economic inequalities. Porter and Ronit (2009) offer a parsimonious outline tracing the contours of democracy in a way that allows it to be applied to various transnational actors and institutions, namely, through the dimensions of transparency, participation, and accountability. Jan Aart Scholte (2000) offers a similar framework specific to civil society’s ability to enhance the legitimacy of global governance, which includes:

giving voice to stakeholders, providing public education activities, fueling and facilitating debate, increasing public transparency of global governance, and increasing public accountability of regulatory agencies.

By giving voice to stakeholders, civil society can provide an additional platform for those involved with and those affected by particular projects to express their interests and concerns. This is particularly important when we consider that many mining projects take place on the land of indigenous and other marginalized communities who tend to be under-represented at the national level. Providing public education activities allows for the dissemination of information that otherwise might be unavailable to those directly affected and the public at large. Fueling and facilitating debate is a direct result of these two previous exercises, allowing representatives from both sides to state their case and supplying the groundwork for understanding and compromise. Increasing the transparency of global governance and increasing the accountability of regulatory agencies goes hand in hand. With the huge and concentrated capital expenditures of large extractive projects there are incentives to push ahead with controversial projects as well as the potential for corrupt practices at every stage of development. In addition to monitoring regulatory agencies, civil society can place issues on their agenda that might otherwise be swept aside due to a lack of expertise and resources. Furthermore, civil society action is able to create markets for products and projects that address these concerns, adding an additional mechanism for stakeholders to let their preferences be known.

Building from this foundation, the following section will assess how each campaign fares in challenging existing inequalities through their ability to address unequal access to information about industry practices and unequal participation in project and policy decision-making processes. Specifically, I assess the efforts of the campaigns to increase transparency of extractive industries and their governing structures, including the transparency of the

campaigns themselves. I outline the campaigns' efforts to educate the public and assess the integrity of the information disseminated. And lastly, I review the campaigns' commitment to encouraging a diversity of voices to sound-off on the issues. This entails facilitating debate between all stakeholders, including local communities, local business, and local institutions in the countries where the projects are located. In the remainder of the article, I evaluate both campaigns according to these criteria in that order, beginning with the NDG campaign.

Transparency is a major concern of the NDG campaign. The campaign's listed goals include demands for full disclosure of the social and environmental effects of all projects and independent reviews of the social and environmental management practices of firms. As mentioned, work has been on-going toward construction of IRMA, a truly multi-stakeholder certification initiative for mine sites. Additionally, the RJC has a certification system in place for jewellery, though NDG campaigners have criticized this for not including adequate third-party input and oversight. These criticisms notwithstanding, certification systems represent a movement toward increasing the transparency of the industry (Auld and Gulbrandsen 2010).

Education in the form of information dissemination is one of the key elements in the campaign's program. The campaign's website is a major source for information on the effects of gold mining, the leaders and laggards in the industry, and the campaign itself. It provides summaries of many controversial projects and testimonies from local activists working against each individual project. The press releases, interviews, advertising, and links to documentary movies and panel discussions all can be considered educational services. The 'Class Ring Campaign' recruits students across North America to spread the word on campuses and their advertisements in major newspapers focus on informing the public of which firms are cooperating and which are not.

While the integrity of the information is not in doubt, it could be considered incomplete. The group has a stated agenda and the information provided is meant to elicit a specific response from the audience. It is a call to arms and not a dispassionate assessment of the situation consisting of the pros and cons of gold mining. One need only glance at ResponsibleGold.org, an industry-run website, to see another interpretation of the situation offered by people with their own agenda that tells a much different story. The fact that the campaign has a clear agenda is not a condemnation of the information provided, but rather further motivation to create a public forum in which all viewpoints can be heard.

NDG's ability to provide inclusive debate and local autonomy is hampered by a few fundamental characteristics of this type of campaign. First, by focusing on external markets for jewellery the campaign is in effect putting the onus on foreign consumers to decide the fate of local projects. Much of the information these consumers are basing their marketplace decisions on is provided by the campaign itself. This makes it imperative that the campaign provides a true and nuanced portrait of local events and debates. Second, the campaign encourages consumers to vote with their dollars. If you do not agree with the policies of a particular firm, do not support them with your patronage. This leads us to one of the most obvious and interesting side-effects of consumer campaigns, namely, who gets to vote.

Voting with dollars means that the more money you have, and can potentially withhold, the louder your voice will be. So consumers in Western countries are playing a role in deciding the fate of mining projects in developing countries. It is important to note, however, that these consumers were always driving these decisions by contributing to the aggregate demand for gold. The campaign simply attempts to leverage these votes toward firms and projects it deems sustainable.

On the surface, it is difficult to argue with the goals and values of the NDG campaign. However, the effects of these values have a very real impact on where companies decide to dig. If the campaign helps to shut-down a proposed or operating mine that enjoys widespread support from the local community for its promise of jobs and development dollars, then the democratic deficit becomes more visible and more troubling.<sup>4</sup> It is difficult to find clear-cut examples of this happening as there are always plenty of dissenting voices surrounding any large and potentially destructive project. There is, however, always a risk of this coming to pass and the only safeguard is the vigilance of activists in their research into and respect for the preferences of the local population.

The GF campaign seeks to increase the transparency of the mining industry through project and policy monitoring. They have been successful at tracking money from controversial projects back to the financiers as well as keeping an eye on individual banks' investment portfolios. In addition, they trace financial institutions' codes of conduct while monitoring and reporting on their compliance to these. The GF campaign also monitors the development of and compliance with various governing structures through their involvement with *Bank Track*. One of the six core commitments laid out in the Collevocchio Declaration, a document outlining the environmental NGO community's expectations for financial institutions, is in fact a 'commitment to transparency.' There are two main programs focused on achieving this result: the *Global Reporting Initiative* (GRI) and the *Social Performance Indicators for the Financial Industry* (SPI Finance). The GRI exists as an independent institution utilizing a multi-stakeholder process with a mission to develop and disseminate globally applicable Sustainability Reporting Guidelines. In 2003 NGOs teamed up with the UNEP-FI to draft a supplement focused on financial institutions. SPI Finance was developed in 2002 to create social performance and reporting indicators for ISO 14001-certified banks. These indicators are the same as those found in the GRI financial services sector supplement.

However, the campaigners at *Bank Track* have found these lacking as they are not focused enough on the social performance of financial portfolios (Bank Track, personal communication, October 26, 2006).

The GF campaign educates the public through its website and through the media. The website has information available about the campaign itself, the role of financial institutions, the individual projects of concern, and links to alternative financial services for customers of offending banks. In addition, it supplies the media with information through its online newsroom and contacts. Many more of its educational efforts are organized through its association with the *Bank Track* network.

A core aspiration of both the GF campaign and *Bank Track* is to include local voices in development decisions. Toward this end, they call for banks to ‘respect the rights of indigenous peoples to free, prior informed consent’ while offering direct support for project affected communities. The campaign does not discourage investment in all large development projects; they recognize local development needs and only target those projects that take place in protected forests, take no consideration of greenhouse gas emissions, or are undertaken without the prior consent of the community. In fact, they do not choose projects to target and instead treat complaints initiated and then forwarded to them by the affected communities themselves as a precondition to any response from the campaign (GF, personal communication, October 26, 2006).

## **Conclusion**

Market-based, shame campaigns are a product of the historical period from whence they emerged. Therefore, it should come as no surprise that these activist instruments fit the



requirements of the liberal paradigm, which is itself the present stage in the evolution of mainstream environmental thought and practice. It is precisely the ability of market campaigns to make use of the forces of globalization through their use of information technology, network organization, and liberal market orientation that allow for them to achieve their goals. As such, they confront issues of absolute poverty, market failures, lack of technology, and poor institutions – all of which find feasible, albeit partial, solutions through globalization and economic growth. Thus, market campaigns achieve incremental reform in the right direction.

While these campaigns attempt to connect companies' right to profit with social and environmental responsibilities, they do not directly tackle overconsumption and have done very little work to reduce economic inequality. The GF campaign takes a slightly stronger position as it not only explicitly calls for rethinking economic priorities, but also actually works toward steering global capital away from the most destructive industries, thereby contributing to a push toward an economy based on social and ecological sustainability.

The selective nature of industry targeting may limit the ability for activists to realize comprehensive regulatory coverage through shame campaigns, but activists maximize their impact through strategies encouraging the spread of best practices from firm to firm and from industry to industry. Despite these efforts to mitigate the limitations of their selectivity, they do still rely on the power of Northern consumers and so reflect existing global inequalities.

However, the NDG and GF campaigns attempt to rectify existing political inequalities through their efforts to promote transparency, supply educational information, and facilitate inclusive debate amongst stakeholders. Both campaigns push for transparent business transactions, go to great lengths to disseminate information to all parties and the public at large, and give voice to concerned citizens and community stakeholders at the project site and

around the world. However, these campaigns do not represent all stakeholders and only supply one side of the debate. The information provided is presented to gain support for the campaign and does not reflect the opinions of industry and those in favor of the projects being scrutinized. This is not so much a criticism of the campaigns themselves but, rather, it is a recognition that for truly representative decision-making to take place there is still a need for a public forum in which all stakeholder voices can be heard.

Market-based, shame campaigns occupy a contested political space where inequalities in the market are leveraged to redistribute political power elsewhere. Specifically, campaign tactics reflect existing inequalities through their reliance on the asymmetrical power in markets as well as challenge inequalities through democracy promotion. These campaigns reflect many of the inherent contradictions of global civil society, but have found a way to challenge nonconsensual industry activities by circumventing the state institutions that often nurture their imposition. As long as activists are self-reflective about the inherent limitations of this approach, shame campaigns will remain a potent strategy to achieve industry reform.

## Notes

1. I conducted the 45 interviews between 2006 and 2012 as part of a larger research project focused on firm responses to direct-targeting campaigns. This larger set of interviews has provided the general context for this investigation while the eight interviews with key campaigners have provided the bulk of the interview-based information for this particular article.
2. To see the advertisement, go to: [http://www.nodirtygold.org/pubs/LeadersLaggards\\_lores.pdf](http://www.nodirtygold.org/pubs/LeadersLaggards_lores.pdf); to see the accompanying letter to the companies, go to [http://www.nodirtygold.org/laggard\\_ltr.cfm](http://www.nodirtygold.org/laggard_ltr.cfm).

3. It is theoretically possible that certification could increase resource use as those who already consume ecologically-friendly products substitute less ecologically-friendly versions for these as prices increase with labeling (Swallow and Sedjo 2000). Another possibility is that the standardization inherent in certification may increase trade and, therefore, consumption.
4. It is important to distinguish between what Mattli and Woods (2009, p. 13) describe as an 'idealist' school and a 'proceduralist' school of public interest regulation. The idealist school 'holds that the public interest consist of the course of action that is best for society as a whole according to some absolute standard of values' while the proceduralist school emphasizes standards of due process. Shutting down a project that enjoys widespread local support may sit well with the idealist school, providing the project is not in the broader public interest, but there may be issues raised from the perspective of the proceduralist school.

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### **Websites**

NDG – <http://www.nodirtygold.org>

GF – <http://understory.ran.org/tag/global-finance-campaign/>

*Earthworks* – <http://www.earthworksaction.org>

*Bank Track* – <http://www.banktrack.org>

*Oxfam America* – <http://www.oxfamamerica.org>

*Responsible Gold* – <http://www.responsiblegold.org>

*Rainforest Action Network* – <http://www.ran.org>

IRMA – <http://www.responsiblemining.net>

RJC – <http://www.responsiblejewellery.com>