INTRODUCTION

Since the end of the Cold War the incidence of violent civil conflict has been on the upswing. This is especially the case in poorer countries, with the last decade seeing widespread civil violence in 15 of the world's 20 least developed nations[1]. Many of these nations are home to some of the most commercially desirable and under-exploited mineral veins. Unlocking these vast mineral reserves may be the key to relieving chronic poverty within these nations.

Mining is a 'frontier activity'. Unexploited mineral deposits are often located in politically unstable areas, where property rights are undefined, unenforced or contested. Mineral development may require entry into relatively undisturbed ecosystems, placing mining operations on a collision course with traditional and subsistence communities, and with media-savvy public interest campaigners[2].

A 2001 survey of the mining industry sought to identify the reasons companies refrained or withdrew from otherwise sound investments in the last 5 years[3]. Seventy-eight percent indicated that political instability – in particular, armed conflict - was a key factor in the decision.

Widespread violence disrupts markets and destroys infrastructure. Workers can be displaced or kidnapped and supply chains broken. Companies can face accusations of complicity in violence, of fuelling or even causing civil war. On the strength of such allegations, some firms have been publicly shamed and targeted with sanctions. They have faced popular protest, legal action, stock divestment campaigns and consumer boycotts. Yet other firms have played prominent positive roles in conflict prevention, conflict resolution and post-conflict reconstruction.

A recent Canadian poll measured the level of public trust in the mining industry below that of Big Tobacco, arguably driven in part by public allegations of corporate complicity in violence. The mining industry is thus faced with two challenges stemming from the growing incidence of violent conflict in connection with its operations: successfully managing the links between conflict and mining at the level of individual operations; and enhancing the collective reputation of the industry and its contribution to society.

Conflict represents a dynamic state of human interaction, when contending interests and values are ultimately reconciled, often by force-of-arms. Violent conflict, however, is contrary to the protection of human rights, undermines development efforts and destabilizes resource management and conservation regimes. The peaceful and

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[1] *Human Development Report*, (United Nations Development Programme, 2000), page 36 and *World Development Report*, (The World Bank, 2000), page 170.

[2] Rosenfeld-Sweeting, A. and A. Clarke, *Lightening the Lode: A Guide to Responsible Large-Scale Mining* (Conservation International, 2000), page 54.

[3] MMSD/PricewaterhouseCoopers Survey of the Mining Industry, (2001) mimeo.