

Summaries

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Gold and money

I.J.M. Arnold

This article discusses the role of gold in a modern economic system. It starts from the observation that the price of gold has exploded in recent years, due to an increase in economic and inflation uncertainty following the start of the credit crisis, and that some policymakers have argued for a new role of gold in the global monetary system. Following a bird's eye view of the role of gold in monetary history, we next discuss two economic concepts – the 'trilemma' and Triffin's dilemma – which in the past have limited gold's usefulness in monetary systems. We finally discuss gold's present role and argue that, while gold undeniably acts as a safe haven in times of crisis, any return to a global fixed exchange rate system based on gold would unduly limit countries' flexibility to adapt to economic shocks. Yet in financial markets, gold will probably continue to serve its purpose as 'clotted fear'.

When the gold devils come; armed robberies on jewelry stores in the Netherlands

B. Rovers

In the last five years the number of armed robberies on jewelry stores in the Netherlands has increased again and reached an all-time high in 2010. In this article, recent developments are discussed. The absolute number of these robberies is not very large, but in terms of the chance of being robbed, jewelry stores belong to the most threatened in retail. In general, armed robberies on jewelry stores show a pattern very similar to robberies on other retail

targets. About two third are hit-and-run robberies, committed by offenders who live nearby and are generally known to the police as repeat offenders. A smaller portion of these robberies is committed by offenders operating more professionally. In the last ten years there were no big changes in the way these crimes were committed. Contrary to other types of robbery this crime is often profitable. The size of the loot is relatively high. In recent years the price of gold has dramatically increased. This might be considered an independent risk factor. Nevertheless, it's too simple to assess the recent increase of armed robberies on jewelry stores as a direct consequence of this development.

Counterfeit, stolen and smuggled Russian jewels

D. Siegel

The gold industry in the (former) Soviet Union has always been vulnerable to criminality, such as large-scale smuggling from the gold mines in the north of the country, to the sale of fake gold by Russian migrants in Western Europe. Gold and golden jewels are smuggled and counterfeited; corrupt customs and police officials participate directly or indirectly in gold-related criminal activities. Customers in Russia and other former Soviet republics are constantly being warned about the risk of buying counterfeit gold jewellery, which is sold even in legal shops. This article describes the 'criminal gold market' in Russia and analyses the motives and modus operandi of the offenders.

Large and small gold in Suriname. The informalisation and organisation of gold mining

M. de Theije and M. Heemskerck

In Suriname gold mining has been a source of conflict over the past decades. Conflicts between miners and local populations (Maroons and Indigenous), between large-scale companies and small-scale miners (local and migrant), between the State and the small-scale miners. Different governments have tried to organise the sector, but were never successful. The government Bouterse-Ameraali (since 2010) has established a committee to sort things out. They focus on the economic value of gold, and its potential contribution to the development of the country through tax revenues. In this article the

authors argue that the legal informalisation of small-scale mining is the source of the conflicts. This informal status of small-scale mining results from lack of adequate legislation and the non-recognition of land rights. This will not be resolved with the registration for tax paying goals. Formalisation of small-scale mining seems a more efficient step towards the expressed objective of the policy: the development of Suriname.

Gold, money and authority

E. Mecking

Gold and silver coins were money for centuries. Since the early 17th century there was paper. The gold standard linked the value of the world reserve currencies, first the pound sterling and later the dollar, to gold. Both were 'as good as gold'. In times of crisis, however, the link was broken. The coins dropped in value and gold rose, as the public continues to see gold as the ultimate money. To counteract this, Roosevelt even decided in 1933 and 1934 to nationalise and prohibit the gold held by the Americans. In 2011, amidst the biggest crisis since the Great Depression, we witness the next attack on gold. This time in the Netherlands, where the glass workers' pension fund (SPVG) was ordered by the Dutch central bank to sell the bulk of its gold assets. The DNB argued that gold is a commodity, but SPVG sees gold as a medium of exchange. What will be next?

The manipulation of the gold standard by the Bank of England

J.R. Garrett

The Bank of England depleted its open market portfolio by secretly sterilising large gold inflows. Thereafter interest rates were influenced by falsifying reported gold flows. The false reporting was a tightly kept secret, hidden from members of the Bank of England's highest governing bodies. The false reporting obscured the instability of the gold standard and supported monetary policies that degraded British economic performance and increased world financial fragility in the critical early years of the Great Depression. The episode supports the view that the interwar gold standard was not a system guiding policy, but was manipulated to enforce a dysfunctional classical orthodoxy.