

THE
ENGAGEMENT
RING
HANDBOOK

AMAN'S GUIDE
TO GETTING IT RIGHT

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CHAPTER 7

ARE DIAMONDS ALWAYS 'A GIRL'S BEST FRIEND'?

The line 'Diamonds are a girl's best friend' is from the song famously rendered by Marilyn Monroe in the 1953 film 'Gentlemen Prefer Blondes'. It became part of the language, but has lost some of its bite – the lyrics are more about why mid-twentieth century women felt the need to pursue men who had money than the desirability of diamonds themselves.

Thankfully things have moved on a bit since then for women. And increasingly people want to understand the reality behind the mythology of diamonds.

Summary

- More people are interested in where their diamonds come from, but there is no completely ethically sourced diamond. The issue is part of the wider complexity of development in the poorest countries in the world
 - The Kimberley Process (KP) was established to address some specific issues in the diamond supply chain, but in reality it makes the situation worse
 - Boycotting diamonds from poor countries will not feed the people with the fewest life chances for whom they are the only source of income
 - Some organisations do good work on improving conditions, but there is also too much ‘greenwash’
 - Just because a diamond has a certificate, or is described as ‘certificated’, *does not* mean that it is ethically sourced
 - The only way things will really change is when consumers exercise their considerable buying power to demand it.
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Ethics and the diamond supply chain

The price of diamonds depends on restriction of supply and on confidence. Confidence is the reason the industry

is slowly responding to the widespread adverse publicity, provoked initially by the 2006 film *Blood Diamond*.

This film did have an impact on world diamond prices as a result of concerns about the link between diamond production, processing and distribution, and child labour, forced labour, dangerous working conditions, human rights abuses, poor mining practices, environmental degradation and the funding of genocidal civil war in Africa. The industry's response to this was the 'Kimberley Process', more of which later.

If you want a diamond, there are some 'ethical' options, but it is a bit of a moral minefield, and you have to be very careful because everyone is 'ethical' these days.

What is an ethical diamond?

Now there's a good question. What *is* an ethical diamond? It would seem a pretty straightforward thing to specify what makes a diamond ethical or not, but, as in most things in life, the ethics of the diamond supply chain come in all shades of grey.

Unless we've had our heads in the sand for the past few years, we know there are such things as 'blood diamonds' and these are very bad. But most people think it has all pretty much been solved by well-intentioned activists and NGOs

hectoring governments into signing up to the ‘Kimberley Process’ so that we are in no danger of sullyng our lovely sparkly jewellery and romantic proposals of marriage with horrid unethical diamonds.

I do so wish that were true. I would love to be able to say to my clients ‘Buy these diamonds – they are good’ or ‘Don’t buy these diamonds, they are very bad’, so why can’t I?

Well, there *are* some more ethically produced diamonds with fewer questions over their production, manufacture and sale. Apart from diamonds grown in a laboratory, there are diamonds mined in Namibia, Botswana and other places which make very positive contributions to the welfare and economy of whole countries or communities. The trick is knowing where they come from.

Then there are Canadian diamonds, mined in the pristine North West Territories of Canada since the 1990s with Canadian-type attention to good labour practices, aboriginal sensitivities and minimising environmental impact, and then cut and polished in Canada (very important that last bit). Set in fair trade/fair mined precious metals, these could be considered the Gold Standard of ethically produced diamond jewellery.

Even then, there are still concerns about the treatment of aboriginal peoples and their lands, and these diamonds

constitute a tiny fraction of the world's diamond production. They would never satisfy global demand, and there is still the small fact that the miners are digging up pristine wilderness to get them out. But there's more.

Even if overnight the Canadians could supply the whole world's demand for diamonds in this way, and everyone bought these diamonds without the price going through the roof, what would happen to the livelihoods of the poorest people in the world who depend on the production of other less-than-ethical diamonds for their daily cup of rice?

A certificate is not a guarantee of ethical sourcing

Many people mistakenly believe that if a diamond has a certificate of grading or quality, this guarantees that it is ethically sourced. This is not true. The confusion arises from a misunderstanding of the function of the certificate.

Diamond certification is covered in more detail in Chapter 8.

It's all about development

The issue of ethical diamonds is not just about diamond production, it is about development in the poorest countries of the world, and development issues are very complicated. They can't be solved overnight, and it will take decades of

joining up international and governmental action before things improve markedly. But this does not mean that we don't all have personal choices to make.

If we care about environmental degradation, human rights, hunger and malnutrition, education and health in developing countries, we need to understand how our purchases will impact on the poorest people of the world. If we are to make informed choices about our own personal footprint, we need to educate ourselves about these issues.

The ideal cut?

It's not just about where the diamonds come from or how they are mined, what about where they are cut and polished?

Around 82% of the world's diamonds are cut and polished in the city of Surat in India. Most people think it's done in places like Amsterdam, but since ancient times India has been a centre for diamonds. The first diamonds were mined there more than 1,000 years BC, and Alexander the Great brought the first diamond to Europe from India in 327 BC. For almost two thousand years, until the end of the nineteenth century, India was the only country in the world where diamonds were mined. Naturally, diamond cutting also originated in India, and diamonds have been skilfully cut and polished by Indian craftsmen since the beginning of the sixteenth century. It is a major centre of diamond production.

So the craftsmanship is certainly not in question, but the working and employment conditions of many of the people involved in the trade in India do not bear scrutiny. There are some honourable exceptions and concerted efforts to improve standards generally, but unless you know *where* and *how* the stones were cut, this cannot as yet be guaranteed as there is no method of tracking individual diamonds from mine to market.

The Kimberley Process Certification Scheme

I mentioned the Kimberley Process. If you have read anything at all on the ethics of diamonds, I expect you thought that these problems had all been sorted out by this international certification scheme.

It started as a genuine attempt to tackle some of the worst problems associated with the diamond industry, but it has such serious flaws that it may even make the situation worse. Global Witness, the NGO which was instrumental in establishing the Kimberley Process, withdrew in 2011, calling the whole organisation 'an accomplice to diamond laundering'.

What is the Kimberley Process? The Kimberley Process Certification Scheme (KP for short) was launched in 2003.

It is an international diamond certification system, focusing exclusively on stopping the trade in ‘conflict diamonds’.

These are defined by the KP as ‘*rough diamonds used by rebel movements or their allies to finance armed conflicts aimed at undermining legitimate governments*’ – my italics. You can already see that all those qualifying words limit its scope drastically. Eighty countries participate in the KP, representing most of the nations involved in the diamond trade. The diamond industry, NGOs and advocate organisations concerned with human rights and the environment are also represented.

Member countries agree not to produce conflict diamonds, to trade diamonds only with each other and to attach KP certificates to their exports of rough uncut diamonds. The purpose is to keep conflict diamonds out of the certified diamond supply. *But* it is easily evaded by diamond smugglers, and worse, it is so limited in scope that it grants ‘conflict free’ certification to diamonds mined in violent and inhumane settings.

What Global Witness says about the Kimberley Process

Global Witness (www.globalwitness.org) first exposed the problem of blood diamonds in 1998 and played a key role in establishing the Kimberley Process (KP),

a government-led certification scheme initiated in a bid to clean up the diamond trade. The scheme was launched in 2003 and requires member states to set up an import and export control system for rough diamonds. Over seventy-five of the world's diamond producing, trading and manufacturing countries participate in the scheme.

Conflict diamonds are defined by the Kimberley Process as 'rough diamonds used by rebel movements to finance wars against legitimate governments'. As a result of this narrow definition, the Kimberley Process is not empowered to address the broader range of risks to human rights posed by the trade in diamonds, such as those which have been documented in Zimbabwe.

It has persistently refused to broaden this definition, despite pressure from a range of civil society organisations. It has also faced persistent enforcement issues throughout its short history, the situation in Central African Republic (CAR) being the latest example – despite it placing an embargo on diamonds sourced from CAR in 2013, conflict diamonds sourced from areas under the control of armed groups in the country still reached international markets.

The Kimberley Process applies only to rough diamonds. Once stones are cut and polished, they are

no longer covered by the scheme. The diamond trade undertook to deliver a meaningful and independently verifiable system of warranties, but has yet to deliver on that commitment. Ultimately, loopholes in the Kimberley Process and the failure to adapt to address a broader range of human rights concerns effectively means that diamonds associated with abuses are still contaminating global markets.

Persistent and unresolved concerns over these issues led Global Witness to resign as an official observer of the Kimberley Process in 2011. The past decade has proven that the Kimberley Process cannot clean up the diamond sector on its own.

Global Witness is calling on diamond companies, and the diamond industry as a whole, to play its role in breaking links with human rights abuses by conducting supply chain checks known as human rights due diligence.

For more information see: www.globalwitness.org/campaigns/conflict-diamonds

The Kimberley Process does not guarantee ethical diamonds. The Kimberley Process does very little to stop violence, worker exploitation and environmental degradation

tied to diamond mining. These are the most pressing ethical problems facing the diamond industry today. Its definition for certification is very narrow. If a diamond has not funded the *rebel* side of a civil war, it is not considered a conflict diamond. This means that a diamond receiving KP certification may still be tied to killings, beatings, rape, and torture by a government army. It may have been mined using child labour, or by adults earning a dollar a day, and it may have destroyed the local environment where it was mined.

By certifying unethically mined diamonds, the KP provides legitimacy to human rights abusers. It misleads consumers into believing that their diamonds come from certified ethical sources when many diamonds approved by the process cause untold human suffering.

Nor does the KP certify individual diamonds or require them to be traceable to their mine of origin. It is applied to a batch of rough diamonds which are then cut and shipped around the world. Without a tracking system, this is where the trail ends, making it easy to smuggle banned diamonds into the certified supply. On top of this there is no real regulation of the diamond supply chain as it does not require the independent audit of buyers and sellers, permitting diamonds of unsavoury origin to enter the chain at any point.

The failure to impose controls has left the door wide open to diamond smuggling, making it even harder to prevent banned diamonds from entering the diamond supply. It also makes diamonds a favourite international currency for criminals, money launderers, tax evaders, drug dealers, and even terrorist groups such as Al Qaeda.

To add further injury to insult, as smugglers don't pay taxes, the governments of these mostly developing countries are deprived of much needed funds for basic services. In some cases, as in Zimbabwe, government officials themselves trade in smuggled diamonds, stealing hundreds of millions of dollars from the Zimbabwean treasury. Even the United States Government Accountability Office (GAO), an investigative arm of the US Government, has determined that diamond smuggling into the US is a serious problem.

So much for the international Kimberley Process Certification Scheme. But that is what people rely on when they say that a diamond is 'conflict free'. Most people assume that means ethically sourced. It does not.

So should you boycott all diamonds?

If only it were that simple. The issues and challenges surrounding the diamond industry are fundamentally the problems of development in the poorest parts of the world. And the answers to these problems are never simple or clear cut.

Development issues are very complicated. Sometimes, the most well intentioned interventions, taken without full knowledge and understanding of these complexities, make life much worse for the very people they were intended to help. I know that well from my time as an overseas aid worker in South America.

Take a topic as seemingly straightforward as food aid. People don't have enough food, we have too much. Give our surplus food to the people who need it more. Job done. Simple, no?

No. This is how complicated it can be: unless the food aid is being given to relieve an immediate crisis in the food supply, such as famine, flood, war, etc., and is properly administered and controlled, the routine 'dumping' of excess food in developing countries can completely destroy the local agricultural economy. It can put native farmers out of business by undermining their markets and reducing their prices. It can even lead to a criminal black market trade in 'aid food' and drive the farmers to grow illegal drug crops because they can no longer survive on the reduced income from food crops. Ultimately the consequences could be that a community becomes even less self-reliant in food, more dependent on aid, and the whole local agricultural economy becomes controlled by criminal groups. A truly vicious spiral of decline. The road to hell is paved with good intentions.

If food aid is that complex, industrial development in these countries is at least equally so.

The fact is that however appalling and unacceptable the conditions of mineworkers or the ecological degradation of the mining process, some of the poorest people in the world depend on the diamond industry for the bare minimum of survival. They have no alternative, or their alternatives are likely to be worse. But buying these diamonds also perpetuates the existing supply conditions. The only solution would be for their governments to provide or facilitate more alternatives. This is beginning to happen, but there is a lot more to do.

Kimberley, Zimbabwe and Sierra Leone

Martin Rapaport is a leading diamond industry figure and was a principal in setting up the Kimberley Process. He resigned in 2009 after the scheme authorised exports from two companies operating in the Marange diamond fields in Zimbabwe. In 2008 the Zimbabwean army seized control of the area, and in doing so reportedly killed about 200 miners, prompting Martin to say that ‘Instead of eliminating blood diamonds, the KP has become a process for the systematic legalisation and legitimisation of blood diamonds’.

In a 2013 video, he outlined in graphic detail the stark choices people dependent on diamond mining can face. He gave the example of one fifteen-year-old boy,

orphaned by AIDS and panning for diamonds in Sierra Leone, who supports his thirteen-year-old sister with a cup of rice a day. Unacceptable yes, but until there is a coordinated response to the problem which includes education, agriculture and alternative employment options, what choices do he and his sister have?

To view Martin's video see:

https://www.youtube.com/watch?v=ubev11L6B_8

Conclusion – What is the answer?

As well as Canada, there are a number of countries where diamond mining benefits the whole population, as in Namibia and Botswana. Australia also produces a large proportion of the world's diamonds, but again there are environmental and aboriginal issues to be addressed.

At the moment, there is no right answer. Ideally what is needed is a system for certifying fair trade diamonds. Most people think that is what the Kimberley Process does, but as we have seen this is far from the case.

There are important initiatives towards achieving improvements in the sector from organisations like the Diamond Development Initiative International (DDII), the Alliance for Responsible Mining (ARM) and the RJC (Responsible Jewellery Council), but we are not there yet.

And there is a danger that some of this is just ‘greenwash’ designed to make the sector look better without really changing anything.

Nevertheless, it is important for consumers to be aware of the issues and ask the right questions of their jeweller. Pressure from informed consumers is the only way that real change will happen. No bride wants blood on her hands, and you have power as a consumer to change the world for the better through the choices you make.

**If you would like to read more you can download further chapters from my book FREE at:
juliepeel.co.uk/Tools_and_Advice/The_Handbook**

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