

# WHAT SHOULD WE DO ABOUT

# BLOOD

# DIAMONDS?

Blood Diamonds are diamonds involved in physical torture.  
Yes, they exist. Are you buying and selling them?

BY MARTIN RAPAPORT

**B**lood diamonds are diamonds involved in torture or slavery. This Blood Diamond Report includes sections about severe human rights violations, industry views, legal comments, and good things the jewelry industry is doing. I thank all those that have provided information and appreciate their concern for human rights in the jewelry industry. Writing about blood diamonds is very difficult. Doing something about it is even harder. The purpose of this special report is to raise awareness and stop the trade in blood diamonds.

It's hard not to get emotional. To cry out. To name, shame and blame. But that will not solve the problem. We must provide solutions. As you read this, people are being tortured, yet we must take a rational approach and engage the industry leaders so they take necessary action. While I will express myself forcefully and even harshly, the goal is to solve problems, not criticize.

A lot of good people are doing a lot of good things. We need to encourage them, recognize them, support them and be them. But doing good alone does not solve the problem of blood diamonds. We must understand that just because many of us are doing good things, it does not excuse us or others from trading blood diamonds.

#### THE COVID-19 COMPARISON

Think of blood diamonds as a new Covid-19 virus. Even though there are good people doing a good job curing cancer — that does not solve the Covid-19 problem. We don't blame the people working on cancer for not solving Covid-19. Yet we know we must find a solution. We can try to cure Covid-19, but in the meantime we must protect ourselves from getting it and our community from spreading it.

We wear masks to protect ourselves from Covid-19 and isolate ourselves so as not to spread it. We don't assume everyone is OK; we take tests before boarding planes or entering countries. When it comes to Covid-19, you are guilty until proven innocent.

So too with diamonds. Due to human rights abuses, diamonds have lost their innocence and presumption of goodness. We are moving to a new reality where diamonds are guilty until proven innocent. Sure, most diamonds do good and most people

are healthy, yet as a society we ask the question: Are you OK? Consumers are now being trained to question: Are your diamonds OK? Where did they come from?

# 20k

Approximately 20,000 people live in Zimbabwe's Marange region

#### FIXING THE SYSTEM

The requirement to know where every diamond comes from is an emerging process. Brands such as Tiffany & Co., Forevermark and others already source identify all

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the diamonds they buy. However, most of the trade does not yet do this. We trade diamonds from unknown sources. Some identify bad diamonds and exclude them. For example, the US government and RapNet ban diamonds sourced from Zimbabwe's Marange fields but don't insist that all diamonds imported into the US or listed on RapNet be source identified.

Ten companies mine about 84% of the world's diamonds. We must identify the good companies and their good diamonds. We must publish a list of “good” mines. Then we must trace the diamonds through production using blockchains and source certify the polished diamonds.

Our initial goal should be to identify bad diamond sources and exclude them from our supply chains. At the same time, we should expand our identification, documentation and certification of good diamonds from good sources. It's a two-pronged effort: Exclude the bad diamonds and document the good ones. That's the key to legitimizing the diamond supply chain.

The ability to document and certify good diamonds requires compliance with standards that include three basic elements. 1) A legal commitment related to the sale of the specific product, 2) independent auditing of implementation and 3) enforcement if standards are violated.

The World Diamond Council (WDC) suggests a three-layer approach to ensure ethical supply chains. The first is the WDC System of Warranties (WDC-SoW). The second is the Responsible Jewelry Council Code of Practices (RJC-COP). The third layer is additional company standards such as the Signet Responsible Sourcing Protocol (SRSP) and additional standards from organizations such as the Initiative for Responsible Mining Assurance (IRMA).

A key question is the effectiveness of the SoW and COP standards relative to blood diamonds. While a thorough analysis of the SoW and COP standards is beyond the scope of this report, we plan to publish a detailed report about how these standards relate to the three basic elements defined above and their ability to exclude blood diamonds from the diamond supply chain.

#### MARKET IMPACT OF NEW STANDARDS

Edward Asscher remarked at the 2021 Kimberley Process (KP) intersessional that “in the not-too-distant future, there will be a difference between rough diamonds that can be guaranteed to have fulfilled the consumers’ demands and expectations, and other diamonds. Responsibly sourced diamonds will be more in demand. They will obtain better prices in the marketplace, and buyers at jewelry stores will demand proof that they are indeed responsibly sourced before purchasing them as polished.”

Asscher pleaded for the establishment of KP standards that would meet consumer expectations so that “all natural diamonds from all participating countries” would be acceptable to consumers and that “no one should be left behind.” But that’s not going to happen. The KP will not change the definition of conflict diamonds and/or create standards that eliminate blood diamonds from their supply chain. It’s not in their interest to do so.

The diamond market will split between responsibly sourced diamonds and diamonds from unknown sources. This presents political problems for the bourses. Speaking to the KP on June 25, 2021, Asscher said, “Small and medium-sized enterprises [SMEs] will experience difficulties selling natural diamonds, because they do not belong to the elite group of polishers that

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can guarantee that the diamonds they source and polish are responsibly sourced. That will create an unlevel playing field in the polished centers, and threaten the livelihoods of thousands who own, are employed [by] or service SMEs.” Asscher is correct, but he is asking the wrong people for help. The KP will not eliminate blood diamonds from the diamond supply chain.

The SME problem we face will require the development and implementation of new tracing and tracking technology that assures an ethical supply chain. It will be an added-value proposition, given the fact that buyers are willing to pay more for documented diamonds.

#### CERTIFYING BLOOD DIAMONDS

This brings us to a very difficult discussion. When asked, “What should we do about blood diamonds?” the title of the WDC response was “Position of the diamond industry organizations in relation to the Kimberley Process.” The first paragraph states, “We the undersigned diamond industry organizations, all represented by the World Diamond Council (WDC), are categorically committed to protecting the ethical integrity of the natural diamond and the diamond supply chain, doing all within our power to prevent them from being associated with violations of fundamental human rights. As part of this ongoing effort, we affirm the critical role being carried out by the Kimberley Process (KP).”

But the KP has nothing to do with blood diamonds. Asscher was honest when he stated in his blog of September 2, 2021, that “the KPCS is unfortunately limited in scope. Unless that is expanded, it cannot be expected to be a panacea to other challenges afflicting artisanal diamonds, including human and labor rights violations, bribery and corruption.”

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If blood diamonds are outside the scope of the KP, why do all the diamond industry organizations, including the WDC, RJC, World Jewellery Confederation (CIBJO), World Federation of Diamond Bourses (WFDB), International Diamond Manufacturers Association (IDMA) and Natural Diamond Council (NDC), “affirm the critical role being carried out by the Kimberley Process?” In fact, what role does the KP play regarding blood diamonds?

The KP is the primary force promoting the sale and distribution of blood diamonds. It certifies blood diamonds as legal and legitimate. Blood diamonds with KP certificates have direct and easy access to the diamond trading and cutting centers. KP blood diamonds are mixed with legitimate rough and polished diamonds and then sold on to consumers. The money that is then paid for these KP-certified blood diamonds also becomes legitimate. The KP is the diamond market’s dirty back door. It is the washing machine for dirty diamonds and dirty money. It is run by governments for governments, some of which are corrupt.

Some leaders deny that the KP certifies blood diamonds. Consider Zimbabwe. According to the KP, in the five years from 2016 through 2020, Zimbabwe exported 10,393,517 carats of diamonds worth \$550,129,022. It is estimated that 80% of those diamonds originate in Marange. That’s \$440,103,218.

If Zimbabwe’s KP-certified diamond exports did not come from Marange, where did they come from? And where did the money go? How much of Zimbabwe’s KP exports are from Marange? Does the KP certify blood diamonds — yes or no? The WDC must answer these questions.

Denying the role the KP plays in legitimizing blood diamonds is dishonest, unacceptable, unethical, and totally wrong. It goes against everything decent our trade stands for.

The WDC can no longer ignore the trade in Marange blood diamonds and make believe they don’t know what is going on.

The WDC has been asking the KP to help stop the flow of blood diamonds. Doesn’t the WDC realize that government officials make and launder millions of dollars on the sale of KP-certified blood diamonds?

We must face the fact that the KP has blood on its hands and still enjoys WDC support and legitimization. What must happen before the WDC stops supporting KP certification of blood diamonds and their distribution in our supply chains? When will the WDC and all its member organizations ban the trade in Marange diamonds and expel members who trade them? Does the WDC have any red lines? If so, where are they?

#### NAME GAMES

The definition of “conflict diamonds” is limited to diamonds that fund civil war. It does not include diamonds involved in human rights violations such as torture, rape, or slavery. The use of terms like “non-conflict” or “conflict-free” to imply that diamonds are not involved in human rights abuses is misleading, dishonest and unethical.

When we guarantee that diamonds are “conflict-free,” we are relying on a legal Kimberley Process technical definition to fool ourselves and our customers. There is no assurance that conflict-free diamonds or KP-certified diamonds are not blood diamonds.

If we want to stop the trading of blood diamonds, we must communicate honestly about them. If diamonds are legitimate or ethical then that is how we should describe them. It’s time to stop the misleading name game.

#### WHO IS RESPONSIBLE FOR BLOOD DIAMONDS?

Is it the guard or police officer who pulls the trigger or sets the dogs on the victim, the company that hires the guards, the government that allows its army or police to torture people, the rough diamond buyer, the cutter, the polished dealer, the retailer, the consumer — who is responsible?

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BUYERS ARE WILLING TO  
PAY MORE FOR DOCUMENTED  
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The WDC position is that addressing “human rights risks...is the individual responsibility of every business that operates in the diamond sector.” The RJC “believes that supply chain due diligence is the responsibility of each and every company in the global jewelry industry.”

So everyone is responsible. That is, everybody except the trade organizations that set standards and fail to enforce them, or governments that encourage human rights abuses. It’s not fair, but the bottom line is that you and you alone are 100% responsible for what you buy. You can’t pass this responsibility to trade organizations or governments.

#### WHAT SHOULD A US JEWELER DO?

The first step is to recognize that money is power and you can use it to transition to a more ethical supply chain. Next, recognize the world is not perfect and it will take time and effort to improve your supply chain. While doing this be careful to maintain the profitability of your business. Review your customers’ appetite for social responsibility and the costs involved. Don’t be afraid to charge more for what costs more. Communicate your social commitment, market the benefit you are providing and charge a fair price.

Review your suppliers and decide who can help you transition. Tell them to help you exclude blood diamonds from your supply chain. A good place to start is by requiring them to provide a written guarantee that the diamonds they are selling you are not from Marange. Encourage them to get similar written commitments from their suppliers.

Recognize that even good, ethical suppliers are not going to be able to document every diamond they sell you. At this stage they might not know where all their diamonds come from. You should still make sure you get written documents ensuring legitimacy. They can give you information such as whether their supplier is an RJC member or a De Beers sightholder. Recognize that transitioning to a more ethical supply chain is a process. You need to partner with suppliers and communicate honestly and openly as you develop relationships. Suppliers should be as interested in transitioning to an ethical supply chain as you are. Work with them.

How is a jeweler in California to know about human rights violations in Zimbabwe? Stay informed. Visit [sr.rapaport.com](http://sr.rapaport.com) for resource information and contacts. We strongly recommend that you join the RJC at [responsiblejewellery.com](http://responsiblejewellery.com) and interact with its members.

#### CONCLUSION

This article raises many important issues. Chief among them is the setting of standards that ensure the diamond industry does not trade blood diamonds. These standards must be well defined so as not to leave room for greenwashing. They must include independent auditing, and be enforced by excluding members that violate the standards.

The role of the KP in relation to the certification and legitimization of blood diamonds and corruption must be

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investigated and publicized. If the KP does not stop certifying blood diamonds, the WDC must disengage from the KP.

The role of the WDC and the RJC standards must be clarified to ensure there is no greenwashing of blood diamonds through the use of misleading standards or terminology. The WDC should be encouraged to transcend the KP and focus on its goal of ensuring a legitimate diamond industry. This should include the exclusion of bad actors and bad diamonds from their member organizations.

This has been a difficult article to write and experience. The suffering of blood diamond victims cries out. The banality of blood diamond business as usual is unsettling. The continuous flow of blood diamonds into the diamond supply chain horrifies me and makes me question the legitimacy of our diamond trade.

I know most diamonds do good and the leaders of our industry are good people doing good things. I know we must not blame our leaders for trying their best to solve difficult situations. Our leaders need to be thanked, not criticized.

So let’s not take this article as criticism. Let’s consider it an urgent request for change from someone with a different perspective.

Friends, we have to do more. The cries of suffering and injustice call out to us. We are responsible for what we buy. We are responsible for the unintended consequences of our actions. There must be less talk and more action. We must do something, anything, and everything to stop the cycle of blood diamond violence and injustice.

There is a reason G-D gave diamonds to the poorest people in the world and made the richest desire them. The role of the diamond trade is to bridge this gap. That is why we exist. Our trade is doing G-D’s work. *Tikkun olam* — fixing the world. ■