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# **Guaranteeing conflict free diamonds: From compliance to norm expansion under the Kimberley Process Certification Scheme**

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## **ABSTRACT**

This study addresses compliance and business practices at the local level subsequent to the international adoption of the Kimberley Process Certification Scheme by states and the adoption of the voluntary System of Warranties by the diamond industry. This paper also explores the distance between norm creation, norm sustainability, and norm expansion. Interests of various stakeholders led to the creation of international norms, and evidence supports widespread compliance at the state level. Data gathered at the local level of retailer suggests, however, that the regulatory system is not leading to the education of consumers that potentially transforms beliefs. Central to understanding the challenge of deepening and broadening new global norms is exploring the distance between compliance within the regulatory regime and the awareness or change of beliefs of stakeholders. Recommendations include steps to make the process of bringing diamonds to market transparent and available to public scrutiny.

## **INTRODUCTION**

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Over the past dozen years, the Kimberley Process Certification Scheme (KPCS), which is legally binding on member states, has been in place to prevent diamonds potentially used to fund conflict from entering consumer markets. Assessing the success of the process and evaluating the model of self-monitoring in the diamond industry has been on the agenda of the World Diamond Council, an organisation whose purpose is to represent industry interests in the development of norms and regulations following from the KPCS regulatory regime, and non-governmental organisations (NGOs).<sup>1</sup> A number of excellent studies have detailed how the KPCS evolved,<sup>2</sup> how effective it has been in fulfilling its goals,<sup>3</sup> and the significance of the scheme in terms of providing a model of ethical business practice within the extractive resource sector.<sup>4</sup> In addition, there have been several reports, especially within the NGO sector, that critically analyse the state adopted and legally binding KPCS and the diamond industry designed and voluntary System of Warranties<sup>5</sup> to provide suggestions for improvements to the regulatory process.<sup>6</sup> Mostly, these assessments have been carried out at the state level: assessing the annual meetings of the KPCS members and the effectiveness of the state actors in adhering to KPCS rules. This method focuses primarily on the rules and procedures of the KPCS that states are obligated to follow to retain membership. Another body of research analyses the endurance of the KPCS over time by examining the roles different stakeholders have played in shaping and monitoring the KPCS since its inception.<sup>7</sup> This research builds on these studies to pursue two additional questions. First, how do we explain the durability of the KPCS as a self-regulating system? Second, given this endurance and the adoption of the industry's complimentary voluntary standards known as the System of Warranties (SoW), how do retailers understand their obligations under the regulatory system and how do they convey this understanding to consumers? Finally, the findings from these micro- and macro-level analyses can also provide insights for better

understanding global governance regimes overseeing extractive industries. This study concludes that despite the self-regulatory nature of the KPCS, it is likely to endure because the very identity of the diamond industry has changed through the development of corporate social responsibility norms within the KPCS framework. At the same time, several additional steps are needed in order for the industry to be able to claim that it truly ethically sources its diamonds.

### **Framing the analysis of KPCS endurance, compliance, and impacts on the diamond industry**

Though states remain the most powerful actors in the international system, multinational enterprises (MNEs) and NGOs can also have influence over global governance processes. A growing body of literature attests that corporations are increasingly expected to be ‘good citizens’ within the international system and contribute to global governance in a variety of ways.<sup>8</sup> This is evidenced by the establishment of the KPCS as a self-regulating oversight mechanism of the diamond industry.<sup>9</sup> Philipp Pattberg distinguished between three approaches to understanding the formation of regimes to govern transnational problems: power-based explanations, interest-based explanations, and knowledge-based explanations.<sup>10</sup> Power-based explanations focus on how both monetary and non-monetary power resources influence cooperation, while interest-based explanations analyse how stakeholders coordinate their actions to bring about mutual gains, and knowledge-based arguments emphasise the importance of ideas and identity formation.<sup>11</sup> Elements from each of these approaches can help us identify why the KPCS has endured after a dozen years, especially given both the absence of high-profile conflicts that involve extraction of diamonds to fuel the fighting and limited local-level (retailer)

education from retailers about their compliance with industry standards governing production across the diamond value chain.

The KPCS is a self-governing system. It entered into force in 2003 and state members are obligated to adhere to minimum standards as well as to adopt national legislation and institutions to ensure compliance. It is unique within the world of transnational governance regimes in that it was established through cooperation between industry actors, states, and NGOs who each saw their interests advanced through adoption of a self-governing system to regulate diamonds.<sup>12</sup> In utilising a power-based explanation to understand the endurance of the KPCS, one can point to the approximately \$71 billion dollar annual retail sales of the diamond industry,<sup>13</sup> the investment of resources in the regulatory process, including the creation of the World Diamond Council,<sup>14</sup> and the extensive marketing campaign by the industry to become the leader in protecting consumers from purchasing conflict diamonds. With the extensive monetary stake that the diamond industry has in promoting its diamonds as symbols of love, and untainted by conflict, it is not surprising that the KPCS has endured, nor that the industry has adopted the voluntary SoW to further protect its retailers from the possibility of handling conflict-tainted stones. The regulatory process has become entrenched within the industry and has become self-reinforcing. KPCS member states have implemented national legislation that further supports KPCS goals. As Ronit and Scheinder observe, ‘strong state and private regulatory regimes tend to be compatible with one another rather than contradictory.’<sup>15</sup> This complementarity of state and private regulations is also a power-based explanation for the endurance of the KPCS.

The very process through which the KCPS was born supports an interest-based explanation focusing on stakeholder coordination to achieve mutual gains. Conflict diamonds were the concern of two small NGOs, Partnership Africa Canada and Global Witness, and the

United Nations before they became a concern of the diamond industry, but the regulation of the diamond industry would not have come to fruition without the coordinated efforts of the diamond industry and states in cooperation with the NGOs.<sup>16</sup> Because all the stakeholders eventually became convinced that a regulatory process was necessary to ensure their individual interests, the KCPS was implemented. The endurance of the KCPS can also be explained in terms of self-interest, though we have seen in recent years the erosion of the cooperation between industry actors and some NGO actors. For example, in December 2011, Global Witness withdrew its participation in the KPCS review process arguing that ‘the scheme’s main flaws and loopholes have not been fixed and most of the governments that run the scheme continue to show no interest in reform.’<sup>17</sup> Thus, though the interest-based explanation is important to understanding the origins of the KCPS, it may not be as useful for understanding its endurance. Still, states and the diamond industry remain convinced that it is in their own interests to maintain the structure. For example, at the 8<sup>th</sup> Annual World Diamond Council’s Meeting in Vicenza Italy, speakers ranging from the WDC president Eli Izhakoff to US Ambassador Gillian Milovanovic to South Africa’s Minister of Mineral Resources Susan Shabangu reiterated the need for the KPCS and for reassessment of the system to ensure that diamonds remain ethically sourced.<sup>18</sup>

It is perhaps in approaching the KPCS from a knowledge-based perspective that we can best explain its endurance over time. Both Virginia Haufler and Carola Kantz utilise this approach to explain the development of norms governing the trade in diamonds globally.<sup>19</sup> These norms have become embedded within the diamond industry itself, and its identity has been shaped by these norms. As Matthias Hoffenberth *et al.* suggest, ‘the norms an actor accepts and chooses to adhere to define what he or she is and what others see in him or her. Norms allow

[stakeholders] to interpret action as appropriate or inappropriate and therefore constitute new identities.<sup>20</sup> Indeed, in some ways, the diamond industry, in establishing the World Diamond Council, has taken over the role of consumer protector, advocate, and agenda setter from the NGOs who played this role initially. For example, beginning with the controversy over Zimbabwe's Marange mines and the decision of the KPCS in 2011 to keep Zimbabwe within its membership ranks, the momentum to address a broader agenda beyond 'conflict diamonds' has grown. Critical for several years about the KPCS's limitations, Global Witness pulled out from the process after the decision to allow Zimbabwe to export diamonds from the Marange fields where there had been widespread reports of human rights abuses.<sup>21</sup> Yet, technically the situation in Zimbabwe does not violate the terms of the KPCS because 'conflict diamonds' are defined as:

...rough diamonds used by rebel movements or their allies to finance conflict *aimed at undermining legitimate governments* [emphasis added] as described in relevant United Nations Security Council (UNSC) resolutions insofar as they remain in effect, or in other similar UNSC resolutions which may be adopted in the future, and as understood and recognized in the United Nations General Assembly (UNGA) Resolution 55/56, or in other similar UNGA resolutions which may be adopted in future.<sup>22</sup>

Because of this narrow definition of conflict diamonds, former KPCS Chair and Namibian Deputy Minister of Mines Bernard Esau asserted that '[t]he Kimberley Process is not a human rights organization.'<sup>23</sup> Still, the NGO community has advanced a broader conceptualisation of the obligations of states and industry actors to source their diamonds not only from zones free of narrowly defined conflicts, but much more broadly, to ethically source them. Because the identity of the diamond industry itself is tied to the norms associated with the KPCS and voluntary SoW, industry stakeholders themselves have begun to push for more expansive ethical standards related to the diamond industry. It is because the diamond industry has adopted this role for itself that it is important to focus on how well not only the KPCS has endured but also

how faithfully the industry adheres to the voluntary SoW if we want to assess the ‘success’ of the regime governing diamond sales.

### **Survey and content analysis of diamond retailers**

Arguably, one indicator of the success of the governing regime is that retailers believe they can guarantee their diamonds ‘conflict free’ through the supply chain from mine to storefront. Because the KPCS governs only the trade in rough diamonds, the obligations at the retail level fall under the voluntary SoW, while the state signatories of the KPCS are bound by its statutes. Yet, because it is in the interest of the diamond industry to be able to claim they ethically source and market diamonds from mine to storefront, but also because the general public is more likely to have heard from the KPCS rather than the SoW, examining retailer knowledge of both the KPCS and the SoW is justified. Hence, this study asks how do retailers frame their obligations and compliance under the KPCS and the voluntary SoW for consumers? After conducting interviews with diamond retailers and analysing a wide variety of retailer websites, the basic answer to the stated question is that the majority of retailers do not frame their obligations under the KPCS and SoW at all. This lack of transparency on the part of the retailers indicates a gap between KPCS compliance and norm development and embeddedness within the regulatory framework that can lead to the transformation of consumer beliefs and trust in the process by observers. The diamond industry has relied on the KPCS and SoW to advance their credibility as an ethical industry, but if retailers are lacking in transparency, then consumers, and perhaps more importantly NGO observers, may remain sceptical that self-regulation is the answer to the problem of ‘conflict’ or ‘illicit<sup>24</sup>’ diamonds. Indeed, Amnesty International and Global Witness carried out an investigation in 2004 into retailer reporting on

their obligations under the KPCS and System of Warranties and were alarmed by their lack of transparency.<sup>25</sup> This was at a time of heightened awareness of the problem of ‘conflict diamonds’, yet the NGOs concluded that the industry’s approach to self-monitoring was not adequate.<sup>26</sup> The multiple stakeholders within the diamond industry have risked their reputations on this oversight process and in the words of Kantz, ‘maximize[d] their discursive power’ in order to maintain the narrative that diamonds are a symbol of love, not a driving force for conflict.<sup>27</sup>

Given the importance of the extensive oversight efforts within the diamond industry, we expect diamond retailers, as major stakeholders in the process, both to understand their obligations under the KPCS and SoW and to be able to articulate them to their customers. This proposition was tested through a survey of diamond retailers in Portland, Oregon<sup>28</sup> and a content analysis of diamond retailer websites. Three hypotheses were examined. First, if the diamond industry has diligently engaged in educating its retailers and trade associations, then the vast majority of retailers surveyed would have knowledge of the KPCS, the SoW, and their obligations under these processes, and be able to articulate them. The second hypothesis is that a majority of retailers, at least 75%, are willing to engage in a conversation about the regulatory regime in the interest of ensuring the surveyor that the retailer is following its obligations under the SoW. This is expected because the World Diamond Council and the Jewelers of America have encouraged their members to respond to any public inquiries about conflict diamonds.<sup>29</sup> The final hypothesis is that the vast majority (75%) of retailers who have an online presence have included information on their websites related to where their diamonds originate, at the very minimum, or specifically related to their obligations under the regulatory framework (including information about the KPCS or SoW).

The approach to gaining information on jewellery retailers involved two populations: jewellers selling diamonds in the city of Portland, OR and diamond jewellers' websites randomly selected from Google searches. The population<sup>30</sup> of 105 retail jewellers in Portland was contacted via telephone and asked to participate in a survey related to their practices regarding the purchase of diamonds and their knowledge of their obligations under the regulatory regime governing diamonds. In addition, a content analysis was conducted for each of the 105 retailers that had websites to assess the availability and type of information displayed about the KPCS and System of Warranties.

Of the 105 jewellers in Portland that made up the sample, about 40 were eliminated due to inaccessibility, reducing the viable cases to 61. Of these, 45 managers declined to participate in the survey. The 16 completed surveys represent only 26% of the 61 viable cases. This is well below the expected 75% of retailers hypothesised to participate. Of these 61 that were contacted, 39 (64%) had websites, 17 of which (44% of those with websites) had information related to the Kimberley Process or diamond origins on their websites. For most websites, in order to find the information, an extensive search of the website was required. Some websites included information under *education* about diamonds while others under *frequently asked questions* or *policies*. There was no consistency in placement of information on the regulatory process on jewellers' websites, nor consistency regarding the information provided.

Those managers who willingly participated in the survey were asked three categories of questions. One category related to the characteristics of the business. Another category related to the store policies about diamond origins. A third category asked questions about their customers and the Portland jewellery market itself. The managers who agreed to complete the survey had between 3 and 60 years in the jewellery business, and the stores that they managed had existed

between 2 and 175 years. Store employees ranged from 0 to 20, and 13 of the 16 stores were independent while 3 were part of a larger chain. When asked whether the store was a member of a trade association of any kind, three said no, one did not answer, two did not know, and ten answered in the affirmative. The most common trade associations that the managers were aware of were the Jewelers Board of Trade, and the Gem Society of America, neither of which is dedicated to the regulatory process. The Jewelers Board of Trade advances the interests of retailers while the Gem Society of America guarantees the quality of gems sold. One retailer was a member of the Jewelers Vigilance Committee and two were members of the Jewelers of America. Both of these organisations do have commitments under the SoW. Thirteen of the sixteen did have policies on explaining the sourcing of their diamonds, and of these, all had the policy available for customers. The managers had limited information on their customers to share. Only two managers said the stores were keeping track of customers concerned about diamond origins for their own purposes, and they did not share this data. Trying to assess consumer preferences from what managers observe is not the best approach, however, and an additional study directed at diamond consumers could be beneficial. Through a study targeting consumers, one could test the logical conclusion from the present study that there is limited concern amongst diamond consumers about the ethical sourcing of diamonds. This conclusion is based on the observation that retailers have little sales incentive to share information about this very topic with consumers, who seem unaware of the bigger issues at stake with every diamond purchase.

### *Data from online diamond retailers*

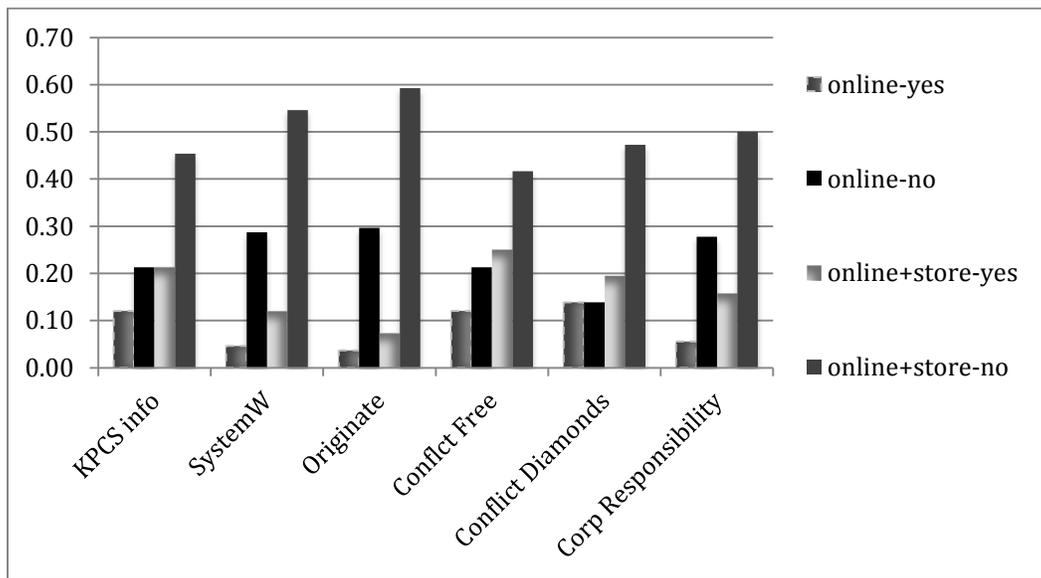
Because of the growing presence of online diamond retailers, the second level of analysis conducted was to randomly generate a list of diamond retailers with an online presence.<sup>31</sup> A total of 108 different websites were coded for a variety of variables related to whether or not the website had information available about the KPCS, the voluntary SoW, or conflict diamonds broadly. The availability and ease of online shopping for diamonds may pose a challenge to the regulatory framework. Many of these retailers advertised both loose diamonds and diamond jewellery, so whether or not they adhere to the KPCS and voluntary SoW is a pressing question. The hypotheses for this portion of the research were the following:

- H1: At least 75% of the websites would have information available to consumers regarding their obligations under the KPCS and/or System of Warranties.
- H2: At least 75% of websites would have information relating to ‘conflict diamonds’ and/or the origin of their diamonds.
- H3: Online-only jewellers (those without a storefront) would be less likely to have information available about the KPCS and/or System of Warranties and about conflict diamonds generally.
- H4: Those jewellers that were part of a national chain (e.g. Kay Jewellers) would be more likely to have information about KPCS and/or System of Warranties and about conflict diamonds, generally, than would those jewellers that are independent.

Of the 108 websites coded, 72 were online retailers who also had storefronts and 36 were online only retailers. Figure 1 shows the results of the content analysis. For the online/storefront retailers, 49 (68.1%) had no specific information on the KPCS, 59 (81.9%) had no information specifically on the SoW, 64 (88.9%) had no diamond sourcing information and 45 (62.5%) had

no information specifically stating that their diamonds were ‘conflict free.’ For the online only retailers, the percentages were similar. Of the 36 stores that were online-only retailers of diamonds 23 (63.9%) had no specific information on the KPCS, 31 (86.1%) had no information specifically on the SoW, 32 (88.9%) had no information on from where their diamonds originated, and 21 (58.3%) had no information specifically stating that their diamonds were ‘conflict free.’

**Figure 1:** Online diamond retailers survey results



Source: Author’s survey.

Notes: Percentages of online retailers (n=108) that include (yes) or do not include (no) information related to the regulation of conflict diamonds, separated by whether the website represents an online only retailer (online) or an online retailer that also has a storefront (online+store).

Chi-square tests were also conducted in order to assess whether or not there were actual differences between several different types of retailers. The first question is whether there were differences in what information was available on websites depending on whether the diamond retailer was online only or had an online presence and also a physical store. The second question

is whether there was a difference in what information was available on websites depending on whether or not the online presence was targeting a local consumer (i.e. existing in a single location) or was targeting consumers across multiple markets (e.g. Zales that is a national chain with stores across locations). Finally, a chi-square test was used to determine whether it mattered that the store sold only finished jewelry, or sold jewelry and loose diamonds. The results of all the tests comparing the different sub-sets of the sample showed that there was no significant difference in what information was available on the websites regardless of whether they were local retailers or national chains, whether they sold online only or had a storefront, or whether they sold only finished jewelry or loose diamonds as well. These results show no statistically significant difference between store types regarding the kind of information about the retailer's commitment to selling conflict free diamonds that is on the website. There are no specific characteristics that one can point to that would lead to predictions regarding on which websites one would find information about the KPCS, the SoW, or conflict diamonds.

From these basic analyses, it can be concluded that all the hypotheses stated were rejected. Not only did the majority of websites have no information related to the KPCS, the SoW, or conflict diamonds generally, there was also no difference between different sub-populations of the sample. In addition, the jewelry stores in Portland that had websites tended to have more information on the KPCS and SoW (44%) than did online only retailers (36.1%) or online/store retailers (31.9%) from elsewhere across the country. The broad conclusion to be drawn from this analysis is that most websites that sell diamonds have no information about where those diamonds come from, nor about how retailers guarantee that their diamonds are ethically sourced.

What are the implications of this 2012 study of Portland Oregon and online diamond retailers for furthering norm development and compliance within the regulatory regime? One conclusion from these analyses is that diamond sourcing has introduced new practices in terms of supply compliance, but it has not transformed the industry practices at the level of the consumer and the retailer buying experience. This is supported by the evidence that well over 60% of websites nationally had no information related to the KPCS, SoW, or conflict diamonds. Understanding why retailers do not prioritise their commitment to provide proof of compliance is likely complicated and beyond the scope of this study. However, this analysis is a first step to identify a gap between compliance and advancing new norms. How new international norms effectively transform beliefs and deepen behavioural change is an important question with implications for the study of other international norms, from environmental change to human rights. This study identifies the gap in a way that demands more research not just on the process of establishing new norms but also research on the ways that norms become more deeply institutionalised with changing beliefs. Many local retailers have yet to shift beyond the initial compliance to embrace the opportunities and possibilities of transformative change through transparently displaying their commitments under the SoW to all consumers.

Retailers participate in the process downstream from where the binding legislation regarding conflict diamonds is applied. For example, the SoW that the Jewellers of America and Jewellers Vigilance Committee adhere to as well as *The Clean Diamond Trade Act, Public Law 108-19 of the 108<sup>th</sup> Congress*, may lead retailers to conclude that conflict diamonds will be stopped at the source rather than be allowed into the supply chain, and hence their obligations under the SoW are fulfilled with limited vigilance required. From this, retailers may conclude

that it is not necessary to readily make available information about diamond sourcing. Yet because this issue has been taken up and thoroughly embraced by the diamond industry itself, one would hope that even at the retail level there would be vigilance in demonstrating that diamond retailers continue to adhere to the rules put in place. Compliance is different from interest-driven behaviour and different from the transformation of practices around the diamond buying process for consumers. Retailers may find it important, and trust in the established regulatory process to guarantee conflict free diamonds, but based on the foregoing observations, they do not demonstrate any urgency to get across to their clients that this process is working.

### **Understanding the compliance gap: From local retailers to global governance**

The Corporate Social Responsibility literature has expanded significantly over the past two decades as the power and influence of Multinational Enterprises (MNEs)<sup>32</sup> have grown. These economic actors are valued for their capacity to create economic growth through creating jobs, transferring technology skills and knowledge, and providing investment funds. However, they are also heavily criticised for prioritising profits over people and for seeking to invest in states that offer the fewest obstacles to big profits by offering the lowest wage workers, the least oppressive tax obligations, and minimal health, safety and environmental standards.<sup>33</sup> There is no agreement regarding the impact of corporate social responsibility (CSR) on either norm development or profitability for corporations resulting from CSR campaigns.<sup>34</sup> Palacios concludes, ‘[t]he crux of the matter is that no laws and no binding rules exist for regulating the behaviour and international mobility of corporate citizens similar to those in force for individuals citizens, even though the former have rights and entitlements similar to the latter<sup>35</sup>.’ The development of the KPCS and the industry’s adoption of additional self-imposed oversight

obligations demonstrate that the diamond industry is highly conscious of its image and wants to drive the process of setting the rules regarding ethically sourcing diamonds. However, from the perspective of the NGOs who were at the forefront of initiating the attention to conflict diamonds in the first place, the fundamental limitation of the regulatory process is precisely that it is overseen by the industry itself and that if industry no longer sees it as profitable, then the incentive to maintain the process disappears altogether. Yet, ten years after the KPCS has been implemented, it is so embedded within the industry that it is likely to remain. Haufler points out, for example, that one of the strengths of the KPCS is its ‘ability to evolve over time’ as new challenges arise.<sup>36</sup>

As currently structured, the burden of proof for conflict free sourcing of diamonds falls on the actors upstream in the chain of production, and the distance between compliance with the KPCS and local level marketing of new standards or educating around the issues is an important insight for international norms more generally. The KPCS in particular relies on buy-in from stakeholders that its structure is adequate to catch most of the problems at the stage of mining and transporting of raw diamonds. Yet, Haufler identifies the major flaw in the KPCS as the problem of ‘spoilors’.<sup>37</sup> And, because only raw diamonds are covered under the KPCS, there may be opportunities along the supply chain for conflict, but more likely illicit, diamonds to be introduced. Because of the embedded and enduring nature of the regulatory process, the KPCS primarily and the voluntary SoW secondarily can mostly guarantee, given the risk of spoilors, that diamonds are not coming from *conflict zones*. Bieri and Boli confirm that:

...we observe the expansion of CSR norms in terms of both breadth and depth: new principles regarding ethical diamond trading, rooted in CSR logic, expanded to previously unaffected market segments and, via tripartite negotiations, reached a threshold of taken-for-grantedness that made the principles essentially obligatory for companies and states engaged in the diamond trade.<sup>38</sup>

From this, we can conclude that the lack of knowledge or sharing of knowledge about the process by the retailers is essentially unimportant from the perspective of how well the KPCS regulatory regime is working. It is very important, however, from the perspective of image and identity especially given the diamond industry's own desire to show its commitment to ethically sourcing diamonds and moving them through the supply chain. Because one of the main arguments in favor of CSR logic applying in the case of the diamond industry is that the industry must ethically source its diamonds to prevent an image catastrophe, one would expect that at the level of retailer more information about the sourcing of diamonds would be available to consumers and NGO watchdogs, but the evidence presented herein does not demonstrate this. The gap between the compliance within the regulatory framework and the marketing of that compliance to and education of the public has deepened the distrust of some observers while leaving the diamond industry open to the accusation that its concerns for ethically sourcing diamonds are at the level of talk rather than action.

Finally, there is a major disagreement between those who believe that self-regulatory regimes are not self-sustaining – and therefore support the need for global governance systems – and those who believe that there is little chance that legally binding regulations can be achieved at the global level. Ruggie argues that:

[t]here is little chance of transnational firms becoming subject to legally binding regulations at the global level any time soon; the political will or even capacity simply is not there, and much of the corporate world would unite to fight it. In contrast, voluntary initiatives over time may build an interest among leading firms for a more level playing field vis-à-vis laggards, thereby realigning the political balance in the corporate sector.<sup>39</sup>

This seems to be the logic followed by the stakeholders in the KPCS. Without the sustained attention to ethical diamond sourcing, as well as continued pressure to expand what this means beyond diamonds from conflict zones staying out of the supply chain, standards could be relaxed

over time and the regulatory system eroded. And it is important to keep in mind that one of the key factors in the decrease of ‘conflict diamonds’ in the supply chain over time is that several major conflicts (Angola, Sierra Leone, Liberia) driving the trade in diamonds from conflict zones have ended. Because of the absence of these high profile conflicts in diamond producing states at the present time, the KPCS and System of Warranties are not being tested seriously. As Haufler states, ‘it is not entirely clear that these new forms [hybrid regulatory schemes involving governments, NGOs, and corporations] are articulated well with the realities on the ground in the most conflict-ridden cases.’<sup>40</sup> Further, Palacio asserts that:

TNCs [Transnational Corporations] cannot become fully accountable and responsible citizens, the same way as capitalism cannot be ‘caring’, although they can be induced to embrace socially and environmentally desirable objectives. The possibility of accomplishing such a task will ultimately depend on the balance that can be reached between the factors that impede or facilitate it. The most visible roadblocks are multiple and powerful. Above all is the condition of TNCs as entrepreneurial organizations whose *raison d’être* is to make profits for stakeholders and the derived fact that their behavior is inherently guided by a cold business logic that responds to market imperatives. Profit making will always have priority over equity or environmental protection objectives. Likewise, corporations’ ubiquitous presence and sheer economic power and political muscle associated with both allow them to further their interests and achieve their goals.<sup>41</sup>

The main NGOs overseeing KPCS compliance would like to see stronger regulatory processes in place that are externally verified<sup>42</sup>, but that is unlikely to happen within the diamond industry any time soon, both because of the opposition of state actors<sup>43</sup> and also because the industry itself has been so successful in both agenda-setting and norm development.

Yet, there should be concern about compliance with the process, especially given the increase in online retailers. The majority (76.9%) of online retailers (83.3% of online-only retailers) had nothing on their websites about belonging to industry associations like the Jewelers of America or Jewelers Vigilance Committee. If the industry is relying on these associations to ensure compliance with the voluntary SoW, the lack of full membership in these organisations

by online retailers calls into question their reliability in guaranteeing conflict diamonds do not make their way to consumers. To ensure the confidence of the public stakeholders in the regulatory process, remedies are needed at the retail level to make sure that consumers have access to the necessary information about their diamonds' origins.

At the same time, the fact that discussions over expanding the scope of the regulatory regime to cover not only conflict zones, but also 'illicit diamonds', those from states with major human rights violations, money laundering networks, or local level conflicts, demonstrates that there is a gap between compliance within the regulatory process and norm development that would ensure that the diamond industry is behaving ethically. Yet, there is evidence that the diamond industry itself takes these roles as protector and agenda-setter seriously. In June 2012, Eli Izhakoff, then-President of the World Diamond Council (WDC), delivered a speech to the Intercessional Meeting of the KPCS that called for an expanded definition of 'conflict diamonds.' The idea of expanding the definition addresses the human rights concerns of the NGOs. President Izhakoff quoted Martin Luther King, Jr. when he elaborated on this proposal, saying '[w]e empathise with others in the chain of distribution because it is what defines us as moral human beings and business people. It is always possible to turn a quick profit without considering the ethical consequences of our actions, but it is not necessarily good business. And when I say 'good' I am speaking both ethically and economically.<sup>44</sup> Izhakoff further suggested that broadening the definition of conflict diamonds should include diamonds associated with 'diamond-related violence in rough diamond producing and trading areas. ' He reiterated this support for an expanded definition of conflict diamonds in his address at the WDC Annual Meeting in May 2013.<sup>45</sup> An expanded definition would imply that governments themselves could be involved in violating the ethical principles related to the sale of rough diamonds. In explaining

why the KPCS needed an updated definition of ‘conflict diamonds,’ then-chairwoman Ambassador Gillian Milovanovic of the US formulated her arguments in terms of ethics and responsibility. Ambassador Milovanovic stated in her address at the 2012 Intercessional Meeting of the KPCS:

We in the KP all bear a heavy responsibility for the millions of people -- artisanal diggers and equipment operators at industrial mines, cutters, polishers, and retail clerks -- who depend on diamonds for their livelihoods and for the countries whose development relies in part on diamond revenues. The KP may be only one factor impacting these jobs and revenues, but it is one that we have the capacity -- and obligation -- to affect positively. Failure to change will yield negative effects in contrast to the immediate and long term benefits an updated definition would provide to the entire supply chain.<sup>46</sup>

The discussion of expanding the definition of conflict diamonds was taken up at the November 2012 Plenary Meeting of the KCPS, but members did not reach any consensus on changing the definition, nor by mid-2014 had an expanded definition yet been adopted by either the KPCS nor the WDC.<sup>47</sup> Expanding the definition of conflict diamonds to include ‘illicit’ diamonds is an uphill battle mainly because several African diamond producing states are particularly opposed to changing the definition. These African states have for some time been reluctant to criticise the Mugabe government on a range of human rights abuses, though some like Botswana have been critical of Mugabe’s extensive stay in office, even as many states outside Africa have been very critical of that government’s violence towards its own people.<sup>48</sup> African leaders have also been sensitive to the perception that external actors are trying to impose norms of governance, or worse trying to punish African actors through international regimes. In recent years, there has been a push by African leaders to play a larger role in solving what are seen as African problems, but the problem of ethical sourcing of diamonds is a global, not a regional, concern. There are some optimistic analysts who note that there may be further

developments yet regarding ‘best practices’ in diamond-producing regions that could help to advance greater human rights and human security, as well as financial transparency and economic development for greater numbers of people involved in mining.<sup>49</sup>

By taking a leading role in advancing discussions on expanding the definition of ‘conflict diamonds,’ the diamond industry is attempting, at the very least rhetorically, to expand norm developments within a global governance system. Hoffenberth *et al.* assert, ‘an analysis of corporate rhetoric also bears implications for their actions...there is at least theoretical reason to assume that the way an actor constructs his identity through rhetorical references tells us something about the way he or she acts.’<sup>50</sup> Expanding the scope of the regulatory process to include not only ‘conflict’ but also ‘illicit’ diamonds would show renewed compliance to industry commitments to ethically source their diamonds. While industries involved in global enterprises find it increasingly difficult to evade social and public scrutiny, there is not consistency across MNEs in how and when they *promote* ethical behaviour.<sup>51</sup> Yet states, especially in Africa, are more concerned with maintaining local control over the process as well as over their economies. Still, there are weaknesses in the self-regulatory nature of the KPCS that may erode it over time. For example, even if there are member states willing to implement an expanded definition of ‘conflict diamonds’ or to critically assess the actions of their fellow statesmen, the KPCS operates on consensus, making agreement on new actions especially difficult.<sup>52</sup> Attention to the compliance gap that has been demonstrated gives us a better understanding of the challenges of expanding norms within this established self-regulatory system.

## CONCLUSION

It is naïve to assume that all illicit diamonds can be kept out of the chain of production. Diamonds are an easily lootable, easily transportable commodity, mined in places with porous borders that bring very lucrative rewards to those who sell them.<sup>53</sup> Yet, it is an exaggeration to say regulation is impossible, or that the KPCS is not working. Still there are multiple flaws in the process where improvements could be readily made. For example, all diamonds sold to consumers should have certificates not only guaranteeing clarity and cut, but also conflict-free sourcing, and there easily could be industry standards for websites on what information to provide about where diamonds originate and the regulatory process that oversees ethical sourcing of these gems. Many websites have information related to educating oneself about the four Cs to look for when purchasing an diamond: cut, clarity, carats, and colour. Easily, a fifth C could be added: conflict-free sourcing. These processes should be implemented because there are growing numbers of diamonds sold both online and in markets outside the ‘developed’ countries.<sup>54</sup>

From the perspective of norm expansion, one of the most promising developments in recent years is the recognition that the definition of ‘conflict diamonds’ under the KPCS is too narrow. In order for the industry to be taken seriously in its claims that it does ethically source diamonds, it must move beyond the KPCS to better regulate diamonds that are illicitly mined and moved through the value chain, either by, for example, forced labour or under a cloud of massive human rights abuses as in Zimbabwe,<sup>55</sup> or illegally utilised within money laundering schemes. This will take the cooperation of state actors, which will pose a bigger obstacle than corporate actors because states, especially one-party states where rulers are well-ensconced like Zimbabwe, and their parastatal mining firms are less sensitive to activist and consumer perceptions and are further up the supply chain than other industry actors, most especially retailers, through which

diamonds pass as they move from mine to storefront. Additional measures to ensure compliance would be needed. Thus the question arises: can the industry expand the definition of conflict diamonds in such a way as to satisfy organisations like Global Witness while also retaining the cooperation of governments who are themselves often the actors that violate human rights in diamond-producing regions?

*Tiffany's* could well be the gold standard for diamond jewellery retailers when it comes to assuring the public of its commitment to ethically sourcing its diamonds. *Tiffany's* has dedicated itself to corporate responsibility on a number of fronts, not least of which is adhering to the KPCS and voluntary SoW. On its website, it devotes multiple pages to the idea of corporate responsibility, and on the page dedicated to ethical sourcing of diamonds, *Tiffany's* explicitly states from where its diamonds originate, who polishes them, and what guarantees are put in place to ensure its customers that its diamonds are conflict free. Clearly *Tiffany's* is in an elite position few other diamond retailers share (e.g. they created their own polishing house and have invested directly in certain mines), but the openness of their commitment to providing conflict-free diamonds could well be the model for other retailers whether they are international or local. If the self-regulatory process within the diamond industry is to continue to keep the vast majority of conflict diamonds, and more importantly illicit diamonds, out of the supply chain then excellent cooperation amongst all stakeholders is needed, down to the local retailer.

The process of norm development has continued within the diamond industry with cooperation amongst states, corporate actors, and NGOs, albeit with some limitations as noted above. This process is likely to continue mainly because industry actors have so thoroughly embraced their obligations as socially responsible actors through 'mechanisms by which normative frameworks become institutionalised in concrete social responsibility practices, that is,

the process that matches action to words.’<sup>56</sup> The addition of local-level data helps us to understand some of the remaining challenges of norm development for socially responsible corporate actors, especially the gap between compliance within the regulatory framework and the education of retailers and consumers about their responsibilities therein. Retailers need to be better incorporated into the process of ensuring that diamonds are ethically sourced, and reflect this involvement with information that is easily accessed on their websites and in their stores. Consumers should be made aware of the KPCS and the retailer’s obligations under the voluntary SoW. The more the process is transparent and available to public scrutiny, the more valid the claims that the regulatory process really is keeping conflict diamonds, and hopefully soon illicit diamonds, out of consumer hands. Closing the gap between compliance and consumer education, especially through the expansion of norms, can only benefit industry actors and those employed along the value chain from mineworkers to shop patrons, but perhaps most importantly, the populations living in diamond-producing zones.

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<sup>1</sup> World Diamond Council. Press Release: *Meeting At Annual Meeting, WDC Plenary expresses support for widening 'conflict diamonds' description in KP Core Document*. New York: World Diamond Council, May 2012.  
<[http://www.worlddiamondcouncil.org/download/press/2012/WDC%20Press%20Release%20\(Concluding%20Press%20Release%20of%208th%20WD%20Annual%20Meeting\)%2014-5-2012.pdf](http://www.worlddiamondcouncil.org/download/press/2012/WDC%20Press%20Release%20(Concluding%20Press%20Release%20of%208th%20WD%20Annual%20Meeting)%2014-5-2012.pdf)>. World Diamond Council. *World Diamond Council Board Sets Up Steering Committee To Examine Restructuring, Reiterates Support For KP Reform And Expanded Conflict Diamond Definition*. New York: World Diamond Council, 12 July 2012.  
<[www.worlddiamondcouncil.com](http://www.worlddiamondcouncil.com)>. Global Witness. *Return of the Blood Diamond, the deadly race to control Zimbabwe’s new-found diamond wealth*. London: Global Witness. 2010<[http://www.globalwitness.org/sites/default/files/pdfs/return\\_of\\_blood\\_diamond.pdf](http://www.globalwitness.org/sites/default/files/pdfs/return_of_blood_diamond.pdf)>

<sup>2</sup> Bieri, F, *From Blood Diamonds to the Kimberley Process, How NGOs Cleaned Up the Global Diamond Industry*. Burlington, VT. Ashgate, 2010. Kantz, C, ‘The Power of Socialization: Engaging the Diamond Industry in the Kimberley Process’, *Business and Politics* 9, 3, 2010, pp.1-20. Wright, C, ‘Tackling Conflict Diamonds: The Kimberley Process Certification Scheme’, *International Peacekeeping* 11,4, 2004, pp. 697-708.

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<sup>3</sup> Hughes T, 'Conflict Diamonds and the Kimberley Process: Mission Accomplished-or Mission Impossible?', *South African Journal of International Affairs*, 13, 2, 2006, pp.115-130. Petrova A, 'The Implementation and Effectiveness of the Kimberley Process Certification Scheme in the United States', *The International Lawyer*, 40, Winter 2006, pp. 945-960. Van Bockstael S & K Vlassenroot, 'From Conflict to Development Diamonds: The Kimberley Process, and Africa's Artisanal Diamond Mines' *Studia Diplomatica*, VXII, 2, 2009, pp. 79-96.

<sup>4</sup> Haufler V, 'The Kimberley Process Certification Scheme: An Innovation in Global Governance and Conflict Prevention', *Journal of Business Ethics*, 89, 2010, pp. 403-416. Hilson G. & R Maconachie, 'Good Governance and the Extractive Industries in Sub-Saharan Africa', *Mineral Processing & Extractive Metallurgy Review*, 30, 2009, pp. 52-100.

<sup>5</sup> Through the System of Warranties, a certificate of guarantee that diamonds are not sourced from conflict zones and are in compliance with UN resolutions accompanies all invoices. The certificate states '[t]he diamonds herein invoiced have been purchased from legitimate sources not involved in funding conflict and in compliance with United Nations resolutions. The seller hereby guarantees that these diamonds are conflict free, based on personal knowledge and/or written guarantees provided by the supplier of these diamonds.' All industry organizations and their members have adopted a number of additional principles of self-regulations that include that companies trading in rough and polished diamonds must keep records of the warranty invoices received and issued and ensuring that all employees who buy or sell diamonds are well informed about trade and government regulations restricting the trade in conflict diamonds. Failure to follow these industry guidelines can result in expulsion from industry organizations or even the inability to trade legally in diamonds According to Richard Harris, manager of Schreve and Company, it is nearly impossible to receive a diamond from a cutter without documentation regarding the diamond's origins. For more information, see *The Essential Guide to the Kimberley Process Certification Scheme*, New York: World Diamond Council 2003.

<sup>6</sup> Partnership Africa Canada, and the governments of Canada and the United States. *Diamonds Without Borders, An Assessment of the Challenges of Implementing and Enforcing the KPCS, A Report to the KPCS Plenary*. Ottawa: Partnership Africa Canada, and the governments of Canada and the United States. November 2010. Hughes, T, 'Conflict Diamonds and the Kimberley Process: Mission Accomplished-or Mission Impossible?', *South African Journal of International Affairs*, 13, 2, 2006, pp.115-130. Smilie, I, *Paddles for Kimberley: An Agenda for Reform*. Ottawa: Partnership Africa Canada, June 2010.

<sup>7</sup> Bieri F, *From Blood Diamonds to the Kimberley Process, How NGOs Cleaned Up the Global Diamond Industry*. Burlington, VT. Ashgate, 2010. Bieri F & J Boli, 'Trading Diamonds Responsibly: Institutional Explanations for Corporate Social Responsibility' *Sociological Forum*, 26, 3, 2011, pp. 501-526.

<sup>8</sup> Hoffberth M *et al.*, 'Multinational Enterprises as "Social Actors"-Constructivist Explanations for Corporate Social Responsibility', *Global Society*, 25, 2, 2011, pp. 205-225. Ruggie J,

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'Reconstituting the Global Public Domain-Issues, Actors, and Practices', *European Journal of International Relations*. 10, 4, 2004, pp. 499-533.

<sup>9</sup> Bieri F, *From Blood Diamonds to the Kimberley Process, How NGOs Cleaned Up the Global Diamond Industry*. Burlington, VT. Ashgate, 2010. Haufler V, 'The Kimberley Process Certification Scheme: An Innovation in Global Governance and Conflict Prevention', *Journal of Business Ethics*, 89, 2010, pp. 403-416. Kantz C, 'The Power of Socialization: Engaging the Diamond Industry in the Kimberley Process'. *Business and Politics*, 9, 3: 2007, pp. 1-20.

<sup>10</sup> Pattberg P, 'The Institutionalization of Private Governance: How Business and Nonprofit Organizations Agree on Transnational Rules' *Governance: An International Journal of Policy, Administration and Institutions*. 18, 4, 2005, pp. 589-610, p. 594.

<sup>11</sup> *Ibid.*

<sup>12</sup> Bieri, F, *From Blood Diamonds to the Kimberley Process, How NGOs Cleaned Up the Global Diamond Industry*. Burlington, VT. Ashgate, 2010.

<sup>13</sup> Bain and Company *The Global Diamond Industry, Portrait for Growth*. Antwerp: Bain and Company and Antwerp World Diamond Center Foundation, 2012, p. 2.

<sup>14</sup> The main purpose of the WDC is to guide the diamond industry in its compliance with the KPCS and in advancing additional voluntary standards to prevent the sale of conflict diamonds.

<sup>15</sup> Ronit K & V Schneider, 'Global Governance through Private Organizations', *Governance: An International Journal of Policy and Administration*. 12, 3, 1999, pp. 242-266, p. 255.

<sup>16</sup> Bieri, F, *From Blood Diamonds to the Kimberley Process, How NGOs Cleaned Up the Global Diamond Industry*. Burlington, VT. Ashgate, 2010.

<sup>17</sup> Global Witness. *Global Witness Leaves Kimberly Process, calls for diamond trade to be held accountable*. London: Global Witness. 5 December 2011

<<http://www.globalwitness.org/library/global-witness-leaves-kimberley-process-calls-diamond-trade-be-held-accountable>>

<sup>18</sup> World Diamond Council. Press Release: *Meeting At Annual Meeting, WDC Plenary expresses support for widening 'conflict diamonds' description in KP Core Document*. New York: World Diamond Council, May 2012.

<[http://www.worlddiamondcouncil.org/download/press/2012/WDC%20Press%20Release%20\(Concluding%20Press%20Release%20of%208th%20WD%20Annual%20Meeting\)%2014-5-2012.pdf](http://www.worlddiamondcouncil.org/download/press/2012/WDC%20Press%20Release%20(Concluding%20Press%20Release%20of%208th%20WD%20Annual%20Meeting)%2014-5-2012.pdf)>.

<sup>19</sup> Haufler V, 'The Kimberley Process Certification Scheme: An Innovation in Global Governance and Conflict Prevention', *Journal of Business Ethics*, 89, 2010, pp. 403-416. Kantz

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<sup>20</sup> Hoffberth M *et al.*, 'Multinational Enterprises as "Social Actors"-Constructivist Explanations for Corporate Social Responsibility', *Global Society*, 25, 2, 2011, pp. 205-225, p. 211.

<sup>21</sup> Eligon J, 'Global Witness Quits Group on "Blood Diamonds".' *New York Times*, 5 December 2011.

<sup>22</sup> Kimberley Process Certification Scheme. *Core Document*. Kimberley Process Certification Scheme, 2012. <<http://www.kimberleyprocess.com/en/kpcs-core-document>>.

<sup>23</sup> Global Witness. *Return of the Blood Diamond, the deadly race to control Zimbabwe's new-found diamond wealth*. London: Global Witness. 2010.  
<[http://www.globalwitness.org/sites/default/files/pdfs/return\\_of\\_blood\\_diamond.pdf](http://www.globalwitness.org/sites/default/files/pdfs/return_of_blood_diamond.pdf) >

<sup>24</sup> Illicit diamonds additionally include those stolen or smuggled, undeclared for tax evasion, used for money laundering and other crimes.

<sup>25</sup> Amnesty International and Global Witness, *Déjà vu, Diamond Industry Still Failing to Deliver on Promises*, London: Amnesty International and Global Witness, October 2004.

<sup>26</sup> *Ibid.*

<sup>27</sup> Kantz C, 'The Power of Socialization: Engaging the Diamond Industry in the Kimberley Process'. *Business and Politics*, 9, 3: 2007, pp. 1-20, p. 8

<sup>28</sup> Portland is known as a liberal city within the United States (For example, in a 2005 Center for Voting Research poll, Portland ranked no. 29 of 237 on the nation's most liberal cities (with populations over 100,000) list. *Portland Business Journal* 11 August 2005 <http://www.bizjournals.com/portland/stories/2005/08/08/daily30.html>. Portland also has more unaffiliated voters than registered Republicans. *The Oregonian*, 6 May 2012 "Politics of Place: A distinctive Liberalism Guides Low-Profile Portland Legislative Races" Jeff Mapes [http://www.oregonlive.com/politics/index.ssf/2012/05/politics\\_of\\_place\\_a\\_distinctiv.html](http://www.oregonlive.com/politics/index.ssf/2012/05/politics_of_place_a_distinctiv.html)). These two characteristics make Portland a good candidate for a survey on knowledge of jewelers' obligations under the KPCS and System of Warranties.

<sup>29</sup> Amnesty International and Global Witness, *Déjà vu, Diamond Industry Still Failing to Deliver on Promises*, London: Amnesty International and Global Witness, October 2004, p. 4.

<sup>30</sup> Of those jewelers listed within the 2012/13 Yellowbook, only those with Portland addresses, rather than addresses in surrounding towns and suburbs, were included. This was to confine the pool of possible jewelers to Portland itself as it is noted that the further outside Portland you go, the more mixed the political spectrum is<sup>30</sup>. Jewelers without an address were excluded. In addition, only two branches of chain jewelry from two different parts of Portland were included

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in the survey. Finally, any jeweler with the following words in its name was eliminated: "buyer" "piercing" "auction" "body" "pawn" "loan" "exchange" "trade".

<sup>31</sup> Two phrases were searched on the Google search engine: 'diamond jewelry stores' and 'online diamond retailers.' From these searches, a list was generated from the first ten pages of results for the first search and the first twenty pages of results from the second search

<sup>32</sup> Different authors utilize the terms Multinational Corporations, Transnational Corporations, and Multinational Enterprises to represent the same entities: those corporate actors that operate across multiple states and that often operate outside international governance structures.

<sup>33</sup> Fritsch S, 'The UN Global Compact and the Global Governance of Corporate Social Responsibility: Complex Multilateralism for a More Human Globalisation?', *Global Society* 22, 1, 2008, pp. 1-26.

<sup>34</sup> Fritsch S, 'The UN Global Compact and the Global Governance of Corporate Social Responsibility: Complex Multilateralism for a More Human Globalisation?', *Global Society* 22, 1, 2008, pp. 1-26. Palacios J, 'Corporate Citizenship and Social Responsibility in a Globalized World', *Citizenship Studies*, 8, 4, 2004, pp. 383-402.

<sup>35</sup> Palacios J, 'Corporate Citizenship and Social Responsibility in a Globalized World', *Citizenship Studies*, 8, 4, 2004, pp. 383-402, p. 398.

<sup>36</sup> Haufler V, 'The Kimberley Process Certification Scheme: An Innovation in Global Governance and Conflict Prevention', *Journal of Business Ethics*, 89, 2010, pp. 403-416, p. 413-14, p. 410.

<sup>37</sup> Haufler V, 'The Kimberley Process Certification Scheme: An Innovation in Global Governance and Conflict Prevention', *Journal of Business Ethics*, 89, 2010, pp. 403-416, p. 404.

<sup>38</sup> Bieri F & J Boli, 'Trading Diamonds Responsibly: Institutional Explanations for Corporate Social Responsibility' *Sociological Forum*, 26, 3, 2011, pp. 501-526, p. 505.

<sup>39</sup> Ruggie J, 'Reconstituting the Global Public Domain-Issues, Actors, and Practices', *European Journal of International Relations*. 10, 4, 2004, pp. 499-533. p. 518.

<sup>40</sup> Haufler V, 'The Kimberley Process Certification Scheme: An Innovation in Global Governance and Conflict Prevention', *Journal of Business Ethics*, 89, 2010, pp. 403-416, p. 413-14.

<sup>41</sup> Palacios J, 'Corporate Citizenship and Social Responsibility in a Globalized World', *Citizenship Studies*, 8, 4, 2004, pp. 383-402, p. 398-99.

<sup>42</sup> See, for example, Smilie, I. *Paddles for Kimberley: An Agenda for Reform*. Ottawa: Partnership Africa Canada, June 2010 and Gooch, C. *Why we are leaving the Kimberley*

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*Process-A message from Global Witness Founding Director Charmian Gooch.* Global Witness Press Release, 5 December 2001.

<sup>43</sup> Ian Smilie withdrew from Partnership Africa Canada over Marange, stating that “African governments, particularly South Africa, seem completely unwilling to challenge Zimbabwe.” See McClearn M, ‘Blood Diamonds are forever’, *Canadian Business*, 83,13/14, 2010, pp. 59-65. Zimbabwe also argued that the NGOs should be kicked out of the KPCS meetings for interference in state affairs. See ‘Eject civic NGOs from the KPCS’, *The Herald*, 2 October 2011, <http://www.herald.co.zw/eject-civic-ngos-from-the-kpcs/>.

<sup>44</sup> Izhakoff E, *Kimberley Process is a Means to Sustainable Development*. Speech to the Intercessional Meeting of the Kimberly Process. Washington, D.C. 4 June 2012. <<http://www.kimberleyprocess.com/en/system/files/documents/2012%20Plenary%20Izhakoff%20Opening%20Speech.pdf>>

<sup>45</sup> Izhakoff E, *Kimberley Process serves both consumers and producing nations, says Eli Izhakoff to WDC Annual Meeting in Tel Aviv*. Speech to the World Diamond Council Annual Meeting. Tel Aviv. 6 May 2013. <[http://www.worlddiamondcouncil.org/download/press/2013/WDC%20Press%20Release%20-%20Text%20of%20WDC%20President's%20address%20\(6-5-2013\).pdf](http://www.worlddiamondcouncil.org/download/press/2013/WDC%20Press%20Release%20-%20Text%20of%20WDC%20President's%20address%20(6-5-2013).pdf)>

<sup>46</sup> Milovanovic G, *KP Chair Updates Vision Statement, Seeks Comment By Aug. 24* Speech to the Intercessional Meeting of the KPCS, 10 August 2012. <<http://www.diamonds.net/News/NewsItem.aspx?ArticleID=40843&ArticleTitle=KP+Chair+Updates+Vision+Statement%2C+Seeks+Comment+By+Aug.+24>>

<sup>47</sup> Kimberley Process Certification Scheme, *Final Communique*, Johannesburg: Kimberley Process Plenary Meeting, 22 November 2013. <<http://www.kimberleyprocess.com/en/system/files/documents/Johannesburg%20Plenary%20Communique%202013.pdf>>

<sup>48</sup> Mangudhla T, ‘Zimbabwe: Kimberly Process Conflict Diamond Debate Mounts’, *Zimbabwe Independent*, 10 May 2013. <<http://allafrica.com/stories/201305101338.html>>

<sup>49</sup> Kimberley Process Certification Scheme, *Final Communique*. Washington, D.C.: Kimberley Process Plenary Meeting. 30 November 2012. <<http://www.eisourcebook.org/cms/Jan%202013/Kimberley%20Process%202012%20Washington%20Declaration.pdf>>

<sup>50</sup> Hoffberth M *et al.*, ‘Multinational Enterprises as “Social Actors”-Constructivist Explanations for Corporate Social Responsibility’, *Global Society*, 25, 2, 2011, pp. 205-225, p. 217.

<sup>51</sup> Fritsch S, ‘The UN Global Compact and the Global Governance of Corporate Social Responsibility: Complex Multilateralism for a More Human Globalisation?’, *Global Society* 22,

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1, 2008, pp. 1-26. Palacios J, 'Corporate Citizenship and Social Responsibility in a Globalized World', *Citizenship Studies*, 8, 4, 2004, pp. 383-402.

<sup>52</sup> Smilie, I, *Paddles for Kimberley: An Agenda for Reform*. Ottawa: Partnership Africa Canada, June 2010.

<sup>53</sup> In 2011, 124 million carats of rough diamonds valued at \$15 billion were mined. Once out of the ground, the rough stones moved through the diamond pipeline—a value chain that runs from dealers to cutters and polishers to jewelry manufacturers to retail stores and consumers. The value-added along the way is impressive, as \$15 billion in rough diamonds becomes \$24 billion in polished diamonds, which in turn goes into diamond jewelry with a resulting retail value of \$71 billion. Bain and Company, *The Global Diamond Industry, Portrait for Growth*. Antwerp: Bain and Company and Antwerp World Diamond Center Foundation, 2012, pg. 4.

<sup>54</sup> Bain and Company *The Global Diamond Industry, Portrait for Growth*. Antwerp: Bain and Company and Antwerp World Diamond Center Foundation, 2012.

<sup>55</sup> *Diamonds in the Rough Human Rights Abuses in the Marange Diamond Fields of Zimbabwe*, New York : Human Rights Watch, 2009.

<sup>56</sup> Bieri F & J Boli, 'Trading Diamonds Responsibly: Institutional Explanations for Corporate Social Responsibility' *Sociological Forum*, 26, 3, 2011, pp. 501-526, p. 504.