

'Everyone is lying': Exposing the global diamond trade

Review of 'Blood on the Stone'

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Ian Smillie's new book on conflict diamonds in Africa 'tells the story of a small group of international actors taking on the most powerful forces and institutions on the planet'. Exposing the 'dilemmas and fault lines of international social justice action, in a deeply intimate and detailed fashion', it 'relates an important chapter in the long struggle for global corporate accountability in the resource extraction sector,' writes Brian K. Murphy.

Few issues are contested today as actively and profoundly as the impact of uncontrolled resource extraction on the development (and underdevelopment) of nations and peoples. An ever-deepening resistance has formed on a wide front locally and globally to challenge the systematic human exploitation that flows from the interaction among the structures of international capital (corporations, and their bankers), militarism, and the security state.

'[Blood on the Stone: Greed, Corruption and War in the Global Diamond Trade](#)', Ian Smillie's new book on conflict diamonds in Africa, is an important window into what is at stake in this contest. It tells the story of a small group of international actors taking on the most powerful forces and institutions on the planet. As the context and ground of global politics shifts, seemingly almost moment to moment, the strategies and gambits of the protagonists are forced to shift and shuffle along with them. Caught up in his narrative, we experience the pitch and roll of international advocacy in full flight.

The story and Smillie's telling of it exposes the dilemmas and fault lines of international social justice action, in a deeply intimate and detailed fashion. And in its unfolding we glimpse the limits of the prevailing paradigms of international institutional social justice advocacy. It can be read as an inspirational story of trial and triumph, or as a cautionary tale; in fact it is both, and worth studying on both counts.

'Blood on the Stone' describes the ins and outs of one of the most ignominious industries in the world and the role that this industry played in African wars that took an estimated four million lives, dislocated millions more, and undermined the economies and very social fabric of Angola, the Congo, Liberia and Sierra Leone. Smillie makes clear that these wars were not so much about diamonds – which is often the public impression – as fuelled and funded by them:

'These wars might or might not have happened without diamonds, but they never would have been so brutal, would never have taken so many lives, would never have attended the destruction of so much infrastructure and humanity had there never been diamonds.' [196]

This is the history of competing interests struggling over a hundred years to monopolise and dominate a fantastically lucrative trade that was and remains inherently corrupt, and corrupting. It relates how the interplay and intrigue among a global corporate cartel, self-interested governments – north and south – despots and guerilla leaders, organised criminals and, ultimately, warlords and other associated sociopaths, allowed country after country to descend into anarchy and war fuelled by diamonds. The book describes how the diamond pipeline functions, as raw stones are (still) moved from war-torn Africa to discrete wholesale establishments on the staid thoroughfares of Antwerp, and on to the glitz of luxury retailer salons in capitals around the world.

Early on in the conflict diamond campaign, Smillie was invited to serve on a five-person UN Security Council Expert Panel investigating the links between illicit weapons and the diamond trade in Sierra Leone, and West Africa more generally. His book is enlivened by his experience in this investigation. Smillie's intimate knowledge of the published and unpublished findings of his own panel, and other related reports from the UN and from independent NGO investigators, allow him to bring fresh and intimate details concerning the complex roots, protagonists and trajectories of the conflicts examined. The narrative takes us not only to the capitals and remote frontiers of the African countries at war, but to the murky terrain of corporate and government intrigue in South Africa and Israel, Russia and India (India alone, we learn, accounts for 90 per cent of global diamond processing, its single largest export). It takes us to Venezuela and Brazil, countries also deeply implicated in the illicit global diamond trade, as well as into the world of insurrectional Islam, the struggles among various Palestinian factions and their backers in Syria and Iran, and to the realm of Muammar Gaddafi and his shadowy 'World Revolutionary Headquarters' in Benghazi.

'Blood on the Stones' unfolds with the pace of a John le Carré thriller. The language is clear and direct; every sentence is information. At times – when relating what Smillie and his colleagues experience in investigating first-hand the wars and the crimes of the butchers and paymasters – it has (appropriately) the subtlety of whiplash.

At one point Smillie reveals that he 'began to think that we should title our report to the Security Council, "Everyone is lying"'. In the course of the book he exposes the lies, and elaborates what he sees as an approximation of the truth. The lies are familiar. Less familiar is this version of the approximate truth, and the book is valuable if just for that.

The heart of the book is its telling first hand of an NGO campaign that from humble beginnings in 1998 eventually captured the world's attention and forced the industry and more than 50 governments to create a global certification system – the 'Kimberley Process' – whose stated goal was to prevent the continued circulation of illicit 'blood diamonds' into the retail trade. It was a campaign that began modestly in a couple of action-research projects launched independently but more or less simultaneously by two groups at the time unknown to each other: Global Witness in the UK, which in 1998 carried out a ground-breaking study on the effects of diamonds in the conflict in Angola; and Partnership Africa Canada, where Smillie was based, which in early 1999 began a similar study of the role of diamonds in the brutal conflagration in Sierra Leone.

The two efforts quickly found each other and became allies in an increasingly ambitious initiative that perhaps more than any other effort defined international NGO

policy action on Africa in the public mind during the first years of the 2000s. A process that began with two teams of three people each working in isolation with few resources save their own time and energy, ultimately became a critical global movement. At its peak the coalition was supported by over 200 organisations mobilised to prod and push and finally – with concerted political pressure and audacious public awareness tactics – shove a multitude of corporations, governments, UN bodies and international institutions into action that they resisted with a complacent and banal doggedness that still astounds, even though we have seen it so often.

Blood on the Stone concludes with an assessment of the certification system as it developed and has been applied, and that soon became a dysfunctional hostage to diverse material and national interests, politics, venality and bureaucratic incompetence. Although tentative, and too brief, this section bears close reflection.

The conflict diamonds campaign unfolded within the framework known as CSR – Corporate Social Responsibility – a framework that emerged full-blown in the 90s and thrives today even as it is increasingly challenged on the margins of civil society social justice action. The strategies and tactics employed throughout the campaign were largely bound by the polite fiction that corporations are at the very least benign, and in general a positive force in ‘development’ (read: ‘economic growth’). In this fiction, occasional malfeasance is an aberration within a norm of good corporate citizenship and social responsibility.

The story that Smillie relates is paradigmatic in revealing the coarser reality. Corporate crime – legal and illegal – is not at all an aberration; it is a norm. The story of the illicit diamond trade which funded and fuelled the so-called diamond wars of Africa, is a story of organised crime, involving a conspiracy among legally-constituted corporate entities and constitutional governments, and ‘irregular’ entities in the form of criminal cartels, local gangs, militias, and rogue military rulers and despots. Much of this activity contravened national laws, international laws, international conventions, and universal human mores. It extended beyond diamond smuggling, to illegal trade in weapons, and the enslavement and trafficking of human beings. Wholesale murder and torture on an almost unimaginable scale prepared the ground, and terror greased the wheels.

Smillie writes:

‘By ignoring, condoning and even participating in the corruption of countries like the Congo, Sierra Leone and Angola, the better parts [sic] of the industry had allowed a long-standing infection to go septic. By ignoring tax evasion and the use of diamonds for money laundering, the industry only encouraged it. By hiding details of their contracts with, and payments to corrupt governments, they abetted graft and embezzlement. By pretending for years that diamonds had nothing to do with the worsening conflicts in Africa, they provided tacit and tangible support for terrorism, human rights abuse, state collapse and death.’ [161]

Nor does he ignore that this complicity extended beyond the corporations involved. Elsewhere he writes:

‘...it was no secret to the diamond industry that major exporting countries like Liberia and the Republic of Congo produced no diamonds worthy of the name. The traders who bought diamonds from these impoverished developing countries knew beyond doubt they were dealing in goods that were stolen, smuggled or used for tax evasion. Belgian import authorities and those in other countries like Israel and the United States had to know they were aiding and abetting corruption and criminal behavior. The World Bank, the IMF, other lenders and donor agencies examining the accounts of these countries also knew that something was wrong. Yet nobody said a word about it. Ever.’ [127-28]

As the campaign described in ‘*Blood on the Stones*’ evolved, and the grim facts of the conspiracy and the intransigence of the protagonists became unavoidably clear, so did the duplicity of the process become stark, as did the limitations of the CSR approach of self-regulation and voluntary remediation. Smillie discusses the dilemmas and the debates and explains how the negotiation process unfolded, and why the bets that were made, were made. He is frank in his assessment of the results, and offers his own brief reading of what would be required to begin to set it right. What Smillie does not say is that on the basis of the conclusions explored in this book, he ultimately resigned from active involvement in Kimberly in May 2009. The letter he wrote to colleagues in the Kimberly Process at that time has not been published, but excerpts appeared in an article in ‘[Diamond Intelligence Briefs](#)’[1] and is worth reading as an addendum to this story.

Smillie currently chairs the Diamond Development Initiative, a complex and ambitious project in support of African artisanal miners. Its outlines began to emerge in 2006 even as Smillie and others were struggling with the limits of what they had achieved in fomenting global scrutiny of the diamond industry and its inglorious contribution to a terrible human tragedy. The book ends with a very brief discussion of this new initiative, and the hopes that some have vested in pioneering an alternative route to transforming this tragedy into a legitimate and transparent diamond trade that contributes to local livelihood and development. The course of this experimental initiative will itself bear critical scrutiny, given the antecedents and challenges documented in this book.

At the same time, other elements in the larger movement to constrain the license of the resource extraction industry worldwide are beginning to move beyond the norms of the Corporate Social Responsibility discourse. The goal is finally to bring into force transparency and strict regulation of an industry too long cocooned in an environment of lawlessness and impunity. In Canada, for example, a broad civil society movement has successfully brought before the Canadian Parliament a private member’s bill, ‘[Bill C-300. An Act Respecting Corporate Accountability for the Activities of Mining, Oil or Gas Corporations in Developing Countries](#)’. While the fate of this bill remains tenuous in a highly polarised political environment dominated by a Conservative minority government that opposes the legislation, it has galvanised as never before public debate in Canada on corporate behaviour and accountability in the resource sector.

‘*Blood on the Stone*’ relates an important chapter in the long struggle for global corporate accountability in the resource extraction sector. And the story continues...

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* ‘[Blood on the Stone: Greed, Corruption and War in the Global Diamond Trade](#)’ by Ian Smillie is published by Anthem Press, London & New York, in cooperation with the International Development Research Centre, Ottawa, 2010. (Paperback ISBN: 978 0 85728 947 6, e-book ISBN: 978 1 55250 498 7)

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* Please send comments to editor@pambazuka.org or comment online at [Pambazuka News](#).

NOTES

[1] Chaim Even-Zohar, ‘PAC’s Smillie Casts Final ‘No Confidence’ Vote in KP and Goes Home’, *Diamond Intelligence Briefs Online*, 28 May 2009; available at: <http://www.diamondintelligence.com/magazine/magazine.aspx?id=7895>