

Kimberley Process and the Interdependence in the Global System

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In its attempt to contain the entry of blood diamonds/conflict diamonds into the international diamond markets, the Kimberley Process represents an important case of complex interdependence that we see in the world. It shows how various stakeholders, representing a variety of state and non-state actors, come together to collaborate to achieve what they cannot acting alone.

THE term 'interdependence' captures the essence of globalization phenomena and denotes the reality of the interconnected world today. Global problems require global solutions and since they are beyond the control of any single entity, state or non-state, it requires these entities to cooperate with each other. In their pursuit for finding the best form of global governance or resolving a problem, nations and non-state actors come together to collaborate to create structures and systems to find mutually acceptable and

effective solutions. The issues that are at the forefront today, be it trade, investments, finance, climate, energy, nuclear proliferation, terrorism, health, or security, are all global in nature and thus can only be addressed through global governance structures involving a multiplicity of actors.

While the realists see the world system as a zero-sum game in an anarchic milieu in which there is a struggle for power, the liberals, on the other hand, view it as a positive-sum game in which there is a potential to attain global cooperation based on the values of democracy, liberty, free trade, and equality. Liberalism provides the necessary wherewithal and ideological foundations for creating effective and acceptable global governance structures. The President Woodrow Wilson's 14 Points and the League of Nations in the interwar period were all born out of the liberal ideals (LSE, 2021:7), as also the United Nations, Bretton Woods institutions, the multilateral framework of international trade, and several others in the postwar period. Liberal's vision of global governance in today's world is best

represented in the Pluralist's interpretation and in the concept of 'complex interdependence' as put forward by Robert Keohane and Joseph Nye (Keohane & Nye, 1977). The engagement of a myriad of state and non-state actors in international relations is now a norm.

The web of complex interdependence in the world order is aptly demonstrated in the Ottawa Convention (Mine Ban Treaty) resulting from an intense collaborative effort of several state and non-state actors in which 164 countries have made a commitment to ban anti-personnel landmines (UN Treaty Collection, n. d.), Paris Agreement on Climate Change adopted by 196 parties in which they made a commitment to combat climate change by limiting Greenhouse gas emissions (UN Climate Change, n. d.), and the Kimberley Process (KP) involving a certification scheme to prevent the flow of rough diamonds used by rebels to finance armed conflicts against legitimate governments (Kimberley Process, n. d.).

Global issues require global governance structures and while international organizations are

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themselves facilitator of global governance, the non-state actors that engage in the process these days also have a global reach as in the case of global civil society and NGOs and the MNCs. The Kimberley process is an interesting case study in complex interdependence amongst various state and non-state actors for a cause that cannot be handled by any state acting alone.

It's a bit ironical that something which should have created immense wealth for the poor west and central African countries actually ended up becoming 'blood diamonds' and 'conflict diamonds' and which then necessitated a concerted effort by the various state and non-state actors to contain the crisis. It could be done with relatively higher degree of success in some cases and with lesser success in others as, for example, in Ivory Coast (KP, n.d.).

Diamonds business entails a global supply chain and since the different components of this chain are spread across various countries, there is huge amount of international trade in rough, processed, and finished product. All the stakeholders are connected with each other through this supply chain. A problem arising at any stage can cause ripple effects and it is therefore obvious that if there is a problem at the initial rough diamond stage, it can be resolved only by involving all others down the chain and other stakeholders in the ecosystem. This is what we see in the complex interdependence of the Kimberley Process (KP). Interestingly, KP is not an organization in legal terms,

it defines itself on its website as "a process uniting government, civil society, and the wider industry". It has a heading "united in eradicating conflict diamonds" on its home page (KP, n.d.).

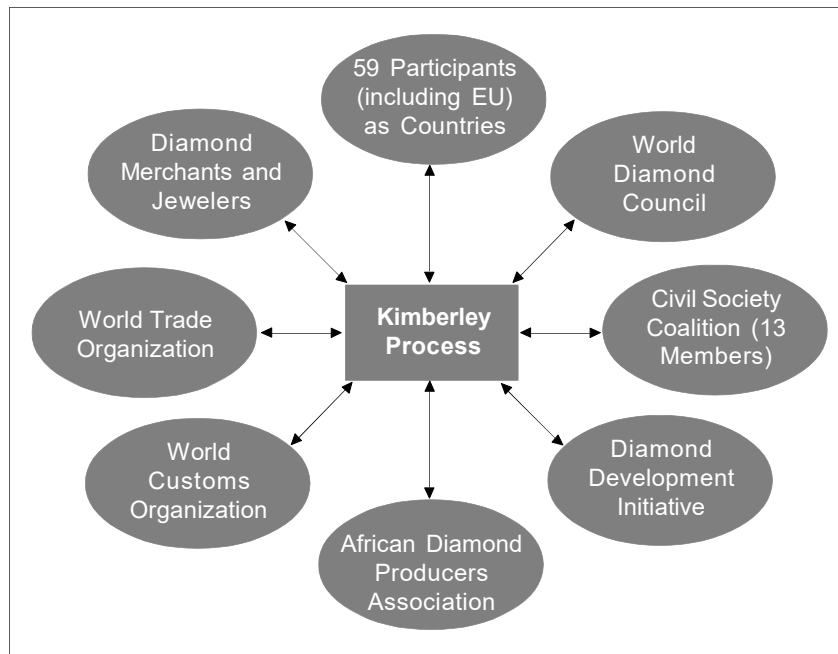
While preventing access of rough diamonds to the unauthorized entities is a state function, Kimberley process works with the objective of preventing conflict diamonds gain access to the international markets of rough diamonds. In doing so it denies the perpetrators of armed conflicts the finance they need to wage wars, but it also has to ensure that legitimate trade in rough diamonds does not get affected. Kimberley Process has been working with the United Nations (UN) and the countries in the region to stop illegitimate diamonds entering the legal market. To ensure that only legitimate rough diamonds enter the supply chain, it runs a certification scheme (KPCS) that separates the legitimate rough diamonds from the illegitimate ones.

It regulates the flow of diamonds down the value chain by permitting rough diamond trade only amongst the 85 Kimberley member countries and by not allowing these member countries to do trade with non-member countries. It ensures this through a secure Kimberley certificate that accompanies the legitimate diamonds throughout the value chain. This restricts the entry of blood diamonds into the system. Further, because movement of diamonds across the countries is facilitated through international trade and that the

diamonds can gain entry in a country only through customs, it becomes necessary to seek support of the World Trade Organization (WTO) and the World Customs Organization (WCO). WTO has supported the system by providing a waiver for trade measures on Conflict Diamonds without which the Kimberley restrictions imposed by the importing countries would be violation of its rules (WTO News, 2003). In an agreement entered into in 2011, WCO agreed to provide training to the Customs officials on the smuggling of 'conflict' diamonds and the technical aspects of the country-of-origin and the Harmonized System (HS Nomenclature*) governed by the Convention on the Harmonized Commodity Description and Coding System (WCO, 2012). WTO, WCO, the UN, and the European Union (EU) as a member of KP are the important international and regional organizations involved in the system. The Figure 1 gives a fairly good idea of the collaborative arrangement it entails.

There are human rights issues connected with the Blood diamonds for the kind of treatment that is meted out to the workers (including the child labour) in the diamond fields or for that matter even in the manner in which some states have treated the workers as in case of Zimbabwe (Friends of Earth International, 2017). KP may not have succeed in bringing justice to the people in Zimbabwe but has achieved fairly good success in restricting conflict diamonds in countries like Sierra Leone, Angola, Liberia, and the

FIGURE 1
GRAPHICAL REPRESENTATION OF COMPLEX INTERDEPENDENCE
IN THE KIMBERLEY PROCESS



Democratic Republic of Congo. KP is now responsible for stemming 99.8 per cent of the global production of conflict diamonds (Kimberley Process, n.d.). It has some limitations in terms of lack of control over illegitimate rough diamonds getting smuggled out and moving in non-participating countries, yet the kind of ecosystem and the network of state and non-state actors it has built around itself is a demonstration of the great potential of the institutions formed on liberal ideals.

Conflict of Interest

The author declares that they have no conflicts of interest.

NOTES

¹ * HS Code 7102.10, 7102.21, and 7102.31 fall under the Kimberley Process.

² World Diamond Council (WDC): WDC is the industry representative in the Kimberley Process. WDC developed a 'System of Warranties (SoW)' in 2002 (launched in 2003), updated in 2020 (launched in 2021), as an industry self-regulation system, that complements KP. SoW requires a warranty statement on B2B invoices assuring the buyer that diamond originated from the sources in compliance with the Kimberley Process Certification Scheme. The 2021 upgraded SoW, in addition to KP compliance, also requires that the diamonds were handled with responsible business practices related to human rights, labour rights, anti-money laundering, and anti-corruption.

³ Civil Society Coalition (CSC): Kimberley Process Civil Society Coalition represents civil society

as an observer of the Kimberley Process. Most of the members come from diamond producing African countries and they strive to improve diamond sector governance in their home countries. There is one Belgian member representing the main rough diamond trading hub in the world.

⁴ Diamond Development Initiative (DDI): is an initiative that brings together civil society, governments, and the private sector in a concerted effort. DDI compliments the Kimberley Process.

⁵ African Diamonds Producers Association (ADPA): It works for the cooperation, adoption of harmonized legal systems, sharing of information, and mutual technical assistance between the member countries on mining, production, cutting, and polishing of diamond.

⁶ WDC, CSC, DDI, and ADPA have the observer status in the Kimberley Process.

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