Write a one-page paper on Africa's "dirty diamonds" also known as blood diamonds. Your paper should explain what they are and what troubles they have brought to this region. It should also explain what has/is being done to deal with the problem including the Kimberley Process. Include references.

"Diamonds are a girl's best friend," sang Marilyn Monroe. *Diamonds Are Forever* proclaimed the title of a James Bond Film. Another film did not have such an endearing name: *Blood Diamond*. This film tells part of a sordid story about diamonds: as recently as 2004, as much as 15 percent of the world's annual production of rough diamonds was made up of **dirty diamonds** (also called "conflict diamonds" and "blood diamonds"), defined by the United Nations as "rough diamonds used by rebel movements or their allies to finance conflict aimed at undermining legitimate governments." Gems of such questionable origin financed at least three African wars. But diplomatic, nongovernmental, and business efforts have largely stemmed the tide of Africa's dirty diamonds.

In 2002, following four years of negotiations, 45 countries endorsed a UN-backed certification plan, called the **Kimberley Process**, designed to ensure that only legally mined rough diamonds, untainted by violence, reach the market. Rough diamonds must be sent in tamper-proof containers with a certificate guaranteeing their origin and contents. The importing countries (the biggest of which are China and India) must certify that the shipments have arrived unopened, and reject any shipments that do not meet the requirements. Only countries that subscribe to the Kimberley Process are allowed to trade in rough diamonds.

Corporate interests and consumer ethics have cleaned up the diamond trade. Diamond certification has been spearheaded by the world's leading diamond company (with about two-thirds of the market), the South African-based multinational De Beers. De Beers was embarrassed by a report that it had bought $14 million worth of diamonds from Angolan rebels in a single year. Perceiving that a public relations debacle could lead to a business disaster, as happened with an organized boycott against fur products in the 1980s, De Beers seized the initiative. In the name of Africa's welfare, but certainly also as a means of increasing demand and profit, De Beers introduced **branded diamonds**, certified as coming from nonconflict areas. Other diamond companies followed suit, especially in an effort to please Americans, who buy 40 percent of the world's diamonds.

Diamonds are not the only potentially "dirty" African mining products; "conflict metals" or "conflict minerals" are discussed on **page 439**. And outside the mining sector, there have been efforts to certify a legal trade in stockpiled and confiscated ivory, but as we have seen, these have so far proved unsuccessful.

Surging commodity prices of natural resources do not establish a sustainable foundation for development. In fact, dependence on primary commodity exports is associated with three problems that sustain underdevelopment: economic shocks related to volatile commodity prices, poor governance, and a high incidence of civil war.[19] These deter investment and the kind of economic diversification that ideally should include manufacturing and services.

The tide of globalization that swept the world between about 1980 and 2000 changed the structure of developing country exports profoundly. In 1980, 75 percent of LDC exports were primary commodities, but by 2000, 80 percent were manufactured goods. LDCs generally broke loose of their dependence on primary commodities—but not the African countries. Sub-Saharan Africa has been the last world region to be part of this transformation, and we need to see whether African countries can succeed in joining the global market for manufactures or secure a footing with profitable service sectors. 61

Economist Paul Collier did a statistical analysis of the relationship between primary commodity dependence and the risk of civil war. He found that in any given five-year period, countries not dependent upon primary commodity exports had only a 1 percent risk of civil war, whereas


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• **Figure 9.19** The Kiambethu tea farm is just 20 miles from Nairobi in Kenya's beautiful highland country. Kenya's economy is highly dependent on exports of tea and coffee. Over-reliance on cash crops and other raw materials makes many Sub-Saharan African countries vulnerable to price swings in the global economy.