

The logo for The Economist, featuring the words "The Economist" in white serif font on a red rectangular background.

Zimbabwe and its diamonds Forever dirty

Robert Mugabe is being favoured once again, to the detriment of his people

Jun 30th 2011 | HARARE | from the print edition

2

THE Kimberley Process (KP) is in danger of collapse. Set up in 2003, the system is supposed to end the trade in "blood diamonds" which illicitly finance civil wars. But its Congolese chairman has unilaterally decided to let sales from Zimbabwe's disputed Marange diamond fields resume. America, the European Union, Canada and Israel are hotly contesting the move. Rulings by the 49-member body, representing 75 diamond-producing and -trading countries, are supposed to be unanimous.

Ever since diamonds were first discovered in a 60,000-hectare site in Marange in eastern Zimbabwe in 2006, reports of killings, torture, corruption, bribery, looting, smuggling and political skulduggery have been rife. The stakes are enormous. Tendai Biti, Zimbabwe's finance minister, has described the field as "the biggest find of alluvial diamonds in the history of mankind". Potential revenue has been estimated at \$1 billion-2 billion a year. One mining expert involved in the area reckons it is "much, much more". The IMF put Zimbabwe's entire GDP last year at \$7.5 billion.

Following the announcement of the find by a London-registered company, African Consolidated Resources (ACR), tens of thousands of locals and foreigners rushed to the area to try their luck. Diamonds were being scooped up by the handful. President Robert Mugabe's ruling Zanu-PF party quickly moved to claim the fields as its own, cancelling ACR's prospecting rights and sending in the army to oust the panners and local inhabitants and to seal off the area. At least 200 people were killed, many of them by bullets fired from army helicopters. Some evicted civilians were then forced back by soldiers to mine the diamonds for a pittance.

In the face of growing reports of human-rights violations, the KP imposed a ban on all further sales of Marange diamonds. But production, mainly by two South African outfits in joint ventures with the Zimbabwean government, continued. By June last year 4.6m carats, worth \$1.7 billion—money the cash-strapped government sorely needed—had been stockpiled. A month later, following a report by KP's monitor, Abbey Chikane, a South African, claiming that Zimbabwe was now fully complying with KP rules, two small sales of Marange diamonds were permitted, though no more since then.

On June 24th, however, at the end of a four-day KP meeting in Congo, the body's chairman, Mathieu Yamba, announced that the two Zimbabwean-South African joint ventures, Mbada Diamonds and Marange Resources, could resume diamond sales. NGOs, who have continued to monitor the disputed fields, are aghast. They say that human-rights abuses, smuggling and other blatant breaches of KP's rules are still going on, with most of the proceeds going into the pockets of army leaders and Zanu-PF bigwigs. Mr Biti says the Treasury has seen barely a cent.

Western members of the KP insist that Mr Yamba's announcement, not having been approved by the required consensus, is invalid. They, together with the World Diamond Council, are asking international diamond traders not to touch Marange diamonds. But they may not be able to stem the flood of illicit gems pouring out of Zimbabwe, to be snapped up in Bahrain, China, India and Lebanon, among others. Many poor countries have long regarded the KP as a plot by Western countries to control the diamond trade—and thereby prices. This could sound its death knell—and help Mr Mugabe keep himself and his party afloat.

from the print edition | Middle East & Africa

[About *The Economist* online](#) [About *The Economist*](#) [Media directory](#) [Staff books](#) [Career opportunities](#) [Contact us](#) [Subscribe](#)

[\[+\] Site feedback](#)

Copyright © The Economist Newspaper Limited 2011. All rights reserved. [Advertising info](#) [Legal disclaimer](#) [Accessibility](#) [Privacy policy](#) [Terms of use](#)

[Help](#)