

# SPECIAL REPORT

Coloured Stone Commission



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## The ethical sourcing of coloured gemstones requires focusing on the welfare of workers

**By Nilam Alawdeen, President  
CIBJO Coloured Stone Commission**

The “ethical” sourcing of coloured gemstones is a continuing theme in our industry. It was a subject of our commission’s Special Report in 2015, and it is again in 2016. This year we approach the issue from a somewhat different perspective, which is the welfare of workers employed in our sector.

Unlike many other industries, ours has existed

for more than 1,000 years, especially in some of the producing countries. For the most part, its participants have been very small enterprises, of which most operated “ethically” and “responsibly,” according to their understanding and the knowledge and practices that existed during their particular times in history. Of course, there most likely were some who did not act appropriately, as indeed some do not today, but surely they were few and not considered mainstream.



The fact that common elements of “ethics” and “responsibility” existed was not coincidental. In producing countries, gatherings and guilds taught good practices and provided information. These were the ways working societies regulated and organised themselves.

The instances of poorer working conditions and the disregard for the wellbeing of workers in producing countries has been a characteristic of more recent times, and is often the result of exploitation and a disregard for “fair trade” practices in consuming centres. For this we bear a greater share of the responsibility.

The current interest in consuming markets regarding the welfare of workers in producing areas is to be lauded and certainly encouraged. However, we should keep in mind that the main priority and responsibility of for-profit entities is the ensuing financial benefit for their shareholders. This is understandable, but the potential for corporate profit to come into conflict with the long term interests of producing countries will always exist. Good public relations translating into better sales can be a double-edged sword.

### **Workers the missing link in traceability systems**

Traceability through certification will not automatically solve the problems related to the welfare of workers in producing countries. If their wellbeing is a priority, would it not be more effective to encourage and fund the good work and many welfare projects that already exist? It has been pointed out in various articles that there are numerous companies in our industry worldwide that are already doing this in their own businesses and fields of influence.

A structure of audits and certification as a requirement for sourcing could be counterproductive in this industry, where millions are independently working in small units. It is a system based on the premise that you are “ethical” only if you are certified, and “unethical” if you are not. It will probably be detrimental and cause hundreds of thousands to lose their livelihood, as the majority of small companies will not be able to comply with its demands.

Workers will be at the mercy of well-funded



*Nilam Alawdeen, President of the CIBJO Coloured Stone Commission.*

entities, both domestic and international, who have the means to meet the certification requirements.

Before we ask for audits and certification as conditions for “ethical” and “responsible sourcing,” should we not first look into what we, as socially responsible entities, are doing for the producers of the materials from which we derive our profits? What percentage of our turnover or profits is constantly being returned to the producing areas for their workers’ welfare and the wellbeing of the mining communities? Should we not be subject to an audit and public ranking of CSR and Fair Trade, before we can request that as a condition of doing business with others?

Should the small miner or cutter, working many hours to feed a family and send children to school, feel gratitude for the existence of a certification system that has been demanded by high-income executives from the comfort of their offices and retail stores, or should they feel envy and sadness for the perceived exploitation of their resources?

### **Sharing the benefits with our workers**

Surely a more equitable distribution of profits will



*Charles Abouchar, Vice President of the CIBJO Coloured Stone Commission.*

help the miner and his family achieve what we are discussing. At the same time we will not forget to appreciate and commend those who are already at the forefront, practicing some form of Fair Trade as part of their corporate culture.

My mother is Japanese and I have worked all my life in Japan. My father hails from a little village in Sri Lanka, which has been cutting gemstones for centuries and still is. I am surely privileged, and at the same time humbled by the rather wide perspective this gives me on this subject. I know many who have given for generations in their communities from their profits without publicity. They are surely a source to be tapped, as I have, and are part of what I referred to earlier as projects that are already in place.

Before we start to audit and certify others, would it not be prudent to learn how we are perceived at the grassroots level of our industry, among the worker we are talking about? This might result in a more balanced and mutually beneficial solution than what is sometimes is proposed.

The international gemstone industry should be commended for taking the initiative. I do not pretend to have all the answers, but hope we can direct these valuable energies in the right direction through more discussions.

Before continuing on to the next topic, I greatly

recommend that you read a very fine article by Jennifer-Lynn Archuleta, which appeared in the Summer 2016 issue of GIA's Gems & Gemology. Entitled "The Color of Responsibility: Ethical Issues and Solutions in Colored Gemstones," it also is available online at:

<http://www.gia.edu/gems-gemology/summer-2016-color-responsibility-ethical-issues-solutions-colored-gemstones>

In a clear lucid, well researched and decidedly objective manner, Ms. Archuleta provides a third-party view, which I feel is a must-read for anyone interested in the topic. In addition, she explains the differences between the often confused concepts of Corporate Social Responsibility and Fair Trade.

### **Inconsistencies of coloured gemstone lab reports**

For generations the trade has used descriptive terms, such as "Pigeon's Blood" and "Royal Blue," to describe the colour and quality of fine rubies and blue sapphires, indicating the superior quality and rarity of such stones.

These are very subjective descriptions, without agreed upon standards for deciding what stones qualify. Nonetheless, of late members of the trade have increasingly requested that laboratories issue



*Douglas Hucker, Vice President of the CIBJO Coloured Stone Commission.*

reports with such colour descriptions, in order to help them sell these gemstones.

In the absence of agreed to standards, those using such descriptive terminology have made assumptions, based upon their individual opinions, as to what are the correct colours and/or quality parameters. They may have used historical precedents, but these are not scientific. Predictably, the practice has involved the use of a wide range of criteria, all the way from using only colour parameters, which ignore quality, to very strict colour and quality parameters.

Even if the labs' intentions are honourable, the fact is that reports are being handed to consumers with different opinions of what constitutes "Pigeon's Blood" and "Royal Blue." It is an unfortunate state of affairs, but without agreed-to standards we cannot say who is wrong and who is right.

But the consumer receiving a laboratory report with these colour descriptions reasonably thinks that the colour nomenclature "Pigeon's Blood" or "Royal Blue" is a recognized and standard quality grade.

So how do we, for whom consumer confidence and protection are our foremost priorities, solve the problem of non-consistent reports?

Should we leave the situation as it presently is? After all, we do operate in a free market, where ultimately it is the consumer who makes the final decision.

"Pigeon's Blood" was described many years ago as a color of the mind, which may mean that it can be imagined but not scientifically defined.

Or do we accept that consumers are being required to make purchasing decisions using information of which they most probably do not appreciate the full consequences? If so, should the industry create guidelines that protect the integrity of our products and our businesses, assuring the trust and confidence of our customers?

We hope to have an in-depth discussion on this subject at the 2016 CIBJO Congress in Yerevan, and look forward to your active participation, as well as listening to your valuable comments and opinions.

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