

GenevaLunch

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INTERVIEW / Real hope diamonds are traceable



Veerle Vanwauwe, founder of Transparence

Dardagny, Geneva, Switzerland (GenevaLunch) - A quiet revolution has hit the diamond industry, in Geneva. One woman with the drive and professional experience to make it happen, Veerle Vanwauwe, opened a business to show that consumers want, and therefore should have, traceable diamonds. Her company, Transparence, was launched Friday 9 November to ensure that the Kimberley Process, which was set up to regulate the rough diamond trade in conflict areas, doesn't break down at the point where diamonds move beyond the export stage. "I want to show manufacturers that it's possible to sell traceable

diamonds for a premium, that consumers are willing to pay for this," she told GenevaLunch. "My argument with them is always that if you can do it for a banana you can do it for a high-end product like a diamond."

Tracing diamonds through the entire mining to end buyer process is a key step in moving towards fair trade diamonds, she argues. "Unfortunately, there are still a lot of dubious practices out there." The Washington Post in a December 2006 article, citing Global Witness, noted that while a tiny 1% of diamonds come from conflict areas, about 20% of the world's diamonds are produced under conditions many buyers would consider unacceptable.

For Vanwauwe traceability too often disappears mid-process. Diamonds are traded as a commodity, she points out, with the Kimberley Process covering mining, export and import, but the industry does little during the second half of the process, from import to manufacturing to retail, to trace diamonds for consumers.

Transparence was born of her frustration as a consultant to the industry in Antwerp, where companies hired her to help them manage "consumer credibility" when they began to fear the damage the 2006 Hollywood movie starring Leonardo DiCaprio, "Blood Diamond" could cause, shortly before it came out. Antwerp was long the world diamond cutting centre, home to the cutters who work with giants like De Beers, a group that sells nearly half of the

world's rough diamonds. India now cuts many of the world's diamonds, but much of the high end of the market is still in Antwerp. Vanwauve produced strategic reviews in Antwerp showing that tracing diamonds and using indigenous designers would give added value, but the smaller companies said they could not afford to do it unless the larger ones did, and the large ones said consumers were not demanding it.

[**Ed. note:** Managing Director Gareth Penny of the De Beers Group in October 2007 called on the industry to support diamond cutting and polishing in Africa, saying that political stability would help safeguard the industry and future supplies.]

"I'd never worked in a world where there was such a lot of fluff!" Vanwauve says bluntly. She had moved into consulting after seven years as a marketing manager at Procter & Gamble, a job she left for a short break from work after her second of three children was born. "At P&G you always have your facts when you're marketing. You have research behind you. If you have detergent, it has to wash."

In the diamond industry, clear information to back up marketing claims often simply does not exist, she points out. As a result, diamond marketing just doesn't cut with many potential buyers, especially those able to afford larger, well-cut gems.



Transparence's jewelry online reaches out to that buying group. Prices range from just under CHF1,000 to 50,000 for finished jewelry. Each piece of jewelry comes with a passport and each jewel has a certificate from Respect Inside, which monitors corporate conduct.

The shop also accepts custom-made work. Vanwauve has regrouped independent, established designers who work only with

traced materials. Two are hot contemporary Italian designers, Alex Ball and Garavelli, one is a noted Australian designer, Jason Ree, and Cred from the United Kingdom is known worldwide as a pioneer in fair trade gold. She is working to extend the network to include designers from less developed countries, a demanding and complex task that involves helping them see what the world market will take. Many companies have donated equipment and funded training, she says, but "what these designers now need is to *sell*, and the only way for them to do that is to give them honest feedback."

Transparence is using its site to profile the designers and pieces with the advantage that people can shop at leisure with no sales pressure, says Vanwauve. "But for now we want them to contact us so we can discuss what they really want and help them find it. If they

want the help of a gemologist we can put them in contact with one. If they want help shopping for a gem, we can give them that." A key goal for Vanwauwe is education: to help people learn more about the trade that lies behind the jewelry they buy.



Transparence sells online but it opened for business Friday night with an elegant in-person event at the Domaine de Couilly in Satigny and the tag line "luxury with a conscience." Despite the glamour of the product and the event, the focus was sharply on fair trade in an industry pilloried by controversy fed by the Oscars-nominated Hollywood "Blood Diamond" and the successful 2006 Emmy-winning documentary "Blood Diamonds," which ran on the History Channel in the US.

"I hope Transparence will open the doors to people who previously had reservations about buying jewelry because they weren't comfortable," unhappy at not knowing where the gold and diamonds come from

and how they are mined and traded, says Vanwauwe.

Diamonds are in the news at the moment, but as is so often true where precious gems are concerned it is the large and spectacular that draw the most attention. The world's largest diamond goes on sale in Geneva 14 November and crowds are expected by Sotheby's for the public showing. Meanwhile, the Kimberley Process held its annual summit starting 7 November (BBC report) in Brussels, readmitting Congo Republic (Reuters report).

For Vanwauwe, "diamonds have always been an expression of affection, there is always strong emotion attached to giving them and people don't want to buy them knowing that they have caused harm." Whether it is mining and trading in conflict areas or using child labour or working on the diamonds in unhealthy settings, she believes the real work is just starting: for consumers to support efforts to make diamonds symbols of hope not just for the buyer, but for those who work on them.

GenevaLunch recommended background reading

- ❖ "Have you ever tried to sell a diamond," *The Atlantic*, EJ Eptstein, February 1982
- ❖ DeBeers, wikipedia

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