

HUMAN RIGHTS ISSUES IN GEMSTONE MINING WITHIN JEWELRY BUSINESS: INTEGRATIVE LITERATURE REVIEW BASED STEEPLE ANALYSIS

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**MASTER OF MANAGEMENT AND BUSINESS
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SUMMARY

AISHA NOOR FADHILA PUTRI Human Rights Issues in Gemstone Mining Within Jewelry Business: Integrative Literature Review based STEEPLE Analysis. Supervised by JOYO WINOTO and SUPREHATIN.

The gem and jewelry industry's value chain is examined, revealing a stark contrast between its opulent image and the pervasive human rights abuses prevalent throughout its operations. Employing a mixed-methods approach, including an integrative literature review, value chain analysis, and STEEPLE analysis, the research provides a comprehensive overview of the industry's structure, key actors, and external forces shaping its practices. A theoretical framework encompassing the UN Guiding Principles on Business and Human Rights, business ethics, CSR, stakeholder theory, sustainable development, and global justice underpins the investigation. The study identifies widespread exploitation at each stage: from exploration and licensing, where communities are often displaced, to mining, where forced labor, child labor, and hazardous conditions are rampant, especially in artisanal and small-scale operations. Opaque supply chains, weak due diligence, and labor exploitation in processing further compound the problem. Initiatives like the Kimberley Process and the Responsible Jewellery Council, while positive steps, are found to be insufficient in addressing the full scope of human rights violations.

Systemic transformation is urgently needed, driven by greater transparency, accountability, and genuine commitment to ethical practices. Governments must strengthen regulatory frameworks and enforcement. Industry actors must move beyond superficial compliance to embrace comprehensive ethical sourcing, prioritizing worker well-being and community rights. Civil society's continued advocacy is crucial. Consumers, particularly younger generations, wield significant power through informed purchasing decisions and by demanding transparency. Technological advancements, such as blockchain, offer potential solutions for enhancing traceability, but require equitable implementation, particularly for marginalized artisanal miners.

Ultimately, a more ethical and sustainable gem and jewelry industry requires collaborative action from all stakeholders. Future research should focus on qualitative studies exploring stakeholder experiences, evaluating the effectiveness of technological interventions, and understanding ethical consumption trends. Collective action, driven by transparency, accountability, and a commitment to human rights, is essential to ensuring the industry's products genuinely reflect principles of dignity, justice, and sustainability. Consumers are specifically urged to demand transparency regarding gemstone origins and sourcing practices, recognizing their vital role in driving industry reform.

Keywords: Ethical Sourcing, Human Rights, Transparency, Value Chain, Gem Industry

RINGKASAN

AISHA NOOR FADHILA PUTRI. Human Rights Issues in Gemstone Mining Within Jewelry Business: Integrative Literature Review based STEEPLE Analysis. Dibimbing oleh JOYO WINOTO and SUPREHATIN.

Rantai nilai industri permata dan perhiasan diteliti, mengungkapkan kontras yang mencolok antara citra mewahnya dan pelanggaran hak asasi manusia yang merajalela di seluruh operasinya. Menggunakan pendekatan metode campuran, termasuk tinjauan literatur integratif, analisis rantai nilai, dan analisis STEEPLE, penelitian ini memberikan gambaran komprehensif tentang struktur industri, aktor-aktor kunci, dan kekuatan eksternal yang membentuk praktiknya. Kerangka teoritis yang mencakup Prinsip-Prinsip Panduan PBB tentang Bisnis dan Hak Asasi Manusia, etika bisnis, tanggung jawab sosial perusahaan (CSR), teori pemangku kepentingan, pembangunan berkelanjutan, dan keadilan global mendasari investigasi ini. Studi ini mengidentifikasi eksploitasi yang meluas di setiap tahap: dari eksplorasi dan perizinan, di mana masyarakat sering kali tergusur, hingga penambangan, di mana kerja paksa, pekerja anak, dan kondisi berbahaya merajalela, terutama dalam operasi penambangan tradisional dan skala kecil. Rantai pasokan yang buram, uji tuntas yang lemah, dan eksploitasi tenaga kerja dalam pemrosesan semakin memperparah masalah. Inisiatif seperti Kimberley Process dan Responsible Jewellery Council, meskipun merupakan langkah positif, ditemukan tidak cukup dalam menangani keseluruhan pelanggaran hak asasi manusia.

Transformasi sistemik sangat dibutuhkan, didorong oleh transparansi yang lebih besar, akuntabilitas, dan komitmen yang tulus terhadap praktik-praktik etis. Pemerintah harus memperkuat kerangka peraturan dan penegakannya. Pelaku industri harus bergerak melampaui kepatuhan yang dangkal untuk merangkul sumber etika yang komprehensif, memprioritaskan kesejahteraan pekerja dan hak-hak masyarakat. Advokasi masyarakat sipil yang berkelanjutan sangat penting. Konsumen, terutama generasi muda, memegang kekuatan signifikan melalui keputusan pembelian yang terinformasi dan dengan menuntut transparansi. Kemajuan teknologi, seperti blockchain, menawarkan solusi potensial untuk meningkatkan ketertelusuran, tetapi membutuhkan implementasi yang adil, terutama untuk penambang tradisional yang terpinggirkan.

Pada akhirnya, industri permata dan perhiasan yang lebih etis dan berkelanjutan membutuhkan tindakan kolaboratif dari semua pemangku kepentingan. Penelitian di masa depan harus fokus pada studi kualitatif yang mengeksplorasi pengalaman pemangku kepentingan, mengevaluasi efektivitas intervensi teknologi, dan memahami tren konsumsi etis. Tindakan kolektif, yang didorong oleh transparansi, akuntabilitas, dan komitmen terhadap hak asasi manusia, sangat penting untuk memastikan produk industri benar-benar mencerminkan prinsip-prinsip martabat, keadilan, dan keberlanjutan. Konsumen didesak untuk menuntut transparansi asal-usul batu permata dan praktik sumber, mengakui peran penting mereka dalam mendorong reformasi industri.

Kata Kunci: *Ethical Sourcing*, Hak Asasi Manusia, Transparansi, Rantai Nilai, Industri Permata



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HUMAN RIGHTS ISSUES IN GEMSTONE MINING WITHIN JEWELRY BUSINESS: INTEGRATIVE LITERATURE REVIEW BASED STEEPLE ANALYSIS

AISHA NOOR FADHILA PUTRI

Thesis

As one of the requirements for obtaining the degree of
Master of Management and Business

**MASTER OF MANAGEMENT AND BUSINESS
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FOREWORD

Praise and gratitude are offered to Allah *subhanahu wa ta'ala* for all His blessings, enabling the successful completion of this scientific work. The chosen theme of this research, conducted from September 2022 to June 2024, is Ethical Sourcing and Transparency in Global Supply Chains, with the title "Human Rights Issues in Gemstone Mining Within Jewelry Businesses: An Integrative Literature Review based on STEEPLE Analysis".

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I hope this scientific work will be beneficial to those who need it and will contribute to the advancement of knowledge in the future, especially in the field of management and business.

Bogor, January 2025

Aisha Noor Fadhila Putri

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