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Ethical Trading Initiative Press Release



ETI urges Gordon Brown to catch up with private sector on ethical trade

The Ethical Trading Initiative (ETI) welcomes Oxfam's call today (26 June) for Gordon Brown to start creating a more 'enabling environment for ethical trade' in public procurement during his first 100 days in office.

The UK public sector spends £125bn annually on goods and services, including £13bn worth of medical supplies for the NHS, as well as uniforms for public and emergency service personnel, stationery and other supplies. Many of these goods are sourced in poor countries where the workers producing them suffer from low wages and poor working conditions.

But Government guidelines prevent public sector bodies from applying ethical principles when sourcing goods, so for example, the NHS purchasing agency PASA is not allowed to include principles such as 'no child labour' or 'freedom from harassment' in its selection criteria for suppliers.

Says ETI Director Dan Rees:

"The private sector is used to the Government preaching to them about sustainability. It's now time for the Government to catch up with the private sector in ethical sourcing, where ETI members such as Boots, The Body Shop, The Co-op and M&S are among the world leaders.

"This year our members dedicated 335 fulltime staff and spent over £8.6 million on ethical sourcing and spent 22,000 hours training staff and suppliers on the importance of workers' rights.

We are making some headway in improving the lives of workers in supply chains, but the reality is that given the huge spending power of the public sector, until it starts practicing what it preaches and joins the private sector in implementing robust ethical sourcing policies, any progress we make will continue to be limited."

Oxfam's 'manifesto' for Gordon Brown's first 100 days includes launching a drive to 'make Britain and its people even more responsible global citizens', and specifically, to 'review government guidelines on public procurement for ethical trading and Fairtrade'.

Ends

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For more information about Oxfam's 'manifesto' for Gordon Brown, contact Amy Barry on 01865 472313 or 07980 664397

Notes to editors

1. The essential policy problem is that the UK Office of Government Commercial Guidelines (social note 2006) has adopted a conservative interpretation of the EU directive on procurement which requires focusing procurement on a very narrow definition of 'value for money'. This literally means that the presence of, for example, child labour or bonded labour in the production of a publicly procured good is deemed not to affect the intrinsic value of the product and therefore not be relevant. This is completely out of step with other EC member countries' interpretation of the EU directive.
2. Public sector procurement dwarfs the spending power of ETI's combined corporate membership. Some individual procurement agencies have great purchasing power. For example, the NHS in England alone purchases goods and services worth some £15 billion/year.
3. The Ethical Trading Initiative is a diverse alliance of retailers and brands, trade union and campaigning organisations established in 1998 to improve the lives of workers and their families who in global supply chains.
www.ethicaltrade.org
4. Last year independent research proved that ETI members are making significant improvements in improving the lives of the workers who make their products in areas such as health and safety, wages and working hours
www.ethicaltrade.org/d/impactreport.