



ethical
trading
initiative

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ETI members in practice, 2006-7

The following are examples of how ETI member companies have worked together this year to tackle a range of urgent issues in ethical trade:

India: Increased security and skills for homeworkers

ETI is supporting the development of co-ordinated strategies to address homeworkers' conditions in India through the newly formed National Homeworker Group and its offshoot in Bareilly, Uttar Pradesh. This is the first time that trade unions, retailers, suppliers and contractors – the people who give work to homeworkers – are co-operating on this issue, and the results so far are impressive. Already, in over 20 villages in Bareilly, homeworkers are being linked up with insurance schemes and learning about basic health and safety, record keeping and quality.

Ayesha, one of over 550 homeworkers who now benefit from accident and illness protection, says: *“we never thought of insurance as no-one had ever told us about it. I came to hear about the government insurance scheme through [the Bareilly Group], and I am happy to invest in it.”*

Turkey: Resolving a major trade union dispute

In April this year, the Turkish union Teksif made an official complaint against the garment factory Paxar, claiming its members had been unfairly dismissed and had been prevented from joining the union. ETI, working in co-operation with other labour standards initiatives, took the lead in encouraging and observing negotiations. Issues concerning reinstatement and compensation of dismissed union members were resolved, but, with continuing mistrust between the union and employer, negotiations over a collective agreement broke down many times. Finally, in early 2007, both parties signed an agreement that Engin Sedat Kaya, Teksif union organiser, says will *“confer significant benefits on Paxar workers”*.

Sri Lanka: ETI members help garment workers learn about their rights

This year, ETI members supported the training of nearly 4,000 Sri Lankan garment workers on their rights. The training was carried out as part of an ETI project aimed at testing different approaches to workplace auditing. This involved comparing different auditing techniques as well as different compositions of audit teams, to find out which approach provided the most accurate picture of workers' conditions.

The co-ordinator of the project, Sonali Gunesekera, says: *“I think the training has helped the workers to know that even if their lives are hard, UK buying companies and Western customers are sending strong messages to suppliers that they should not be exploited.”*

Zara: global co-operation with ITGLWF

This year Zara owners Inditex and ITLGLWF signed an 'international framework agreement' which commits them to co-operate on tackling workers' rights in Inditex's

supply chain. This agreement is the first of its kind between a multinational company and a union to cover garment workers in the supply chain. So far they have worked together to revise the company's code of conduct, started to revamp Inditex's audit methodology and developed new training material for auditors. Critically, the new agreement has already directly benefited workers in three of Inditex's supplier factories, by enabling a swift and effective response to major violations of trade union rights in those factories.

Inditex staff are convinced that their new partnership with ITGLWF will be the most effective way of solving workers' problems, and one ethical trade manager credits the company's ETI membership alongside ITGLWF as being *"crucial to helping us develop the confidence and trust we needed to embark on this journey"*.

Gap Inc: investigating buying practices with Women Working Worldwide

Integrating ethical trade into business decisions is perhaps the greatest challenge for companies seeking to trade ethically. Buying practices in particular – for example, lead times and prices negotiated with suppliers – can constrain suppliers' ability to provide decent pay and conditions for their workers.

As part of ETI's Purchasing Practices Project, Gap Inc. has been working with Women Working Worldwide (WWW) in a groundbreaking project to map the critical decision points in production planning at both field and headquarters level. After an initial investigation phase, WWW will work with Gap Inc. staff in the UK to develop training modules for designers and merchandisers that encourage them to think about the impact of their decisions on workers, and what they could do differently.

Jennifer Hurley of WWW says of her experience so far, *"Working with the Gap team has given us greater insight into the complexities of the business environment. This collaborative approach is no magic wand, but it does open up a new space for us to pursue workers' rights"*.

Bangladesh: lobbying Government

After angry protests by workers across the Bangladeshi garment industry throughout 2006, ETI member companies including Gap Inc, Inditex (owners of Zara), Marks & Spencer, Next, Tesco and Asda took the advice of the ETI Board and supported local calls to increase the monthly minimum wage in Bangladesh from its 1994 level of 900 taka (around US\$13) to 1660 taka (US\$22).

The protests, which continued into 2007, were a wake-up call for all those involved in the sector. Rapid action is vital to address the shockingly low wages, excessive hours and harsh treatment that have become a reality for up to three million workers in the country. ETI member companies account for a large proportion of the country's garment exports, and have pledged to continue sourcing from Bangladesh as long as the Bangladeshi Government and trade associations fulfil their own responsibilities to improve standards across the industry.

Maggie Burns, ETI NGO Board member says *"ETI members have worked hard to persuade the Bangladeshi Government and manufacturers that improving pay and conditions for workers will ultimately help the country compete with its rivals – and continue to provide jobs for millions of garment workers. The minimum wage is still too low, but at least we're heading in the right direction."*

China: child labour – an urgent lesson

In March 2006, over 300 children, some as young as 12 or 13, were found working in two glassware factories in Shanxi province that supply a range of global retailers. We steered ETI member companies sourcing from the factories to work with the suppliers and other retailers involved and agree a joint response which protected the interests of the children concerned. This involved removing the children from the hazardous work environment and getting them back into education.

A major challenge was the lack of appropriate local schools and this contributed to many children dropping out of the project, some saying schooling was 'worthless'. But we were able to send a minority of the children to a good technical training school to learn skills such as computing, welding and cooking.

Xiao Li was one of those lucky ones. Although the education provided by the school is by no means perfect, Xiao Li believes it has opened up new opportunities for her. She says *“it was not until we arrived at the new school that I figured out, without knowledge, it’s impossible to rise in this society.”*