

UK retailers given mixed report on third world factory conditions

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In a statement on its website, the British Retail Consortium says it is a myth that retailers make big profits at the expense of low paid, badly treated labour in developing countries and that 'standards in factories located in developing countries will often surpass those in Europe and America to a significant degree.'

by Nick Morgan

Needless to say, charities campaigning for workers rights do not agree. Paul Collins, a spokesperson for War on Want, says they've conducted two separate reports showing that "leading British retailers continue to demand rock bottom prices from third world suppliers which maximise their profits."

So have UK retailers made an effort to clean up their act or is the sweatshop `myth' still a reality? The Ethical Trading Initiative (ETI) was designed to offer an answer. In many ways a bridge between companies and NGOs, the ETI is a membership scheme which aims to ensure that conditions for workers producing for the UK market meet international labour standards. Most major UK retail players, including Tesco, Asda, WH Smith and Boots, are members.

The ETI says that some UK retailers have made large strides in improving third world factory conditions particularly in areas such as wages, health and safety and working hours, but that there remains some troublesome issues like sub-contracted workers and trade union membership.

"There is no doubt the work done by our members has resulted in concrete improvements," said the ETI's Head of Communications and Research, Man-Kwun Chan. "But I think it's misleading and a little unhelpful to say third world standards often surpass those in the west. Certainly in countries like China and Bangladesh conditions remain inferior in general, and buying practices common in the UK retail sector have negative effects on wages and working conditions there."

Richard Dodd, a spokesperson for the BRC said the point they were trying to make is that UK retailers now attempt to maintain standards in developing world factories "as comprehensively as they positively can" and therefore consumers could be confident that the standards in those factories were "every bit as good if not better than those in Europe and America."

According to Chan though, the picture is not quite so rosy.

"Retailers who are really committed to the issues recognise that significant labour problems still exist in their supply chains, be this in Asia or Europe. What is important is whether a retailer is serious about addressing these problems, and many UK retailers are still not taking these issues seriously enough".

War on Want, a charity dedicated to fighting global poverty, said despite the efforts of the ETI, retailers had failed to ensure a living wage and decent hours for workers, based on interviews conducted for two reports - one on Florverde, a flower-producing company used by Tesco and Marks & Spencer among others, and one on the fashion industry. It is calling on Gordon Brown to set up an independent regulator to monitor compliance with the national Supermarket Code of Practice.

"Florverde farms in Colombia claim ethical treatment for employees and the environment, but our study found

workers face poverty wages, health problems such as repetitive strain injuries and risk miscarriages through exposure to pesticides,” said Paul Collins, a spokesperson for the charity. “If retailers blame the factory owners for poor wages and conditions, then why have they failed to use their leverage?”

However, an independent report commissioned by the ETI suggests that significant ground has been made, particularly on issues like failure to pay the legal minimum wage, enforcement of child labour and health and safety. Dodd points out that statements about the paucity of third-world pay often aren't quite as disturbing once they're translated into local currency from dollars or pounds.

Nevertheless, the report also highlighted areas that remain problematic. The most important of these - according to both the ETI and the BRC - is indirectly employed labour. Those not employed directly by the retailer or supplier but by a third-party contractor often slip through the ethical net and, as Chan points out, there is an ever-increasing number of these workers in today's marketplace.

The report also accuses retailers of inactivity in enforcing workers rights to trade union membership and the ETI says this is an area it is particularly focusing on with its members currently.

“We're satisfied that our members are showing a concrete commitment, but there is still a long way to go,” Chan said.

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