

## *No time to cut back on ethics\**

A comment by Dan Rees, ETI Director

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**With disappointing Christmas trading statements from the high street, forecasts of a stormy global economic climate ahead and the ‘R’ word on the lips of many a pundit, I have been asked several times recently whether I think UK retailers will be tempted to slash their ethical trade budgets to stay competitive.**

Therein lies an assumption that corporate responsibility for workers’ rights is optional – a luxury that can be dispensed with when times are hard.

In fact, if ethical trade is integrated into the way a company does business – particularly the buying function – it can help the bottom line.

Take critical path management for example. Delayed start dates and last-minute changes to orders have been found to be among the biggest single causes of excessive hours for workers. In contrast, if buyers and designers are strict about their own deadlines, this not only makes suppliers’ – and workers’ – lives easier, it also makes for a more efficient company.

Many retailers are also discovering the business benefits of rewarding suppliers for investing improving working conditions. More and more of our members are giving ‘preferred supplier’ status to suppliers who treat their workforce well. The pay-off for buying teams is greater predictability and efficiency in the supply chain.

It’s also unlikely that retailers will see any let-up in pressure from workers’ rights campaigners to take ethical trade seriously.

What seemed at times last year to be an almost daily run of media exposés and campaigns were stark reminders to all of the harsh reality of life for the millions of poor people who work in UK retailers’ supply chains. Stories of poverty wages, abuse of workers and child trafficking contributed to mounting unease among consumers about who makes their products, and under what conditions.

There is every likelihood that the momentum of concern built last year will continue into 2008, and the evidence from all the polls suggests that increasingly informed shoppers will be thinking harder about where they spend their money. Retailers who do not make serious attempts to tackle critical issues such as workers’ wages will remain vulnerable to criticism.

ETI member retailers, trade unions and NGOs are at the forefront of developing credible and effective approaches to tackling workers’ conditions. Independent research has already shown that our retailer members are starting to make a positive difference to workers – and that ETI membership helps them improve the effectiveness of their efforts.

I urge those retailers who are not yet members of ETI to join us. Can you afford not to?

\*this article was written for Retail Week's online 'Responsible Retailing' column ([www.retailweek.com](http://www.retailweek.com))