

“Nowadays when we do overtime we get extra payment at one and a half times [the normal rate]. When we work on Sunday we get double rate.”

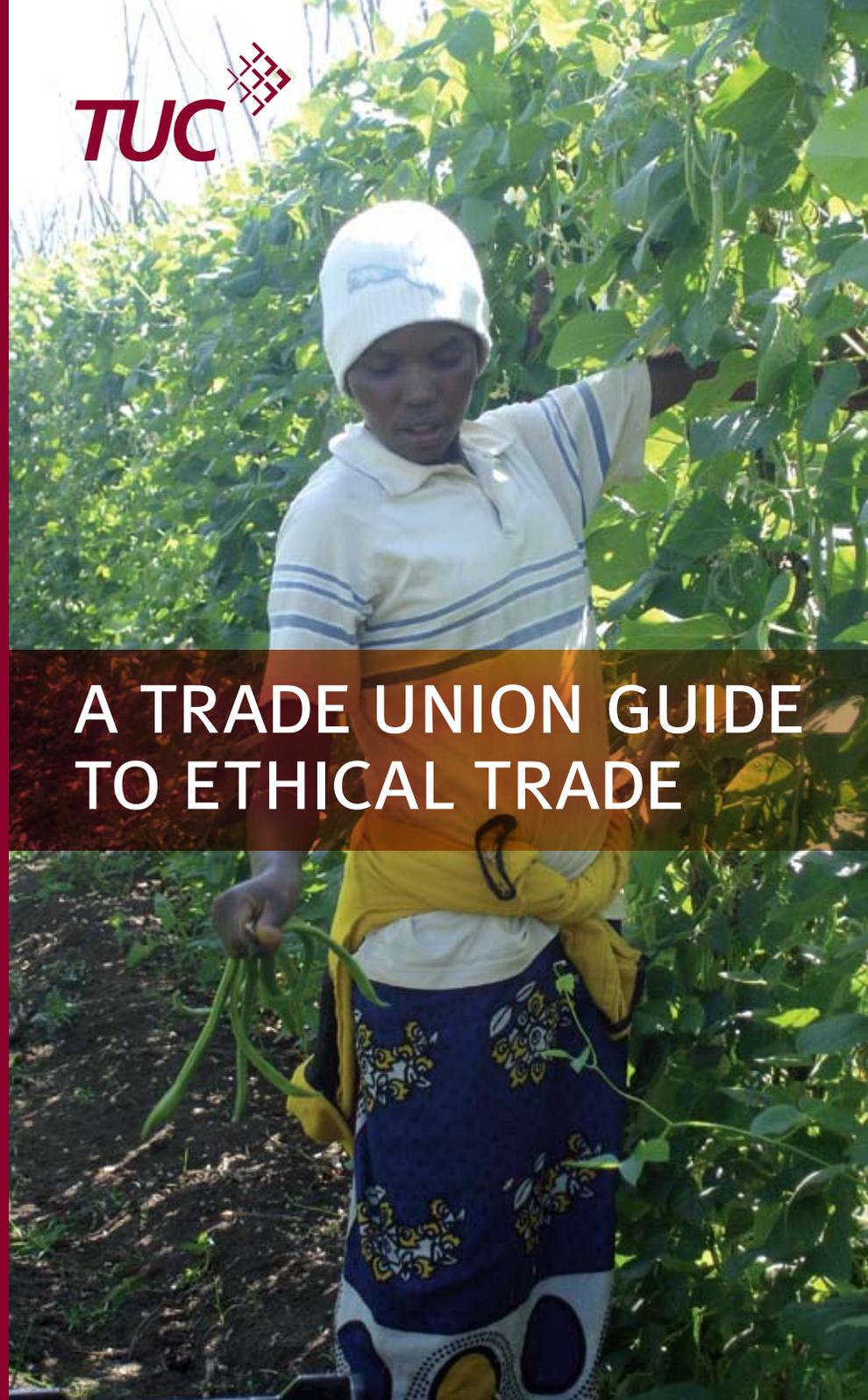
Female garment worker, Vietnam



A TRADE UNION GUIDE TO ETHICAL TRADE



This leaflet was developed by the Trades Union Congress (TUC) with funding from the Department for International Development.



Take any piece of clothing from your wardrobe. There's a good chance that the worker who made it is earning £15 per month for the privilege. That's the current wage in Bangladesh and barely enough for a worker to buy rice to feed her family. Or perhaps that embroidery on your shirt was sewn by a child, or someone threatened with violence to make them work.

Such stories are common and it's easy for them to make us feel powerless. But as workers and consumers, there are important ways we can help.



Ethical Trading Initiative / Claudio Janke

WHAT IS ETHICAL TRADE?

Any garment, item of food or piece of merchandise has passed through a long line of factories, suppliers, buyers, and warehouses before ending up on the high street or supermarket aisles. These supply chains stretch all over the globe: from Kenya to China, Bangladesh to Manchester.

Ethical trade involves UK companies adopting the Ethical Trading Initiative (ETI) Base Code: nine fundamental labour rights that they require their suppliers to work towards achieving. Although UK companies aren't directly employing these workers, the companies can have a huge effect on working conditions. For example, if a high street brand places a big order with suppliers on tight deadlines, chances are that workers will be forced to do dangerous levels of overtime. If a supermarket demands goods at a very low price, the workers will most likely receive poverty wages.

Ethical trade aims to change these practices through ETI members working with company suppliers, non-governmental organisations (NGOs), workers and the unions that represent them.

THE ETI BASE CODE

The ETI Base Code is a set of minimum standards that ETI corporate members require their suppliers to work towards achieving. The standards are drawn from key conventions of the International Labour Organisation.

- **Employment is freely chosen**
- **Workers should be able to form and join trade unions**
- **Working conditions are safe and hygienic**
- **Child labour should not be used**
- **Working hours should not be excessive**
- **Living wages are paid**
- **Discrimination is not practised**
- **Regular employment is provided**
- **Workers are not verbally, physically or sexually abused**

WHAT IS ETI?

Established in 1998, ETI is an alliance of unions, companies and NGOs striving to improve working conditions in the global food, merchandise and garment supply chains of ETI's member companies. ETI has 57 corporate members with a combined turnover of £107 billion, and supply chains covered by the ETI Base Code employing some 8.6 million workers in 40,000 workplaces.

DOES MEMBERSHIP OF ETI MAKE A COMPANY ETHICAL?

Unfortunately, being a member of ETI does not guarantee that workers' rights are fully protected. It does mean that member companies have made serious commitments to improving working conditions over time. And unlike many corporate social responsibility initiatives in which companies monitor themselves, trade unions and labour rights NGOs are actively scrutinising a company's ethical performance.

It is almost impossible to put a rubber stamp on a factory claiming that it is ethical. Discrimination and harassment are very difficult for an outside auditor to detect, especially as many supplier factories are in countries where governments and employers are hostile towards workers and trade unions. Often the laws to protect workers are not adequately enforced. Further, many UK companies don't know where their supply chains begin and end.

In 2008 ETI company members made progress in making workplaces safer, stamping out child labour and encouraging suppliers to pay workers their statutory entitlements, yet there is much further to go. Significant challenges remain, including getting suppliers to respect trade unions, paying workers a living wage and ending discrimination. ETI has now placed these as top priorities for action.

WHAT ABOUT WORKERS IN THE UK?

The ETI Base Code covers both the UK and international supply chains of ETI company members. Workers in UK supply chains can be particularly vulnerable, especially migrant or agency workers who can be at greater risk than other workers of experiencing low-paid and precarious employment. While the ETI Base Code can be used to push for improvements in conditions, it is also up to trade unionists to ensure that standards for all workers are raised well above the legal minimums.

HOW DOES FAIR TRADE FIT IN?

The Fair Trade movement aims to ensure that producers, typically growers of tea, coffee, cocoa and bananas, get a better deal from trade. Fair Trade products are independently certified to ensure that producers' organisations receive an agreed, stable price and that additional premiums are invested back into the farmers' organisations or the wider community.

While Fair Trade is a start, it is unlikely to deliver decent working conditions for workers. Trade unions would like to see workers empowered to monitor and improve their own terms and conditions, rather than leave it to outside certifiers who often only see a small part of the bigger picture. And instead of giving farmers a small premium on their products, trade unions want to see all workers in the supply chain for agricultural produce receive a living wage all of the time. So if you buy Fair Trade, make sure you also push companies to commit to ethical trade – a far more robust way of improving labour standards.



Ethical Trading Initiative / Penny Street

WHAT YOU CAN DO

On the high street and in the supermarket:

Ask the question: what is this retailer doing to make sure that the workers making these clothes or harvesting these vegetables have their rights respected?

In your workplace:

Does your employer buy its work uniforms or personal protective equipment from a company committed to supporting the rights of workers in its supply chains?

If you're negotiating for better terms and conditions with your boss, why not also bargain for a better deal for all workers? Make sure your employer's procurement policies favour suppliers that can demonstrate a commitment to raising labour standards in their supply chains. Put the ETI Base Code at the heart of supplier selection.

To help bargain for international development, Prospect has produced a great negotiators' guide to corporate social responsibility (www.prospect.org.uk/page/14540) and one for helping to achieve the Millennium Development Goals (www.prospect.org.uk/page/16707).

If your employer produces or sells food, garments or general merchandise, is it committed to ethical trade? Encourage them to join ETI.

In your union:

Learn more about ethical trade. Invite someone from the TUC or ETI to address a branch meeting on ethical trade and discuss how to put it on your bargaining agenda.

Help trade unions in the developing world stand up for their rights or put pressure on governments to enforce labour standards. For more information, contact your union's international officer and register for the TUC's International Development Matters newsletter by visiting www.tuc.org.uk/newsroom/register.cfm

Get involved in the TUC's Playfair 2012 campaign, which aims to improve the working conditions of the workers in the global supply chains making goods for the London Games. Visit www.playfair2012.org for more information.

Get involved in ETI's trade union caucus to help put companies on the ethical path.



Ethical Trading Initiative / Claudio Janke

"I would work each day for 16 hours. Then at 1am I would sweep the floor and sleep on the spot at my work station."

From the age of six, Shivshankar was imprisoned in an illegal garment factory in Delhi, driven to exhaustion by a factory owner who kept him in conditions comparable to slavery, paying him 50 rupees per week – about 67 pence. His bed was a cold factory floor.

In 2008, Shivshankar was rescued by local child labour activists. Now aged 13 and reunited with his parents, he is attending a residential school and looking forward to a better future.

Preventing child labour is a core part of ethical trade.

TO LEARN MORE

For more information, or to get involved in ethical trade, contact Annie Watson, ETI's trade union co-ordinator (annie@eti.org.uk), or Ben Moxham at the TUC (bmoxham@tuc.org.uk).

For more information on ethical trade and ETI, including a current list of trade union, NGO and corporate members, visit www.ethicaltrade.org