

About the conference and this report

1.1 The conference

Since ETI's establishment in 1998, we have organised an international conference every two years to bring together people involved in ethical trade from all around the world. We believe that these biennial conferences are a crucial means by which stakeholders can share experiences and develop their understanding of ethical trade.

Our third biennial conference, *Working together: multi-stakeholder initiatives and labour standards in global supply chains*, was no exception. This conference, held on 22–23 May 2003 in London, UK, brought together 320 participants from 25 countries and many different walks of life, including retailers and suppliers, trade unions, non-governmental organisations (NGOs), research bodies, international agencies and the media. The conference aimed to provide participants with the opportunity to:

- gain a privileged insight into the current debates on best practice in implementing codes of labour practice;
- gather information on other stakeholder groups: businesses, NGOs, trade unions, international bodies, investors and community-based organisations;
- develop links with experts from a wide range of organisations around the world.

A unique feature of this conference was that it brought together the key international multi-stakeholder initiatives working on labour codes, that is, Clean Clothes Campaign (international), ETI (UK), Fair Wear Foundation (The Netherlands), Fair Labor Association (USA), Social Accountability International (international) and Workers' Rights Consortium (USA). It provided a special forum for participants to gain a clearer understanding of the similarities and differences between the initiatives, and to learn from their successes, mistakes, knowledge and perspectives. For ETI, this is one of several important steps we have been taking towards harmonising efforts in the world of labour codes.

In their feedback to ETI, some participants expressed a concern that the presentations and discussion at the conference were overly negative, emphasising the difficulties rather than the successes of ethical trade. Many others welcomed the openness with which corporate, trade union, NGO and other stakeholder representatives discussed the problems involved in implementing codes.

We believe these are two sides of the same coin. While we did not set out to be negative, we do believe that talking openly about the difficulties is an important step towards

improving the impact of ethical trade in the long run. ETI certainly acknowledges the considerable achievements and progress of many companies in the field of ethical trade, and welcomes the growing number of corporate social responsibility events that showcase examples of good practice.

At the same time, we cannot ignore the fact that many workers in global supply chains continue to be denied fundamental human rights at work. ETI's particular strength is its ability to bring together different stakeholders to identify, debate and, ultimately, find solutions to these problems. We believe that this conference has made an important contribution to this by highlighting the key challenges ahead for all those involved in ethical trade and setting the agenda for the future.

1.2 This report

This report is not a conventional account of the conference proceedings. It has been compiled with the primary aim of communicating the key themes and debates that arose at the conference to all those with an interest in the issues, whether or not they were able to take part. It sets out to share the wealth of experiences and knowledge brought together at the conference with a wider audience. In view of this, the report is structured thematically as we believe this is the most effective means of sharing the information.

This means that we have not written a section for each plenary session and workshop but have themed the material under major issues. For example, some of the issues reported under the chapter on purchasing practices were not raised during the workshop on that subject, but were discussed during a number of the plenary sessions. It also means that not every comment or point made during the conference is included in the report.

Our approach means that the conflicts or divergence between the perspectives and priorities of different participants or stakeholder groups tend to be hidden. In fact, when preparing the overview of key themes for the first draft of this report, we started with the intention of writing different sections for each major stakeholder group. The fact that we ended up writing a combined overview reflects the fact that we found an unexpected degree of convergence of views between the different stakeholders, in terms of the key challenges and priorities ahead. Nevertheless, tensions and differences remain and wherever possible we include references to additional sources of information which will provide more insight into the diversity of experiences and perspectives.

1.3 Key challenges in ethical trade: ETI's perspective

ETI supports the agenda for change encapsulated in the overview of key themes from the conference outlined in the following chapter. From our own experience and perspective, however, we believe that the following issues also constitute key challenges that ETI and others need to address.

First, while the last few years have seen a growing number of companies engaging with ethical trade, there are still many companies who remain unaware of or uninterested in ethical sourcing. It is crucial that we continue to raise awareness of the importance of ethical trade and bring more companies around the table. For ETI, this means increasing

our corporate membership both within our traditional sectors (food and clothing), but also in personal care, gifts, stationery, toys, electrical goods and homeware – industries in which workers' rights are frequently abused.

Even among existing corporate members, however, there are discrepancies in the level and effectiveness of code implementation activities. Another challenge is therefore to bridge the performance gap between different companies. We are addressing this challenge by developing more robust priorities and targets for each member company, and by providing more opportunities for companies to learn from each other's experiences.

Even if we focus on the leaders in this field, we still see a gap between our learning (that is, what we recognise to be good practice) and what most companies are able to implement on the ground. A good example of this is that while many companies recognise the benefits of working with local trade unions and NGOs, in practice there are few local organisations which have the capacity to work effectively with companies on code implementation. We believe it is vital to build the capacity of appropriate local organisations to educate workers about codes, to conduct audits and to work with suppliers to develop and implement corrective action plans. ETI is building on lessons from our experimental projects and our involvement with the Wine Industry Ethical Trade Association in South Africa to develop further capacity-building initiatives.

Last but not least, ETI needs to work with other code initiatives to harmonise ethical trade standards and approaches to implementation. As explained in the following chapter, the growing number of codes and code initiatives, and the different ways that they approach ethical trade, have created considerable confusion and duplication of effort on the ground. The need for improved co-operation not only between different stakeholders, but between the different code initiatives themselves, was emphasised in the conference. Recognising this, ETI has initiated a joint programme of work with the Clean Clothes Campaign, Fair Labor Association, Fair Wear Foundation, Social Accountability International and the Worker Rights Consortium, which aims to explore the development of a common approach to implementing codes of labour practice. This is only a small step, but we hope that this initiative will pave the way to improving our collective impact in addressing the key challenges in the years to come.