

Ethical Trade Currents

**TRADE WITHOUT
TRAGEDY**

**ISSUE NO. 1
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Fair Trade in the
Work place

Child Labour and
Rugs

The Ancient Forest
Friendly Office

Welcome

Trade Talk

G'day and welcome to this first ever edition of Ethical Trade Currents, the practical business newsletter for those who want to know how to make profit and still trade ethically. Corporate Social Responsibility (CSR) is often banded about large corporations as the new way of doing business but many managers and workers are perplexed about how to actually go about making a business ethical. Etc has a global focus showing you the impacts your business decisions cause in the rest of the world.

You're looking for practical steps, new marketing opportunities and anything that will give you the edge over the competition but not at the expense of the environment and social justice. Look no further, each article in Etc...is geared towards the practical and pragmatic and offers local solutions to everyday problems.

Profit is not a dirty word but nor should a company or work force be unethical in its daily trading arrangements.

Andy Parnell

Andy Parnell, editor

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Fair Trade in the Workplace

What is Fair trade?

Fair trade is a trading partnership based on dialogue, transparency and respect that seeks greater equity in international trade. It contributes to sustainable development by offering better trading conditions to, and securing the rights of, marginalised producers and workers - especially in developing countries.

So what does that mean? In practice a Fair trade project and trading contract must guarantee a set of key principles in its contract, which, are certified by an independent third party (in this case, The Fairtrade Foundation). In short these are:

1. A price that covers producers' costs
2. A premium for producers to invest in their communities – clean water, health care, education, the environment
3. Long-term and more direct trading relations

Fairly Traded products normally guarantee the payment of a fair price but do not necessarily guarantee all the other criteria set out in the formal certification scheme.

So given these benefits to the producer, what's in it for the work place? Why should you switch?

The consumer gets on average, a higher quality product. It stands to reason that if you pay a farmer more for his produce, he or she will reserve the best of their stock for the highest paying contract. Take coffee for example, widely drunk in most work places. Co-operatives that sell to the Fair trade market receive 106 cents a pound for Robusta coffee and 126 cents for Arabica. This compares with 32 cents and 65 cents respectively on the world market (December 2003).

You could save money if you buy off a vending machine company or a catering company who will sell to you at wholesale prices. Yet even at retail prices, Fairtrade coffee for example is little more than 1p per cup more than a similar conventional cup of coffee.

The FAIRTRADE Mark appears on over 200 different products, including coffee, teas, bananas, cocoa and chocolate, snacks, biscuits, honey and sugar.



Julia Powell, Fairtrade Foundation, 2002

In Powys, you can buy FT marked products in most whole food stores, Oxfam stores, some café's and hotels, as well as, The Co-operative, Somerfield and Safeway supermarkets.

Want to find out more? Visit www.fairtrade.org.uk

RUGMARK

How does the scheme work?

To be certified by RUGMARK, carpet makers must sign a legally binding contract to:

- produce carpets without illegal child labour;
- register all looms with the RUGMARK Foundation;
- allow access to looms for unannounced inspections;

Carpet looms and factories are monitored regularly. Inspectors are trained and supervised by RUGMARK.

Each label is individually numbered, enabling its origin to be traced back to the loom on which it was produced.

This protects against counterfeit labels. Non-profit child welfare organizations, not affiliated with RUGMARK, also have access to RUGMARK certified factories to ensure that no children are employed.

Only licensed RUGMARK importers are legally permitted to sell carpets carrying the RUGMARK label.

Book a 'Fair trade in the Workplace' free workshop with the Powys Environment and Development Education Centre (includes a PowerPoint presentation, video and taste testing session, we travel to you and it takes around an hour not including set up and pack up times). Please contact PEDEC on 01686 412 731 or info@pedec.org.uk for more information.

Child Labour and Rugs

Nearly all the rugs and carpets you may buy that have been imported from places like India, Nepal or Pakistan involve child labour. These children are employed illegally and rarely receive adequate wages for their labour. They normally only receive a fraction of what it would cost to pay an adult for the same work. Children are easily intimidated, cannot form unions and are essentially powerless.

Demand for child labour is very high and children are often sold by desperately poor parents (yep, that's slavery). Children are forced to work long hours, day and night, often abused and malnourished and schooling is nothing but a pipedream for these kids. When these kids grow up, often poverty drives them to sell their kids to the rug factories and the cycle gets repeated for another generation.

Retailers in Powys may unknowingly be buying rugs made under these atrocious and barbaric conditions and selling them onto unsuspecting consumers. If you are one of these retailers or consumers and your initial gut reaction is one of discomfort at the least, then listen up.

What can be done about it?

In many countries in Europe such as Germany, the Netherlands and in the USA, Rugmark (www.rugmark.net and www.rugmark.org) have set up a system that repatriates children from these factories and sets up a system of support for the rescued children. They have set up schemes in India, Nepal and Pakistan with Rugmark certified importers and retailers importing and selling Rugmark carpets and rugs to the public. This has made a huge difference to the lives of many children.

Sadly in Britain, the scheme is nearly nonexistent with only Odegard, B & Q and the Co-op taking part and there is scope for an entrepreneur to become a Rugmark Importer or retailer in Wales. Part of the purpose of this newsletter is to highlight to businesses where new ethical opportunities lay and here is one big opportunity for the right businessman or woman.

To find out more about Slavery and child labour in general visit Anti-Slavery International (www.antislavery.org.uk) who also have close links with Rugmark.

The Ancient Forest Friendly Office

A staggering 80% of the world's original ancient forests have been destroyed with much of what remains under threat from illegal and destructive logging. Ancient forests exist in Canada, Indonesia, Finland, Russia, Brazil as well as Central and West Africa. We all print out everything from e-mails to important documents. Staff who use computers, printers, photocopiers and even people who get stuff published for advertising their company's latest products may inadvertently be causing harm to the world last remaining ancient forests. 12.9 million tonnes of paper were consumed last year in the UK so its clear that paper places a big strain on our forest resources.

Why are we destroying ancient forests?

Much of the paper sourced in the UK comes from Scandinavia. Some of the biggest Finnish paper manufacturers, including Stora Enso, UPM Kymmene and M-Real are sourcing from old growth forests, certified under the industry led Finnish Forest Certification Scheme, part of the controversial and newly re-named Programme for the Endorsement of Forest Certification Schemes (PEFC). These Finnish companies also source substantial volumes of timber from Russia (via their Finnish mills), where its estimated that approximately 50% of logging is illegal. There is also some paper still coming in to the UK from Indonesia where up to 90% of the logging is illegal. Indonesia's logging industry is often under control by the military which, has been known to carry out many human rights abuses to forest dwelling communities.

What is the solution?

There are two very important steps you can take in your work place to make a big difference:

Buy recycled paper with a high post-consumer waste content to help take pressure off the world's ancient forests.

Buy FSC (Forest Stewardship Council) paper to ensure that the fibre comes from forests that are well managed to strong ecological and social criteria.

What's it going to cost?

The current rates of tropical rainforest deforestation (like in Indonesia) is fast approaching 1% of the total forest area of the tropics per year and these ancient forests along with the temperate old-growth forests contain about two-thirds of all land based plant and animal species in the

world. Do nothing and these trends are likely to continue. Buy Post-Consumer Waste paper and FSC certified paper and it will cost you slightly more than a £1 or 2 per ream of paper at retail prices. There have been some wholesale schemes where it works out even cheaper than 'conventional' office paper.

Where can I get it in Powys?

WH Smith sell paper with 30% FSC content. Lyreco, Viking, Rhayader Office supplies, Consortium, Paperback and many other office direct companies sell Evolve paper with 100% post consumer waste paper. For commercial printing, Revive paper from the Robert Horne Group contains 80% PCW and 20% Mill Broke (pre-consumer waste) and still has a nice white finish. Welshpool Printers and Imprint printers in Newtown currently stock this paper. See the relevant websites below.

How will my company benefit? What about the bottom line?

1. By becoming a socially responsible leader in the community (publicise it in the local press)
2. Gain a marketing edge - positive public relations and increased marketing opportunities are available. This comes across when you mention the facts on your printed materials like: 'this publication was printed on paper containing 80% Post Consumer Waste'.
3. Save money by introducing paper efficiency initiatives. If you are introducing a recycling and reuse policy in your office, you strengthen your credibility by buying the right paper to start with and staff become more aware of their effect upon the environment. Put the two measures together and you end up with synergy. You could even buy good paper in bulk from a paper merchant to save money.
4. Give staff and management a sense of doing the right thing. It reinforces worker's commitment to the company when they see the company as a socially and environmentally responsible organisation. Staff retention will reduce costs over the longer term. We all spend a good portion of our lives at work and coming to a caring company is likely to keep staff longer cutting expensive recruitment costs down.

Useful web sites:

- www.fsc-uk.org
- www.saveordelete.com
- www.ros-wales.co.uk (Evolve Paper)
- www.viking-direct.co.uk (Evolve)
- www.lyreco.com (Evolve)
- www.greenstat.co.uk (loads of different recycled papers)
- www.eurooffice.co.uk (Evolve)
- www.paperpunch.com (Evolve)
- www.roberthorne.co.uk (Repeat, Revive and Evolve)
- www.paperback.coop (FSC and recycled paper)
- www.whsmith.co.uk (FSC paper)

Printers using Revive paper:

- Newtown: Imprint**
01686 624 137
- Welshpool:**
Powys Printers
01938554783



(c) Greenpeace/Sauro
Harvester clearcutting old-growth forest.



(c) Greenpeace/Sauro
Harvesters clearcutting old-growth forest.

Skye Instruments

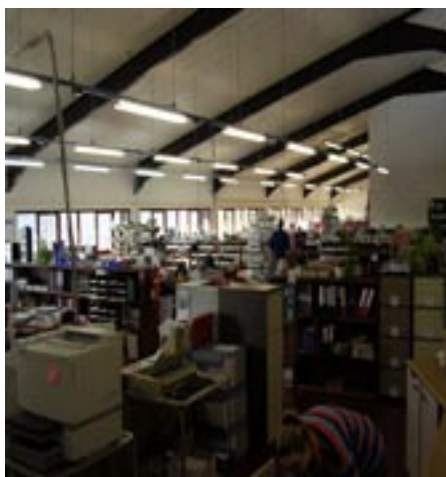


Skye Instruments Ltd. has been designing and manufacturing instrumentation for Environmental Monitoring, Plant Growth and Agricultural Research for nearly 20 years. The Company started on the Isle of Skye, Scotland and re-located to Wales in 1986. They now are based in Llandrindod with around 20 employees.

The Directors are John & Gill Wilde. These electronic instruments are particularly useful in Third World countries. They export about 56% of their products to places as diverse as India and Burkina Faso.

The company uses recycled paper and has done so for 10 years. Whilst they use wood in their products they ensure that they do not use unsustainable sources such as the endangered species mahogany.

Recently they've switched all their hot drinks to Fair



trade products for their work place. **Have there been any complaints amongst the staff?** According to Gill, the staff were very enthusiastic and were asking if they were going to put the fact that they've switched onto their web site. After having done the 'Fair trade in the Workplace' workshop by PEDEC, the staff became more open minded and support for Fair trade goods went up.

According to Gill, "In rural Wales, it can be quite hard for people to understand what goes on in the world. I don't know why it can be different to a city but it is. Perhaps its because you meet people from ethnic minorities in cities."

Is corporate social responsibility incompatible with profit making? Gill says that her company has been going for 20 years and whilst they are making a moderate amount of profit, they have found that social and environmental responsibility is not incompatible to developing a long lasting successful business.

She says, "I think you've got to be careful that you don't become hypocritical".

Gill believes that rather than not exporting a product to a developing country with a nasty regime (like South Africa was under apartheid),

the benefits her technology gives the local population far outweighs the moral dilemma of whether to export to that country or not. Practicality with a conscience without 'getting on our high horse' is Skye Instruments' way.

What would you say to other companies looking at making the switch to Fairtrade?

"Its quite an easy switch, Gill says, the only problem is the sourcing of it. The shops don't always have what you want and this is something I'm yet to sort out."

She goes on to say, "bigger companies may have some problems but we just go down to the local retailer".

What about in terms of cost? "Buying at a retail level, the cafedirect (www.cafedirect.co.uk) 5065 500g tin is around £11 as opposed to £8 for a tin of Nescafe Original so about 25% more, but that was just a once off." The price differential becomes less at a wholesale or vending machine level which, is something that Skye may look into in the future.

