

FASHION+ SPOTLIGHT ON SOURCING

WORKING WITH CO-OPERATIVES & ETHICAL MARKETPLACE

Tuesday 21th March 2009

Introduction by Tamsin Lejeune, director of the Ethical Fashion Forum –

Fashion+ is a DfID funded project aimed at reducing poverty and creating sustainable livelihoods in the supply chains to the UK fashion industry. The project is aimed at individuals, designers, industry professionals, organisations large and small, and has been set up to create effective links and networks within the fashion industry.

Discussion chaired by Ben Ramsden –

Ben is the founder of Pants to Poverty, which was first launched in 2001 off the back of the Make Poverty History campaign. Pants to Poverty has integrated sustainability at the core of its business model. The goals of the company are to achieve wide scale change for the communities behind its products, and to raise awareness about, and reduce poverty.

Safia Minney of PeopleTree –

So why did we start PeopleTree? As environmentalists we believed that there was the opportunity within the fashion industry to not only be environmentally aware but also to create livelihoods in developing countries, supporting marginalised communities and artisan groups.

Set up 17 years ago, PeopleTree now works in 15 developing countries with over 50 producer groups all with IFAT (WFTO) accreditation. There are so many ways to be environmental and ethical – organic cotton is one example. Growing organic cotton protects the farmers and the land from chemical fertilizers and gives them a living wage. PeopleTree work with Agrocel and use drip irrigation to prevent the misuse of water resources, and is now helping to develop the first organic cotton production in Bangladesh.

Hand skills and artisan crafts can be overlooked – but can be a vital tool to bring food to the table. There are 10 million hand weavers in Bangladesh and India, and handlooms are low cost machinery that can deliver economic security to workers. Hand-weaving, is an example of appropriate technology, allowing family based cottage industries to flourish. It can also respond to the historical background of an area.

By being aware of the company's carbon footprint, PeopleTree can reward those producers with a small footprint – often small co-operatives producing by hand, thereby ensuring both environmental and social justice. Everything in the supply chain needs to be considered, such as hand dying with natural and azo free dyes.

Bringing fair trade to the mainstream is a key goal of PeopleTree, through collaborations for example with Topshop and Bora Aksu, expanding the retail opportunity globally and developing a franchise model, and continuing campaigning, awareness raising and capacity building through working with NGOs and trade unions.

Christina Archer of the Body Shop –

The Community Trade Programme at Body Shop, has been running for over 22 years – the main objective being to source and trade fairly through small producer groups and co-ops. This mainly includes accessories such as bags for life, make-up bags, foot files, body scrubbers and so on. Also the ingredients for some of Body Shop's leading products such as the body butter, and face creams. The team work with groups from all around the world, from the UK to Peru.

Community Trade is the Body Shop's own fair trade initiative, and was the first of its kind in the beauty industry. But the decision to start the programme was not simply altruistic – it is also a commercial choice, sourcing from these groups actually makes commercial sense.

Anita Roddick, the founder of the Body Shop, believed passionately in the power of business to drive change. She initiated the 'Trade not Aid' programme, which then developed into Community Trade – it is not aid, but a way of providing access to markets for small scale producers.

The Body Shop has personal relationships with all its suppliers and always tries to negotiate prices with the producer groups face to face, to ensure the prices remain fair and reflect the changing needs and circumstances of different groups, and in different countries. Though it has to be taken into account that it is difficult to forecast changing trends, particularly in fashion and it is difficult to say at the beginning of a year what demand will be further down the line. Careful planning is crucial to offer your suppliers stability and work on a long term basis. The Body Shop also has a 'Premium Fund', in addition to the guarantee of fair prices, which goes towards other community projects.

Currently there are over 30 suppliers and co-operative groups working through the Community Trade programme. This covers 22 countries, and includes groups that are both big and small. More than 25000 people are directly influenced by this supply chain, and many of these groups have been working with the Body Shop for the whole 22 years. With a supply chain like this it is clear to see that there are a vast number of dependants so the knock on benefits to them are huge. Not only do the products they supply satisfy demand but brings benefits to suppliers around the world.

The benefits of working with fair trade are too long to list! But some include – traceability, confidence in the provenance of your product, direct link with suppliers, security and provision of market access to remote groups. Challenges include the need for structure and some sort of governance of the supplier group also a level of business acumen. But for the most part these challenges can be worked on and developed, as you build the relationship with your suppliers.

Richard Stubbs of Made

Made was founded in 2005, as an accessories and jewellery brand with a fair trade edge. The founder of Made, Cristina Cisilino, discovered small producer groups and individuals living in the slums of Nairobi in Kenya, with artisan skills and knowledge. Examples of these include making jewellery with recycled brass, and bead makers using bone and glass. These were unique products but the producers were being ripped off and unable to make any profit. Cristina brought Made in to give the artisans the opportunity to grow and get a fair price for their product. Made has invested in equipment and workshops, and now brings in high profile designers to develop their ranges, such as

Nicole Farhi. Each designer brings something new, some are hands on and some are much more conceptual. But it ensures the continuing growth and development of skills, which is now branching out into different skills bases in Nairobi.

Made are directly involved in helping their workers gain educational qualifications, and growth brings further investment into building new workshops, ensuring the best working conditions for their workers, as well as fair wages, free daily meals, transport and access to medical support. This will hopefully continue as Made becomes an ever more established and recognised UK brand, helped in part by a presence on the high street with a Topshop concession.

Judith Condor-Vidal of Trading for Development

Firstly, let's celebrate that we are all here! And that changes within the fashion industry are now being seen to be embraced by consumers and students.

There are some key words to consider and reflect on when looking at working with co-operatives – trust, campaign, partnership, challenges, slow, long-term, commitment, solidarity, collaboration and democracy.

With a background in economics rather than fashion, initially I was more involved as a campaigner for fair trade. In the early days of IFAT being established it was so exciting to work with different producer groups. The network began to flourish, and set up the first ever Fair Trade Fair which allowed groups to exchange knowledge and their stories. I decided to set up the first Fair Trade Fair in the UK, and asked groups in Bolivia to send products to sell – but they were totally unsellable! This has to be carefully considered when dealing with co-operative groups, the product has to be suitable and desirable to the market you are selling to. But in this case the producer had trust in me, that I could sell the product so I started to develop networks of people involved in or interested in fair trade.

This then led on to a number of other events – a conference in Oxford, leading to a request to do a fashion show at the Barbican in London. During a trip in Bangladesh we asked producers there to participate in the show for free, and it became about offering opportunities whilst also linking to the campaigning issue. Fair trade is not just about the pieces, and the retail, but it is about changing the trade system and growing sustainable partnerships.

It is a slow process, and change is slow, but it is working towards long-term change. The rewards are worth it, it literally changes peoples lives. You make a commitment to 'walk together' with producers, reinvesting profits into the groups and their communities helping establish basic amenities such as access to clean water and medical care.

Sometimes democracy and business can reconcile but it is important to remember limits and inefficiencies – there may be demand here, but producers maybe cannot cope with this, and would lose their cultural identity if they had to. Fair trade is a way of representing cultures and telling their story. The future is about working with fashion schools, developing tools and awareness within students for fair trade work to continue to grow. We need to collaborate more and maintain knowledge and momentum.

Martin Foley of Soul of Africa

Apologies from Lance Clark, who was unable to attend the event...

Most people will have heard of Clarks shoes, a familiar shop on many British high streets. Lance Clark, currently the head of Clarks and a 6th generation shoemaker, was invited in 2003 to visit South Africa to look at ways of improving skills and employment to people using footwear as a starting point. On this trip the devastating effect of the HIV/Aids epidemic became clear to Lance, and that the help needed went well beyond a monetary donation. He was especially affected by a visit to an orphanage of children who had lost their families to Aids, and he was deeply moved. Lance wanted to help them help themselves out of the situation, and not just rely on aid.

Soul of Africa was set up with a South African footwear company. It is a long term project offering training and skills improvement, and employment. The result has been a great product, which is already one of the top selling products of the retailers who sell Soul of Africa. From small beginnings it has grown quickly – there is clearly a commercial argument for working with co-ops, alongside the environmental and social benefits. Soul of Africa has a dedication to sustainability – helping communities and families support themselves and survive with difficulties and ultimately to be proud of themselves.

Questions and Answers

What advice could you give to a small design company looking to source materials?

Judith – The issue of quantities is one we hear time and again as it is often difficult to meet the minimum orders. There is great potential within the EFF to link people together, to make buying pools. The WFTO (formerly IFAT) is also a good way to make links and source suppliers information.

Christina – International textiles agencies are out there, developing networks to try and provide market access to small groups. I advise the first port of call to be the UNDP – United Nations Development Programme, through which you can search for networks and groups (who are potentially looking for you!) Try to find umbrella organisations or NGOs who either represent or can put you in touch with groups. Be realistic about your expectations with a new group, it takes time for both to learn the needs of the other and build capacity gradually.

There seems to be a conflict within ‘sustainability’ – between the local and the global. Often on a local level the wider issues of sustainability don’t answer the immediate problems faced by a community. Is there not a risk of standardising and legislation that does not take into account local scale problems?

Safia – We often get asked ‘how do you offset your carbon?’, and in reality it is very difficult when working with such small producers and farmers. But when the production is by hand, that can really help to reduce the carbon emissions. Artisans often have a light footprint, maybe these producers should be able to reap the rewards of a carbon credit programme, which would maybe help address both global and local issues.

How independent are co-ops? What if they choose to switch to a competitor or are not reliable?

Richard – From Made’s point of view, many of our components come from different, independent suppliers who also have other clients. But we find that often as you are

giving them steady work you can trust them and maintain a good relationship. Teaching skills and expanding opportunities is all part of Made's principles, which includes suppliers being independent and being able to take on more work and grow. Safia – PeopleTree have worked with many of their producers for many years, so it is exciting when other companies approach them because that represents further opportunity for their growth and development. Fair trade is about changing buying cycles to let artisans access Western markets, and which may involve growing beyond the starting relationships.

Christina – The Body Shop generally finds it beneficial to share producers as this improves capacity and often the quality. It is fantastic to see that growth, it is not healthy for producers to solely rely on one customer, so we encourage growth.

What suggestions do you have if workers have a sudden rise in living costs?

Christina – Living costs in South America have recently gone up by as much as 50% in some cases. This obviously has implications, and this is where strong relationships and communication are crucial – communicate with producers to ensure fairness. Other actions include adjusting margins and retail price to absorb costs and reflect the changes. Judith – Costs of living is a tricky area, also changing exchange rates. You should adapt to the changes but be aware that as quickly as costs go up they can fall down again.

Is it critical to work with NGOs when dealing with co-operative producer groups?

Christina – This is not absolutely necessary but can often be beneficial. The Body Shop works with some NGO's as they can be very helpful in overseeing the development with producers and in communities. They can be the local eyes and ears, and offer direct support to producers which can be invaluable if you are unable to visit frequently.

I am soon to go to Thailand to work in a sewing and weaving centre, working with refugees and orphans, but I'm concerned about the cultural differences and ethical concerns there may be – in particular that young orphans may be working there. In this country it would be illegal, in Thailand the culture is different and it is expected that younger people can and should work. What advice would you offer?

Safia – Clearly sensitivity is needed. In Thailand if the child is receiving education and also working some hours of the day this is usually OK – the perception in the country is that the child is learning a vocation.

Christina – For information in Thailand go to the ILO who will know what agencies work in the country. Also research and be sure of what the law is in Thailand, know yourself what the legal ages for working are.

As a producer of textiles, I have seen the demise of the textile industry in the UK – are there any programmes in place to support producers in the UK as well as abroad?

Safia - Local business is of course desirable and needs support, but often the remit of fair trade is to pull people in developing countries out of poverty and creating lasting livelihoods.

Martin – Clarks has always had a UK workforce. Perhaps in the next few years, especially given the current economic situation, fair trade locally in the UK will become an issue and will perhaps be a way to start the repair and re-growth of the industry.

Many projects are started by a passion for a group of people and a place, and try to combine charity with design, and helping people out of dire poverty. But often funding is not getting to the people. It becomes a struggle to marry the top-end design of desirable products with actually helping the co-op and not walking away. Do you have any thoughts on this?

Safia – The reality is that some fair trade supply chains have had vast amounts of money pumped into them, such as coffee and fair trade food. But outside of this, for textiles and handicrafts there is very little funding for development, which truthfully does make it difficult to break even. Fashion is a much more complex and expensive model compared to food, but is such an important area – we need to campaign the government for change in legislation and encourage local campaigning for support. When applying for funding it is important to know what the money would be going towards and to be clear about the benefits of this.

Martin – Funding for Soul of Africa partly came from the Rotary International, which assesses projects of their ability to do good.

Final Thoughts – Ben Ramsden

It's clear there are many challenges and pitfalls of working with co-ops but the potential for change is huge. It is so important to stay involved and learn from what other people are doing. There is a lot of opportunity for sharing information, which is where an organisation like the EFF comes in, providing a unique platform for networking and making contacts.

Please don't forget that next month, on May 19th, there will be a Masterclass looking into these issues in more depth. Also the next seminar in the Spotlight on Sourcing series of events.