Corporate responsibility under recessionary pressure: the case of UK retailers' purchasing practices

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Abstract

This paper investigates the effects of an economic downturn on corporate responsibility, with a focus on how UK food and clothing retailers responded to recessionary pressure between 2008 and 2009 in their strategies for ethical trade. In particular, it evaluates the pressure placed by recession on the corporate purchasing practices of these retailers, including strategies for their responsible management. The paper begins by charting the ethical trading agenda that emerged to counter and modify retailers' global supply chains during a period of relative economic prosperity from the mid-1990s. While the main focus has been on labour codes applied to own-brand producers, the paper also documents the growing critical attention since the mid-2000s paid by civil society organisations and consultancy firms to the powerful commercial buying practices that place producers under so much pressure in the first place and which serve frequently to undermine corporate responsibility efforts. However, the onset of global economic crisis posed challenges for retailers' purchasing practices, both economically and ethically. Critical and corporate perspectives reveal, first, the stress placed by the economic downturn on retail structures, supply chains and multi-stakeholder projects set up to foster more ethical corporate buying practices. While the ethical agenda promoted by NGOs concerning retailers' purchasing practices did not disappear altogether, it is shown to have adapted in line with broader recessionary-shaped shifts in which ethical trade became more tightly linked to corporate efficiency targets and an emerging 'value for values' strategic discourse. The empirical material derives from two research projects involving in-depth interviews with UK retailers and ethical trading advocates between 2005 and 2010.

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1. Introduction

This paper investigates the effects of an economic downturn on corporate responsibility, with a focus on how UK food and clothing retailers responded to recessionary pressure between 2008 and 2009 in their strategies for ethical trade.[1] In particular, it evaluates the pressure placed by recession on the corporate purchasing practices of these retailers, including strategies for their responsible management. Retailers' supply chains have been the subject of intense scrutiny by ethically-inclined consumers, social scientists, the media and civil society activists for over two decades now. The adverse effects of western corporate buying power upon labour conditions, in particular those in the global South, have been of great concern to these groups and have been highlighted in numerous critical articles and trade justice campaigns. Since the 1990s, an extensive ethical trading agenda has developed trans-nationally to address these political-economic issues, with codes of conduct concerned primarily with labour standards (though in some cases also addressing environmental issues) set up by a range of stakeholder groups to foster greater worker welfare at sites of production (Barrientos and Dolan, 2006). However, while labour codes rapidly became commonplace in the 1990s and early 2000s, many activists since 2004 have argued that these standards rarely attend to the powerful commercial buying practices that put producers under so much economic pressure in the first place.

[1] The UK economy was deemed officially to be in recession from the second quarter of 2008 until the end of the third quarter in 2009. It was reported that, "Britain's economy finally clawed its way out of its deepest recession since the 1930s in the fourth quarter of 2009, but it managed to expand by a much weaker-than-expected 0.1%" (*The Guardian*, 2010).

Many of the labour problems experienced at sites of export production, including extremely low wages, excessive overtime and poor worker safety, are frequently created by the downward pressure exerted on producers by powerful buyers on behalf of large retail and brand name companies. These buyers continually place suppliers under pressure by altering product specifications at short notice, increasing orders, shortening delivery times and reducing the prices paid to producers (Ethical Trading Initiative, 2008). Such pressure on suppliers, linked strongly to retail strategies such as fast and disposable fashion and demand for low cost goods, lies at the heart of problems concerned with improving workplace standards. And yet, retailers' powerful purchasing practices were rarely addressed in ethical codes. This gap between the work of ethical trading initiatives and the governance of global supply chains was therefore placed on the agenda in the mid-2000s by non-governmental organizations (NGOs), trade unions, consultancies and leading-edge retailers, predominantly (though not exclusively) in the UK. As a result of targeted campaigning and critical journalism, the UK's Ethical Trading Initiative (ETI) has been organising a 'Purchasing Practices Project' since 2005 that seeks to tackle directly the commercial buying practices that lie at the root of many key ethical trading problems. Although this initiative has faced ongoing challenges, acknowledged in this paper, the broader responsible purchasing practices agenda nonetheless has become a significant area of development in the ethical governance of global supply networks. However, by the end of 2008 the strategies and ethics associated with retailers' buying practices were placed under a fresh set of pressures.

In October 2008, the ETI held its biennial conference at which the responsible management of retailers' purchasing practices was a significant part of the agenda. However, the timing of that conference coincided with the onset of a global economic downturn that threatened to place this ethical agenda in jeopardy, as many of the corporate delegates represented retailers who were experiencing significant squeezes on their profitability and challenges to their competitive strategies. In plenary sessions, the conference therefore incorporated not only reflections on evolving ethical trading agendas, but also highly-charged speculation about the implications of financial crisis for labour standards in supply chains. This reflects a larger question about how corporate social responsibility responds to recession.

The paper begins by charting the ethical trading agenda that emerged to counter and modify retailers' global supply chains during a period of relative economic prosperity from the mid-1990s. It also documents the growing critical attention since the mid-2000s paid by civil society organizations and consultancy firms to the powerful commercial buying practices that place producers under so much pressure in the first place. However, the paper turns attention to how the onset of global economic crisis posed challenges for retailers' purchasing practices, both economically and ethically. While the ethical agenda promoted by NGOs concerning retailers' purchasing practices did not disappear altogether, it is shown to have adapted in line with broader recessionary-shaped shifts in which ethical trade became more tightly linked to corporate efficiency targets and an emerging 'value for values' strategic discourse.

The empirical material discussed in the paper derives from two research projects, each of which have addressed the UK ethical purchasing practices agenda for UK retailers. The first project was sponsored by the Economic and Social Research Council between 2005 and 2007 during a period of relative prosperity. The study included 20 interviews with organizations on the advocacy side of ethical trade and 26 representatives from retailers, auditors and consultants, including seven of the top ten UK food retailers and nine of the leading ten clothing retailers in terms of market share. The second study, sponsored by the British Academy, involved 30 in-depth interviews conducted between September 2009 and May 2010. The interviews included discussions with ethical trading managers at six of the leading ten UK food retail corporations in terms of market share and representatives of eleven major clothing retailers operating in the UK, seven of whom are in the top ten in terms of their share of the UK market for clothing sales.[2] Additional interviews were carried out with two leading ethical auditing firms, three ethical consultancies, three international trade unions, seven NGOs, and a representative of the ETI secretariat.[3]

2. Ethical trade, UK retailers and the 'purchasing practices agenda'

2.1 UK food and clothing retailers and ethical trade

Ethical trading developments in the UK took off rapidly in the mid-1990s at a time when high-profile companies were targeted by NGO campaigns and media exposés, many of

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[2] Corporate interviews with ethical trade managers at three of the retail chains covered both food and clothing.

[3] The identities and organisational affiliations of interviewees are concealed in the paper in line with their requests.

which revealed cases of labour exploitation in companies' global supply chains (Dolan, 2005; Freidberg, 2004; Sadler, 2004). Leading food and clothing retailers in the UK were prime targets, owing to the increasing power they wielded from the 1980s onwards both within the national economy and with respect to their global supply chains. Increasing concentration of capital in both sectors, permitted by a laissez-faire regulatory state, translated into significant market power that allowed retailers to dictate the terms and conditions of trade to suppliers with often detrimental effects on labour conditions (Hale and Opondo, 2005; *Oxfam*, 2004). Ethical campaigning and critical journalism on the subject of labour standards in supply chains, coupled with the absence of enforced global regulation, encouraged the adoption of voluntary codes of labour conduct on the part of the majority of UK food and clothing retailers (Barrientos and Dolan, 2006).

Most UK retailers' codes are built upon the ETI's base code of conduct, which consists of nine provisions based on core International Labour Organisation (ILO) conventions concerning labour standards.[4] By 2008 the ETI had 55 corporate members, 17 of whom are leading UK food and clothing retailers.[5] Fifteen NGOs and a set of international trade unions complete its tripartite structure, making it the most strategically significant multi-stakeholder institution in the UK influencing labour standards in retailers' supply chains. The ETI and ongoing campaigns both encourage and place continued pressure on

[4] These provisions, exclusively concerning labour standards, are: employment is freely chosen; freedom of association and the right to collective bargaining are respected; working conditions are safe and hygienic; child labour should not be used; living wages are paid; working hours are not excessive; no discrimination is practised; regular employment is provided; and no harsh or inhumane treatment is allowed.

[5] The majority of leading food and clothing retailers are members of the ETI. However, most notable non-members are the John Lewis Partnership, Morrisons and the Arcadia Group.

retailers to advance their ethical trading programmes (*The Guardian*, 2009e). This is important, not least because the concentration of capital in both food and clothing retail remains high and is accompanied by the continued exertion of retailer power in supply chains (Coe and Wrigley, 2007; Tokatli et al, 2008). In grocery retailing, by 2009 the 'big four' chains – Tesco, Sainsbury, Asda and Morrison – between them accounted for over 60% of all UK food sales (£223.15 billion) (*Mintel*, 2009b). Total UK clothing sales reached £29.2 billion in 2008, around a fifth of which is estimated to derive from the supermarkets (*Mintel*, 2009a). Other leading players are Marks and Spencer, Next, multi-brand groups such as Arcadia and Aurora, department stores including Debenhams and the John Lewis Partnership, and a range of other clothing retail specialists including the highly successful, lean retailer, Primark (*Mintel*, 2009a).

2.2 UK-based ethical campaigning and the focus on corporate purchasing practices

At the turn of the 21st century the very buying practices that put so much pressure on suppliers and working conditions in the first place still remained curiously untouched by ethical codes. Critical commentators in the UK drew attention to the fact that retailers' purchasing practices – involving downward pressure on prices, altering product specifications at short notice, increasing orders and shortening delivery times – actually *undermined* corporate ethical trading programmes. As such, retailers' commercial buying practices initially fell outside of the range of supply chain activities monitored by ethical trade and codes of conduct. There was therefore an organisational conundrum facing retailers attempting to incorporate responsible purchasing practices into their corporate ethical trading agendas. That is, that the teams responsible for executing ethical trading programmes and organising the auditing of labour codes were frequently *detached from* the teams concerned with corporate buying.

The key problems associated with the downward pressure exerted on suppliers by retail buying practices, and the organizational disconnect between the aims of ethical trade on the one hand and the profit-maximising objectives of commercial purchasing on the other, were first placed in the critical spotlight both by the ETI at its biennial conference in 2003 and by three important reports published in the UK in 2004. While a small minority of leading-edge corporations based outside the UK were beginning to address the impacts of their buying practices, for example Nike and Gap in the USA, this sharp focus on purchasing practices in the UK ethical trade debate was unprecedented. So when the three reports—*Buying Your Way into Trouble*, *Taking the Temperature* and *Trading Away Our Rights: Women Workers in Global Supply Chains* by Acona Limited, Impactt Limited and Oxfam respectively—were published, shock waves were felt by ethical consumers, the media and the corporate community alike. While trade unions like the International Textile, Garment and Leather Workers Federation (ITGLWF) and NGOs such as Banana Link and Christian Aid also drew corporate attention to the adverse effects of retail buying, it was these three reports that provided the crucial vehicles for placing purchasing practices more centrally on the ethical trade agenda.

In response to these reports and associated campaigning, the ETI and its UK retail members began to acknowledge the importance of addressing purchasing practices as a *part of* their ethical trading efforts. Both the 2003 and 2005 ETI biennial conferences organised sessions concerning the challenge of marrying ‘the commercial’ with ‘the ethical’. And from April 2005, the ETI set up an experimental project on purchasing practices, which remains active at the time of writing. This project aims to discover how retailers’ buying practices can more effectively support working conditions at sites of production. Eight companies initially signed up to the project—Asda, Debenhams, Gap (based in the USA), Inditex, Marks and Spencer, New Look, Next and WH Smith. These companies were each partnered by a participating NGO or trade union in order to work collaboratively on assessing and improving their purchasing practices with respect to ethical supply chain management. Trade unions involved were the ITGLWF, Prospect and the Transport and General Workers Union. NGOs working on the experimental project included some of the most prominent organizations in the debate—CAFOD, Homeworkers Worldwide, Oxfam, Traidcraft and Women Working Worldwide. This experimental project, which has produced reports and case studies used regularly in ETI training programmes for participating companies, arguably represented the most strategically significant ethical trading work on purchasing practices in the UK. Alongside this project, both Oxfam and Traidcraft continued to publish reports on the issue *(The Chartered Institute of Purchasing and Supply* and *Traidcaft Exchange*, 2006, 2009; Oxfam, 2010).

Overall, the ETI, along with campaigners, consultancies and leading-edge retailers, made significant headway in setting the ethical purchasing practices agenda and developing new work in this area. However, there are several significant challenges that the ETI and its members have faced both in the execution of the experimental project and in the translation of this strategic agenda into significant improvements in everyday supply chain management. Research between 2005 and 2007 showed that these organisational challenges could be categorised broadly as: (i) maintaining appropriate levels of corporate and non-firm involvement in the ETI project; (ii) gaining internal support for ethical purchasing practices from top-level management and buyers; (iii) consulting suppliers on the impacts of purchasing practices; and (iv) limitations associated with inter-firm collaboration on sensitive areas of retailers' business such as product prices. When the ETI addressed the theme of ethical buying practices at its biennial conference in late 2008, a fresh set of economic challenges threatened to deepen the commercial pressures on this already fragile programme of work.

3. Recessionary pressure on retailers, supply chains and purchasing practices

As the effects of the financial crisis quickly infiltrated the so-called 'real economy' in the latter part of 2008, landscapes of retailing in the UK were re-shaped, if not decimated as some early commentaries had suggested (*Just-Style*, 2009). Extreme positions of bankruptcy and restructuring were avoided by the majority of leading UK retailers, due in part to the fiscal stimulus measures taken by the state to avert a deeper economic crisis (*The Guardian*, 2009a). Indeed, the continued profitability through recession of the large grocery retailers is acknowledged (*The Guardian*, 2009a). However, market segmentation and competitive strategies were profoundly influenced by changing consumption trends. With unemployment in the UK exceeding two million during the three months to January 2009, and an uncertain future with respect to potential tax rises and cuts in public spending (Oxfam, 2009), there was a discernible shift in patterns of

UK consumption towards more low-cost purchases and comparison buying (*The Independent*, 2010; *Just-Style*, 2009; *Mintel*, 2009a, 2009b; *The Times*, 2009b). This mirrors patterns of recessionary and post-recessionary consumption predicted by Flatters and Willmott (2009, 106), in which "discretionary thrift", the quest for simplicity in products, brand switching and an overall move away from premium prices become key features.

The most successful UK retailers during recession were those focused on value, in terms of low-cost products. For example, Primark saw its sales rise by 20% to £2.3 million during the 12 months from the end of 2008 (*The Guardian*, 2009a; Leffman, 2009), while Asda's low-margin George brand overtook Marks and Spencer to become the leading retailer in terms of market share for clothes sales in the third quarter of 2009 (*The Times*, 2009a). Similarly, grocery chains emphasizing lower cost foods tended to prevail, though the picture was complicated by the success of high-value supermarkets, Sainsbury and Waitrose, and the compromised performance of limited line discounters such as Aldi (*The Guardian*, 2009b). The retailers experiencing recessionary pressure most acutely were those occupying mid-market positions of both food and clothing retailing in terms of cost, quality and margin, with both the John Lewis Partnership and Marks and Spencer compelled to incorporate more low cost deals for consumers in order to respond to the difficult trading environment (Favaro et al, 2009; *The Guardian*, 2009a, 2009c).

While there were initial concerns that the intensification of 'value retailing' and trading down would threaten the market for ethical goods, which had grown in the UK from

£13.5 billion in 1999 to £36 billion in 2008 (*Co-operative Bank*, 2008), ethical consumption did not simply decline overall during the downturn. During the recession more than 70% of UK consumers were reported to express concern for the fair treatment of workers (Pierce, 2009; see also *The Observer*, 2008). Crucially, though, consumers also expressed a reluctance to pay premium prices for ethical products (*The Guardian*, 2009f; Pierce, 2009), a pattern found by leading retailers' own market research (Interview, Ethical Consultancy A, September 2009). As a result, a discourse of 'value for values', emphasising both low cost and ethical credentials, appeared very powerfully on the landscape of corporate food and clothing retailing (Interviews, Supermarket Chain A, November 2009, Supermarket Chains C and E, October 2009; Lang, 2010; *The Times*, 2009b).

In terms of the organization of retailers' supply chains for both food and clothing, research interviews revealed the following strategic patterns during recession: (i) tighter management by retailers of inventory; (ii) consolidation of the supply base, whereby retailers source from a selective range of key suppliers and cut out marginal producers;[6] and (iii) intensification of cost-cutting and delayed payment schedules. The following quote from a representative of NGO A captures the implications of this latter issue for buying ethics:

> "Retailer purchasing practices can push suppliers to the wall, even when there isn't a recession going on. And when there was a recession going on,

[6] While consolidation was not a direct consequence of recession, some retailers concede that the downturn was a catalyst in the process. And while ethical trade is suggested to be more effectively managed through a smaller number of close relationships with large suppliers, there are implications for marginal producers losing business.

> you were hearing about payment times being increased from 30 to 60 plus days, and we know that delayed payments can put businesses that are already feeling pressures into quite deep distress." (Interview, October 2009).

In sum, falling demand for consumer goods, retail restructuring, the rise of value retailing and its pressure on the market for ethically-produced goods, supply chain consolidation, an intensified race to the bottom and declining labour standards for vulnerable workers (Hughes, in press) constituted a challenging landscape for the ethical trade movement, not least in the field of responsible purchasing practices.

4. Recessionary and post-recessionary pathways for ethical purchasing practices

4.1 Recessionary pressure on projects for ethical purchasing practices

Considering the pressures of recession on multi-stakeholder purchasing practice projects first of all, two key changes were influential. First, there was notable caution and slowdown in the development of ethical trading projects during the first six months of recession, when retailers and their stakeholders first moved from a context of economic prosperity to one of instability. A commentator from NGO G summarises this situation as follows:

> "We are getting evidence of some of the high street chains levelling off what support they provide [for ethical trade]. They are not stepping up any new stuff. They are not pulling away from what they do, but they are not putting any new stuff together." (Interview, September 2009).

This reflection, repeated in many of the research interviews, suggests that while they did not withdraw from ethical commitments set up prior to the recession, the majority of retailers neither drove new innovations in ethical trading strategy, nor committed additional financial resource to ethical trading projects during the downturn. While some UK retailers continued during recession to pursue programmes of work on integrating buying practices with ethical codes, progress with ethical purchasing practices for all companies was modest and relatively slow:

> "Before we started our project on purchasing practices I talked to two international retailers and one had started a purchasing practices project and abandoned it. Another one had worked on it two years and it was hard to see what they had achieved. I'm not trying to say we are in a better position, but these things tend to be slow and ours I wish had gone faster (Interview, Clothing Retailer I, December 2009).

Second, the recession affected the ability of campaigning NGOs and some struggling retailers to engage with multi-stakeholder organisations and programmes of work requiring a specific resource commitment, including the Purchasing Practices Project. With respect to NGOs first, in 2009 overall charitable giving in the UK fell by 11% due to recession (*The Guardian*, 2009d). NGOs involved in ethical trade did not escape this trend. Pressure on NGOs in terms of their labour standards work also increased with growing demands to prioritise climate change issues. These dual pressures were acknowledged by interviewees and place limits on the resources channelled into ethical trading work:

> "What's happening with ETI is that corporate membership is growing, but NGO resource is not. The development NGOs in ETI are prioritising other areas and are strapped for cash overall. And the little labour-focused NGOs are strapped for cash because of the recession. What the impact is of the recession on the NGOs is huge. That combination – climate change and recession and the funding environment being difficult – means that as ETI grows, NGOs can't keep pace and the model of working in a tripartite way is being absolutely put under strain." (Interview, NGO C, November 2009).

The potential weakening of the NGO role within the ETI is significant and suggestive of a possible future increase in private sector control over the agendas and projects of multi-stakeholder institutions.

In addition to the effects of recession on NGOs and their ability to participate in multi-stakeholder projects on ethical trade more broadly, the downturn also placed limits on the ability of corporate ethical trading managers to get 'buy-in' specifically for purchasing practices projects from directors because of pressures on resource and time; a challenge acknowledged even prior to recession. As a representative of NGO E recounted:

> "One garment company said to me they were so flat out they'd already been through cutbacks within their own staff. If they were going to do anything on purchasing practices, they'd have to hire a consultant because there was no capacity on current staff to do anything new and do any new thinking. So yes, that is an impact on companies' abilities to do something new, potentially, if there's no resource and everyone is running around like a headless chicken" (Interview, September 2009).

Another indicator of this challenge is that several retailers who were initially signed up for the ETI Purchasing Practices Project left the programme, though this was not due to recessionary pressures alone. Only Next, New Look, Gap and ASDA's clothing brand, George, remained on board. And while responsible purchasing practices have more recently become a much more central part of ETI's framework for best practice through their inclusion in the Principles of Implementation, one ETI Board member lamented that:

> "ETI is very framework heavy. They've revised their Principles of Implementation … and we are trying to finish a benchmarking process to rank people on how they are performing on each of those principles. On purchasing practices there's huge resistance and pushback from the companies around committing to clear language. For example, we would argue for a benchmark that says 'in your terms of agreement concerning issues around price, quantity and lead times, that they should be consistent with the ability of the supplier to meet all of the requirements in the base code' … When you have the debate around benchmarking, there's a huge corporate pushback partly because they don't have the traction in their own organisation to give that cost" (Interview, November 2009).

Overall, the uncertainties and additional pressures on resource associated with the economic downturn accentuated the challenges already present in terms of maintaining corporate and NGO commitment to progressive projects advancing ethical purchasing practices. And this was at a time when the need for integrating ethical and commercial targets was at its greatest because of the aforementioned recessionary effects on suppliers and workers. However, as the following section demonstrates, selective programmes of work continued, though shaped very consciously by the change in trading environment.

4.2 Marrying the commercial and ethical in a 'value for values' environment

Despite recessionary challenges to the progress of ETI (and other) projects on purchasing practices, programmes of work on the issue did not stop altogether. What emerged, first, was a continuation of corporate variation in terms of the strategic prioritisation of the issue, as the following quote suggests:

> "When the Acona report was done [in 2004], companies really weren't looking at it [purchasing practices] and now they are, at least the ones who understand about those issues, the ones who are in touch with good practice and ETI. And they would totally acknowledge that the way they buy has an impact on standards at the other end. I think they totally accept that now.

> Whether they are doing very much to solve it is another matter. They are certainly aware of it and of course it's been built very much into the ETI strategy and benchmarks now. Having said that, how effectively companies are addressing it is very variable and having made the initial commitment, they are probably not all progressing very effectively" (Interview with NGO C, November 2009).

For those retailers continuing explicitly to prioritise the strategic integration of buying practices with ethical codes during recession, research interviews revealed the growing significance of management systems incorporating tools such as the 'balanced scorecard'. Put simply, the use of such tools means that a supplier's ethical performance with respect to labour code compliance becomes part of the wider range of factors considered by a retail buyer when placing an order. The Ethical Trading Manager for Clothing Retailer D describes how such a management tool for their corporate buyers has been slowly developing and how it makes the responsible buying issues debated at ETI level more practicable:

> "I sat in the ETI Purchasing Practices meeting and, you know, we can all kind of talk about what the issues are until the cows come home, but what the next step really needs to be is what do we need to give the buyers to do it? We've got to give them some tools to do it … We've got tools that are set up and we need to get a bit more consistency and we need to take it to the next level, so we give them something that's a toolkit to enable them to do what they need to do. I haven't got all the solutions for what all those tools should be, but actually has anybody else? I think there is quite a lot of work to be done in terms of the ETI and the members in terms of what those tools look like and that's the next stage they are starting to talk about" (Interview, October 2009).

While such management tools are viewed by many as a step in the right direction, they have limits in terms of changing the deeper cultures of purchasing, connected as they are to discourses of fast fashion and ever-stringent measures of cost-cutting. As one ethical auditor put it, “For many [retailers], I’m seeing them integrating compliance rather than changing the way they work” (Interview, October 2009). And a commentator at NGO E added that, “Good purchasing practices actually come about as a result of company ethos, not codes” (Interview, September 2009).

The increasing importance of efficiency and cost-cutting during recession represented a key factor shaping retailers’ ethical trading strategies, including programmes of work on purchasing practices. The ‘value for values’ dimension to retailers’ corporate strategies signalled a subtle shift in the discourse of responsibility influencing ethical trade, with the management of business costs and ethical performance being more explicitly linked than ever before. The ethical trade consultancy firm, Impactt Limited, reflects on this connection and relates it to recessionary pressure in its 2008 publication, *Getting Smarter: Ethical Trading in the Downturn*:

> “Consumers are holding on to their ethical values during recession, at the same time as tightening their purse strings. The challenge for companies is how to deliver product embodying customers’ values, whilst providing ever better value for money … We have focused on finding and testing sustainable and affordable solutions to enable companies to inch closer to the goal of delivering goods and services which embody their customers’ values whilst delivering better value for money.” (Impactt Limited, 2008, 4-6).

This consultancy firm advocates a range of strategies for managing ethical trade efficiently, including responsible purchasing practices using score card-based tools. In Impactt’s view, purchasing practices arguably hold increasing significance for companies attempting to manage the costs of ethical trade more carefully in the context of a challenging trading environment, as this corporate interviewee also acknowledges:

> "I think it's important to think of cost effective ways of using your resource and that's why it's important to have it [ethical trade] integrated into everyone's job rather than having a team of 100 people running round the world just doing ethical audits. That's not very cost effective" (Interview with Supermarket Chain C, October 2009).

A further strategy proposed by Impactt Limited, and others, is to link the payment of living wages firmly to the productivity and efficiencies of producers; an approach publicly endorsed by supermarket chain, ASDA, which interestingly is a key participant in the ETI Purchasing Practices Project (*The Guardian*, 2009e).

5. Conclusion

Analysis of UK retailers' corporate ethical trading strategies during recession provides an insight into the broader question of how the corporate responsibility movement responds and adapts to the challenging economic circumstances of a downturn. Interviews with key UK-based institutional actors towards the end of recession provide valuable knowledge, situated in both place and time, of the strategic responses to recessionary pressures concerned with corporate ethical trading and responsible purchasing practices. Narratives at the end of 2008 had reflected positions of uncertainty and concern that corporate ethical trading might be reduced in scale because of growing financial pressure. Such concern was borne out, in part, through recessionary challenges to discrete, multi-stakeholder projects on ethical purchasing practices requiring corporate commitment in terms of time and resource.

In line with the wider corporate responsibility movement (Quelch and Jocz, 2009), though, retailers' ethical trading programmes continued as integral dimensions of corporate reputational risk management (Hughes, in press). However, modifications to ethical trading strategies were also evident. Most notably, retailers continuing to acknowledge and prioritise the importance of responsible purchasing practices in managing ethical trade have tended to do so using management tools within a new 'value for values' discourse that integrates ethical trade with corporate efficiency targets. This finding holds ongoing significance for a UK retail environment continuing to be shaped by austerity amidst the effects of unprecedented public sector cutbacks (*The Guardian*, 2011). While the continuation of some leading retailers' work on ethical purchasing practices should be acknowledged as a worthy and progressive project, the tightening link between supply chain ethics and economic efficiency within a landscape of austerity raises important questions that need to be addressed in future critical work on corporate responsibility.

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