

▼ Shea butter is prepared for The Body Shop, some of whose suppliers fear they may not be paid for stock

PHOTOGRAPH: THE BODY SHOP INTERNATIONAL



Back Starmer's plans to reform workers' rights, TUC warns business lobby

Richard Partington
Economics correspondent

Union leaders have warned business groups against pushing Keir Starmer to water down Labour's plans for sweeping reforms of workers' rights and a ban on zero-hours contracts. As the Labour leader comes under pressure from industry to scale back its shake-up of employment laws, the Trades Union Congress (TUC) said the plans were "extremely popular" with voters and good for the economy.

Calling on employers to "get onboard" with Labour's plans, the union umbrella body published analysis showing as many as two-thirds of workers on zero-hours contracts had been with their current employer for more than a year. It said that this showed the overwhelming majority of workers on the contracts were "stuck" in a position of insecure employment, which was leading to bad employers "parking workers on zero-hours contracts for years".

It found a minority of zero-hours contract workers were on them as a temporary measure, with as few as 7% having been with their current employer less than three months.

The TUC's intervention comes after the president of the CBI lobby group, Rupert Soames, said this month that it was pushing Labour to soften its plans amid concerns from some businesses that the measures could undermine economic growth.

Labour has pledged to ban zero-hours contracts, end fire-and-rehire practices, and introduce "day one" employment rights as part of a "new deal for working people" within the first 100 days of taking office.

Although business leaders are understood to be largely supportive of the party's ambitions, some lobby groups have questioned whether a rushed introduction of the plan could cause "unintended consequences" and hurt the economy.

Labour has sought to win favour among business leaders by pledging not to increase corporation tax or reverse the government's decision to scrap a cap on bankers' bonuses.

However, the TUC said strengthening workers' rights was a vote-winning policy among the electorate. Polling carried out for the TUC in the autumn showed almost two-thirds of UK adults supported a ban on zero-hours contracts, including 60% of 2019 Conservative voters.

Paul Nowak, the general secretary of the TUC, said: "The UK's long experiment with a low-rights, low-wage economy is a complete failure. The Tories' lack of an economic plan for jobs, growth and living standards has cost workers and industry dear.

"Decent, secure jobs are essential to building a motivated, healthy, innovative workforce - all vital for high productivity growth."

Body Shop fair trade suppliers fear being left out of pocket

Sarah Butler

The Body Shop's fair trade suppliers, who work with vulnerable people from the Amazon to Africa, say they have been left with beauty ingredients worth more than \$1m (£790m) that may now never be ordered or paid for by the ethical beauty chain.

The retailer, which called in administrators to its UK arm last week, has partnerships with 18 community fair trade partnerships around the world via its own scheme. Many of the relationships have been in place for more than 20 years.

Several told the Guardian they could be left with hundreds of thousands of dollars of stock. The sums may not be large by corporate standards, but suppliers said they were very meaningful to families living on low incomes in often remote areas.

Administrators from the accounting firm FRP said The Body Shop's UK arm continued to trade as usual and creditors would be kept informed as the process moved forward.

However, any supplier debts will be lined up behind many other creditors - and orders could shrink if the stores are closed.

Aurelius, the restructuring specialist that bought The Body Shop for £207m in a deal finalised last month, is understood to be the main creditor, with a secured debt that will ensure it gets paid. It is expected to take back the chain, but only after many shops have closed.

The future of the group's Irish, mainland European and Japanese divisions also hangs in the balance. The German business was put into insolvency last week.

Several community suppliers told the Guardian they had no written contract with The Body Shop but had produced an agreed amount of product for the business for many years.

Gaston Vizcarra, the president of Candela Peru - which has been providing Brazilian nut oil for The Body Shop since 1998 from nuts collected by 400 local families in the Amazon - said there was a \$500,000 inventory of oil on hold for the retailer. "We don't have any debt, but for more than two years we have manufactured this oil ready to go. There is no contract. It is based on trust."



Most of the fair trade community projects do not supply The Body Shop directly. They sell their ingredients to intermediaries such as oil refiners or one of the group's 20-plus cosmetics and beauty product manufacturers.

The producers are concerned that if manufacturers are not paid by administrators to The Body Shop, they in turn will not be paid.

"It's a worry," said the head of one community producer group based in Africa that works with thousands of individuals. "We are all affected, whatever the changes coming up. It is going to affect the whole supply chain."

Mayk Arruda from CoppalJ, a Brazilian cooperative working with local communities that produces oil from the babassu palm, which grows in the Amazon, said it had just received an order for 30 tonnes of oil worth more than €300,000 (£260,000) and was concerned that it might not be paid.

"We work with 258 families directly and can impact more than 1,000," he said. "If we are not paid, we are going to face a big problem."

He said the higher price paid for the oil by The Body Shop had generated a "revolution in families' lives" and there was a concern "that we will lose [that]".

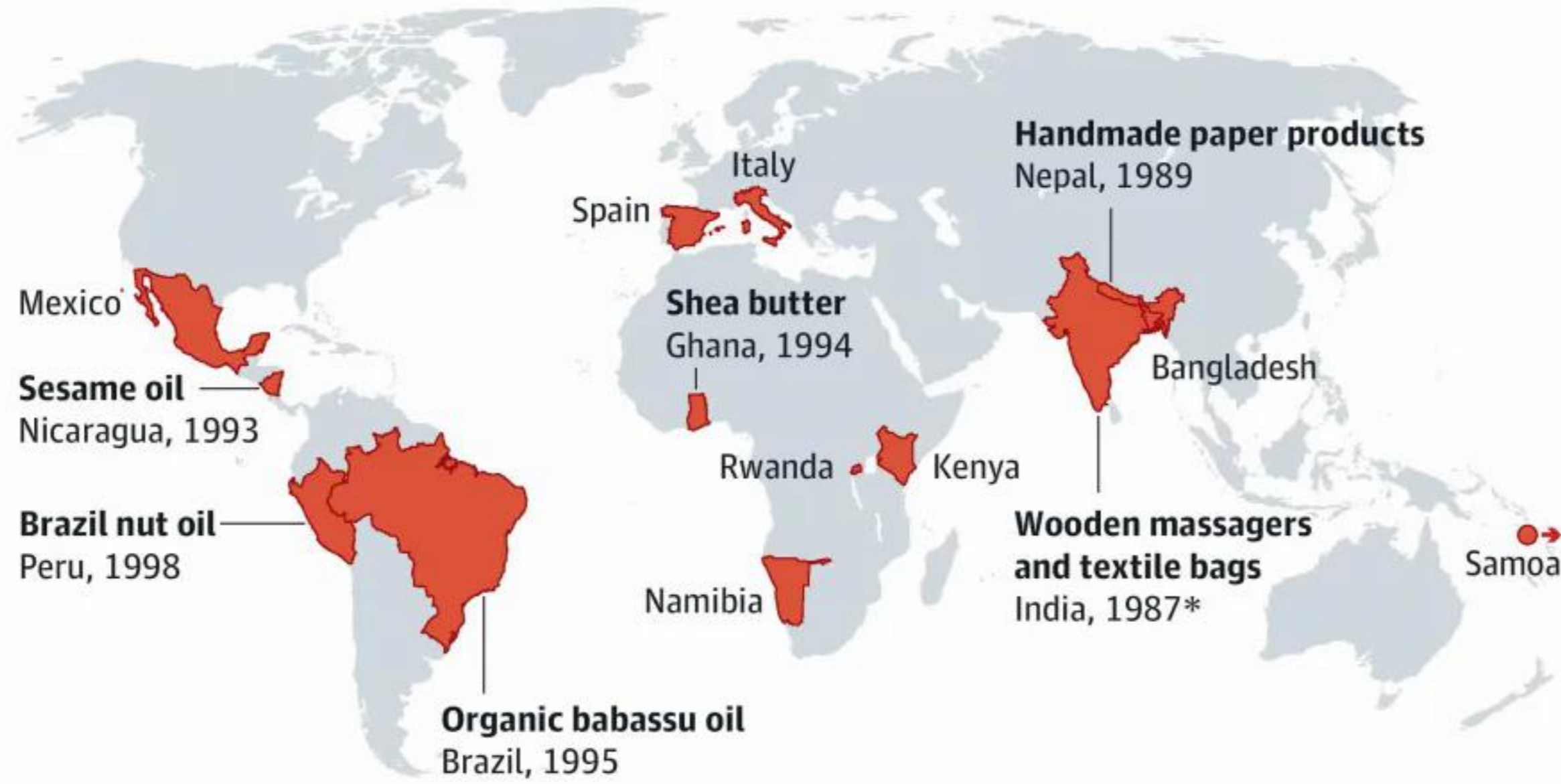
Nick Hoskyns has supplied The Body Shop with sesame oil from the Juan Francisco Paz Silva cooperative in Nicaragua since 1993. The group works with 270 families. It has about \$300,000 of sesame oil in stock that was produced without a contract.

"We have a relationship of trust and exclusivity of over 30 years which has been more than a contract."

Some fair trade suppliers deal directly with The Body Shop and so may miss out on payments, as they will be in line behind secured creditors such as Aurelius in the UK arm's administration.

The Body Shop's community fair trade programme

By year trading started



Source: The Body Shop. Note: selected products named on map. *Body Shop's first community fair trade programme partnership and first of four set up with partners in India