

# The perils of business ethics facing the UK's SME jewellery producers comes under scrutiny

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Morven McEachern. Credit: University of Huddersfield

In the long-established Jewellery Quarter of Birmingham, highly-skilled micro-businesses create and craft bespoke items using fine gems and

precious metals. Often, they will take the source of their materials on trust, which can offer opportunities to rogue traders and make it difficult to develop policies towards corporate responsibility and environmental sustainability.

Now, a University of Huddersfield professor has collaborated on a research project that examined the dilemmas facing the jewellery producers. It has led to pointers on how these specialised small-to-medium enterprises (SMEs) can face up to economic, social and environmental challenges. If they can successfully demonstrate their credentials on issues such as sustainability and sourcing, it might give them a valuable edge in an increasingly competitive global marketplace.

Morven McEachern is the University of Huddersfield's Professor of Sustainability. A recent co-authored article is *The Fine Jewellery Industry: Corporate Responsibility Challenges and Institutional Forces Facing SMEs*, published by the *Journal of Business Ethics*.

She and her co-researchers used the high-value jewellery industry as a case study for how SMEs could develop corporate responsibility policies. The research was carried out by conducting in-depth interviews with designers, makers and other specialists based in the Birmingham Jewellery Quarter, which has been established for more than 250 years and is home to some 500 businesses.

Professor McEachern said that the jewellery businesspeople interviewed for the project were glad to co-operate.

"They so keen for us to see what we could find out for them and what they could do to educate the public more. They know that if they go down the assured, more ethical route, other global competitors such as the Indian and Chinese markets will find it harder to compete with that."

There was a high level of collaboration among the SMEs, said Professor McEachern, and the businesses were working closely with the Responsible Jewellery Council, which has a code of practice on labour rights, environmental impact, mining practices and other topics in the jewellery supply chain.

A key theme that emerged during the research project was the role that trust played between SMEs in the Birmingham Jewellery Quarter. For example, a supplier would often be taken at his word that a diamond was not from a conflict zone.

But the article warns that "too much reliance on trust, particularly when it comes to mineral and gem provenance can destabilise [jewellery corporate responsibility](#) and perhaps open the door to potentially unscrupulous behaviour by rogue traders across the different stages of the chain, who might behave opportunistically".

Provided by University of Huddersfield

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