

**SOCIAL ACCOUNTABILITY 8000 AND LABOUR STANDARD**

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**Abstract:** *The study presents the impact of auditable certification standard in export oriented production units to maintain and apply legal and social practices in the workplace to ensure ethical business and fair trade. This paper discusses about SA 8000(Social Auditing 8000) certification process as a method of protection for employees anywhere in the world based on ILO convention on human rights.*

**Keywords:** *Accountability, Employees, Human Right, ILO, labour*

**1. INTRODUCTION**

Globalisation has brought us great potentials to trade on the global scale, to spread supply chains across countries and even continents, to outsource. Trade generates self-reliant growth, employment and investment needed to reduce poverty. Shift from 'labour sweating' to 'labour friendly' growth needs constant and consistent attention. Value laden rules and activities are introduced in social auditing mechanism, to bridge the gap between these two approaches. International and domestic traders have benefited from various concessions to promote investment in the industries; therefore the business firms accept responsibilities for ensuring a minimum bundle of rights for their workers. However, there are two sides of a coin—outsourcing and global supply chains create a vast space for abuse, especially in countries where there are weak and poor social and legal policies. In India and around the world there are incidence of child labor, long hours, unfair wages, forced and compulsory labor, sexual harassment and physical abuse. These are just a few examples of what happens in many factories around the world. In this globalized world the challenge is to ensure fair trade and at the same time attract business partner for trade. This paper presents the nuances of ensuring fair trade even in a small factory in the high risk country and at the same time to attract business partners interested in responsible sourcing.

**1.1 ILO and Labour Standard**

ILO describes three 'core' labour conventions these include freedom of association, the right to collective bargaining and the absence of forced labour. The distinct nature of these core conventions is that they focus on "right", not standards. They do not presume certain level of development for their implementation, but they are fundamental to democratising the struggle for labour standards. This will allow workers to determine their own priorities, to fight for them and to accept the risks that such a struggle might entail. The world economy is not a level playing field; it is a power struggle between unequal competitors. Globally agreed improvements in labour standards will still have to be graduated according to conditions within each country. The only instances where flexibility is not legitimate are when the most basic of human rights are denied - the right to human integrity, the right to have rights and an equal voice on their application. It is in this context, the paper presents the labour standards promoted by Social Auditing Initiatives called SA8000 where these issues are sufficiently addressed in the auditing pattern and practice. These certification process are based on the principles of international human rights norms as described in International Labour Organisation conventions, the United Nations Convention on the Rights of the Child and the Universal Declaration of Human Rights.

This paper discusses about a certification process called SA 8000 which offers protection for employees anywhere in the world.

### **1.2 Place of Observation**

Tiruppur is basically a traditional centre for cotton ginning and knitwear exports. The city is both labour intensive and capital intensive and has 9 lakh population and Rs.18000cr business in 2013-14 and is now striving to double the exports within the next three years, the information technology is increasingly becoming essential for faster business decision making and efficient communication. Tiruppur, which had a population of just 2 lakh in 1970, has a population of 9 lakh. The share of migrant population is more in the total working population in the industry and is increasing at a fast pace. Tiruppur is an important trade center of India has gained universal recognition as the leading source of Hosiery, Knitted Garments, Casual Wear and Sportswear. It is also a major source of Foreign Exchange for the country because of its exports. The city accounts for 90 % of India's cotton knitwear export; worth an estimated US\$ 1 bn. The labour intensive business sector always draws the attention of the policy makers, social activist, trade union members for labour related issues.

At this juncture it is also pertinent to know how the garment industry works. A worker in the clothing industry anywhere in the world today is faced with decreasing wages, deteriorating health, an increased risk of losing his/her job, or being turned into a part time or casual laborer; as governments compete for international investment by offering more vulnerable and lower paid work forces to these investors. Most clothes are produced far away from where they are bought. Before a pair of trousers arrives in a shop, somewhere in the United States or Europe, it has probably been in several factories and different countries and continents. For example, the fabric may be produced in India, the zipper and buttons in China, and the trousers may be put together in Cambodia or Bangladesh. One retailer will buy clothing in many different countries.

### **1.3 Factories**

The factories where clothes are made sometimes employ thousands of workers. Workers in these factories are involved in cutting, sewing, trimming, washing and packaging clothes. Unemployment is high in some of the countries where they invest, so workers have to compete for jobs that pay less wages and poor labor conditions. If there are not enough orders in a factory workers will normally be put on part time or laid off for a time in which they receive no compensation.

### **1.4 Retailers**

The clothes are sold to companies called “retailers,” sometimes via a long chain of intermediaries and agents. This can make it quite difficult to trace where clothes actually came from. The retailers buy clothes from factories and then sell them to individual people and families. Retailers sell these clothes at many times the price that it takes to source them; as a result of which they make huge profits. The cheaper the clothes can be made, the greater the profit they can make so they force producers to compete with one another to deliver cheaper better quality garments. Because the large retailers can place such big orders it is easy for them to dictate the prices they will pay for the items to the producers, who are quite often multinational companies themselves. The producers (factories) determine where they will invest forcing different countries to compete for investment by providing incentives such as tax breaks and a cheap labor force. India has experienced this in the last decade as there has been a progressive relaxation of policies that protected its garment industry, in order to “compete globally.” Retailers sell clothing with many different kinds of labels.

### **1.5 Buyers and Brands**

C & A, Marks & Spencer, migros, Charles Voge, Mothercare- UK, Tesco, Lindex, Ellos, Woolworth, Kaufland, Debenhams, Benetton, Coop Italia, E Leclerc, La Halle, Kiabi, Coretfield/Springfield, Dunnes Stores, Saco, La Redoute, Jules, Sonae, Western Stores,

Decathlon, Eroski, Woolsey, Catimini, Liberto, Little Wood, Matalan, Diesel, Geox, Pepe Jeans, Fire Trap, Incor, Fila, Kickers, Chaps, Caribbean Joe. Calvin Klein, Dillards, Erika, Gap, JCPenney, May Dept Stores, Sears, and Wal-Mart. These companies have one label there are also larger “brand” companies, who are only selling a brand name like Nike, or Levi’s. Their products are also made all over the world.

## 2. SOCIAL ACCOUNTABILITY 8000

SA8000 was developed in 1997 by Social Accountability International (SAI), formerly the Council on Economic Priorities, by an advisory board consisting of trade unions, NGOs, civil society organizations and companies. The SA8000 streamlines the complexities of navigating industry and corporate codes to create a common language and standard for measuring social compliance. As it can be applied worldwide to any company in any industry, it is an extremely useful tool in measuring, comparing, and verifying social accountability in the workplace. This is a management systems standard, modeled on ISO standards. The management systems criteria require that facilities seeking to gain and maintain certification must go beyond simple compliance to the standard, but also integrate it into their management systems and practices and demonstrate ongoing conformance with the standard.

SA8000 certification process is both technical and professional. The registered Certification Bodies (CBs) conduct auditing about available facilities against a specific international standard or code. CBs assess companies to the SA 8000 standard and present a report on compliance to the facilities they audit on the performance criteria that need to be met in order to obtain certification. This certification process encourages ethical labour standard and attracts business in the export units of Tiruppur.

It measures the performance of companies in eight areas important to social accountability in the workplace: child labour, forced labour, health and safety, free association and collective bargaining, discrimination, disciplinary practices, working hours and compensation. The ninth core area, covering management systems is in fact a governance umbrella for all of the eight areas mentioned.

### 2.1 Compliances adhered

**Child Labor:** No use or support of child labor; policies and written procedures for remediation of children found to be working in situation; provide adequate financial and other support to enable such children to attend school; and employment of young workers conditional.

**Forced and Compulsory Labor:** No use or support for forced or compulsory labor; no required 'deposits' - financial or otherwise; no withholding salary, benefits, property or documents to force personnel to continue work; personnel right to leave premises after workday; personnel free to terminate their employment; and no use nor support for human trafficking.

**2.2 Health and Safety:** Provide a safe and healthy workplace; prevent potential occupational accidents; appoint senior manager to ensure OSH; instruction on OSH for all personnel; system to detect, avoid, respond to risks; record all accidents; provide personal protection equipment and medical attention in event of work-related injury; remove, reduce risks to new and expectant mothers; hygiene- toilet, potable water, sanitary food storage; decent dormitories- clean, safe, meet basic needs; and worker right to remove from imminent danger.

**2.3 Freedom of Association and Right to Collective Bargaining:** Respect the right to form and join trade unions and bargain collectively. All personnel are free to: organize trade unions of their choice; and bargain collectively with their employer. A company shall: respect right to organize unions & bargain collectively; not interfere in workers’ organizations or collective bargaining; inform personnel of these rights & freedom from retaliation; where law restricts rights, allow workers freely elect representatives; ensure no discrimination against personnel engaged in worker organizations; and ensure representatives access to workers at the workplace.

**2.4 Discrimination:** No discrimination based on race, national or social origin, caste, birth, religion, disability, gender, sexual orientation, union membership, political opinions and age. No discrimination in hiring, remuneration, access to training, promotion, termination, and retirement. No interference with exercise of personnel tenets or practices; prohibition of threatening, abusive, exploitative, coercive behavior at workplace or company facilities; no pregnancy or virginity tests under any circumstances.

**Disciplinary Practices:** Treat all personnel with dignity and respect; zero tolerance of corporal punishment, mental or physical abuse of personnel; no harsh or inhumane treatment.

**Working Hours:** Compliance with laws & industry standards; normal workweek, not including overtime, shall not exceed 48 hours; 1 day off following every 6 consecutive work days, with some exceptions; overtime is voluntary, not regular, not more than 12 hours per week; required overtime only if negotiated in CBA.

**2.5 Remuneration:** Respect right of personnel to living wage; all workers paid at least legal minimum wage; wages sufficient to meet basic needs & provide discretionary income; deductions not for disciplinary purposes, with some exceptions; wages and benefits clearly communicated to workers; paid in convenient manner – cash or check form; overtime paid at premium rate; prohibited use of labor-only contracting, short-term contracts, false apprenticeship schemes to avoid legal obligations to personnel.

### 3. CONCLUSION

The companies that dreams of expanding their business are forced to draw code of conducts based on SA8000 and to comply with applicable local laws and regulations to ensure labour standard, ethical contact and fair trade. Cultural differences reduced due to hi-tech mechanization process. Some of the jobs such as collar making, ironing were sanctioned as portal of low caste in the industry are slowly disappearing.

The standard allows workers to choose their SA8000 Worker Representative to facilitate communication between the management and the employees. In addition, it is mandatory for the employers to train personnel for the implementation of the SA8000 standard and how to report violations inside their company. A sound management system is created to ensure even the future workers of the company get benefit out of the compliance mechanism.

SA8000 standard does not only require a certified company to provide basic human and workers' rights but also ensures that much more is done. There are no minimum standards to be met and companies have to identify challenges periodically and address them by both preventive and corrective actions.

### REFERENCES

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