

## **SOCIAL ACCOUNTABILITY IS IT DIFFERENT FOR DIFFERENT COMPANIES**

Social accountability has increasingly become a tool for the sourcing nations to ascertain that suppliers they work for maintain high level of social and environmental performance. Effective social accountability programmes are characterised by transparency, committed to stakeholders and systematic long-term approach. The aim is to ensure that business partners abide by national and local laws as well as comply with the company's commitment to social responsibility.

Today the number of social audits that are in circulation are almost as many as there are buyers. In fact some of the most high profile retailers like Wal Mart, JC Penney and GAP do not subscribe to any social audit group and prefer to have their own customerised regulations independent of any common code of conduct. Some of the social accountability regulations which are common to a group of buyers are FLA (Fair Labor Association), WRAP (Worldwide Responsible Apparel Production), ETI (Ethical Training Initiative) and GSP (Global Sourcing Principle). To this already long list has been added the latest from the European Community, AVE sector model social responsibility.

On the basis of the collective experience of all the participating companies, an agreement was made in early 2002 to implement a common social standard for their suppliers around the world on the lines of SA 8000. Though the basic premises of all the social accountability standards are the same, there are shifts in emphasis in each model. In AVE the emphasis is more on achieving SA 8000 regulations while maintaining minimum social requirements. In the WRAP format more emphasis is placed on security and custom matters over and above the minimum social requirements.

Security in fact has become a major concern to the US retailer, particularly brands such as Wal-Mart, JC Penney and Philips-Van Heusen who are in the process of implementing a plan to bring their dedicated suppliers in India under a stringent new law called the Customs Trade Partnership Against Terrorism (C-PTAP). The move, the latest in a series of measures initiated by the US government in the aftermath of 9/11, is aimed at guarding commercial shipments to the US against terrorist attacks. It is believed that shipping companies will also be brought under the ambit of C-TPAT.

The common feature to most of the accountability norms are Child labour, Forced labour, health & safety, freedom of association, discrimination, disciplinary practices, working hours and wages and benefits. An important element of the WRAP Certification Programme is the independence of the WRAP administrative and monitoring functions. WRAP is fully committed to a factory evaluation process based on verifiable and credible monitoring performance by professionally qualified independent enterprises granted accreditation by the WRAP Certification Board. All sewn products manufacturing facilities in the US and off-shore, direct sewns product production facilities, independent sewn products manufacturing suppliers, licences, and subcontractors that employ people in the manufacture of sewn products in a production facility can apply for WRAP certification.

In the case of AVE the minimum social requirements are a must for the supplier but the SA 8000 accreditation is optional. The Model is more a regulation than a certification.

No doubt the expenditure that suppliers incur on acquiring these certifications is substantial but what is more difficult for the exporter is the maintaining of records and the increased work load in terms of paperwork which is considered a major deterrent in applying for these certifications. Further the buyer is concerned about his own concept of social accountability leaving the vendor highly confused. In this circumstance the exporter has to make the unhappy decision of either getting many different certifications to different buyers or work with only a certain set of buyers subscribing to the same code of conduct.

However, it has become very difficult to stay away from both audits and certifications as the buyers are demanding these as prerequisites for placing an order. In this scenario many industry informed persons feel that these social accreditations may be used as non-tariff barriers after the complete dismantling of the quota regime exactly after 487 days.