

Comparison of the Social Compliance Standards in Garment Sector



GLOBAL MARCH

Against Child Labour
Contra el Trabajo Infantil
Contre le Travail des Enfants

1. Introduction

- Compliance
- Evolution and requirement
- Commonly followed practices

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COMPLIANCE

"Compliance is either a state of being in accordance with established guidelines, specifications, or legislation or the process of becoming so". Or it can also be defined as "The state of being in accordance with the relevant Federal or regional authorities and their requirements."

Compliance in a regulatory context is a prevalent business concern, perhaps because of an ever-increasing number of regulations and a fairly widespread lack of understanding about what is required for a company to be in compliance with new legislation.

COMPLIANCE CAN BE DIVIDED UNDER 3 HEADS

- 1) LEGAL 2) INFRASTRUCTURE 3) SOCIAL

LEGAL COMPLIANCE

Law of land: Land is approved by the municipal corporation of the area where the unit has been set up.

INFRASTRUCTURE COMPLIANCE

- Building should be safe and strong.
- Electrical wires should be properly fixed and concealed.
- Electrical point should be properly concealed.

SOCIAL COMPLIANCE

The dictionary meaning of compliance is to act or to adhere to norms. Social compliance in the same context can be referred to adhering to social norms.

Social compliance in more technical sense is an organization following the rules of the social accountability by the extended organization—including not only the organization's own policies and practices but also those of its supply and distribution chains.

Social compliance comprises of factors like safe and healthy work environment, healthy labour policies which include work timings, wages, security of employees, etc., programs against child labour or forced labour and much more. Social compliance is a continuing process in which the involved parties keep on looking for better ways to protect the health, safety, and fundamental rights of their employees, and to protect and enhance the community and environment in which they operate.

Elements of compliance:

- Legal compliance
- Freedom of association
- Compensation
- Working hours
- Prohibition of discrimination
- Work place safety
- Prohibition of child labour
- Prohibition of forced labour
- Environment safety
- Frisking should not be done

EVOLUTION AND REQUIREMENT

Ever since 1919, the establishment of ILO, social compliance has been always been an issue for all labour intensive units. Revisions, modification, various adoptions, have given birth to several codes of conduct for various industries. Though almost all the codes worldwide are adaption of ILO core standards which have been laid down in labour interest and are constantly revised, each of these standards varies from each other. With different nationalities most of the codes moulds into the requirement laid down. There has been quite a constant tussle and confusion as to which particular codes are to be followed. The need of the hour is to adopt a commonly followed code which leads to no confusion and absolute transparency.

In order to overcome the issue of difference in codes and the overlapping and gaps in code of compliance, there has been birth of multi-stakeholder bodies which have accepted ILO conventions into more fairer and clearly laid out

standards for companies to follow. Though there has been inability to find the universally accepted standards but they have remarkably reduced the confusion and are widely followed. Some of the mostly followed standards are by ETI, SAI, FLA, BSCI, CCC, WRAP, etc. Most of these standards are accepted by majority of brands, but they have not been able to cover the industries acceptance in total. Also not all of these standards are in sync with each other. Though minor but there are deviations amongst them, which will be further detailed.

COMMONLY FOLLOWED PRACTICE OF COMPLIANCE

Social compliance includes all the things which are for the welfare of workers; it is also for looking after the working condition.

- **Wages:** wages should be given on time, dates of the salary should be fixed and it should be given on the fixed day itself. Wages are given according to the skill of the workers and this should be beforehand told to worker.
- **Overtime :** charges and details are also clearly told to the workers. Under the act of 1948, a worker can do overtime maximum
 - 2 hours/day
 - 12 hours/week
 - 48 hours/month
 - 52 hours/3months

Overtime is paid double the amount of his salary. It means that he gets the salary of 2 hours if he works for an hour.

- **Bonus:** under the act of 1965, bonus is given to the worker on the occasion of Diwali.
- **Leave/ holidays:** under the act of 1948, article 52 states that weekly holiday along with national and festival holidays should be given to the workers.
- **Earn leave (E.L):** a worker who works for minimum of 240 days are allowed to take an E.L after every 20 days i.e. 15 **E.L's** in the whole year.
- **Maternity leave:** under the act of 1961 a female worker can take leave for 12 weeks.
- **Place for lunch:** a proper canteen and place for lunch should be provided to the workers. Time should be fixed for lunch in the factory.
- **Health-first aid:** they provide this facility to the worker. They provide A. B.B.S. doctor for it.
- **Crèche:** according to the rule, there should be a crèche wherever there are minimum 30 women working.

- **Presence of doctors (full time/part time):** according to the standard there should be for
 - 50 workers – first aid
 - 500 workers or more – dispensary
 - 500 – Welfare officer
 - 1000 – Safety officer
- **Nursing home/hospital has to be declared:** nearest hospital and nursing home should be marked and all the workers of the company should be aware of that particular hospital so that everybody knows that where should they approach in case of emergency. The way of these nearest hospitals should be known to each and every employee of the company.
- **Gratuity:** under the act of 1972, those workers who have completed the term of 5 years of their job would be getting the benefit of gratuity. The workers get gratuity of 15 days after completing their job of 5 years.
- **Exit marks:** exit marks should be properly indicated in English as well as in the local language so that the workers can also understand it.
- **Evacuation plan:** in case of fire, there should be proper way and plan to vacate the factory easily without any accidents. This plan should be taught to the workers and everyone should be aware of this.
- **Safety yellow mark line:** This line is very essential for the safety of operators. This yellow mark line indicates the separation of machines to the movable free area. Adequate space should be given in between the machines (lines) so that operator should feel comfortable while doing his job which will result in good quality and also in case of emergency one can easily move through the path.
- **Fire fighting system:**
 - 1) **Fire extinguisher:** 1 meter by 1 meter space should be given around fire extinguisher in the factory; it should be easily accessible without any hindrance. Yellow line and black line should be around the extinguisher. Workers should also be given coaching to use it.
 - 2) **Fire alarm:** fire alarm should be there on each floor of the factory. Small box with glass cover should be there and it should ring as soon as the glass breaks. A hammer should also be chained there in this box to break the glass in case of emergency.
 - 3) **Fire hydrant:** at the entrance 100-150 meter red pipe should be placed and should be connected to the source of water in the factory.
 - **Mask:** operator should be provided with mask whenever he is on the machine or he is doing the operation which involves cotton fluff.
 - **Machine guards**
 - **Protection from electricity and chemicals**

ILO CONVENTIONS

Since 1919, the International Labour Organization has maintained and developed a system of international labour standards aimed at promoting opportunities for women and men to obtain decent and productive work, in conditions of freedom, equity, security and dignity. In today's globalized economy, international labour standards are essential components in the international framework for ensuring that the growth of the global economy provides benefits to all. ILO Conventions and Recommendations cover a broad range of subjects concerning work, employment, social security, social policy and related human rights.

International labour standards are legal instruments drawn up by the ILO's constituents (governments, employers and workers) and setting out basic principles and rights at work. They are either conventions, which are legally binding international treaties that may be ratified by member states, or recommendations, which serve as non-binding guidelines.

ILO conventions that are interpreted into various standards are as follows:

ILO Convention 1 (Hours of Work - Industry)

ILO Conventions 29 and 105 and Recommendation 35 (Forced & Bonded Labour)

ILO Convention 81 (Labour Inspection)

ILO Convention 87 (Freedom of Association)

ILO Convention 98 (Right to Collective Bargaining)

ILO Conventions 100 and 111 and Recommendations 90 and 111 (Equal remuneration for male and female workers for work of equal value;

Discrimination in employment and occupation)

ILO Convention 122 (Employment Policy)

ILO Convention 131 (Minimum Wage Fixing)

ILO Convention 135 and Recommendation 143 (Workers' Representatives)

ILO Convention 138 & Recommendation 146 (Minimum Age)

ILO Convention 154 (Collective Bargaining)

ILO Convention 155 & Recommendation 164 (Occupational Safety & Health)

ILO Convention 159 and Recommendation 168 (Vocational Rehabilitation & Employment/Disabled Persons)

ILO Convention 175 (Part time work)

ILO Convention 177 and Recommendation 184 (Home Work)

ILO Convention 182 and Recommendation 190 (Worst Forms of Child Labour)

ILO Convention 183 (Maternity Protection)

ILO Convention 190 and Recommendations (Safety and Health in Agriculture)

UN Conventions & Standards

Universal Declaration of Human Rights

United Nations Convention on the Rights of the Child

United Nations Convention to Eliminate All Forms of Discrimination against Women

United Nations Protocol to Prevent, Suppress and Punish Trafficking in Person, especially Women and Children

COMMONLY ACCEPTED STANDARDS

As the various adaption of ILO conventions and recommendations become contradicting with each other, the need for more commonly accepted standards arose with time. Though there is no universally accepted adaption, there are a few recognized bodies whose standards are most commonly practiced.

Most of the respected and commonly accepted standards are by Clean Clothes Campaign (CCC), Ethical Trade Initiative (ETI), Fair Labour Association (FLA), Worldwide Responsible Apparel Production (WRAP), Business Social Compliance Initiatives (BSCI), Social Accountability International (SAI), etc.

Most of these standards focus on the following:

1. Compliance with law and workplace regulation
2. Prohibition of forced labour

3. Prohibition of child labour
4. Prohibition of harassment and abuse
5. Compensation and benefits
6. Hours of work
7. Prohibition of discrimination
8. Health and safety
9. Freedom of association and collective bargaining

As one studies different standard on the above stated focus area, it is figured out that most of the standards are more or less same in application, with minor variations that are compared below.

The limitation of such a comparison is that it does not say anything about the differences in interpretation of a workplace standard in its implementation. The guidance document of each of the organizations and policy directives of their boards provide important information on how these standards are interpreted by the organization concerned.

1. Compliance with law and workplace regulation or management systems refers to comply with national and other applicable laws and other requirements to which the company subscribes, and to respect the international instruments and their interpretation, and to keep its policy revised and publicly available in an effective form and manner to interested parties.

While ETI, FLA and CCC do not comment on publication and availability of the work place regulations, SAI requires confirmation of meeting all national and local standards, publishing them into company policy and publishing it in local language that is available to all employees and other parties. It also requires regular reviewing of policies with changes in legislations and is too made available to all parties. It also does ask for a qualified person for above practices. Similarly WRAP asks for the above requirement by its certified factories.

2. Prohibition of forced labour refers to prohibition on all work or service that a person has not offered to do voluntarily and is made to do under the threat of punishment or retaliation, or is demanded as a means of repayment of debt.

In accordance with ILO convention 29, all globally accepted standards prohibit forced labour asking “the company shall not engage in or support the use of

forced or compulsory labour nor shall personnel be required to pay 'deposits' or lodge identification papers with the company upon commencing employment."

It also asks that the salary should be handed to the employee directly, and he shall be allowed to leave premises after work hours and shall be able to leave the job if desired after a reasonable notice period. FLA and CCC do not comment on the above requirements.

3. Prohibition of child labour refers to prohibition on any work performed by a child younger than the age(s) specified in the definition of a child.

While WRAP defines a child as of minimum age younger than 14 or as per national law, whichever is higher, FLA, SAI, BSCI, ETI and CCC define age of child younger than 15 in accordance with ILO. Also, each of the above asks for requirement of proof of age of employees and proper documentation by the manufacturer.

Apart from banning child labour, for young labour i.e. child above minimum working age and younger than age of 18, SAI and BSCI require that the company may employ young workers, but where such young workers are subject to compulsory education laws, they may work only outside of school hours. Under no circumstances shall any young worker's school, work, and transportation time exceed a combined total of 10 hours per day, and in no case shall young workers work more than 8 hours a day. Young workers may not work during night hours. CCC, WRAP, FLA and ETI do not define provisions for young labour.

4. Prohibition of harassment and abuse or disciplinary practices can be referred to the language of SAI, that the company shall treat all personnel with dignity and respect. The company shall not engage in or tolerate the use of corporal punishment, mental or physical coercion, or verbal abuse of personnel. No harsh or inhumane treatment is allowed. All the others standards follow the above norm.

5. Compensation and benefits refers to "wages" in the WRC, CCC, ETI, FWF and SAI codes referring to the payment of a 'living wage' (for the SAI 'meet basic needs and provide a discretionary income'). FLA requires employers to pay as a

floor, at least the minimum wage or the prevailing industry wage, whichever is higher.

Only the CCC, ETI, FWF and SAI codes use the language in the draft Jo-In Code that disallows deductions as disciplinary measure or for reasons not provided by national law except with permission of the worker.

6. Working hours in languages of all codes require that maximum working hours per week not to exceed 48 hours on a regular basis; 1 day off in 7. Most require overtime to be voluntary and not exceed 12 hours per week, not be demanded on regular basis and compensated at premium pay (if not defined, then at least one and one half of their regular hourly compensation rate). WRC does not include maximum overtime hours.

ETI, WRC and FWF codes require that companies comply with national laws and benchmark industry standards, whichever offers greater protection.

7. Prohibition of discrimination refers to no discrimination shall be tolerated in hiring, remuneration, access to training, promotion, termination or retirement based on gender, age, religion, race, caste, birth, social background, disability, ethnic and national origin, nationality, membership in workers' organisations including unions, political affiliation or opinions, sexual orientation, family responsibilities, marital status, or any other condition that could give rise to discrimination.

Above definition is followed by all codes, with SAI also prohibiting any behaviour that is threatening, abusive, exploitative, or sexually coercive, including gestures, language, and physical contact, in the workplace and, where applicable, in residences and other facilities provided by the company for use by personnel. Also it prohibits subjecting personnel to pregnancy and virginity tests under any circumstances. WRAP asks facilities to publish the standards and make it easily accessible.

8. Health and safety in accordance with ILO Conventions 155, 184 and ILO Recommendations 164 and 190, is referred to providing a safe and healthy workplace environment and shall take effective steps to prevent potential

accidents and injury to workers' health arising out of, associated with, or occurring in the course of work, by minimising, so far as is reasonably practicable, the causes of hazards inherent in the workplace environment, and bearing in mind the prevailing knowledge of the industry and of any specific hazards. All codes accept and demand worker's safety.

BSCI, SAI, ETI and WRAP also demand that (i) a clear set of regulations and procedures must be established and followed regarding occupational health and safety, especially the provision and use of personal protective equipment, access to clean toilet facilities, access to potable water and if appropriate, sanitary facilities for food storage shall be provided. (ii) The company shall ensure that any dormitory facilities provided for personnel are clean, safe, and meet the basic needs of the personnel. (iii) All personnel shall have the right to remove themselves from imminent serious danger without seeking permission from the company. (iv) Workplace practice and conditions in dormitories which violate basic human rights are forbidden. In particular young workers shall not be exposed to hazardous, unsafe or unhealthy situations.

9. Freedom of association and collective bargaining requires companies to recognise and respect right of all workers to form or join trade unions of their choice and to bargain collectively.

Worker Rights Consortium (WRC) language requires that no employee be subject to harassment, intimidation or retaliation in their efforts to freely associate. CCC, ETI, FWF and SAI codes have similar language requiring that workers' representatives are not discriminated against and have access to carry out functions in workplace.

CCC and ETI language requiring companies to adopt a positive approach towards the activities of trade unions and organisational activities of workers has been included in the draft Jo-In Code.

ETI, FWF and SAI codes contain language referring to circumstances where the right restricted by law. In these instances the employer is required to facilitate, and not hinder, the development of parallel means for independent and free association and bargaining. CCC, FLA and WRC do not explicitly refer to parallel

means but their policies require that companies not collaborate with the State to prevent workers from organizing. This notion has not been included in the draft Jo-In Code.

Apart from the above commonly stated codes, BSCI and WRAP also ask for environmental compliance from the companies, which requires procedures and standards for waste management, handling and disposal of chemicals and other dangerous materials, emissions and effluent treatment must meet or exceed minimum legal requirements.

COMPANY SPECIFIC CODES

Most of the brands that ask for social auditing from their vendors accept the commonly followed accreditation like SAI, ETI, etc. Majority of big brands or suppliers are associated with the group and hence, comply under their monitoring.

Even in cases where brand is not associated with the group, if a supplier is complied with commonly accepted standards, it is accepted by brands.

There are few brands, which even after being part of these groups are still following own compliance codes. All compliance codes, similar to the standards are derived out of ILO conventions and recommendations.

With all brands following similar set of codes, what differs one from another is practice of how a brand follows codes. The frequency of auditing, plan and approach for non-compliance penalties, training and development, etc. play an important role in varying one brand from another.

Derived out the worldwide followed and accepted ILO conventions and recommendations are various standards and codes that create the base of social auditing in apparel industry.

With little variations in the basic structure of the codes, it can be accepted that all standards follow a core value of protecting worker's rights.

Apart from little variation in the adaption, what varies one code from another is the practice and application of the codes. While some are stringent about application and have a strict policy for non-compliance like termination of the supplier or severe penalties, some engage in training and helping supplier in problem areas.

ACRONYMS/GLOSSARY

BSCI	Business Social Compliance Initiatives
CCC	Clean Clothes Campaign
ETI	Ethical Trade Initiative
FLA	Fair Labour Association
FWF	Fair Wear Foundation
ILO	International Labour Organisation
SAI	Social Accountability International
WRC	Workers Right Consortium
WRAP	Worldwide Responsible Apparel Production



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