A Comprehensive Study on Social Accountability Requirements for Ethiopian Apparel Industry

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ABSTRACT

The global garment supply chain includes various production steps with high usage of chemicals, pesticides and water, which can easily be polluted. The different national laws for labor rights make it difficult to find a standardized system. This article conveys concerns over Ethiopian apparel industry in improving their environmental impact and the social responsibility. Through this article social and environmental aspects related to the Apparel production and also about the internal supply chain. In addition to this also expressed about the corporate role in improving government accountability. The data was developed through the industrial exposure of the authors to assess knowledge of, and attitudes towards, issues of social responsibility, including social and environmental aspects related to the production and distribution of apparel and textile goods. In the current era, various processes, techniques and practices related to apparel production have been developed to cure the world from being affected by the hazardous effects of chemicals involved in various processes, which are either used in apparel industry or released as a by-product by the apparel industries. Sustainable methods and techniques need to be adopted by the apparel industries in order to save environment and to foster sustainability in the field of textiles.

Keywords: Supply chain, Social responsibility, Environmental impact, Chemicals, Sustainability, Hazardous effects

I. INTRODUCTION

A growing number of companies within the garment industry outsource the manufacturing of clothing to independent suppliers around the world, since the wages for garment workers differs largely between countries. This has contributed to a global price rise. Within the garment industry the production orders are often given at very short notice, which makes it hard for producers to make any long-term planning. In response to this, the producers use a lot of compulsory overtime and a flexible workforce in order to be able to produce according to the changing orders and low prices. There is always someplace where clothing still can be made more cheaply - and in this race for low prices the conditions of the workers and their environment are often disregarded. (Linda Fredricsdotter & Ingrid Stigzelius, 2006)

Working hours are exceeding international labor rights and occupational health and safety standards are mostly violated. Main rights like freedom of joining association or insurances are not implemented. These issues are throughout the whole garment supply chain but differ in the different steps. (Marie Oldopp, 2015)

Consequently the responsibility for labor rights violation and environmental harm is pushed from one company to another. (Marie Oldopp, 2015)

Figure 1 shows the garment life cycle and examples of impacts. This report will focus on the social and environmental impacts during the raw material production until the manufacturing phase. (Marie Oldopp, 2015)

Globalization continues to bring buyers and suppliers closer together, enabling buyers to demand more
Social accountability has become an increasingly important tool for the importing countries to motivate the suppliers to maintain a high level of social and environmental performance. The main aim of social accountability program is to ensure that business partners abide by regional laws as well as comply with the company’s commitment to social responsibility. (Pallavee Kohli and Durganshu Arya)

In general, social responsibility is more effective when a company takes it on voluntarily, as opposed to being required by the government to do so through regulation. Social responsibility boosts company morale, and this is especially true when a company is able to get buy-in among its employees and actively engage them in its social cause. (Investopedia, 2015)

**II. Background**

Since the mid-1990s a number of global clothing apparel retailers started to be criticized by the press for not fulfilling their societal obligations. It came to the public’s attention that a number of well-known companies engaged in unethical practices of IHRM in either their own factories or those of their suppliers. Over the years, global retailers started to be concerned with how their businesses impact society in which they operate. (Jennifer kesik, 2013)

In the past hundred years the garment industry shifted from a production with focus on detailed workmanship, handicraft and custom-made clothing to a mass production with standardized sizes and fixed prices which are mainly produced in many different countries and internationally distributed. (Marie Oldopp, 2015)

**III. Objective**

The focus of the study is at the Ethiopian apparel manufacturing. This paper will provide core concepts, benefits, and risks, and the potential relevance of social accountability to the industries in Ethiopia. The study also considers an overview of the wide range of methods for promoting Social Accountability and for amplifying citizen voice and engagement with public service providers.
IV. Methodology

According to Padgett (2010), if a researcher is pursuing an emotional topic, then qualitative methods are typically the most appropriate (Padgett, 2010). There are various styles or approaches to qualitative study. According to Merriam (2009), the primary goal of most qualitative research is to uncover and interpret the meanings people construct about their lives and worlds, but the approaches used will be different. (Megha Gupta; 2012)

For developing reliable and understandable answers to the research question, qualitative research was done. For developing the report according to qualitative research methods, a general research question was developed while further a literature was conducted. Information was gathered from articles and books, to identify the main aspects and focuses; from CSR reports, to understand the drivers of the companies and strategies of different countries (Marie Oldopp; 2015). The qualitative research method allows the researcher to dig deeper into the social reality and interactions, which is very crucial for this report (Bryman 2012, p.408).

To collect data for the study, specific methods used to collect data included in-depth interviews, observation and secondary data. Observing factories of different tiers allowed me to witness the stark contrast between them (Megha Gupta; 2012). For better insight knowledge of the two advanced companies in CSR integration, interviews were conducted: Hessnatur & VAUDE. The interviews were conducted via Email and on phone. Thus the interviews were built to firstly understand their thinking and their approach to CSR, followed by their understanding of the Partnership and influences of the different stakeholder. (Marie Oldopp; 2015)

Social Accountability Requirements: The SA-8000 standard is an auditable standard based on international work place norms of International Labor Organization (ILO) conventions, the Universal Declaration of Human Right & the UN Convention on the Right of the Child. A summary of the standard elements of SA 8000 is given below:

**Implementation methodology:** Implementation of SA 8000 in a manufacturing organization involves following steps:

1. Conducting Awareness Programme: At the very first stage the aspiring company needs to conduct an awareness programme for top, middle & worker level to make them understand the basic concept of SA 8000, its benefit & role of individuals in the implementation process.
2. Formation of a steering committee & selection of MR who irrespective of other responsibilities shall be responsible for ensuring that the requirements of this standard are met.
3. Survey the existing system against SA 8000 system & gap analysis. This includes survey of workers age, salary, PF, ESI, work environment, etc.
4. Formulation of remedial plan, policy, and documentation of procedure, as required by this standard. The organization must generate & maintain all necessary records.
5. Identification & provision of required resources and creation of facilities to comply with the various requirement of the standard.
6. Establishing and development of grievance handling system.
7. Review of applicability of various National & State Laws for each requirements vis-à-vis determining customer requirements code of conduct, if any.
8. Implementation of the documented system in a phase wise manner through involvement of all.
9. Gestation period depending of the size & status of the organization.
10. Conducting internal quality audit by a group of trained auditor. Ensure corrective action for the non-conformance identified during audit.
11. Conducting Management Review Meeting to review the adequacy of the company's policy, procedures and performance results & verify the effectiveness of the corrective action taken.
12. Selection of certification bodies (accredited with SAI); pre-certification (optional) & followed by final certification. (SA-8000: A vital tool for garment industry)
V. Social accountability requirements in apparel industry

Child Labor

Child labor is defined by the International Labor Organization as “work that deprives children of their childhood, their potential and their dignity, and that is harmful to physical and mental development” (Khakshour, Ajilian Abbasi, Seyedi, Saeidi, & Khodaee, 2015). That sums it up right there.

In garment factories, Children perform diverse and often arduous tasks such as dyeing, sewing button attaching, cutting and trimming threads, folding, moving and packing garments. Children are also being put to work in sectors related to the textile and garment industry, including leather and shoes. Child workers are also found in the sporting goods sector too, performing manual tasks such as stitching soccer balls. The company shall not engage in or support the use of child labor (a child is any person younger than 18 years of age, and that 15 is the minimum age at which a child may be employed, unless local minimum age law stipulates a higher age for work or mandatory schooling, in which case the higher age shall apply).

The Company shall establish, document, maintain and effectively communicate to personnel and other interested parties, written policies and procedures for remediation of child laborers, and shall provide adequate financial and other support to enable such children to attend and remain in school until no longer a child. (Standard, I ;2014)

Forced and Compulsory Labor

Today forced labor is almost universally legally prohibited and the importance of the international community attaches to the prohibition of forced labor. Nevertheless, forced labor exists in different forms in almost all states around the world some of these such as slavery-like practices have persisted for decades and are rooted in tradition and cultural practices. However, recently newer forms of forced labor related to human trafficking have emerged and are on the increase.(Skeldon, 2000)

It is common for garment-export companies to use subcontractors to perform specific production functions, or to provide additional capacity during peak periods. Some garment industries insist for additional working hours, by forcing the labor to work for abnormal timings which results in the health damage to the employees. As per the SA policy Personnel shall have the right to leave the workplace premises after completing the standard workday and be free to terminate their employment provided that they give reasonable notice to their company. Neither the company nor any entity supplying labor to the company shall engage in or support human trafficking. (Standard, I ;2014)

Health and Safety: Provide a safe and healthy workplace

Health and safety is part of your business, just like production and quality (Mamic, 2005). Health and safety affects production, quality, and your financial results. So it should be managed in the same way as other aspects of your business to manage health and safety effectively you need.(Gillis, Perkins, Roemer, & Snodgrass, 1992)

Workplace Health and Safety (WHS) often referred to as Occupational Health and Safety (OH&S) involves the assessment and migration of risks that may impact the health, safety or welfare of those in your workplace. This may include the health and safety of your customers, employees, visitors, contractors, volunteers and suppliers. As a business owner there are legal requirements that you must comply with to ensure your workplace meets WHS obligations.(Grasso, 2016)

Garment manufacturing, like other industrial processes, can be hazardous work. It’s important for employers and workers to be aware of the hazards associated with garment manufacturing and take precautions to guard against work-related illnesses and injuries. SA policy will have effective measures for safeguarding health issues of the employees to safeguard employees as well as benefiting the company by qualitative work.

Freedom of Association and Right to Collective Bargaining

Freedom of association and the right to collective bargaining are fundamental human rights at work that form an integral part of democracy. They underpin civil liberties and guarantee protection against discrimination, interference and harassment. These rights also play a vital role in efforts to establish sustainable economic
and social development in Africa, and they help connect social goals and the demands of the globalized economy. They can promote productivity, adjustment measures and industrial peace, and ensure the benefits of growth are shared. Under the ILO Declaration on Fundamental Principles and Rights at Work, adopted by the International Labor Conference in 1998, all ILO members "even if they have not ratified the Conventions in question, have an obligation arising from the very fact of membership in the Organization, to respect, to promote and to realize, in good faith and in accordance with the (ILO) Constitution, the principles concerning the fundamental rights which are the subject of those Conventions." This includes freedom of association and the effective recognition of the right to collective bargaining (Petersmann, 2004).

In apparel factories around the world, freedom of association is one of the least respected rights and a right that private voluntary monitoring (often described as “corporate social responsibility” or “CSR”) has largely failed to protect. (Anner; 2012)

The Apparel industry shall ensure that union members, representatives of workers and any personnel engaged in organizing workers are not subjected to discrimination, harassment, intimidation or retaliation for being union members, representative(s) of workers or engaged in organizing workers, and that such representatives have access to their members in the workplace.

**Discrimination:**

Employment discrimination happens when an employee or job applicant is treated unfavorably because of his or her race, skin color, national origin, gender, disability, religion, or age. It is illegal to discriminate in any facet of employment, so workplace discrimination extends beyond hiring and firing. Discrimination happens when an employer treats one employee less favorably than others. It could mean a female employee being paid less than a male colleague for doing the same job, or an employee from a minority ethnic community being refused the training opportunities offered to other colleagues (Pager, 2007). There are issues in the garments sector involving both men and women workers; migrant workers and subcontracting to informal workers based in workshops or at home (Hale & Wills, 2011).

The Company shall not engage in or support discrimination in hiring, remuneration, access to training, promotion, termination or retirement based on race, national or territorial or social origin, caste, birth, religion, disability, gender, sexual orientation, family responsibilities, marital status, union membership, political opinions, age or any other condition that could give rise to discrimination. (Standard, I ;2014)

The Apparel companies should not allow any behavior that is threatening, abusive, exploitative or sexually coercive, including gestures, language and physical contact, in the workplace and in all residences and property provided by the Company, whether it owns, leases or contracts the residences or property from a service provider.

**Disciplinary Practices**

A disciplinary procedure is the means by which rules are observed and standards are maintained. The procedure should be used primarily to help and encourage employees to improve rather than just as a way of imposing punishment. It provides a method of dealing with any apparent shortcomings in conduct or performance and can help an employee to become effective again. The procedure should be fair, effective, and consistently applied (Friedman, 2000).

The garment sector may sometimes be necessary to take disciplinary action against employees. Therefore it's crucial that to have written dismissal/disciplinary rules and procedures. If problems do arise, you can deal with them using your procedures rather than let them fester into resignations and/or tribunal claims.

**Working Hours**

Currently, garment workers are often called upon to work long hours to accommodate unreasonable deadlines: the only way to meet delivery dates is by having workers put in overtime hours (sometimes overnight, or even for more then 24-hours straight; and often not properly compensated) to complete orders. For example, Bulgarian garment workers report having to work 27 days a month, with 92-100 hours of overtime per month (CCC, 2002).

The Company shall comply with applicable laws, collective bargaining agreements (where applicable) and industry standards on working hours, breaks and public holidays. The normal work week, not including
overtime, shall be defined by law but shall not exceed 48 hours. Personnel shall be provided with at least one day off following every six consecutive days of working. Exceptions to this rule apply only where both of the following conditions exist: (Standard, I;2014)

a) National law allows work time exceeding this limit; and
b) A freely negotiated collective bargaining agreement is in force that allows work time averaging, including adequate rest periods.

All overtime work shall be voluntary shall not exceed 12 hours per week and shall not be requested on a regular basis. In cases where overtime work is needed in order to meet short-term business demand and the Company is party to a freely negotiated collective bargaining agreement representing a significant portion of its workforce, the Company may require such overtime work in accordance with such agreement.

Remuneration

The remuneration for labor is wages. The workers put effort & get wages in exchange of that. On the basis of pay scale & other allowances which are prescribed in the terms of employment, calculation of wages paid to direct or indirect workers is done. By terms of agreement between the employees & the employer, this may be modified from time to time. On the basis of job evaluation, merit rating, incentive plans, profit sharing & labor contract, the wages for the workers are determined (Binswanger & Rosenzweig, 1981).

Researchers have found in the apparel industries that it is not unusual for garment workers to be paid below the legal minimum wage. They have also compiled overwhelming evidence that the legal minimum wage often does not sufficiently cover the needs of even single workers, let alone those with families. One of the most important demands made by garment workers and their advocates is that employers pay a living wage. A living wage is a wage that enables workers to meet their needs for nutritious food and clean water, shelter, clothes, education, health care and transport, as well as allowing for discretionary income. In short, it should be enough to provide for the basic needs of workers and their families, and allow them to participate fully in society and live with adequate dignity.

The Company shall respect the right of personnel to a living wage and ensure that wages for a normal work week, not including overtime, shall always meet at least legal or industry minimum standards, or collective bargaining agreements (where applicable). Wages shall be sufficient to meet the basic needs of personnel and to provide some discretionary income. The Company shall not make deductions from wages for disciplinary purposes. Exception to this rule applies only when both of the following conditions exist: (Standard, I;2014)

a) Deductions from wages for disciplinary purposes are permitted by national law; and
b) A freely negotiated collective bargaining agreement is in force that permits this practice.

All overtime shall be reimbursed at a premium rate as defined by national law or established by a collective bargaining agreement. The Company shall not use labor-only contracting arrangements, consecutive short-term contracts and/or false apprenticeship or other schemes to avoid meeting its obligations to personnel under applicable laws and regulations pertaining to labor and social security.

Management systems

Facilities seeking to gain and maintain certification must go beyond simple compliance to integrate the standard into their management systems and practices (Gilbert & Rasche, 2007).

Top management shall define in writing, in workers’ own language, the company’s policy for social accountability and labor conditions, and display this policy and the SA8000 standard in a prominent, easily viewable place on the company’s premises, to inform personnel that it has voluntarily chosen to comply with the requirements of the SA8000 standard. Such policy shall clearly include the following commitments:

a) To conform to all requirements of this standard;
b) 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 (as listed in Section II above);
c) To review its policy regularly in order to continually improve, taking into consideration changes in legislation, in its own code-of
conduct requirements, and any other company requirements;
d) To see that its policy is effectively documented, implemented, maintained, communicated, and made accessible in a comprehensible form to all personnel, including directors, executives, management, supervisors, and staff, whether directly employed by, contracted with, or otherwise representing the company;
e) To make its policy publicly available in an effective form and manner to interested parties, upon request. (Standard, I. (2008)

VI. Discussion

We have some scope for reviewing about the strategy through which employees are interviewed for expressing their views on their subordinates, and about the systems implemented within the organization. Some factories, especially those working on a subcontracting basis for larger factories, also employ workers on a casual daily or hourly basis. These workers face additional barriers to unionizing and filing complaints about working conditions. Some factories also outsource work seasonally to home-based workers, whose work remains poorly regulated and invisible in monitoring processes.

Interviews with workers regarding the SA8000 management system can start by determining workers’ level of awareness of the company’s specific social accountability policies/procedures and the role and responsibility of the SA8000 Worker Representative.

VII. Conclusion

Apparel industries in Ethiopia, should be open to meet the requirements of the buyers, through various policies implementation in the premises to be able to meet the competitiveness of the global market demands. SA 8000 is one of the important policy which most of the American and European buyers are insisting to be implemented in the industry.

Retain Effective policies and procedures can help the management to the overall success of the enterprise. Preparing written agreed policies and procedures has valuable rewards. The civil society should ask companies to take responsibility and the raising awareness of governmental approaches regarding CSR supports the civil society to raise higher demands. The companies and governmental and NGO approaches towards CSR, it can be seen that working with CSR is a process from using CSR as an add-on towards a shared value concept. Thus companies need to adapt to the process and address environmental and social issues proactively to gain results beyond doing good to value creation. The movement goes from self-assessed audits towards reliable third-party certification to transparently and clearly state the performance.

While all mentioned initiatives are voluntary, the selected companies concern the expectations from the consumer and work together with verification bodies to monitor and certify their activities.

As a final point, Brand could make the extra effort to ensure the presence of CSR activities in factories. They could ask that auditing firms conduct surprise audits, as this will help the retailer understand what is really happening at its supplier. This would send the message that compliance is more than just a policy, rather it is something which should act as a part of the supplier’s everyday business practices.

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