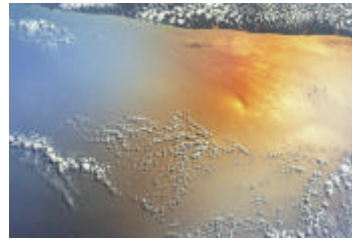


# Social Certification using SA8000

Discussion Paper



**Social Accountability 8000 (SA8000) is a high profile attempt to provide independent proof of good workplace conditions. But does it work?**

**SA8000 and its approach to supply chain certification is outlined in the accompanying slide presentation and should be read before this discussion paper.**

Retailers and manufacturers are increasingly in the spotlight over the working conditions for people making their products world-wide. In the face of extensive campaigning, consumer boycotts and, in the US, litigation, big name brands have been forced onto the back foot and have been scrambling to show that conditions in their supply chains meet acceptable standards. Meanwhile, confidence in corporations has been diminishing and the wider public are no longer prepared to accept a company's own statements that maintain the absence of child or forced labour, or that 'sweatshop' conditions have been abolished. Many companies have realised that they need to find independent proof that working conditions at their own or supplier production sites world-wide are satisfactory.

SA8000 is one high profile attempt to provide independent proof of good workplace conditions. Developed by Social Accountability International (formerly the Council on Economic Priorities Accreditation Agency), SA8000 aims to build a robust approach to social auditing and certification using a single standard and bases the process on existing widely-used audit and certification systems such as the ISO series. It focuses on a generally agreed set of workplace issues:

- Child labour
- Forced labour
- Health and Safety
- Freedom of Association and collective bargaining
- Discrimination
- Disciplinary practices
- Working hours

- Compensation
- Management systems

**But does SA8000 work?** Do campaign groups and other stakeholders see it as a viable option? This paper argues that despite increasing pressure on companies to prove that working conditions in their supply chains are acceptable, standards are not yet well developed enough for certification and that, for most companies, **the high standards defined are difficult to achieve.**

### What's Wrong with SA8000?

#### 1. Certification is the wrong goal

Companies are beginning to discover that certification is the wrong goal at this stage. Few factories even in the western world can meet the SA8000 certification standards. Conditions in factories and production sites can vary hugely: while standards in one area can be high, (e.g. health and safety), other areas may be well below acceptable levels (e.g. working hours). Key issues such as working hours, pay, freedom of association and child labour are complex and take a long time to resolve. While it is important to have standards which are set high in the long term to ensure the safety and quality of life for workers around the world, the commercial reality of globalised business operations where competition creates price pressure, and production can be quickly shifted to new locations and countries, makes such standards difficult to achieve uniformly. Instead of certification, our experience shows that retailers and manufacturers need to grapple with the complexities of implementing improved standards, supporting/mentoring their suppliers and developing tools for reaching compliance. Certification needs to be seen more as a process of moving towards improved conditions than as an end-point that is currently obtainable.

Indeed, SAI appears to have recognised this and has

begun pushing a different approach to SA8000, moving away from certification to focus on encouraging continual improvement with the ultimate goal of certification and external verification. If SAI themselves have recognised that extensive certification is a long way off, surely it is better for companies to develop approaches internally to supply chain management which better meet their own specific circumstances than to reach for an off-the-shelf, uncustomised product?

There is also a danger that a certification scheme becomes a process of managing paper work and documentation of evidence rather than a tool for changing behaviour and work-site culture. Again the focus needs to be on the process of changing working conditions than on the end-point of certification.

#### 2. Standards are not yet ready for auditing

Despite the proliferation of different codes, in reality these are almost all based on the core ILO conventions, covering the same themes and with similar standards that fall back on local law and industry standards as minimum standards. Some companies have chosen not to include some issue areas, e.g. freedom of association, or to define slightly different standards, but on the whole, the wider standards have been agreed. However there is still extensive debate about what these standards actually mean on the ground. Some issues have yet to be fully developed, for example, how to appropriately define a living wage, or what parallel means of association means in reality, or how to implement working hours standards to cope with seasonal fluctuations in production. With the details of standards still under discussion, a certification audit that satisfies companies, campaigners and the wider public is impossible.

### 3. Certification is unfair for the small guys

Some companies are aiming to make SA8000 a condition of contract for suppliers, passing them the responsibility to ensure that products are not made under sweatshop conditions. This approach is riddled with problems:

- The expense of obtaining SA8000 will be borne solely by suppliers who are generally also under constant price pressure from purchasers.
- This favours large production sites with sufficient administrative and financial resources, those that already offer ISO-certified products, over small-scale producers who are unlikely to have sufficient additional resources to spend on large auditing programmes. This can severely reduce the supply options a company has, making it less competitive. The exclusion of small producers from the market also runs counter to efforts to improve working conditions in an area where conditions are likely to be worst.  
**Campaign groups plead that companies do not walk away from poor sites, but are prepared to accept a slower approach to improving conditions, working hand in hand with suppliers.**
- The complexity of some supply chains, where 2<sup>nd</sup>, 3<sup>rd</sup> or 4<sup>th</sup> tier suppliers can be very small informal producers, makes SA8000 unworkable beyond the 1<sup>st</sup> tier to where the real problems with working conditions are likely to be found.
- At this stage, few suppliers will be able to gain certification (**after 4 years, only about 80 sites have yet been certified to the SA8000 standard**), making a strategy of sourcing only from certified worksites unsustainable.

### 4. Its expensive!

**The SA8000 audit and certification process is extensive and expensive.** For those, with a large supply base, it seems unlikely that this is currently a cost-effective

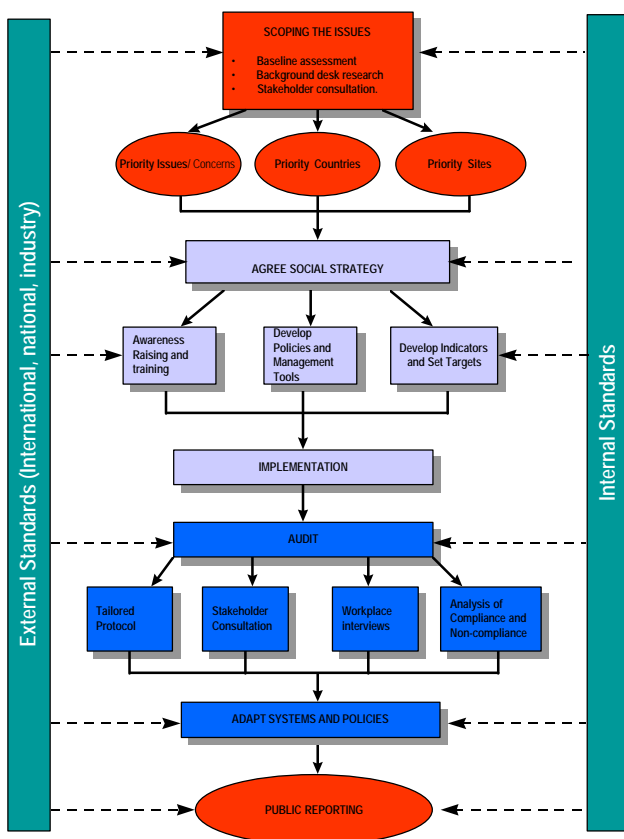
option. Some retailers and purchasers already conduct quality audits of their suppliers. A more streamlined social audit process integrated into existing systems may be more appropriate and cost-effective. Our experience shows that resources at this stage are better spent on implementation projects than on certification and verification.

### 5. It doesn't develop relationships of trust with suppliers

Demands for improved working conditions are fairly new to suppliers and most are still struggling to understand what is needed of them. **The imposition of a certification audit can damage good relationships between companies**, and this doesn't help anyone. A better approach is to work with suppliers step by step, prioritising key issues, and finding solutions which fit the wider environment that the supplier must work in. While this approach may not provide the retailer with concrete risk assurance, it is more likely to create results.

### What is the way forward?

Our experience shows that companies are taking a staged approach to improving the working conditions in the supply chain. This can be represented by the following diagram.



Eventually, as has happened in the environmental sphere, **independent audits of working conditions in the supply chain will become mainstream: consumers will ultimately demand no less.** But before an audit standard like SA8000 can become a viable option for companies, it

is important that the standards are made more robust, allowing measurement against universally agreed standards and definitions. This will not happen until certification is used as a process rather than an end-point. Our experience is that companies are continuing to take a pragmatic approach, using existing management tools they have available and building new ones as needed and that this process is vital in helping us to refine social auditing.

### Further information

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