

# CERTIFICATION ≠ ENFORCEMENT

The past two decades have witnessed a proliferation of voluntary certification schemes that purport to improve conditions for workers in global supply chains. Architects of this approach have described a “certification revolution” with the potential to transform global corporations as well as their suppliers’ labor practices. In practice, the record of voluntary certifications has fallen well short of that mark and prompted critical reflections. There has long been debate about the *standards* these programs set forth. Are the provisions sufficient to ensure workers’ wellbeing and dignity? Do they address fundamental human and labor rights? These are important questions, and the answers vary among programs. Regardless of the standards they profess, however, the key question is whether certification programs like Fairtrade or Rainforest Alliance succeed in identifying and addressing violations.

The success of the Worker-driven Social Responsibility (WSR) model lends a particular urgency to the question of verification and enforcement. Corporate social responsibility initiatives are rightly criticized because, among other reasons, they promote codes of conduct that inevitably fail to effect change on the farm or factory floor. While voluntary certification initiatives may have been successful in articulating higher standards and shifting expectations, they too have consistently failed to secure the commitments necessary to implement meaningful and sustainable change. This issue brief assesses the common structures and mechanisms of these schemes vis-à-vis the WSR Statement of Principles<sup>1</sup> in order to illustrate the difference in kind, rather than degree, between binding and voluntary supply chain labor rights programs.

1. <https://wsr-network.org/what-is-wsr/statement-of-principles/>

## LABOR RIGHTS INITIATIVES MUST BE WORKER DRIVEN.

*Workers and their representative organizations—global, national or local labor unions, worker-based human rights organizations, or other organizations that genuinely represent workers’ interests—must be at the head of the table in creating and implementing the program, including its priorities, design, monitoring, and enforcement.*

In many voluntary certifications, workers play no such role, though they are the only actors in the supply chain with a vital and abiding interest in ensuring their rights are protected. Even when worker organizations are involved, this is not adequate evidence of an enforcement-based program. Other structures and mechanisms, described below, must also be in place.

## **OBLIGATIONS FOR GLOBAL CORPORATIONS MUST BE BINDING AND ENFORCEABLE.**

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*Worker organizations must be able to enforce the commitments of brands and retailers as a matter of contractual obligation.*

Voluntary certifications do not establish legally binding agreements between worker organizations and global corporations. In these schemes, workers do not create and are unable to enforce buyer commitments. Since buyer commitment, through its purchasing power or otherwise, is the engine that drives sustainable change, its absence forecloses clear and certain access to remedy when violations of workplace standards occur.

## **BUYERS MUST AFFORD SUPPLIERS THE FINANCIAL INCENTIVES AND CAPACITY TO COMPLY.**

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*Corporations must be required to incentivize respect for human rights through a price premium, negotiated higher prices, and/or other financial inducements that enable suppliers to afford the additional cost of compliance with the agreed labor standards.*

Few if any voluntary certifications meaningfully address the constant price pressure exerted by corporations at the top of supply chains. This leaves in place the downward pressure on wages and labor conditions. Other certifications incorporate price premiums but invest the funds in community development projects rather than supplier compliance and/or wage supplements. While perhaps admirable, in many if not most of the lowest wage jobs around the world, migrant and sub-contracted workers are not part of the surrounding community, and so do not benefit from these programs. Moreover, such projects do not increase workers' purchasing power, let alone bring them closer to a living wage.

## **CONSEQUENCES FOR NON-COMPLIANT SUPPLIERS MUST BE MANDATORY.**

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*The obligations of global brands and retailers must include the imposition of meaningful, swift, and certain economic consequences for suppliers that violate their workers' human rights, whether or not ending the supplier relationship suits the economic and logistical convenience of the brand or retailer.*

Voluntary certification at best reflects compliance, but it cannot be expected to compel it. These schemes rest on the assumption that suppliers have a strong incentive to avoid de-certification because that would lead to a loss of sales. However, brands are not prohibited by contract from continuing to source from non-compliant suppliers. Even when purchases are cut, the timeline for achieving such outcomes is unclear. Furthermore, de-certification only works, even in theory, if the supplier cannot sell its products to other buyers and in other markets that do not require certification. Experience shows that when buyers are left to police their own supply chains, they prioritize economic and logistical convenience over ethical considerations. This leaves the workers of non-compliant suppliers exposed to ongoing violations and without meaningful access to remedy.

## **GAINS FOR WORKERS MUST BE TIMELY AND MEASURABLE.**

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*To ensure accountability, any program designed to correct specific labor rights problems must include objectively measurable outcomes and clear deadlines.*

Voluntary certification schemes rarely create an obligation for employers to achieve concrete, measurable outcomes at the workplace level within specific time-frames. This obscures the failure of these programs to meaningfully

improve conditions for workers and deflects pressure from global corporations to adopt stronger measures to achieve these outcomes.

### **VERIFICATION OF WORKPLACE COMPLIANCE MUST BE RIGOROUS AND INDEPENDENT.**

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*Effective verification of supplier compliance is essential and must include the following components:*

- *Inspectors who have deep knowledge of the relevant industry and labor issues and who operate independently of financial control and influence by buyers;*
- *In-depth worker interviews, carried out under conditions where workers can speak freely, as a central component of the process;*
- *Effective worker education that enables workers to function as partners with outside inspectors; and*
- *A complaint resolution mechanism that operates independently of buyers and suppliers and in which worker organizations play a central role.*

When voluntary certifications extend beyond the common practice of supplier self-reporting, they rely on the flawed yet burgeoning “social auditing” industry. These audit firms are generally hired by the supplier they are monitoring, which creates significant potential for conflicts of interest. Audits are notoriously rushed, super-

ficial, and conducted by individuals with limited training and inadequate knowledge of relevant workplace issues. Complaint mechanisms are rare and, where they do exist, have poor track records of identifying violations or leading to remedies. Workers are not informed and trained on their rights and channels for remedy under these programs, do not see any impact resulting from them, and therefore have little trust in such mechanisms. If they do file a complaint, they are typically not protected from retaliation by employers.

**I**n closing, while proponents of voluntary certification often argue that “something is better than nothing,” in fact, these programs mask significant risks for workers at the bottom and brands atop global supply chains. Examples abound. Two of the factories in the Rana Plaza building in Bangladesh that collapsed in 2013—killing more than 1,100 workers—were inspected and certified as “safe” by voluntary schemes. One year earlier in Pakistan, SA8000 certified the Ali Enterprise factory shortly before it burned, killing nearly 300 workers. More recently, researchers found that Rainforest Alliance and Fairtrade were failing to address extreme labor exploitation on certified plantations in the Indian tea industry. In each case, the presence of voluntary certifications sought to comfort consumers and brands alike. In the final analysis, however, they were structurally unable to mitigate the risks that define contemporary global supply chains. It is reasonable to conclude that voluntary certifications are a discredited model that are part of the problem, not the solution.