

## The China Code: An Analysis of China's National Social Standards for the Textile and Apparel Industry

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*The China Social Compliance for Textile and Apparel (CSC 9000 T) is the first country and sector specific social standard in the world, established by the China National Textile and Apparel Council (CNTAC). The objective of this paper is to evaluate the CSC 9000T by comparing the extent of its coverage and its implementation vis-à-vis another popular international standard, the SA 8000, and two company level codes of conduct, namely Nike and Inditex. The comparison allows an analysis that considers a universal versus a national code, a comprehensive versus a sectoral code, and a western-based versus an Asian-based code of conduct. Our results provide justifications as to why the CSC 9000 T is a code that should be given attention by the relevant protagonists as it is based on more systematic interventions to tackle the root causes of poor compliance in Chinese reality and has a higher degree of legitimacy due to its backing from China's social institutions and agencies.*

**Keywords:** China, Social Code of Conduct, Textile and Garment

### Introduction

In the early 1990s, multinational corporations (MNCs) with extensive supply chains started to acknowledge their role in improving the general working conditions of workers in their respective suppliers' factories. This sense of responsibility was operationalized by designing and implementing codes of conduct (Egels-Zanden and Hyllman, 2007; Kolk and van Tulder, 2002b; Radin, 2004; Sethi, 2002). The supplier factories were expected to heed the code and an extensive verification and social audit systems were put into place (Cowton and Thompson, 2000; Sethi, 1999). As a result, hundreds of codes of conduct have appeared. A recent inventory by the Organization for Economic Cooperation and Development (OECD) reveals more than 300 of such codes, and the numbers continue to increase unabated (Kolk and Van Tulder, 2001). Non-governmental organizations (NGOs), industry associations and other international organizations have

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also joined in and developed international social standards and self regulatory tools to address working conditions, particularly in developing countries (Beschoner and Muller, 2007). The designing and monitoring of these standards involve multi-stakeholder participation including unions, employers, MNCs, NGOs, management consultants and academics.

One recent development in this arena of codes of conduct and social standards is the China Social Compliance for Textile and Apparel (CSC 9000 T), established by the China National Textile and Apparel Council (CNTAC), a nonprofit industry association comprising Chinese textile companies. As far as we know, this is the first industry and country specific code that exists worldwide. The relevance of this code is obvious when one considers China's textile and garment industry. China's textile and apparel industry is the largest and the most important supply chain, covering about 24 percent of the world's textile and apparel trade. Nearly every large brand-name and garment producer has a value chain that is linked to China (Krueger, 2008; Egels-Zanden, 2007). Any initiative in social responsibility in this sector produces a greater impact given the importance of the textile and apparel sector within the Chinese economy. Furthermore, efforts in improving working conditions in a transition economy such as China, makes it unique and complex (Egels-Zanden, 2007) as the globalization of economic activities comes to terms with diverging business practices between the east and west.

The objective of this paper is to evaluate the CSC 9000 T by comparing the extent of its coverage and its implementation vis-à-vis another popular international standard, the SA 8000, and two company level code of conduct namely Nike and Inditex. The SA 8000 is a well known and respected code that takes a multi-stakeholder perspective while the company level codes are an active and energetic initiative to implement social responsibilities within the supply chain. Nike and Inditex were chosen due to their American and European origins respectively, as well as their consistencies with those standards championed by the International Labour Organization (ILO), OECD and the UN's Global Compact (Fairbrother and Hammer, 2005). The comparison allows an analysis that considers a universal versus a national code, a comprehensive versus a sectoral code, and a western versus an Asian code of conduct. Our analysis follows that of Kolks and van Tulder (2002) which uses the criteria of specificity and monitoring/sanctioning aspects of the respective codes.

The paper is structured as follows. First, we briefly describe the contents and main elements of the CSC 9000 T. The following section explains the methodology i.e. the criteria and sample used. Then, we present the results of detailed comparisons based on the specificity and monitoring/sanctioning criterion. In the final part, we discuss our findings and implications to the industry. Our analysis provides justifications as to why the CSC 9000 T is a code that should be given attention by the relevant protagonists and we further highlight the way forward for the code.

### **The CSC 9000 T – China's New Social Standard for the Textile and Apparel Industry**

CNTAC launched the CSC 9000 T in 2005. This code is the first CSR standard by a Chinese organization aimed at integrating "the relevant Chinese laws and regulations as well as international conventions ratified by the Chinese government .. based on specific

conditions of the (textile and apparel) industry .. and (consistent) with the international practices that are reasonably compatible with Chinese enterprises” (CNTAC, Annual Report 2006). This initiative by the CNTAC was mooted due to limitations identified in the existing corporate codes and accreditation standards. In particular, the CNTAC points to several pitfalls in the existing system. These include, first, the expansion of the supply chain among many multinationals that makes it impossible for them to monitor compliance to both orders and the code. Second, over time, inspection becomes routine that detecting any real problems with working conditions becomes difficult. Third, the direct relation between factory auditing and product orders raises the level of hostility among factory owners towards their social responsibilities. Fifth, the existing system does not involve active participation of workers. Sixth, the delegation of accreditation to commercial entities has compromised the impartiality of the efforts. Seventh, inconsistent quality of auditors results in questionable accreditation standards. Eighth, early warning given by auditors allows factory owners to be fully prepared to disguise any shortfalls in working conditions. Finally, the accreditation system is seen to be too harsh in that an all-or-nothing choice for enterprises does not contribute to the continuous improvement process in working conditions. The CSC 9000 T is designed to address many of these concerns. Key among these is the promotion of a social responsibility management system within a factories routine management such that problems are identified; corrective actions are planned, implemented and monitored.

The CSC 9000 T comprises the Principles, the Guidelines and the Self Assessment Form as well as the Implementation Guidance. The Principles are a Collective Code of Conduct for China’s textile and apparel industry. The Guidelines and Implementation Guidance specifies detailed requirements of the Principles and is designed to help enterprises operationalize the management system to meet the demands of the code. Finally, the Self Assessment Form can be considered as the social audit of the code which enables the enterprise to evaluate its position with respect to the socially responsible objectives and targets. The CSC 9000 T is a voluntary code specifically for Chinese suppliers and international firms are free to adopt the guidelines.

The code covers ten areas: management systems, employment contracts, child labor, forced labor, working hours, wages and salaries, trade unions, discrimination, harassment and abuse as well as occupational health. In a nutshell, the code calls for the establishment of a management system that envelopes social responsibility; the use of written employment contracts for all workers; the prohibition of child and forced labour; the adherence to specific laws on working hours; the provision of wages and benefits which is not below the legal requirement; the acknowledgement of employee rights to form and join trade unions and bargain collectively; the condemnation of discrimination, harassment and abuse; and the promotion of occupational health and safety.

Despite obvious similarities that appear between the CSC 9000 T and other well-known codes, significance differences in terms of definitions exist. For instance, corporate codes tend to follow definitions which adhere to international norms (such as those promulgated by the ILO). In some cases, the corporate code defines terms unilaterally. In other cases, the codes do not provide any specific guidance on the definition of the standard. These are highlighted in the following sections.

## **Methodology**

As mentioned earlier, in this paper we compare the CSC 9000 T with three other codes - the SA 8000 and two multinational codes, Inditex and Nike. The SA 8000 was founded in 1997 by Social Accountability International (SAI) and focuses on working conditions and the rights of workers. It is based on the ILO and UN conventions and its certified facilities are in more than 45 countries across 50 industries ([www.sa-intl.org](http://www.sa-intl.org)). The SA 8000 is an auditable standard that is verified by trained and accredited third party entities and takes into account 9 main areas: child labor, forced labor, health and safety, freedom of association, discrimination, disciplinary practices, working hours, remuneration and management systems.

Nike was among the first MNC to develop a code of conduct after a scandal in 1992 in Indonesia where contractors were paying under subsistence wages. Since then, Nike has been focusing on improving working conditions throughout its supply chain with innovation in the design and implementation of its compliance model. The code is revised and updated from time to time ([www.nike.com](http://www.nike.com); Frenkel and Scott, 2002).

The Inditex Group is among the fastest growing apparel and textile chain in the world. Ranked number one in the world, in terms of units sold, it is an apparel chain which opens more stores per year. Originating from Spain, Inditex is known for its active involvement in CSR and has reached unprecedented agreements with unions to control and foster their code of conduct around the world ([www.inditex.com](http://www.inditex.com)). The Inditex code has eleven areas: child labor, non discrimination, freedom of association, harassment and abuse, health and safety, remuneration policy, environment, subcontracting policy, supervision and compliance as well as publication of the code.

### *Criteria*

Our comparative analysis of the CSC 9000 T and the three codes stated above is based on two criteria formulated by Kolk and Van Tulder (2002), namely specificity and monitoring/sanctioning. Specificity refers to the degree to which definitions and principles within codes are precise, detailed, explicit and unambiguous. The rationale here is that the more specific codes are, the better they can be measured and subsequently monitored, and leaving little room for misleading interpretation. Monitoring refers to the extent to which provisions of the code can be evaluated in terms of compliance. [See Table 1]

It should be noted that the specificity and monitoring criterions have been previously used in analyzing one element within the code of conduct – child labor. Our attempt to use these criterions to compare all elements within codes of conduct comprehensively is a first, and so there is a need to adapt Kolk and Van Tulder's (2002) approach. Under specificity, Kolk and Van Tulder (2002) identified five factors of specificity: definition and minimum standards, applicability, targeted organizations, reference and nature of the code. We adapted the first and last factors to include definitions, quantifiable standards and circumstantial aspects of the code, as shown in Table 1. We also excluded the third factor i.e. targeted organizations, as all the codes in our analysis are targeted at the same entity whether it is called business enterprise (CSC 9000 T), company (SA 8000), partner

contractors (Nike) or external manufacturers and workshops (Inditex). As for monitoring and sanctions, rather than analyzing each article of the code, we make a comprehensive comparison of the entire code. Factors used to compare the monitoring aspect are shown in Table 2.

### **Results of Comparative Analysis**

We discuss the comparison between the four codes under two main criteria: Specificity and Monitoring/Sanctioning. Detailed comparative analysis is provided in Appendix 1. The discussion that follows draws from this analysis.

#### *Specificity*

We follow the articles provided in the CSC 9000 T and analyse the specificity of the code based on the criteria explained earlier.

*Management Systems.* This is the first article in the CSC 9000T. The management systems itself is considered an independent component, although it envelops all other articles/elements in the code. The article emphasizes the continuous improvement nature of the code as the system is based on a plan-do-check-action model. In this way, the CSC 9000T distinguishes itself from other codes; particularly company based ones, by emphasizing the need to bring CSR into the routine operations of the company as described earlier. Systematic documentation including procedures to meet objectives and targets set jointly by stakeholders are clearly articulated and set out. The SA 8000's management system is considered at the end of its code. Like the CSC 9000 T, it presents a large and detailed explanation as to how the policy of social accountability and labour conditions are effectively documented, maintained, communicated and made accessible to all stakeholders. Continuous improvements are emphasized although these are geared towards reaching the standards set by SAI. The SA 8000 management system also includes the control of suppliers, sub suppliers and sub contractors such that their performance and commitment to the code is evaluated and documented. This seems missing in the CSC 9000 T. Nike and Inditex do not have any articles on management systems.

*Employment Contract.* Only the CSC 9000 T has a specific article on employment contracts. This reflects the local situation in China where migrant labour forms a large proportion of the workforce in textile and apparel factories (CNTAC, 2006). The CSC 9000T calls for a written employment contract with specific guidelines on the terms and conditions of employment. The reference is China's labour law, which in its recent revision includes written contracts with fixed term, part-time and contract workers. All other codes do not specify a need for an explicit contract on employment.

*Child Labour.* This issue has been of great interest by all codes (Kolks and Van Tulder, 2002). All codes define and quantify the minimum age, although differences exist. The CSC 9000 T is based on the Chinese law that defines a child labour to be one who is below 16 and a juvenile worker to be one that is above 16 but below 18 years old. The SA 8000 specifies 15 to be the minimum age (i.e. based on the ILO standards) although the fall back position is the minimum age law of the country if it is higher. Inditex and Nike apply the minimum age laws of their respective country of origin i.e. 16 and 18.

Inditex and the SA 8000 do provide some exceptions for child labour above 14 years of age. Thus, the reference point of this article is different – Chinese laws, home country laws and the ILO standards.

The CSC 9000 T and the SA 8000 introduce the concept of juvenile/young workers and calls for protection of this age group against intensive, hazardous, harmful and risky work. The SA 8000 emphasizes the need to ensure schooling opportunities which follow ILO recommendations while the CSC 9000T calls for a guarantee that these juvenile workers receive physical examination at least once a year.

*Forced Labour.* The CSC 9000T states clearly the definition of forced labour. Similarly, the SA 8000 and Nike have similar articles that prohibit forced labor that is based on the ILO standards. Inditex however, does not have such an article. It is worthwhile to note that the CSC 9000T takes into account some Chinese characteristics in that certain exceptions to the definition are made, namely when 1) any work or service is carried out under compulsory military service laws; 2) any work or service is part of normal civic obligations; 3) any work or service is carried out in cases of emergency (such as was, fire, flood, famine, earthquake etc.) that would endanger the existence or the well being of the whole or part of the population.

*Working hours.* There are some clear differences between the codes in this category. Inditex does not have any article on working hours, although the fall back position is the local regulation. The SA 8000 puts 48 hours as the maximum while the CSC 9000 T specifies 40 hours. Nike bases its maximum on US regulation i.e. 60 hours a week with overtime. The SA 8000 and the CSC 9000 T details overtime, a common practice in the textile industry. Overtime work is allowed but not more than 36 hours per month and 12 hours a week for the CSC and SA respectively. The CSC 9000T is more flexible in calculating the average working hours in that it can be averaged across the week, month, season or year so that enterprises can better adapt themselves in a fiercely competitive market. Regarding days off, one day holiday per week is compulsory in both Nike and SA 8000 codes. Thus, the SA 8000 and Nike refer to international standards while the CSC 9000T to Chinese laws and culture.

*Wages and salaries.* The four codes do not specify the amount but point to the national industry minimum as the bottom limit. Inditex states that the salaries should be consistent with particular professional categories; Nike calls for a clearly written accounting statement for every pay period; the SA 8000 includes the points above but also specifies that salaries should be in cash or checks; while the CSC 9000 T specifies it as payment in cash.

*Trade Unions.* The labeling of this article is freedom of association in the SA, Nike and Inditex. However, there is a general consensus that workers are allowed to organize themselves into a union, and that no retaliatory actions are taken against such workers.[ Thus, the four codes recognize the right to collective bargaining. However, while other codes tend to allow workers to join a union of their choice, the CSC refers to “the” trade union i.e. the All China Federation of Trade Unions (ACTU). The ACTU the only legally recognized trade union in China and its official mandate is to represent the interests of workers; foster economic development; uphold the socialist road, people’s democratic dictatorship and the leadership of the Chinese Communist Party. Nike, Inditex and the

SA 8000 refer implicitly to the ILO conventions while the CSC 9000 T takes into account only the Chinese Law and its economic system.

*Discrimination.* The codes are similar in nature for discrimination. All codes provides similar definitions i.e. prohibit discrimination in factories for reasons of gender, nationality, race, sex, belief, physical disability or personal characteristics. In particular, Nike and SA 8000 specify management practices conducive to an environment free of discrimination such as in recruiting, promotion, hiring, remuneration, access to training, termination and retirement. SA 8000, Nike and Inditex base their code on the ILO articles 100 and 110 which prohibits discrimination while the CSC 9000 T is in line with article 100. CSC 9000 prohibits discrimination against women in promotion and pay or for reasons of pregnancy, child birth or breast feeding.

*Harassment and Abuse.* As with the category of child labour, Inditex and Nike use the concept of dignity as a positive concept to emphasize how workers should be treated. The concept of dignity is explicitly stated in the Universal Declaration on Human Rights. The CSC 9000 T also complies with the Declaration but aims to “foster physical and physiological health”.

*Occupational Health and Safety.* Under OHS, the four codes refer to injury among workers, lighting, ventilation and hygienic conditions. However, the CSC 9000 T (to a larger degree than the SA) emphasizes a management system to improve OHS through the plan-do-check-action method.

#### *Monitoring and Sanctioning*

The monitoring and compliance of corporate codes such as those of Nike and Inditex is by external auditors or other agencies. Although the SA 8000 emphasizes management systems, it has its own auditors who evaluate and accreditate its compliance. On the contrary, the CSC 9000 T's approach is one that is internal using the PDCA (plan-do-check-action) approach. Thus, in a sense, it is the Chinese supplier who establishes the standards of the code and monitors the results. The CSC 9000T emphasizes the need for enterprises to integrate CSR management into the routine management system and culture of the organization. As explained earlier, the CSC 9000T promotes the continuous improvement approach in raising the working conditions and wellbeing of workers. However, it seems that the supplier him/herself is responsible for raising these standards over time.

As for sanctions, failure to comply or meet the standards of corporate codes means losing the business relationship with Nike and Inditex. If the business deal is linked to the SA 8000 accreditation, the fate is the same as the corporate codes. In contrast, given that the CSC 9000T is an internal system, there may be no external punishment to those companies that fail to meet the set standards. Theoretically, if enterprises do not meet the CSC 9000T standards, they will need to address this and find ways and means internally to meet the set standards in the next round of evaluation.

### **Discussion and Conclusion**

There are a few marked differences between the CSC 9000T and other codes considered in this paper. First, CSR as a management system is emphasized in the CSC 9000T with a

view towards a continuous improvement in working conditions. Second, employment contracts are elevated to a separate article and consistent with China's labour laws. Third, some differences in definitions exist, for instance the minimum legal age of workers, working hours and overtime. European and US laws are used as the minimum in the corporate codes, while the SA 8000 uses the ILO's standards. Fourth, some conceptual differences are also evident. For instance, while other codes emphasize the freedom of association, the CSC 9000T refers to the right to affiliation to the ACTU given China's socialist system of government. Similarly, the corporate codes link harassment and abuse to the concept of dignity which reflects a Christian ideology. In sum, our comparative analysis shows that the CSC 9000T in substance is in no way inferior to the other codes. In fact, the China code takes into account the local environment and circumstances more comprehensively than other codes, whether corporate or international.

The more significant difference between the codes is in the monitoring and compliance area. Corporate codes use a reward and punishment approach to ensure compliance. Those factories that pass the accreditation tests are awarded with supply contracts while those who fail to meet the set standards are terminated. While this may meet the requirements of the stakeholders in the country of origin i.e. the US and Europe, it may not necessarily improve the working conditions of labour in China. Although the SA 8000 has provisions for training and improvements, the manner in which it is implemented is not very different from corporate codes. External auditors are utilized to inspect and rate factories. If MNCs use the SA 8000 accreditation as a condition for supplier contracts, the outcome is similar to corporate codes. Although some may argue that introducing higher standards would raise the working conditions in developing countries (Harrison and Scorse, 2007), this may produce a contrary effect in China. The incentive to cheat is high (Egels-Zanden, 2007), particularly when the contracts are lucrative. A strict and higher standard decoupled from the local situation could be seen as unattainable and so forces deviant behavior and eliminates the incentive for suppliers to introduce changes in their factories.

In contrast, the CSC 9000T, if implemented according to its objectives, is aspirational in nature as it tries to make a case that voluntary compliance will, "... meet the enterprise's social responsibility and financial objectives, reduce operational risks, and achieve continuous improvement" (CNTAC, 2006). Thus, the CSC 9000T does not have third party accreditation but rather an internal mechanism that promotes improvements in workers' wellbeing.

The launching of a Chinese code to a certain extent marks a change in approach towards improving working conditions of millions of people in the industry. On the one hand, the Chinese government admits that something tangible needs to be done to improve the wellbeing of its populace to ensure a "harmonious society". On the other, it departs from the "stick" approach to one that is "carrot" based. The harsh all-or-nothing approach has not made a significant impact on the wellbeing of workers. Previous studies have noted that while Chinese firms may formally agree to such codes as a condition for continued business, there is no assurance of sincere and complete compliance (Krueger, 2007; Egels-Zanden, 2007). When factory owners understand social compliance as something that is externally imposed (which may entail additional costs), unethical behaviours flourish. Recent studies have also highlighted the necessity to complement codes of

conduct and monitoring programmes with more systematic interventions aimed at tackling the root causes of poor compliance that affects not only economic performance but also social conditions (Locke et. al., 2007; Frenkel and Scott, 2002). Some studies emphasize organizational variables (e.g. management styles, organizational structure and communication) and the relationship between the MNCs and factory owners as critical in the compliance model (Locke et. al., 2007; Locke and Romis, 2007). Frenkel and Scott (2002) in particular show how collaboration between the MNC and the supplier enhances both types of performances. Earlier, Paine (1994) had argued that such collaborations should be based on common values and standards of the stakeholders. Theoretically, the CSC 9000T is an attempt in this direction. Its objective is to “help enterprises to review their own CSR management system and to find out the gap between voluntary social responsibility actions and the requirements of the CSC 9000T” (CNTAC, 2006).

Like other codes, there is no guarantee that the CSC 9000T would indeed meet its objectives. However, compared to other codes, the CSC 9000 T has a certain degree of legitimacy in that it is supported by the Chinese government through the CNTAC. It is home grown and so would garner the necessary support from all relevant agencies in China. The implementation of the China code is still at a nascent stage. The trial run of the CSC among 10 large producers has so far produced laudable results (CNTAC, 2006). Nevertheless, this is not sufficient. A more objective method of monitoring the progress of the code is required. In this regard, it makes sense that the support by large overseas brand-names (Nike, Inditex, Prada and the like) be co-opted to ensure a much wider implementation of the code. Dialogue among the related parties has been proven to be critical (Beschoner and Muller, 2007). The involvement by MNCs in capacity building and training – aspects considered important in ensuring compliance (FIAS, 2007) – would add to ensure the success of the China code. More importantly, the nature of the code which emphasizes management systems and one that is based on reward should be adopted by these brand-names to ensure success of the code. This would not only benefit workers, but also satisfy the many stakeholders of those MNCs.

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**Table 1 Criterion for Specificity**

	Short Elaboration	Classification
Specificity		
Definition of Area	Does the code include a definition?  Does establish quantifiable standards	Yes or not
Applicability	Is this a universal definition or are country specific exceptions indicated?	Universal, country specific indicated
Organization Targeted	To whom the code is addressed	Exact wording
Reference	Is reference made to international standards either explicit or implicit or to home country or host country law?	Home, host, international
Nature of code	Considerations and circumstantial aspects?	List of aspects  Exact Wording

**Source: Adapted from Kolk and Van Tulder (2002), p. 294**

**Table 2 Criterion used for Monitoring/Sanctioning**

Criteria	Short Elaboration	Classification
<i>Compliance</i>		
Monitoring Systems and processes	Good insight into system and process (clear): reference to some parts, but criteria or time frames are lacking (clear to vague) only general reference to monitoring without details (vague)	Clear: clear to vague: vague: none: vague: none
Position of Monitoring actor	Firms themselves (1 party): BSG ( 2 party): external professionals paid by the firm (3 party): Combinations of different actors (4 <sup>th</sup> party): NGO (5 party): legal authorities (6 <sup>th</sup> party)	Ranging from: 1 <sup>st</sup> to 6 <sup>th</sup> party
Sanctions	Measures have no larger implications e.g warnings and exclusion of memberships (mild): threat to business activities (severe)	None: mild: severe
Sanctions to Third Parties	Measures such us fines or demand for corrective action (mild): severance of relationships, cancellation of contract (severe)	N/A: none: mild: severe

**Source: Adapted from Kolk and Van Tulder (2002), p. 294**

## APPENDIX 1

<b>CHILD LABOR</b>					
	Short Elaboration	CSC9000 T	Inditex	Nike	SA 8000
<i>Specificity</i>					
Minimum age for employment	Does the code include a minimum age of employment?  If so which?	Yes  16 years	Yes  16 years (14 years)	Yes  18 years	Yes  15 years
Applicability	Is this a universal minimum age or are there country specific exceptions indicated?	China	Universal (Spain)  country specific exceptions indicated	Universal (USA)  country specific exceptions indicated	Universal  country specific exceptions indicated
Reference	Is reference made to international standards either explicitly or implicitly or host country law?	China  ILO Convention 138 and 182 implicit	ILO Convention 138  Explicit  Local legislation if higher	Nike age  Or “legal age limit”  Local legislation if higher	ILO Convention 138 explicit and 182 implicit  Local legislation if higher
Nature of code	Are alternative measures included in the code (Such as education for children?) Considerations aspects developed by the code?	No  <i>Detailed definition of juvenile worker</i>	No	No  <i>Working at home by children not allowed</i>	Yes  <i>Alternative measure of education (ILO 146)</i>  <i>Remediation of policies of child labor</i>  <i>Avoiding situations of outside as hazardous, unsafe, unhealthy for young workers</i>
<b>WORKING HOURS</b>					

	Short Elaboration	CSC9000 T	Inditex	Nike	SA 8000
<i>Specificity</i>					
Definition	Does the code include a definition of working hours?  Which quantity?	Yes  (40 hours) although cyclical 55 hours max		Yes  60 hours (with overtime)	Yes  Regular 48 hours
Applicability	Is this a universal definition of overtime or are country specific exceptions indicated?	China		Universal (USA)  Country specific  Indicated (if lower)	Universal  Country Specific Indicated (if lower)
Reference	Is reference made to international standards either explicitly or implicitly or to home country or host country law?	China  Implicit ILO Convention 144		Home Country (EEUU)	ILO Conventions explicit for salaries
Nature of code	List of considerations and aspects			<i>Warn about overtime</i>  <i>Compensation rate overtime</i>  <i>Rest one day off</i>	<i>Overtime re-inbursed at premium rate</i>  <i>Questions according to the collective bargaining aspects in short term business demand</i>

**FORCED LABOUR**

	Short Elaboration	CSC9000T	Inditex	Nike	SA
<i>Specificity</i>					
Definition of forced labor	Does the code include a definition?	Yes		No	No
Applicability	Is this a	China		Universal	Universal

	universal definition or are country specific exceptions indicated?				
Reference	Is reference made to international standards either explicitly or implicitly or to home country or host country law?	China	Implicit International ILO 29 and 105 Convention	Implicit International ILO 29 and 105 Convention	International ILO articles 29 and 105
Nature of code	Are types of forced labor included in the code?  List of considerations and aspects	Include Exceptions <i>Military service</i>  <i>Normal civic obligations</i>  <i>Emergency Cases</i>		<i>List of behaviors Prison, indentured, bonded</i>	<i>No Deposits or identity papers upon commencing employment</i>
<b>WAGE AND SALARY</b>					
	Short Elaboration	CSC9000 T	Inditex	Nike	SA 8000
<i>Specificity</i>					
Definition	Does the code specify a minimum quantity salary?  If so which?	No	No	No	No
Applicability	Is this a universal or local definition of minimum wage?	Local definition of minimum standard salary	Local definition of the minimum salary	Local definition of the minimum salary	Local definition of minimum salary  <i>But meet the basic needs</i>

Reference	Is reference made to international standards either explicitly or host country law?	China  Implicit ILO 26 Convention	Local host country indications	Local host country indications  (prevailing industry wage)	Local host country indications  <i>at least minimum industry standards and shall be sufficient for meet basic needs</i>
Nature of code	List of considerations and aspects	<i>In cash</i>	<i>According to Professional category</i>	<i>Clear, written each period No disciplinary infractions</i>	<i>Clear and Written Cash or Check No False Apprenticeships No Deductions for disciplinary measures Including all social benefits</i>
<b>TRADE UNION</b>					
	Short Elaboration	CSC9000T	Inditex	Nike	SA 8000
<i>Specificity</i>					
Definition of trade union	Does the code include a definition of trade union?	Yes the ACTU	No	No	No
Applicability	Is this a universal definition or are country specific indicated?	China	Universal	Universal	Universal
Reference	Is reference made to international standards either explicitly or implicitly	China  Implicit ILO Convention 98 right of collective bargain	International Implicit (ILO articles 87 freedom of association and 98 right to collective bargain)	International Implicit ILO 87 freedom of association and collective bargain 98)	International Implicit (ILO articles 87 freedom of association and 98 right to collective bargain)

Nature of code	List of consideration and aspects		<i>No sanction to belong to union</i>		<i>No discrimination to belong to unions</i>  <i>If the law restricts alternative measures provide</i>
<b>DISCRIMINATION</b>					
	Short Elaboration	CSC9000T	Inditex	Nike	SA 8000
<i>Specificity</i>					
Definition of Discrimination	Does the code include a definition of discrimination ?	Yes	Yes	Yes	Yes
Applicability	Is this a universal definition or are country specific indicated? Does the code a list of type of discrimination ?	Universal	Universal	Universal	Universal
Reference	Is reference made to international standards or home country or host country law?	ILO  Implicit ILO 100 equal remuneration	ILO  Implicit ILO Convention 100 and 111	ILO  Implicit ILO Convention 100 and 111	ILO  Implicit ( ILO 100 and 111 Convention)
Nature of code	List of considerations and aspects			<i>Explicit management practices not suitable of discrimination</i>	<i>Explicit Management practices not suitable of discrimination</i>

				<i>Explicit maternity status</i>	
<b>HARRASMENT/ ABUSE</b>					
	Short Elaboration	CSC9000T	Inditex	Nike	SA 8000
Specificity					
Definition of harassment	Does the code include a definition of harassment?	Yes	Yes	Yes	Yes
Applicability	Is this a universal definition or are country specific indicated?	China	Universal	Universal	Universal
Reference	Is reference made to international standards either explicitly or implicitly?	No Implicit International standards	Yes Explicit article ILO standards	Yes Implicit American standards	Yes Explicit ILO standards
Nature of code	List of considerations and aspects	Positive Goal: <i>Foster physical and physiological health</i>	Positive Goal: <i>Dignity and respect</i>  <i>Abuse of power not permitted</i>	Positive Goal <i>Dignity</i>	<i>Negative: Coercion, verbal abuse</i>  <i>Gestures language and physical contact that is sexually coercive, threatenng and abusive</i>
<b>OCUPATIONAL HEALTH</b>					
	Short Elaboration	CSC9000T	Inditex	Nike	SA 8000
<i>Specificity</i>					
Definition Occupational health	Does the code include minimum	No	No	No	No

	standards (number of a quantitative measure) of occupational health?				
Applicability	Is this a universal definition or are country specific indicated?	China	Country specific indicated	Country specific indicated	Country specific indicated
Reference	Is reference made to international standards either explicitly or home country?	International standards implicit  OHSAS 14000 management system	ILO Convention 155	Host Country	ILO Convention 155 and 164
Nature of the code	List of aspects	<i>Based in management systems PDCA methodology health and safety</i>	<i>Minimum conditions in light, ventilation hygiene, free prevention or safety measures</i>	<i>Promoting system minimize negative impacts</i>	<i>Promoting system minimize negative impacts  Safety Prevention of accidents  Management responsible of safety Training for Safety  Clean bathrooms, access to potable water sanitary facilities  Dormitory facilities clean safe</i>

	Classification	CSC 9000 T	Inditex	Nike	SA 8000
<b>Compliance</b>					

Monitoring Systems and processes	Clear: clear to vague: vague: none: vague: none	Clear	None	None	Clear
Position of Monitoring actor	Ranging from: 1 <sup>st</sup> to 6 <sup>th</sup> party	Firms themselves	External professionals paid by the firm  Combinations of different actors (4 <sup>th</sup> party)	External professionals paid by the firm  Combinations of different actors (4 <sup>th</sup> party)	Combinations of different actors (4 <sup>th</sup> party)
Sanctions	None: mild: severe	None	severe	severe	Mild
Sanctions to Third Parties	Na: none: mild: severe	None	Mild	mild	Mild

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