ABSTRACT

Normally, the labor force of a country (or other geographic entity) consists of everyone of working age, typically above a certain age (around 14 to 16) and below retirement (around 65) who are participating workers, that is people actively employed or seeking employment. In this paper, we will define social responsibility. We are also going to demonstrate the advantages and disadvantages of being socially responsible toward labor. Then, we will explain the characteristics of social responsibility and the government role in this issue. Moreover, we will talk about drivers that lead to the best practices of social responsibility toward labor. Furthermore, we will show the case in the Arab world in general and Lebanon in specific as a sample example of the situation in the developing world. Finally, we will conclude the situation and recommend certain points to be followed for future implementation of social responsibility in the developing world.

Key words: Corporate social responsibility, labor force, CSR in Arab world, CSR in Lebanon, CSR pyramid,

INTRODUCTION

Normally, the labor force of a country (or other geographic entity) consists of everyone of working age, typically above a certain age (around 14 to 16) and below retirement (around 65) who are participating workers, that is people actively employed or seeking employment.
Corporate social responsibility

Though the concept of Corporate Social Responsibility (CSR) firstly was introduced in 1930, there is no united definition of CSR and it is still being the target of various authors. In general the CSR may be defined as the guaranty of the organization’s economic success, including social and environmental issues into its daily practice. The Corporate Social Responsibility may be analyzed in two dimensions: the internal dimension and external dimension. Each of the latter contains other several aspects, based on the concept of CSR.

Socially responsible company firstly is being concerned about its employees and problems such as investment into the human resources, employees’ health and safety guaranty. Organization must put in its practice the environment protection, usually related to the management of the natural resources used in company’s production process. Organizing their daily work like this, businesses may guaranty and gain the competitive advantage. Companies depend from the local communities: they employ the majority of workers from the local labor marker, so they are concerned about people’s health and their qualified education. Organization’s social performance may be also affected by other stakeholders, such as competitors, clients or suppliers. So CSR covers not only the company’s performance itself, but the whole supply chain as well. CSR concept as a guideline for the company’s daily performance might guarantee business success and commercial benefit to the organization. Also it helps to gain a good reputation, name and company’s image as well as community’s assurance. Customers want the reliable supplier well known for its high quality production and services. On the other hand, suppliers would like to deliver goods for the client that won’t run away and meet its financial commitments on time. The local community prefers to be assured that organizations’ performances will guarantee social and environmental welfare. Finally employees would like to work for the company they might be proud of and realize their personal input value.

The challenge for corporate social responsibility (CSR) in developing countries is to create a world with less poverty, hunger and disease, greater survival prospects for mothers and their infants, better educated children, equal opportunities for women, and a healthier environment. Unfortunately, these global aspirations remain far from being met in many developing countries today.

The rationale for focusing on CSR in developing countries as distinct from CSR in the developed world is fourfold:
1. developing countries represent the most rapidly expanding economies, and hence the most lucrative growth markets for business;
2. developing countries are where the social and environmental crises are usually most acutely felt in the world;
3. developing countries are where globalization, economic growth, investment, and business activity are likely to have the most dramatic social and environmental impacts; and
4. developing countries present a distinctive set of CSR agenda challenges which are collectively quite different to those faced in the developed world.

ADVANTAGES AND DISADVANTAGES OF CSR

Advantages of Social Responsibility
The greatest benefit of becoming socially responsible is the more fair and human treatment of workers. But there are other reasons, as well. Here are a few more. First, desirable employees want to work for companies whose values they share, just as consumers want to buy from companies that put values into practice. Second, respect for human rights leads to social and economic development. Some business advocates say that labor standards raise costs and thus limit the number of jobs that would otherwise be available to poor people. But fair work is a critical underpinning of social stability.
The main benefit of developing socially responsible business is friendly attitude of the society towards the company, and the main difficulty developing socially responsible business is the lack of time and other resources. (4)

Disadvantages of Social Responsibility
The disadvantage argument against corporate social responsibility suggests that because social action will have a price for the firm it also entails a competitive disadvantage. So, either such works should be carried out by government or, at least, legislated for so that all corporations or industries will be subject to the same requirements.

The main difficulties and barriers of CSR implementation into business practice may be divided into two groups: the first – financial barriers, related to the government and its institutions, the second – human resources barriers. (4)
Characteristics of Corporate Social Responsibility in Developing nations

CSR in developing countries has the following distinctive characteristics:

_ CSR tends to be less formalized or institutionalized in terms of the CSR benchmarks commonly used in developed countries, i.e. CSR codes, standards, management systems and reports.

_ Where formal CSR is practiced, this is usually by large, high profile national and multinational companies, especially those with recognized international brands or those aspiring to global status.

_ Formal CSR codes, standards, and guidelines that are most applicable to developing countries tend to be issue specific (e.g. fair trade, supply chain, HIV/AIDS) or sector-led (e.g. agriculture, textiles, mining).

_ In developing countries, CSR is most commonly associated with philanthropy or charity, i.e. through corporate social investment in education, health, sports development, the environment, and other community services.

_ Making an economic contribution is often seen as the most important and effective way for business to make a social impact, i.e. through investment, job creation, taxes, and technology transfer.

_ Business often finds itself engaged in the provision of social services that would be seen as government’s responsibility in developed countries, for example, investment in infrastructure, schools, hospitals, and housing.

_ The issues being prioritized under the CSR banner are often different in developing countries, for example, tackling HIV/AIDS, improving working conditions, provision of basic services, supply chain integrity, and poverty alleviation.

_ Many of the CSR issues in developing countries present themselves as dilemmas or trade-offs, for example, development versus environment, job creation versus higher labor standards, strategic philanthropy versus political governance.

_ The spirit and practice of CSR is often strongly resonant with traditional values and religious concepts in developing countries, for example, African humanism in South Africa and harmonious society in China.

_ The focus on CSR in developing countries can be a catalyst for identifying, designing and testing new CSR frameworks and business models.
Research into CSR in developing countries is still relatively underdeveloped and tends to be ad-hoc with a heavy reliance on convenience-based case studies or descriptive accounts. The focus is often on high profile incidents or branded companies and a few selected countries with a general lack of comparable benchmarking data. Hence, there is an urgent need for further research on CSR in developing countries at the international, regional, national and sector levels, as well as on theoretical constructs. There is a dearth of international research which surveys the nature and extent of CSR in developing countries, as compared with developed countries. Next to this need for more data in general, there is need for more comparative work which analyses CSR between regions (e.g. Africa, Latin America, Asia) and between countries within regions. On a more national or regional level, there is need for detailed national research on CSR. Alongside these efforts there seems to be a specific need for more sector research on CSR codes and practices, especially for the lesser covered industries like chemicals, financial services, infrastructure (including construction), manufacturing (including motor), media, retail, telecommunications, and travel and leisure. Finally, all these different streams of empirical research should inform more conceptual work on CSR conceptions, frameworks, or models that are more applicable to developing countries. (4)

The Role of Government

Corporate social responsibility is concerned with legitimacy: social issues are the concern of government. The government has legitimate social concerns which business supports in the payment of taxes. There are three positions in this argument. First, unless business acts then government will act, with all the attendant disadvantages of government intervention cited by critics of government encroachment of private spheres. Moreover, corporate social problem-solving may be preferable because it is pluralistic and is therefore likely to be preferred by the people. This position seeks to minimize the role of government. Second, corporate involvement in social problems is likely to be poor, which in itself will lead to government intervention. This has the disadvantages of both government and business interference in the private sphere. The third position claims that only government can deal with market imperfections. This is because some encroachment is viewed as necessary and there needs to be an orderly division of labor. They counter that again these positions against corporate social responsibility reflect only on the affirmative duty and not on the negative injunction against social injury. (4)
DRIVERS OF SOCIAL RESPONSIBILITY

Now, we want to address the difference between CSR in developing countries and in the developed world. One powerful way to do this is by examining the various drivers for CSR in developing countries. Although they are not all unique to developing countries, together they build up a distinctive picture of how CSR is conceived, incentivized, and practiced in emerging economies.

Cultural Tradition
While many believe CSR is a Western invention (and this may be largely true in its modern conception), there is ample evidence that CSR in developing countries draws strongly on deep-rooted indigenous cultural traditions of philanthropy, business ethics, and community. (6)

Political Reform
CSR in developing countries cannot be divorced from the socio-political reform process, which often drives business behavior towards integrating social and ethical issues. (6)

Socio-economic Priorities
There is a powerful argument that CSR in developing countries is most directly shaped by the socio-economic environment in which firms operate and the development priorities this creates. The socio-economic development challenges include poverty alleviation, health-care provision, infrastructure development, and education. Also, they include consumer protection, fair trade, green marketing, climate change concerns, or socially responsible investments. Furthermore, it is suggested that companies in developing countries have to actively shape the socio-economic and political landscape in order to create an operating environment which is conducive for business. (6)

Governance Gaps
CSR as a form of governance or a response to governance challenges. However, of particular relevance for developing countries is the fact that CSR is often seen as a way to plug the ‘governance gaps’ left by weak, corrupt, or under-resourced governments that fail to adequately provide various social services (housing, roads, electricity, health care, education,
etc.). this as part of a wider trend in developing countries with weak institutions and poor governance, in which responsibility is often delegated to private actors, be they family, tribe religion, or, increasingly, business. Furthermore, as many developing country government initiatives to improve living conditions falter, proponents of strategies argue that companies can assume this role. (6)

**Crisis Response**

Various kinds of crises associated with developing countries often have the effect of catalyzing CSR responses. These crises can be economic, social, environmental, health-related, or industrial. Others see climate change and HIV/AIDS as crises that are galvanizing CSR in developing countries. Catastrophic events with immediate impact are often more likely to elicit CSR responses, especially of the philanthropic kind. However, industrial accidents may also create pressure for CSR. (6)

**Market Access**

The flipside of the socio-economic priorities driver is to see these unfulfilled human needs as an untapped market. This notion underlies the now burgeoning literature on ‘bottom of the pyramid’ strategies, which refer to business models that focus on turning the four billion poor people in the world into consumers. As we have previously noted, this straying of business into the development arena is not without its critics or problems. CSR may also be seen as an enabler for companies in developing countries trying to access markets in the developed world. Competitive advantage in international markets as one of the key drivers for CSR. This is especially relevant as more and more companies from developing countries are globalizing and needing to comply with international stock market listing requirements, including various forms of sustainability performance reporting and CSR code compliance. (6)

**International Standardization**

Despite the debate about the Western imposition of CSR approaches on the global South, there is ample evidence that CSR codes and standards are a key driver for CSR in developing countries. Codes are frequently used as a CSR response in sectors that are prevalent in developing countries as well as to deal with pressing social issues in developing countries, such as child labor or the role of women in the workplace. Often, CSR is driven by standardization imposed by multinationals striving to achieve global consistency among its subsidiaries and operations in developing countries. (6)
**Investment Incentives**

The belief that multinational investment is inextricably linked with the social welfare of developing countries is not a new phenomenon. However, increasingly these investments are being screened for CSR performance. Hence, socially responsible investment (SRI) is becoming another driver for CSR in developing countries. (6)

**Stakeholder Activism**

In the absence of strong governmental controls over the social, ethical, and environmental performance of companies in developing countries, activism by stakeholder groups has become another critical driver for CSR. In developing countries, four stakeholder groups emerge as the most powerful activists for CSR, namely development agencies, trade unions, international NGOs, and business associations. These four groups provide a platform of support for local NGOs, which are not always well developed or adequately resourced to provide strong advocacy for CSR. The media is also emerging as a key stakeholder for promoting CSR in developing countries. Stakeholder activism in developing countries takes various forms as civil regulation, litigation against companies, and international legal instruments. (6)

**Supply Chain**

Another significant driver for CSR in developing countries, especially among small and medium-sized companies, is the requirements that are being imposed by multinationals on their supply chains. This trend began with various ethical trading initiatives which led to the growth of fair trade auditing and labeling schemes for agricultural products sourced in developing countries. (6)

**A CSR PYRAMID FOR DEVELOPING COUNTRIES**

We will consider the most popular model—Carroll’s (1991) CSR Pyramid, comprising economic, legal, ethical, and philanthropic responsibilities—this is almost entirely based on research in an American context. Hence, in developing countries, economic responsibilities still get the most emphasis. However, philanthropy is given second highest priority, followed by legal and then ethical responsibilities. (6)
Economic Responsibilities

It is well known that many developing countries suffer from a shortage of foreign direct investment, as well as from high unemployment and widespread poverty. It is no surprise, therefore, that the economic contribution of companies in developing countries is highly prized, by governments and communities alike. (6)

Philanthropic Responsibilities

The philanthropic responsibility should be more compulsory via the legal framework than discretionary acts of successful companies or rich capitalists. In this respect, developing countries have more in common with the capitalist model, although philanthropy generally gets an even higher priority as a manifestation of CSR. Partly, this is a result of strong indigenous traditions of philanthropy in developing countries. However, there are several other reasons as well. In the first instance, the socio-economic needs of the developing countries in which companies operate are so great that philanthropy is an expected norm—it is considered the right thing to do by business. Second, companies realize that they cannot succeed in societies that fail, and philanthropy is seen as the most direct way to improve the prospects of the communities in which their businesses operate. HIV/AIDS is a case in point, where the response by business is essentially philanthropic (it is not an occupational disease), but clearly in companies’ own medium- to long-term economic interest. Third, over the past 50 years, many developing countries have become reliant on foreign aid or donor assistance. Hence, there is often an ingrained culture of philanthropy. And a final reason for developing countries’ prioritization of philanthropy is that they are generally still at an early stage of maturity in CSR, sometimes even equating CSR and philanthropy, rather than embracing the more embedded approaches now common in developed countries. (6)

Legal Responsibilities

In developing countries, legal responsibilities generally have a lower priority than in developed countries. This does not necessarily mean that companies flaunt the law, but there is far less pressure for good conduct. This is because, in many developing countries, the legal infrastructure is poorly developed, and often lacks independence, resources, and administrative efficiency. Many developing countries are also behind the developed world in terms of incorporating human rights and other issues relevant to CSR into their legislation. (6)
Ethical Responsibilities

In developing countries, however, ethics seems to have the least influence on the CSR agenda. (6)

An Ideal CSR Pyramid

The descriptive approach adopted in the previous sections was used to illustrate how CSR actually manifests in developing countries, rather than presenting an aspiration view of what CSR in developing countries should look like. For example, it is not proposed that legal and ethical responsibilities should get such a low priority, but rather that they do in practice. By contrast, if we are to work towards an ideal CSR Pyramid, as shown in figure 1, for CSR in developing countries, I would argue that improved ethical responsibilities, incorporating good governance, should be assigned the highest CSR priority in developing countries. It is my contention that governance reform holds the key to improvements in all the other dimensions, including economic development, rule of law, and voluntary action. Hence, embracing more transparent, ethical governance practices should form the foundation of CSR practice in developing countries, which in turn will provide the enabling environment for more widespread responsible business. (6)

Figure 1: CSR pyramid for developing countries
CSR in the Arab World

Although some countries and companies in the Arab world are further ahead than others, CSR still remains more about philanthropy and is primarily considered external to business, as opposed to an internal process that is mainstreamed into core operations, strategy and long-term planning. CSR has typically been introduced by multinationals, and passed on through subsidiaries in the region. Although there have been several national and regional CSR-related conferences and consultancies springing up, there still remains the need to go beyond awareness-raising and to focus on practical “how to” guides and to harmonize CSR definitions, priorities, and initiatives. It is important to remember that CSR is, by nature, culturally, geographically, and sector specific. What may constitute CSR in one country or in one industry sector may not resonate or be applicable in another. For example, consumer, environmental, employee, governmental and community activism – hallmarks of Western society – are not typically observed in the MENA countries. And, within this, a World Bank report finds that CSR has different meanings from country to country in the MENA region. In most countries, the actual society does not differentiate between ethical behavior and simply obeying the law when they evaluate business behavior. One area that resonates strongly among Arab companies and governments, and where a manifestation of CSR might make the most sense and have a positive multiplier effect on the region’s growth, is in the private sector’s engagement with youth. Creating meaningful employment and opportunities for young people throughout the Arab world is one of the most critical sustainable development challenges facing the region. Growing youth unemployment is a major problem, and there is often a gap between skill sets and job requirements. Further, small and medium-sized enterprises (SMEs) and family owned enterprises (FOEs) are very prominent in the region and their success, development and expansion is critical to the region’s economic competitiveness, growth, and wealth creation. Investing in young people will pay off as a more skilled and entrepreneurial labor force is created. (1)

CSR Achievements

In general, the Middle East as a whole is at a stage of trying to define CSR in their own context, map their stakeholders, and define their priority issues. In many ways, the MENA
region is ahead of other regions due to the fact that it is taking an approach to CSR that is regional, organized, and driven at the policy level. There is beginning to be a strong governmental buy-in to the concepts of CSR, sustainable development, and environmental responsibility. Indeed, governments are beginning to realize that CSR can significantly and positively contribute to enhancing competitiveness, attracting investment, and maximizing the value of wealth creation to their country’s citizenry. Supporting and bolstering the adoption and implementation of CSR practices can be facilitated by governments through the creation of a policy environment conducive and rewarding to CSR adoption. For example, government can harmonize national laws and legislation with internationally recognized CSR–related management and reporting standards. Governments can also facilitate capacity building and awareness-raising on CSR-related issues, and encourage and engage in public-private partnerships to affect positive social change and to reach developmental, environmental and social goals. Placing emphasis and passing legislation on transparency and accountability in reporting and assurance is also important and signals to companies, both multinational and local, that CSR is being taken seriously.

Corporate Social Responsibility Involvement In Lebanon

General Background

Corporate social responsibility is very much in its developing phases in Lebanon. In the initial phase, Lebanese firms are observers with minimal involvement. In the second phase, firms become involved at varying points in time. In the last phase, firms experience an increased corporate social involvement as more and more companies become aware of the fact that they don't have to pass away like other mortal human being and that they can be immortal if they become accountable for their actions. A number of papers have confronted the issue of corporate social responsibility and even differed on the definition and scope of CSR. However, in spite of this conflicting empirical evidence a stream of research suggests that CSR is becoming a corporate goal and if Lebanese firms are to function effectively in our society, then; it seems reasonable to expect them to contribute more to the quality of life than just supplying goods and services. Lebanese firms have to adapt to CSR and be prepared to assume a broader responsibility to society than ever before. Unfortunately, however, there is a scarcity of applied research into CSR in Lebanon. The importance of CSR has been
continually emphasized, but no one has yet provided an empirical evidence of the effects of CSR on firm' performance in Lebanon. (3)

**Findings of the Study**

The previous study sample, conducted in Lebanon, included 99 managers, assistant managers, directors, assistant directors in addition to other positions out of which 40 (40.4 percent) work in the banking sector, 8 (8.1 percent) work in the distribution sector, 7 (7.1 percent) work in the construction sector, and 3 (3.0 percent) work in manufacturing industry. Of all the respondents surveyed, 36 (36.4 percent) work in small firms having less than 50 employees, 48 (48.5 percent) in medium firms having between 50 and 500 employees and the rest work for large firms. The respondents were asked if their companies have a Mission Statement addressing economic, environmental and social goals. Only 5 (5.1 percent) reported that their companies have a Mission Statement addressing environmental goals, 11 (11.1 percent) reported that their companies have a Mission Statement addressing social goals, and 11 (11.1 percent) reported that their companies have a Mission Statement addressing economic goals. Out of the 99 respondents, only 8 (8.1 percent) stated that their companies issue a Corporate Social Responsibility report that include generally applicable or organizational- specific environmental and social responsibilities. Out of the 99 respondents 26 (26.3 percent) mentioned that their companies adopted a corporate environmental policy, only 17 (17.2 percent) reported that their organizations have a centralized data base for environmental data that is accessible at the corporate level, 4 (4.0 percent) reported that their companies have a centralized data base for environmental data that is accessible at the business unit/divisional level and 3 (3.0 percent) reported that their companies have a centralized data-base for environmental data that is accessible at the individual operator level. Of all the respondents surveyed twelve respondents (12.1 percent) reported that their companies occasionally perform risk assessment for new products depending on the nature of the product. With respect to employees satisfaction, 14 (14.1 percent) stated that their companies make the results of their employee satisfaction surveys publicly available, 53 (53.3 percent) believe their companies are involved in charity and donations activities. (3)

**CONCLUSIONS**

Summarizing the importance of implementing the CSR concept into the companies’ practice, it is noticeable, that the image and reputation of organization in the social and environmental
fields, more and more affect consumers and customers. The labor market is very competitive and qualified workers prefer to work for and to stay at those companies that do care about their employees. Because the latest achievements in the area of social responsibility influence investors’ decision making process, and the market of ethical investments increases even more rapidly, organizing company’s work according to the CSR idea, may be the reasonable occasion to become an attractive investment object. About the inevitable organizations’ willingness to become part of socially responsible business proclaim frequent actions important for developing the CSR concept that become more tangible and better publicly announced as well.

The results of the researches made in the Baltic States show that the opinion about companies’ performance inside the community and the CSR concept are quite similar. While talking about the companies’ decisions to go for socially responsible business, two main groups of reasons must be defined. The first one – is dealing the corruption and the second – caring about stakeholders needs.

Corporate Social Responsibility is an emerging phenomenon, shaping current business strategies worldwide. The results of my study are of particular interest. More than half of Lebanese firms are involved in donations/charity activities, but when it comes to initiatives of organizations regarding the establishment of environmental protection procedures, promoting community programs and putting employee's rights at the top of their corporate agenda, it is clear that there is a lack of Social Responsibility consciousness at the corporate level in Lebanon.

**RECOMMENDATIONS**

**Recommendations to Consider Moving Forward**

Some issues that deserve attention as the CSR dialogue moves forward include:

- Moving towards sustainable programs to address development challenges.
- Clearly define CSR and its role in MENA as seen by local stakeholders
- Make the business case for CSR in MENA
• Expand beyond social responsibility of companies and build an understanding of corporate citizenship, the concept which captures not only obligations of business but also its rights and corporate strategy

• Explore potential ways in which social responsibility programs on the local level can be integrated to complement efforts to multinational enterprises and their supply chains

• Promote the role of business associations in promoting business engagement in development, capturing and communicating successes, and solving the collective action problems

• Addressing corruption and the informal/unregistered economy.

• Promoting engagement of women in political and economic arenas.

• Addressing the role of entrepreneurs, SMEs, and family-owned enterprises (FOEs) in sustainable development.

• Awareness-raising among regional and local companies, as well as awareness raising among society.

• Harmonizing regulation (federal-municipal-local) and ensuring consistent enforcement.

• Nurturing innovation.

• Encouraging public-private partnerships.

• Encouraging partnerships with universities and academia to inculcate a culture of awareness and ethical behavior in young and future leaders.

• Concentrating on practical how-to guidance and advisory services – there is a gap between understanding broad concepts and actually implementing activities that achieve long-term, sustainable goals.

**Recommend the Code of Conduct**

Here is a recommended code of conduct on different dimensions that companies should conduct in their policy toward labor:

Forced Labor - There shall not be any use of forced labor, whether in the form of prison labor, indentured labor, bonded labor or otherwise.
Child Labor - No person shall be employed at an age younger than 15 or younger than the age for completing compulsory education in the country of manufacture where such age is higher than 15.

Harassment and Abuse - Every employee shall be treated with respect and dignity. No employee shall be subject to any physical, sexual, psychological or verbal harassment or abuse.

Nondiscrimination - No person shall be subject to any discrimination in employment – including hiring, salary, benefits, advancement, discipline, termination or retirement – on the basis of gender, race, religion, age, disability, sexual orientation, nationality, political opinion or social or ethnic origin.

Health and Safety - Employers shall provide a safe and healthy working environment to prevent accidents and injury to health arising out of, linked with or occurring in the course of work or as a result of the operation of employer facilities. The employer shall take a proactive approach to health and safety by including policies, systems and training designed to help prevent accidents and injuries.

Freedom of Association and Collective Bargaining - Employers shall recognize and respect the right of employees to freedom of association and collective bargaining.

Wages and Benefits - Employers shall recognize that wages are essential to meeting employees’ basic needs. Employers shall pay employees at least the minimum wage required by local law. Employers shall provide mandated benefits as directed by the laws of the country.

Hours of Work - Except in extraordinary business circumstances, employees shall not be required to work more than the lesser of 60 hours per week or the limits on regular and overtime hours allowed by the law of the country of manufacture. Except in extraordinary circumstances, employees shall be entitled to at least one day of rest in every seven-day period.

Overtime Compensation - In addition to their compensation for regular hours of work, employees shall be compensated for overtime hours at such premium rate as is legally required in the country of manufacture or, in those countries where such laws do not exist, at a rate at least equal to their regular hourly compensation rate.
Women’s and Disabled Rights - All employers will ensure that workers who are women or disabled receive equal treatment in all aspects of employment.

Environmental - Factories shall have written environmental policies and standards and must comply with all applicable environmental laws and regulations. Factories shall continuously monitor their production process, including those related to emissions, discharge and disposal of wastes. Factories shall take the necessary steps to minimize negative impacts on the environment.

Quality - Factories shall have well-integrated systems and good communication to encourage the highest quality workmanship. This includes training on the standards of quality. Employers shall also appoint a factory quality auditor who will provide an unbiased perspective on every finished good leaving the factory to ensure that quality standards are upheld. (5)

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