

Opinion: Work safety in global supply chain should concern all of us

BY RICHARD JANDA, SPECIAL TO THE GAZETTE MAY 2, 2013



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MONTREAL - As the horror of the factory collapse in Bangladesh unfolded, Canadians began to face up to their part of the responsibility for criminally dangerous working conditions abroad.

We are all participants in and users of global supply chains — which on the one hand tie the world together as never before, but on the other can produce tangled webs of irresponsible contracting practices.

All too often it takes a tragedy to make us see injustice. How can the injustice of Savar be confronted and overcome?

Acknowledge responsibility: Loblaws has taken a brave and absolutely critical step in accepting its own responsibility. Let us not fool ourselves, however, by pointing the finger at one large corporation and remaining indignant while we bargain-hunt and consume apace. If Loblaws is to remain committed to producing a socially and environmentally responsible supply chain for all its products, the rest of us also have to remain committed to that outcome and not allow a horrific disaster scene to fade into the past. Rana Plaza was only the latest in a series of calamities that have beset low-wage workers sub-contracted to global brands. We must all acknowledge our responsibility to make informed choices as we sport those logos and enjoy each new look.

Strengthen accountability: Not only the norms but also the methods for producing accountability throughout the supply chain must be strengthened.

There are already some valuable models for doing this. Fairtrade Canada, part of Fairtrade International, has developed standards, labelling and certification methodologies that help us as citizens — need we always say consumers? — take precautions in our choices so as to do no harm. Non-governmental organizations such as the Maquila Solidarity Network help to raise awareness of abuses and signal the need for accountability. A number of textile-industry associations have sought to develop indicators of sustainable performance. And some brands have sought to build their very business case on environmental and social responsibility.

Yet what companies often balk at, and what we as citizens fail to require, is a solid legal underpinning for corporate social responsibility. That does not mean simply sending corporate executives to jail or multiplying lawsuits. It means having a public complaints and whistleblower process that works throughout the supply chain, having corporate directors responsible for reporting publicly on the measures the company takes annually to oversee the social and environmental impacts of its supply chain right through to the lowest sub-contractor, and yes, having Canadian courts seized with jurisdiction to address the most egregious practices of our companies wherever they source supply. Rather than recoil from such measures and imagine them as interference in business, Canadian companies should embrace stronger accountability mechanisms so as to reinforce their own social licence to operate throughout the world.

Milton Friedman was wrong: In a famous 1970 op-ed piece in the *New York Times*, the celebrated University of Chicago economist insisted that the only social responsibility of business was to make a

profit while abiding by “the rules of the game.” Friedman thought those rules extended only to avoiding deception or fraud. But businesses are now intertwined in webs of relationships requiring that the rules of the game include responsibility and accountability, not simply freedom from fraud; otherwise, they cannot maintain their brands, as Nike and Apple have discovered and Joe Fresh has now learned with a vengeance.

If Joe Fresh is to maintain its spectacular success not only in Canada but also in the United States, its combination of style and low price will now need to be anchored in having the world’s best-overseen supply chain. Failure to do so will break a promise we must now make to grieving families.

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