

## Abstract of Ph.D. Thesis

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Title of the Thesis: Social Audit and Accountability and Its Impact on the Export Industry:  
A Study of the Garment Sector

### **Introduction:**

In the mid-1990s the export oriented garment industry was confronted with evidence of sweatshop conditions throughout its supply chain in Asia, Africa and Latin America epitomised by the leading apparel brands. Some leading stakeholders joined coalitions that involve non-government organisations, trade unions, brands to carry out independent monitoring of supplier facilities which can be seen as a form of voluntary co-regulation, also called social audits or workplace assessments. With the trend of corporate social responsibility and governance increasing, there was an increasing need felt of reporting and social accountability. Around fifty research studies were listed in the thesis to observe the gap that there has been no academic research of this kind and therefore exploratory research design was prepared to arrive at the following objectives in the geographical location of Delhi, Noida and Gurgaon:

- Map the growth of social audits from its inception to present.
- To understand the relevance of social audits in the garment industry.
- To explore the impact of social audits and accountability on the conditions of workers in the export garment factories and to document the implications of their conditions.
- To explore the impact of social audits and accountability on the business performance of the company.
- To recommend, provide suggestions and draw conclusions.

A total of 285 samples selected for the purpose of data collection after taking non probability sampling technique. SPSS was used to analyse the data. Case studies have also been done.

### **Findings:**

The period of 1911 has been instrumental in raising consciousness among people about the pathetic working conditions in the garment factories. To simplify the discussion, an attempt has been made to set the trends into two broad phases – pre-1991 and post-1991. Social audits and accountability weigh heavily in corporate decision making however, garment brands engage in social audits to save their brand and market reputation whereas the garment manufacturing units engage in social audits since there is a brand pressure. Also the sample units interviewed believe that social audits and accountability alone cannot bring in the desired result of an ethical and safe working condition. It should be coupled with extreme sensitisation for labour welfare, respect for local laws and accountability to the consumers and local stakeholders. Most of the respondents believe that social audits have brought in only structural changes and social changes like child labour, wages, overtime hours, job

security and worker rights are still unaddressed. However, respondents believe that social audits and accountability has had a good impact on the business performance of manufacturing firms since most of the business decisions are based on compliance on the factory although no clear correlation could be observed in the two.

Therefore, the following recommendations were suggested:

- To bring in the desired result in the working conditions, the multinational firms need to be ethical price which must include living wage for workers.
- Social audits must be only the first point of assessment and not the only point as it's the first phase of the process. The supply chain must lay lot of importance to the remediation and sustainable process in the system.
- More transparency is needed amongst every stakeholder rather than each stakeholder working on isolated projects and spaces.
- Self realisation among the factory owners is needed to bring in the desired result rather than the process being a forced process by the brands which bring in a feeling of fatigue in the implementers.
- There is a specialised need of education and training amongst social auditors who need to understand that policing and fault-finding is not the way to bring in change.
- There has to be constant training and awareness programmes for the workers rather than one-time training or induction programme for more effectiveness.
- There is a need of sensitisation among consumers in India on issue relating to ethical trading and fair trade as it is in the United States. The same must be imbibed in the curriculum in the school.

The implications for future research in the subject could be listed below:

- There is a scope to study social audits in garment industries catering to domestic market.
- There is a scope to study the impact of audits on consumers and its awareness on consumer.
- There is a scope of comparative analysis of the social audits undertaken with other industries or sectors.
- There is a scope to study the unharnessed home-based workers which form a major chunk of the workforce and the problems associated with them.

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