

The influence of the blue trade barrier

—SA8000 to China

ZHANG Hong¹, MENG Xiang-min²

(1. School of Economics, Tianjin Polytechnic University, Tianjin 300160, China;

2. Tianjin International Trade and Shipping Service Center, Tianjin 300461, China)

Abstract: The blue trade barrier refers to the standards of the enterprise's social responsibility, namely SA8000. At present, many overseas importers request the export enterprise to conform to SA8000. On one hand, it can bring the opportunity to us—to be helpful in the exportation enterprise transforming the economical growth way, be helpful to strengthen the cohesive force in the enterprise. On the other hand, it can also bring challenge-increasing the cost of the export, export declines.

Key words: SA8000; the blue trade barrier; opportunity; challenge

1. Introduction

At present, the international trade liberalization advancement unceasingly speeds up; the customs duty rate of various countries reduces continually. At the same time, the trade protectionism unceasing transforms method to against free trade. The technical barrier and the green barrier are becoming the mainly methods for some countries to protect themselves. The blue trade barrier came to us at the end of last century.

The blue trade barrier refers to that developed country constructs the international trade barrier on the name of protecting worker's rights and interests. The blue trade barrier mainly refers to Social Accountability 8000 International Standard (SA8000). That is one global available certification standard after ISO9000, the international quality control system standard, and ISO14000, the international environment governance system standard.

2. The origin and connotation of SA8000

At the beginning of 1990s, it was exposed that the American clothing manufacturer Levi-Strauss employed the young female worker to work under the condition similar to jail, which initiated the global scope to object the "sweatshop" movement. So, the people requested enterprises to improve working condition and treatment, not only for profit. With this background, in 1997, the folk organization, whose headquarters located in US, Society Responsibility International (SRI), initiated and united European and American Multinational Corporation and other international organizations to make the SA8000, the first society responsibility standard system of the world, which had been revised in 2001.

The SA8000 is composed by 9 essential factors. They are:

ZHANG Hong, Master, School of Economics, Tianjin Polytechnic University; research field: industrial economy.

MENG Xiang-min, Master, Tianjin International Trade and Shipping Service Center; research field: logistics management.

(1) Child laborer. The enterprise should not employ or support to employ child laborer.

(2) Forced labor. The enterprise are not allowed to use or support to use forced labor, also not allowed to request the staff to pay “the deposit” or checks identity document when they start employment.

(3) Health and safety. The enterprise should avoid all kinds of industry-specific hazards and make some measures for their staff to provide safe and healthy working environment, minimizing potential hazards in the work.

(4) The right to freedom. The enterprise should respect all staff freedom of association and the collective negotiations power.

(5) Discrimination. The enterprise should not make discrimination on employment, pay, training, promotion, retirement, and other acts for race, social class, nationality, religion, disability, sex, the sex orientation, the trade union members or the political ownership and so on.

(6) Disciplinary measures. The enterprise should not engaged in or support corporal punishment, mental or physical coercion, as well as verbal insults.

(7) Working hours. The enterprise should not request employee work more than 48 hours a week in any situation, and should make one day off every 7 days at least, and overtime no more than 12 hours each week, shall not require employee to work overtime unless in exceptional circumstances and when necessary short-term business; and should ensure that access to additional overtime allowances.

(8) Wages. The enterprise pays for staff’s wages should not be less than the legal or industry minimum standards.

(9) Management system. The enterprise should formulate open and transparent policy conforming to the social responsibility and the labor condition, audit it regularly, and establish the suitable procedure to prove the supplier and subcontractors in line with the SA8000.

3. The blue trade barrier brings opportunity to China

3.1 Be helpful in the exportation enterprise transforming the economical growth way

The comparative advantage of China in international trade is low labor costs for a long time, so the main export products are labor-intensive products. If the overseas import enterprise requests the exportation enterprise to meet the SA8000, simultaneously, Asia and Africa and other developing countries are in the development of labor-intensive industries, which will weaken Chinese superiority of low labor cost. To compete in the world, the exportation enterprises must change the mode of economic growth from extensive growth into the connotation growth, pay attention to the product design, and improve the technology and management, enhance the added value of product.

3.2 Be helpful to strengthen the cohesive force in the enterprise

The employee is the core of enterprise. If the enterprise is implementing SA8000, the working conditions will be improved, the health and safety of workers will be protected, and the employees will be respected more. That will increase the sense of identity of staff-to-business, stimulate the staff’s work enthusiasm, which will be helpful to the implementation of plan and policy in the enterprise and be helpful to the sustainable development of the enterprise.

4. The blue trade barrier brings challenge to China

4.1 Enhancing the cost of the export

According to the factor endowment theory in international trade, one country should export the products whose factors are abundant in the country and import the products whose factors are scarce in the country. China is abundant in labor. The main export products are labor-intensive products, such as textiles, clothes and toys. The aim of SA8000 is to protect the benefit of labor, and SA8000 definitely enhances the export cost of China. The cost mainly includes the following three aspects. Firstly, it is certification cost. According to relevant information, the SA8000 certification general requires 1 year time, 3 year certificate valid for every six months a review, the term of validity of the certificate is 3 years, every 6 months reexamines one time, in accordance with the standards of more than 200,000 Yuan every 1500 human or so. Secondly, it is surveillance cost. According to SA8000, not only the exportation enterprise must meet SA8000, its supplier meets SA8000 also. Therefore, the exportation enterprise also needs to spend certain fund to supervise its supplier. At last, it is transformation cost. The SA8000 standard has the explicit stipulation to enterprise's employing labor, such as the guarantee of staff's health and safety, working time. The enterprise must spend a lot of money to improve staff's working condition and raise worker's wages to meet SA8000.

4.2 Export decline

At present, many famous transnational corporations pay attention to its own brand image and the image of the community, such as Nike, Carrefour, Wal-Mart, Avon, McDonald. To enhance the awareness and fine reputation of their products to consume, they request its supplier in line with SA8000. SA8000 was established in developed country, so, some aspects of SA8000 were not suitable to developing country. The higher cost of certification, supervision and transforming is not acceptable to some small exporters. In September, 2002, a shoe factory with 500 works of ZHONG Shan city in Guangdong province did not meet the local legal minimum wage standards, which is suspended for two months to rectify by the overseas importer. Now, Yangtze River Delta and Pearl River Delta are undergoing a certification of the crisis.

References:

- [1] CHEN Meng-meng & LIU Jun-hou. (2005). The feature of SA8000 and its influence to China. *Productivity Research*, 8.
- [2] LIU Bai-yu. (2007). Export enterprises should be rational to SA8000. *Jiangsu Commercial Forum*, 1.

(Edited by Emily and Joy)