

Responsible business conduct in China textile industry

Global decent work challenges in the sector

Textiles are made of natural and/or synthetic fibres. Textile products can be classified into apparel, industrial textiles, and household textiles. The apparel segment accounted for more than 74% of the global textile product market revenue in 2020 (GVR 2021). China is the world's leading producer

and exporter of both textiles and garments. The United States is the leading producer and exporter of raw cotton, while also being the top importer of textiles and garments. India is the third-largest textile manufacturing industry. The European Union is the world leader in technical and non-woven textiles, as well as for high-quality garments with high design content.

Figure 1. Top countries in the global apparel textile supply chains

Fibre	Yarn	Grey fabric	Finished fabric	Garment	Distribution
China (57%) India (13%) EU (7%) USA (4%)	China (64%) India (9%) Pakistan (4%) Bangladesh (3%)	China (60%) India (12%) Bangladesh (3%) Pakistan (2%)	China (44%) Bangladesh (28%) Turkey (16%) EU (11%)	China (35%) EU (11%) India (7%) Viet Nam (6%)	Europe (34%) North America (23%) China (11%) Asia (11%) Japan (10%)

Source: UNEP 2020

The textile industry employs about 430 million workers, from raw material production (fibres) to the cut-make-trim stage (CO 2018). The cotton subsector, which involves mainly smallholders, dominates the textile industry workforce with an estimated 350 million workers. Women make up a significant percentage of the workforce, except in India where men are the dominant workers. However, women workers are usually assigned to the jobs at the bottom tier of the textile production system. Women workers generally receive lower pay than men.

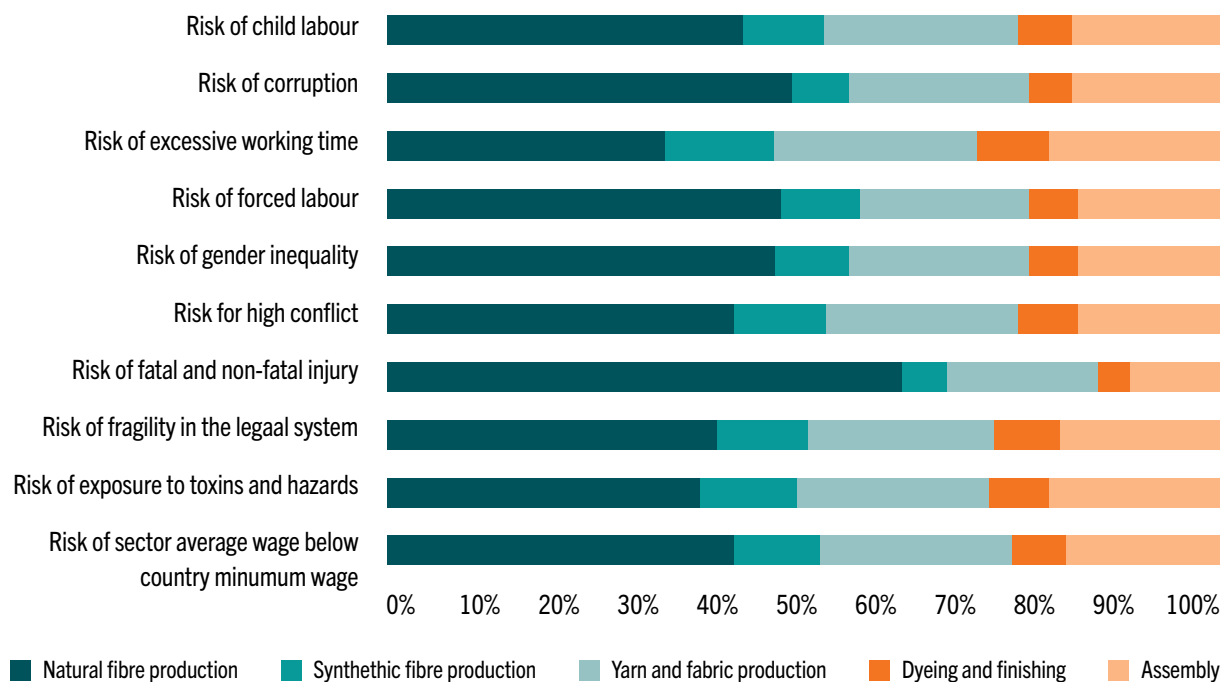
Many workers in the textile sector earn below the minimum wage and work excessive hours in unsafe conditions. Many workers also do not enjoy social security benefits, particularly when they are hired through contractors/labour brokers. Factories make use of short-term labour contracts as a means of coping with seasonal variations in orders, and as a cost-cutting strategy. There is also the tendency in the industry, where factories reduce the time allocated for workers' meals and toilet breaks,

as a means to increase productivity. Trade union activities are often restricted. Across all functions in the chain, child labour and forced labour exist with higher levels of prevalence in cotton farms and textile mills.

A social life cycle assessment (SLCA) of a low-cost garment¹ conducted by the United Nations Environment Programme (UNEP) showed that decent work challenges are prevalent across all nodes of the supply chain. As shown in Figure 2, activities at the fibre production stage, especially cotton farming, are responsible for the highest proportion of decent work deficits, followed by yarn and fabric production (UNEP 2020). Tier 2 to 4 suppliers are rarely covered by the due diligence initiatives of global brands and retailers. Most supply chain disclosure by major brands and retailers covers their tier 1 manufacturers, or those that are involved in the final stages of production such as cutting, sewing, assembling, and packing of garments for shipment.

Figure 2. Decent work challenges at each node of the textile supply chain

Contribution of the textile life cycle stages to each of the ten social impact risk indicators/decent work challenges identified for the global textile industry



Source: UNEP 2020

¹ Made of 70% synthetic fibres and 30% natural fibres; the fibre origins and the countries of production/ manufacturing at each life cycle stage were taken in proportion to global apparel production.

Many of the decent work deficits are rooted in the following sourcing practices of buyers:

Shorter production lead times and the accompanying penalties for missed production deadlines (e.g., price discounts, the need to send via air freight at supplier's expense, etc.): A 2019 study on Indian textile companies showed that average lead times² given by brands decreased from 87.39 days in 2012 to 77.67 days in 2017 (Anner 2019). Shorter lead times affect enterprises across all functions in the chain. They result in the increased use of overtime work, which at times, borders on forced labour, to meet deadlines.

Order volume fluctuation: In many cases, factories are unsure of how large their orders will be from one month to another. As such, they try to keep a low number of permanent workers to avoid high overhead costs during downtimes. When there is a significant increase in order volume, factories resort to hiring temporary workers, imposing extensive overtime work, and work intensification by increasing workers' hourly production targets.

Price squeeze: The real dollar price paid by buyers has been declining over the years. The price paid by buyers for apparel exported from India to the United States between 1994 and 2017, for example, has declined by 62.81% (Anner 2019). From 2010 to 2017, the real dollar price of blouses made of synthetic fabric exported to the E.U. declined by 31.93%. And from 2006 to 2018, the real dollar price paid by buyers for cotton t-shirts declined by 41.14%.

The COVID-19 crisis had a particularly adverse effect on the apparel sector and, consequently, the textile industry. The apparel sector was the second heaviest impacted industry after tourism. The drop in retail sales, especially during the height of movement restrictions created a wave of bankruptcies for major retailers in the EU and US markets. The fall in demand and financial distress faced by the buyers resulted in cancellation of orders worth US\$ 3.17 billion (ITC 2020). This has driven a sizeable number of garment and textile manufacturers out of business. The consequences were disproportionately felt by workers and farmers.

The COVID-19 crisis also seems to have driven the migration of orders to suppliers that are closer to the importing markets. Likewise, with the increase in online sales, it is projected that production lead times will be shorter than ever.

China: generating decent work in this sector through responsible business practices

China processed around 54.6 million tonnes of fibre in 2018, of which, 84% were synthetic fibres (CNTAC 2020). Natural fibres, with cotton as the most dominant, comprised the remaining 16%. The country is the frontrunner in manufacturing capacity and technological capability in all links of the industrial chain.

Figure 3. Indicative percentage share of China to global yarn and textile production capacity



Source: CNTAC 2020

² Time to source fabric and other inputs, produce the garments, and ship the order

In 2020, China was the world's largest textile exporter with net exports of US\$ 154.1 billion (GT 2021). The country accounted for 43.5% of the world's total textile exports in terms of value. China is the top supplier of textiles to many apparel exporting countries, especially in Asia. The country is also the world's biggest textiles market.

As of 2017, China's textile industry was comprised of 18,276 companies with annual sales of over 20 million RMB (US\$ 3.145 million) and thousands of small enterprises, and cotton farmers. In the apparel industry, there were 14,600 enterprises with annual sales of over 20 million RMB.

Breakdown of number of firms, employment, and sales volume by type of enterprises in the textile and garments industries in China

	Textile Industry			Apparel Industry		
	Total number	Percentage share per type of company		Total number	Percentage share per type of company	
Number of enterprises	18,726	SOEs	0.9%	14,600	SOEs	1.3%
		Private Chinese firms	70.6%		Private Chinese firms	58.5%
		Foreign firms	11.4%		Foreign firms	19.9%
Employment	3.91 million	SOEs	3.3%	3.87 million	SOEs	2.2%
		Private Chinese firms	53.9%		Private Chinese firms	44.4%
		Foreign firms	16.6%		Foreign firms	31.7%
Sales volume	3.611 billion RMB	SOEs	2.3%	2.089 million RMB	SOEs	1.0%
		Private Chinese firms	54.6%		Private Chinese firms	47.5%
		Foreign firms	13.4%		Foreign firms	26.1%

SOE- State-owned enterprises

Data based on firms with annual sales over 20 million RMB

Source: National Bureau of Statistics of China, 2018; (Altenburg, et al. 2020)

The 18,276 textile companies accounted for in 2017 had 3.91 million workers, while the 14,600 apparel firms employed 3.87 million workers. Overall, the textiles sector in China employs more than 20 million people and creates more than 10 million jobs for migrant workers every year (CNTAC 2019). The minimum wage in China is set locally, ranging from RMB1,000 (US\$ 157) per month in Guangxi to RMB2,190 (US\$ 345) per month in Shanghai (Minimum Wage 2022). The average monthly minimum wage in China for garment workers in 2019 was at US\$ 217, which was lower than Thailand (US\$ 320) but higher than other countries in Asia

(Lu 2021). Textile enterprises in the country are gradually opting for technology upgrading and automation to address rising wages and labour shortages, as well as a means to improve speed to market.

The Chinese textile industry is known for its efficiency and ability to produce at a short notice. The key challenge though, is how to sustain competitiveness in parallel with ensuring decent work in business operations. Major decent work issues in the industry are: excessive overtime, forced labour, child labour, unsafe working conditions, and gender discrimination.

Decent work at a glance: China textile industry	
Employment promotion	<ul style="list-style-type: none"> More than 20 million workers, approximately 50% of which are rural migrant workers.
Social security	<ul style="list-style-type: none"> Employees' social insurance funds, especially those of rural migrants, are often lost in job transfers, even within the same company. Invalid source specified.. Under the Hukou system, workers who migrate from rural areas may not receive social security benefits in urban areas. As such, many migrant workers are often left without any social security protection or benefits.
Forced labour	<ul style="list-style-type: none"> Many of the Uighurs are alleged to be forced into working in cotton farms, processing plants, textile, and garment factories (FR C.I.C. 2020). Workers are obliged to live in on-site dormitories under 24-hour supervision and refused permission to return home.
Child labour	<ul style="list-style-type: none"> It is alleged that students in Xinjiang Uighur Autonomous Region and Gansu Province are mobilized annually for the harvest of cotton (ILAB 2021). Most children are paid little if at all, after deductions for meals, transportation, and payments to the school. These students are required to pick daily quotas of cotton or pay fines. Performance in the cotton harvest is assessed for the students' promotion to higher grade levels.
Equality of opportunity	<ul style="list-style-type: none"> Women workers are vulnerable to harassment and other forms of gender-based violence. Women occupy lower paid, less skilled jobs and receive lower pay than men. In 2019, CNTAC provided training for senior managers of Chinese-funded enterprises in Cambodia and Vietnam on how to predict, manage and respond to gender-related issues in the workplace (CNTAC 2020).
Security of employment	<ul style="list-style-type: none"> Many of the workers have temporary contracts. For piece-rate workers, the price for each piece fluctuates (Menon 2021).
Training	<ul style="list-style-type: none"> Tier 1 companies, especially those selling to global brands, provide training to workers and invest in technological upgrading as a means to address rising wages and shorter production lead times (Altenburg, et al. 2020). Automated machinery and robots, as well as artificial intelligence applications in garment technologies are at an embryonic stage. In line with the cluster-based industrial policy of China, the provincial and municipal governments worked with the firms and universities to initiate training and designing centres to strengthen clustering among small- and medium firms (Zhang, Kong and Ramu 2015). A number of lead firms have established training institutes.
Conditions of work and life	<ul style="list-style-type: none"> There is a high risk of exposure to cotton dust, endotoxin, and hazardous chemicals (Christiani 2021) (Yixiu 2018). In addition to long work hours, workers do repetitive jobs in the same position. Piece-rate workers are the most vulnerable to ergonomic risks. In line with the "Family Friendly Factory" initiative launched by the Social Responsibility Office of the CNTAC in 2019, a growing number of textile companies have set up nursing rooms and day care centres (CNTAC 2020) (CALSS 2020). Companies provide safety training and occupational health checks (CALSS 2020).
Industrial relations	<ul style="list-style-type: none"> All workers have the right to form or join a trade union. However, all enterprise unions must be affiliated with the All-China Federation of Trade Unions (ACFTU) (CLB 2020).

China's outbound foreign investment in the textile and apparel sector reached US\$ 5.54 billion from 2015 to 2018 (MoC PRC) (Lu 2021), which makes up approximately 74% of the investment in the textile industry. Investment in neighbouring southeast Asian countries, including Vietnam, Cambodia, Thailand, Lao, and Myanmar comprised about 27% of the outbound foreign investment. In Cambodia, more than 70% of 500 corporate members of the Garment Manufacturing Association of Cambodia are Chinese-funded enterprises (CNTAC 2019). In Bangladesh and Vietnam, China is the largest foreign investor. Prior to the military coup, there were more than 300 Chinese-funded apparel enterprises, which created nearly 300,000 jobs. According to the 14th five-year plan (2021-2025), China will continue its efforts in "going global," mainly through the "Belt and Road Initiative."

Sustainability efforts of Chinese textile enterprises, which are primarily focused on labour and

environmental conditions, originated with supplier codes of conduct imposed by multinational enterprises. These efforts were thereafter promoted by the Chinese government and industry associations. Chinese companies mainly conform to the following standards and guidelines when compiling their sustainability reports: Sustainability Reporting Guidelines of Global Reporting Initiative (GRI), Chinese Academy of Social Sciences Corporate Social Responsibility (CASS-CSR), China Social Compliance for Textile and Apparel (CSC 9000 T) of CNTAC, and report guides of stock exchanges (Yang and HaBrookshire 2019). Over the last decade, Chinese enterprises have made significant strides in incorporating responsible business conduct (RBC) in their business processes. However, much needs to be done to fully integrate RBC in their business model and supply chain management. Among large companies, monitoring of suppliers beyond their subsidiaries remains a challenge.

Good socially responsible labour practices

Tongkun Group: Training programme for employees and improvement in work conditions

Tongkun Group is a large joint-stock listed enterprise specializing in the manufacture of purified terephthalic acid (PTA), polyester and polyester fiber. It has total assets worth more than 40 billion yuan (US\$5.7 billion), 19 holding companies and almost 20,000 employees. With five factories, it ranks first among global enterprises in terms of polyester filament manufacturing capacity and output.

Tongkun Group was awarded as a model for good practices in establishing harmonious labour relations in 2011. The company strictly abides by national labour laws and regulations, and safeguards the legitimate rights and interests of employees. All of its employees have written contracts. Employees work an average of 7.5 hours daily, shorter than the stipulated maximum working hours. To help migrant employees settle down in Tongxiang County, Tongkun invested almost 2 billion yuan on a housing programme for migrant workers, which helped retain employees.

The Tongkun Group has the following training programmes for its employees:

Training programme for skills improvement: Aside from training on the use of new equipment and new technologies, Tongkun Group organizes special technology training courses, which provide opportunities

for employees to acquire certificates that would qualify them for promotion to a higher position. The company has established its own vocational skills assessment system. Workers who pass the test receive a monetary award. In 2019, more than 2,000 employees achieved a special skill certificate issued by Tongkun Group.

Training programmes for higher academic education: To encourage employees to pursue a new or advanced degree to improve their employability through lifelong learning, Tongkun Group offers the following support: (i) 65–80 per cent subsidy for lifelong learning expenses; (ii) financial incentives for employees who attain academic diplomas; and (iii) organization of lifelong learning courses through cooperation with universities. In 2019, around 1,500 group or line leaders and core technicians earned a new or advanced degree while working in Tongkun Group.

Training programmes targeting special groups: To meet training needs of employees, Tongkun Group developed a series of specialized training programmes, such as: (i) training courses for women workers; (ii) systematic and multi-level training courses for general workers to improve their skills and technology knowledge, with the training materials developed by Tongkun Group; and (iii) future managers training programme for newly recruited university graduates.

Trainers programme: this involves the development of internal trainers from its pool of technicians and managers.

Source: Social Responsibility Report of Tongkun Group Zhejiang Hengteng Differential Fiber Ltd., 2019; (China Daily 2021) (CALSS 2020)

Shenzhou International Group: Moving up the ladder of decent work and speed-to-market

Shenzhou International Group is China's largest export-oriented garment firm and one of the largest vertically-integrated knitwear manufacturers in the world. The Group produces over 200,000 metric tonnes (MT) of high-end fabrics and about 500 million pieces of knitted garments annually (Shenzhou 2020). Shenzhou has textile and garment factories in China, Vietnam, and Cambodia. The Group is a top supplier for major international brands such as Nike, Uniqlo, Adidas and Puma. The Group is a member of the Better Cotton Initiative (BCI), which requires enterprises to adhere to a set of Principles and Standards that align with the ILO core conventions.

Employment promotion: By the end of December 2020, the Group had 89,100 employees distributed as follows: (i) China – 50.73%; (ii) Vietnam – 32.26%; and (iii) Cambodia – 17.01%. The monthly average employee turnover rate in 2020 was at 3.04%, which was lower than the 4.26% in 2019. As of 2020, female employees comprised the majority of the workforce at 71.11%. The turnover rate among women workers was at 2.31% compared to 1.03% among men.

Child labour: New employees are required to provide their identity document when commencing employment, so as to verify his/her actual age. When in doubt, further verification is made through the public identification system.

Security of employment: All employees have a written contract. About 4.93% of the employees were employed in short-term position (term of less than one year). Permanent employees comprised 22.17%. Contract employees (with fixed term) made up 72.90%.

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Training: The Group has established Shenzhou School of Management, which provides an opportunity for all workers to pursue advanced degrees and short-term courses. About 52% of female employees or 5,979 have attended management training at the Shenzhou School of Management. Among male employees, 48% or 5,519 have enrolled in the same school. In 2020, the cumulative training time of male employees was 120,555 hours while that of female employees was 129,668 hours.

Conditions of work: (i) Salaries are, on average, raised by approximately 10% to 13% each year for the past ten years. Benefits such as meal allowances (China) and free lunch (Vietnam and Cambodia), as well as other benefits stipulated by the labour laws of the respective countries are provided; (ii) During the Spring Festival in 2020, the Group invested more than RMB20 million to arrange special roundtrip shuttle buses for employees in 14 provinces in China to ensure safe travel during the height of the COVID-19 pandemic; (iii) In May 2011, the company established the Ningbo Shenzhou Knitting Co., Ltd. Education Development Fund for the schooling of children of employees; (iv) Accommodation facilities for staff have been upgraded and dormitories were constructed in 2020; (v) Workshop facilities in China, Vietnam and Cambodia are air conditioned; (vi) Normal working hours are 7 to 8 hours a day, and overtime work, when needed, is compliant with the stipulations of labour laws; (vi) Free medical consultations and physical examinations are extended to all employees; (vii) All employees are provided with personal protective equipment and trained on occupational safety and health (OSH). A total of 66 injuries were recorded in 2020, which accounted for 0.07% of the total number of employees and involved no significant injuries. Lost work days due to injuries were approximately 15 days on average.

Industrial relations: On 28 May 2019, the group launched “Shenzhou e-Home”, a multi-channel staff service platform with functions such as receipt of anonymous complaints and enquiries, information release, online learning and questionnaires.

Business and production innovation: The Group has a state-of-the-art IoT (Internet of Things)-based, real-time data and logistics management in its central warehouse. The digitised information management and the concomitant process optimisation (modular production, automatic “intelligent” machine, etc.) have cut down delivery time to 15 days, whether the order is for 4,000 or 2 million pieces of garment (Altenburg, et al. 2020). The new automated machinery is introduced in new overseas operations. Shenzhou prefers to replace conventional machinery incrementally in existing factories, with a view to extending the latter’s economic lifetime and avoiding abrupt negative effects on employment.

Supplier compliance: The Group has 149 yarn suppliers, with 66% located in China. All suppliers are required to comply with the “Supplier Behaviour Undertaking Letter” which includes the following: prohibition of use of forced labour and child labour, prohibition of discrimination, harassment and bullying, anti-corruption, timely payment of salaries as well as compliance with OSH, and environment protection. Although the Group has its suppliers code of conduct, it has been criticized by Know the Chain that the company does not disclose the steps it has taken to address the risks of alleged Uyghur forced labor across its supply chain tiers (KTC 2021).

Unless otherwise specified, information was from the Environment, Social, and Governance Report (Shenzhou 2021).



The way forward

The ILO MNE Declaration

Corporate social responsibility (CSR) as defined by the International Labour Organization (ILO) is “a way in which enterprises give consideration to the impact of their operations on society and affirm their principles and values both in their own internal methods and processes and their interaction with other actors.” The main guiding instrument regarding the labour dimension of CSR or responsible business conduct (RBC) is the ILO Tripartite Declaration of Principles Concerning Multinational Enterprises and Social Policy (MNE Declaration), which was adopted in 1997 and most recently updated in 2017. The MNE Declaration sets out principles in the fields of general policies, employment, training, conditions of work and life and industrial relations which governments, employers ‘and workers ‘organizations and multinational and national enterprises are recommended to observe on a voluntary basis.



How a company relates with its workers, suppliers, host communities, and the marketplace can greatly contribute to the sustainability of its business success. For companies to stay productive, competitive, and relevant in the face of rapid globalization, they have to become environmentally viable and socially responsible. Labour related CSR entails companies taking responsibility for their impacts on decent work throughout their operations and with their business partners and identifying ways to enhance their positive contribution to decent work in dialogue with their workers, suppliers, host communities, and buyers. Responsible businesses create social value by addressing needs and challenges of their stakeholders while simultaneously creating their own economic value.

Since 2018, the Responsible Supply Chains in Asia (RSCA) programme has worked with the Ministry of Human Resources and Social Security (MOHRSS), China Enterprises Confederation (CEC), and All-China Federation of Trade Union (ACFTU)) to promote responsible labour practices aligned with the principles of ILO MNE Declaration. The programme implemented various activities at the national and provincial levels through various training workshops, particularly for labour inspectors, enterprises, and other stakeholders. The programme also engaged future business leaders in collaboration with the Capital University of Economics and Business (CUEB) and the Chinese Academy of Labour and Social Security (CALSS). The activities laid down a strong foundation for fostering a better understanding of responsible labour practices and International Labour

Standards, and their application in business operations. The programme also organized a series of events,³ during which tripartite constituents exchanged good CSR/RBC practices, and developed recommendations on how to further promote the adherence to internationally agreed CSR/RBC principles by enterprises in the textile and apparel supply chains:

The policy recommendations outlined below are aimed at fostering the integration of socially responsible business practices as a core part of the social and economic recovery from the COVID-19 crisis of the textile supply chains in China. These policy recommendations are based on emerging good practices of MNEs sourcing in China, textile enterprises, and governments, as well as proposals put forward put forward by participants during the abovementioned RSCA events.

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- 3 a) Advancing International Labour Standards and Socially Responsible Labour Practices on the “Belt and Road”: 2 November 2021
 b) Responsible Business Conduct (RBC) for a sustainable and resilient recovery”, which took place as part of the Boao Forum for Asia - Global Economic Development & Security Forum Conference: 18 – 20 October 2021
 c) ILO-MOHRSS Workshop on Responsible Labour Practices for Enterprises in Supply Chains: 3 – 4 August 2021
 d) ILO-EUROCHAM Webinar on Promoting Sustainable Trade and Investment Through Corporate Social Responsibility and International Labour Standards: 25 March 2021
 e) Responsible Labour Practices Forum in Chengdu: 14 November 2019
 f) ILO-EUROCHAM Roundtable, Promoting Decent Work and Responsible Business Practices in Global Supply Chains: 15 November 2019
 g) CSR policy workshop: 25 October 2019

Policy recommendations	Stakeholders
a) Global brand companies, tier 1 suppliers in China, and the provincial and municipal government units should endeavour to promote a coordinated approach to socially responsible labour practices through intra-firm and interfirm social dialogues and forums. This will help prevent competitive pressures from eroding labour standards, promote chainwide social upgrading, and reduce compliance and reporting burden and costs. A coordinated CSR/RBC approach can potentially provide opportunities for global buyers to pool resources to advance improvements in working conditions in their shared factories.	<ul style="list-style-type: none"> ■ MNEs ■ EuroCham China ■ China National Textile and Apparel Council (CNTAC) ■ CEC ■ Government
b) MNEs and tier 1 suppliers should orient and train sourcing agents on responsible procurement/sourcing practices and its implications on decent work.	<ul style="list-style-type: none"> ■ MNEs ■ CNTAC ■ CEC
c) ILO and international partners, in collaboration with CNTAC, MNEs, and MOHRSS should build the capacity of suppliers across all tiers to implement socially responsible practices in supply chain management. This can include the following interventions: <ul style="list-style-type: none"> ■ Supporting the development of a due diligence system, processes, and tools that can be shared across enterprises to ease the burden of compliance and facilitate sharing of emerging good practices. Parallel to this, building the capacity of enterprises to integrate due diligence findings into procurement and other business decisions. ■ Developing and/or strengthening platforms (e.g., roundtable discussions, web portals, social dialogues, etc.) to facilitate information sharing and discussions, where companies, trade unions, providers, and governments can acquire CSR/RBC knowledge such as the fundamental concepts and guidelines, practical implementation measures, outcome measurement, etc. These information sharing and discussion platforms can also provide opportunities to collectively address underlying causes of non-compliance to labour standards and systemic risks present in the electronic supply chains. ■ Providing training and technical assistance to enterprises on responsible business practices. Assist enterprises improve speed-to-market without compromising decent work. To begin a dialogue on CSR upgrading and to catalyse action, it is important to identify issues that enterprises could readily connect with (e.g., reducing incidence of labour strikes, labour cases, fast turnover of workers, etc.) as entry points. 	<ul style="list-style-type: none"> ■ ILO/international partners ■ CNTAC ■ MNEs ■ MOHRSS
d) ACFTU with technical support from ILO should strengthen the capacity of trade unions to actively participate in upgrading CSR/RBC implementation at their workplaces, parallel to improving their access to grievance mechanisms and remedy that guarantee non-retaliation against workers.	<ul style="list-style-type: none"> ■ ACFTU ■ ILO
e) ILO and international partners should develop the capacity of providers (civil organizations, academe, private providers, financial services providers) to provide services necessary for companies to upgrade CSR/RBC implementation.	<ul style="list-style-type: none"> ■ ILO and international partners
f) Provincial and municipal government units should formulate implementing guidelines of national labour laws that foster socially responsible labour practices without eroding their ability to attract foreign direct investment.	<ul style="list-style-type: none"> ■ Government
g) ILO and international partners should support government and employers' organizations to design and implement schemes that identify and reward companies implementing socially responsible labour practices. Parallel to this is the need for a harmonized transparent assessment and reporting instruments and standards to reduce the reporting burden on enterprises as well as facilitate the building of a solid business case for CSR.	<ul style="list-style-type: none"> ■ ILO and international partners
h) MNEs and government should promote the adoption of innovative business solutions, IT developments (including blockchain), and smart devices to advance transparency in textile value chains and consumer awareness and engagement.	<ul style="list-style-type: none"> ■ MNEs ■ CNTAC ■ Government

For more information:

MNE Declaration web portal – www.ilo.org/mnedeclaration

Responsible Supply Chains in Asia

<https://www.ilo.org/asia/projects/rsca/lang--en/index.htm>

Responsible Supply Chains in Asia – China

https://www.ilo.org/beijing/what-we-do/projects/WCMS_630692/lang--en/index.htm

Labour Standards in Global Supply Chains: An ILO training module for SMEs and other enterprises

https://www.ilo.org/wcmsp5/groups/public/---asia/---ro-bangkok/documents/instructionalmaterial/wcms_725761.pdf

ILO Helpdesk for Business on international labour standards (www.ilo.org/business)

How to align corporate policies and practices with International ILS and build good industrial relations

Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy

https://www.ilo.org/wcmsp5/groups/public/---ed_emp/---emp_ent/--multi/documents/publication/wcms_094386.pdf

https://www.ilo.org/wcmsp5/groups/public/---asia/---ro-bangkok/documents/publication/wcms_684935.pdf

Responsible Business: Key Messages from International Instruments

https://www.ilo.org/wcmsp5/groups/public/---asia/---ro-bangkok/documents/publication/wcms_724747.pdf

Labour Issues in CSR: Examples from the ILO Helpdesk for Business Q & A

https://www.ilo.org/wcmsp5/groups/public/---asia/---ro-bangkok/documents/instructionalmaterial/wcms_740229.pdf

ILO company-union dialogue facilitation

https://www.ilo.org/empent/areas/mne-declaration/WCMS_572115/lang--en/index.htm

Measurement for the employment and labour-related impacts of the Multinational Enterprises (MNEs)

https://www.ilo.org/wcmsp5/groups/public/---ed_emp/---emp_ent/---multi/documents/publication/wcms_620788.pdf

The ILO MNE Declaration: What's in it for Workers?

https://www.ilo.org/wcmsp5/groups/public/---ed_dialogue/---actrav/documents/publication/wcms_627351.pdf

Engaging multinational enterprises on more and better jobs

http://www.oit.org/wcmsp5/groups/public/---ed_emp/---emp_ent/---multi/documents/publication/wcms_175477.pdf

Responsible business – labour standards in global supply chains

<https://www.itcilo.org/courses/responsible-business-meeting-labour-standards-global-supply-chains> - rolled out together with the ILO SCORE programme, targeting SMEs in global supply chains (enhance manager-workers workplace cooperation)

Responsible Supply Chains in Asia (RSCA) Programme in China

www.ilo.org/rsca

The “Responsible Supply Chains in Asia” (RSCA) programme (RAS/16/13/EUR) is a programme developed by the European Union together with the International Labour Organization (ILO) and the Organisation for Economic Co-operation and Development (OECD). The programme promotes corporate social responsibility (CSR) / responsible business conduct (RBC) with regard to the environment, decent work and the respect of human rights.

This initiative is a part of the EU’s long-standing commitment to promote human rights, decent work and sustainable development, a pledge underpinned by the EU Treaties and reinforced in the European Commission’s trade policy strategy of 2015 “Trade for All”. It falls in particular under the Commission’s commitment to identify opportunities for responsible supply chain partnerships and the EU’s strategic approach to responsible business conduct, which is based on internationally agreed principles and guidelines. It will also contribute to the EU strategic approach to CSR/RBC as put forward in the Commission 2011 Communication “A renewed EU strategy 2011-14 for Corporate Social Responsibility.”

The four-year programme (2018-2021), carried out in collaboration with Japan, China, Myanmar, Philippines, Thailand and Vietnam, has two broad objectives to:

- a) Promote smart, sustainable and inclusive growth by ensuring that investors and businesses have a better understanding of corporate social responsibility;
- b) Create policy environments conducive to promoting responsible business conduct and increased opportunities for dialogue.

The programme in China is making an impact in a number of areas, including through:

Establishing a framework for the promotion of decent work in global supply chains between the ILO and the Ministry of Human Resources and Social Security (MOHRSS).

Hosting technical conferences, including with the MOHRSS, on the role of implementing socially responsible labour practices in furthering China’s development as a central play in global supply chains.

Working with the Chinese Academy of Labour and Social Security to map business practices on social responsibility in targeted industries, and assess the awareness levels in Ministries, worker and employer organisations.

Promoting inclusion of responsible business practices in industrial policies and working with the Chamber of Commerce of Metals Minerals & Chemicals Importers & Exporters, China National Textile and Apparel Council, China Electronics Standards Association to implement RBC due diligence.

Working with the Ministry of Commerce as well as the Ministry of Industry and Information Technology to promote the exchange of good practices on enabling responsible business conduct.

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