

Chapter 15

Analysis of the Ethical (and Aesthetic) Framework and Its Relation to Corporate Social Responsibility: The Case of the Textile Industry

Arturo Luque

 <https://orcid.org/0000-0002-7447-7560>

Universidad Tecnológica Indoamérica Ambato, Ecuador & Euro-Mediterranean Observatory on Public Policies and Democratic Quality, Rey Juan Carlos University, Spain

ABSTRACT

The objective of this research is not to produce a treatise on corporate social responsibility (CSR), but to go to a deeper level, exploring its evolution, analyzing its context, and providing a snapshot of its application and deployment in the textile sector. This study analyzes the functioning of transnational textile companies and their relationship with a favorable regulatory framework, together with their adaptation to globalization processes designed to promote their interests. This sector is characterized by elevated levels of textile production that place great demand on resources, which in turn triggers effects on the markets, environment, and working conditions in the contexts in which they operate. The exploration of this new field of legal asymmetry is necessary in order to identify its implications and to generate certainty in a large part of society. The conclusion examines the future outlook and possible consequences of emerging developments in the transnational textile sector.

INTRODUCTION

The study of the transnational textile sector may be undertaken from different disciplinary perspectives, which is both a desirable approach and helps to exemplify the complex network of agents and relationships that are involved in this area. As a result, it is necessary to identify these interconnections and

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overlapping business interests, as well as those of the various states and supranational bodies that are implicated in textile production. In a first analysis, according to the World Trade Organization (WTO, 2018), the total value of global exports of goods increased by 11% in 2017, reaching a volume of 17.73 trillion USD, of which total apparel and textile products represented approximately 4%. Within the textile industry, China continues to be the leading exporter, with 37% of total global exports. The list of the 10 principal textile exporters, measured in billions of US dollars, comprises China (110); the 28 states of the European Union (69); India (17); the USA (14); Turkey (11); South Korea (10); Taiwan (9); Pakistan (8); Hong Kong (8); and Vietnam (7), which illustrates the worldwide importance of the textile sector and the context in which it develops. According to Ryder (2015):

Our world has changed a great deal in the last century—and not only in terms of technology. By 2050, the world population will exceed 9 billion. The number of people over the age of 60 will have tripled. Three quarters of the elderly will live in what are currently referred to as developing countries, and most of these will be women. These demographic changes will further revolutionize labor markets, social security systems, economic development, and the world of work.

The breadth of the contributory processes involved in transnational textile production, which cut across almost all sectors, has great bearing on the conduct of governments, corporate directors, supranational bodies and legislatures, and even on the purchasing decisions of consumers (Luque, 2017). In this last respect, there is a wide-reaching stimulation of demand for fashion and glamour for which transnational corporations (TNCs) have established a global structure of production (Lipovetsky, 1987). Each individual is different and textile companies are acutely aware of this. The development of luxury, premium or low-cost fashion is no longer a mutually exclusive business. Currently, the same consumer is able to purchase one *haute couture* design by Balmain, another by the same designer made for H&M and, at the same time, a three-euro T-shirt of no particular brand (Fletcher, 2010; Jin, Jung, Matthews, & Gupta, 2012). Table 1, Classification, sets out the principal areas of interest involved in the textile sector, grouped into the four dimensions: economic, environmental, legal and social.

Society currently lacks the mechanism of a regulatory counterbalance with the capacity to act, supervise and redress on a scale comparable to the economic power and interests of TNCs (Bauman, 1999). There are no existing readily identifiable conceptual frameworks that regulate this situation, making delimitation and analysis of the issues, as well as the monitoring and correction of abuses, especially difficult. The transnational textile sector is an amalgam of vested interests in continual flux, influenced by exogenous factors that are often impossible to ascertain. The current panorama of textile production represents a new paradigm, in which the potential for development is well defined and is grounded in a model of continual growth. This is based on the processes of globalization and takes advantage of the imperfections of the economic and social system in order to carry out production without let or hindrance (Luque, Hernández Zubizarreta, & de Pablos, 2016). By way of example, the supply chain of the TNC Inditex consists of 1,500 intermediaries and 6,665 factories, with 2,043,581 workers in 45 countries (Boix, 2016). This throws into sharp relief the complexity of the sector, the effective coordination by textile TNCs, as well as the imperfections of the system. If a textile-producing state is not able to regulate, monitor and implement instruments of control and supervision over what happens within its borders (for example, human rights violations and environmental or employment abuses) it is doubtful whether we might expect a TNC, with its headquarters thousands of miles distant, to be capable of this.

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