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## Better Partnerships for Responsible Textile and Garment Supply Chains

**19 June 2014, 11:30 – 13:00**  
**Room CC7, OECD Conference Centre**

Today, the garment and textile sector is characterised by complex, dynamic supply chains, predominantly based in low-income countries with a strong reliance on low-income workers, the majority of whom are women. The impacts of the sector have been largely uneven. On the one hand, the sector has contributed to the economic development of many developing countries. For example, in Bangladesh it accounts for 80% of the country's total export earnings and 20% of GDP.<sup>1</sup> On the other hand, long working hours, low-wages, inadequate occupational health and safety, restrictions on freedom of association, and discrimination often contribute to poor working conditions in the sector. Production processes in the sector, when not managed effectively, likewise contribute to adverse environmental impacts. Finally, while to date, the focus of the industry has been on risks found at the cut-and-sew manufacturing stage of the supply chain, risks of adverse impact are present at each stage of the sector's supply chain from farm to retail.

For the past two decades, the sector has predominantly sought to address adverse impacts in the supply chain through private compliance initiatives (PCIs); however, while PCIs do play a role in mitigating risks in the supply chain, they are not sufficient in of themselves. The effectiveness of PCIs rely on the leverage of an enterprise to influence a supplier to prevent or mitigate risks. Exerting such leverage can be challenging when an enterprise comprises only a portion of the supplier's business<sup>2</sup> or when the enterprise does not hold a direct relationship with the supplier, as can be the case when risks are found upstream in the supply chain or when an enterprise sources through a buying agent. For some risks, such as low-wages, working with individual suppliers may not be effective to mitigate or prevent the risk. Another challenge facing PCIs is that of funding since supplier upgrades can necessitate significant financing. In response to the above business realities, the sector has seen a tremendous increase in local and global sector collaborations, multi-stakeholder initiatives, and public-private partnerships to improve the quality and scope of supply chain due diligence.

This session will focus on re-defining partnerships with suppliers, government, workers and non-traditional business partners for transformational change in the textile and garment sector supply chain. It will analyse the feasibility of these partnerships in light of traditional business models, the core criteria for success, and how each of these partnerships may interact and complement each other to promote scalable change in the sector.

### Discussion questions

- Where are partnerships critical to achieving transformational change in the textile and garment sector? How can these partnerships be achieved given diverse business models and operating environments? What is the role of each stakeholder?
- What are the characteristics of a meaningful partnership?
- What level of coordination and collaboration is necessary between existing initiatives and partnerships to achieve transformational change of the sector?

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<sup>1</sup> World Bank Group, International Finance Corporation, Transforming Bangladesh's Garment Sector, Accessed at [http://www.ifc.org/wps/wcm/connect/f8968f8043a64b51a4f2bc869243d457/AM2014\\_IFC\\_Issue\\_Brief\\_Bangladeshi+Garment+Sector.pdf?MOD=AJPERES](http://www.ifc.org/wps/wcm/connect/f8968f8043a64b51a4f2bc869243d457/AM2014_IFC_Issue_Brief_Bangladeshi+Garment+Sector.pdf?MOD=AJPERES)

<sup>1</sup> Richard Locke, Matthew Amengual and Akshay Mangla, *Virtue out of Necessity?: Compliance, Commitment and the Improvement of Labor Conditions in Global Supply Chains*, 2008.