



## Preparing now for the future of work in the garment and footwear sector

14 February 2019, 16:00 - 17:30

### Partners

International Labour Organization (ILO) and the Fung Group

### Objective of the session

The session will explore how technology is rapidly changing the organisation of production and work in the garment and footwear sector, followed by a discussion about the implications for inclusive growth, decent work and sustainability in global supply chains, and what all this implies for companies' due diligence efforts.

### Background

Technological advances, globalisation, and demographic changes pose both challenges and opportunities for the garment and footwear sector. These megatrends are expected to have wide-ranging implications for inclusive growth, sustainability and decent work. For example, ILO (2016) estimated that a significant share of jobs in the sector in ASEAN countries are likely to become automated, from 64 per cent in Indonesia, to 86 per cent in Viet Nam and 88 per cent in Cambodia. At the same time, new jobs will be created with the increased demand for higher skilled technicians to serve niche producers.

Addressing these challenges and taking advantage of the opportunities that the changes may bring are a significant, complex and multifaceted undertaking, not least because the garment and footwear industry spans large parts of the developing world where poverty persists, and where governance systems, education, and other public services are still rudimentary. In one scenario, automation technologies could disrupt local industry and cause mass unemployment that could be politically destabilising and derail social and economic development. In another scenario, employers, workers and governments could come together to formulate and implement sustainable industrial strategies that can shape a future that works for all in the garment and footwear sector. Social dialogue will be needed more than ever as industry and stakeholders confront such changes.

Additionally, for companies that are implementing the OECD Due Diligence Guidance for Responsible Supply Chains in the Garment and Footwear Sector, what does preparing now for the future mean in practice in terms of their own due diligence efforts? While digitalisation of the supply chain itself is an important consideration, considering the labour-intensive nature of the production process in the sector, which elements are important to consider in order to prevent and mitigate adverse impacts?

This interactive session will provide an opportunity to share views on the rapid changes that technological advances and other megatrends will bring about in the sector. The session will bring together

representatives of governments, industry and workers and allow discussion of which policies and actions are needed to shape a future that works for all in the garment and footwear sector. New research - by the ILO on the future of work and by the Fung Group on the impact of automation and digitalisation in its supply chains – will be presented as a basis for discussion.

## Discussion questions

- How will automation, digitalisation and other technological advances shape the garment and footwear industries in the future?
- What will be the impact on inclusive growth, sustainability and decent work (e.g., employment, social protection, rights at work and social dialogue)?
- What actions should governments, companies, workers and other stakeholders consider in order to ensure that positive impacts are maximised and potential negative impacts addressed (e.g., developing adequate skills and providing social protection mechanisms to compensate for potential job losses)?
- What are the ways of strengthening and promoting social dialogue and ensure meaningful stakeholder engagement?
- How can companies integrate these developments in their due diligence efforts?

## For more information

- ILO: *The future of work in textiles, clothing, leather and footwear*, Working Paper No. 326, ILO Sectorial Policies Department (Geneva, 2019): [https://www.ilo.org/wcmsp5/groups/public/---ed\\_dialogue/---sector/documents/publication/wcms\\_669355.pdf](https://www.ilo.org/wcmsp5/groups/public/---ed_dialogue/---sector/documents/publication/wcms_669355.pdf).
- Kucera, D. *Robotics and Reshoring*. The Apparel and Footwear Industry (Geneva, ILO, forthcoming).
- Global Commission on the Future of Work. *Work for a brighter future* (Geneva, ILO, 2019): [https://www.ilo.org/wcmsp5/groups/public/---dgreports/--cabinet/documents/publication/wcms\\_662410.pdf](https://www.ilo.org/wcmsp5/groups/public/---dgreports/--cabinet/documents/publication/wcms_662410.pdf).
- Chang, J-H., Huynh, P., Rynhart, G. *ASEAN in transformation. Textiles, clothing and footwear: refashioning the future*, International Labour Office Bureau for Employers' Activities (ACT/EMP), ILO Regional Office for Asia and the Pacific, Working Paper no 14 (Geneva, ILO, 2016): [https://www.ilo.org/wcmsp5/groups/public/---ed\\_dialogue/---act\\_emp/documents/publication/wcms\\_579560.pdf](https://www.ilo.org/wcmsp5/groups/public/---ed_dialogue/---act_emp/documents/publication/wcms_579560.pdf).
- OECD, *OECD Due Diligence Guidance for Responsible Supply Chains in the Garment and Footwear Sector* (OECD 2017), <http://mneguidelines.oecd.org/responsible-supply-chains-textile-garment-sector.htm>