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Editorial

This dossier is set out as a glossary and aims to highlight the issues surrounding sustainable development in the textile industry from an ethical, social and economic point of view. Obviously, the textile industry one of many concerned with sustainable development, but its specific characteristics need to be outlined. While the subject of sustainable development provokes legitimate concern, capitalism has attempted to come up with answers, not without difficulty, and has thus revealed that the remedies proposed are just as much a part of market production and the consumer sphere.

The rise in importance of two conflicting movements enables us to analyse the perverse nature of the question: the first being eco-design that invites us to consider products in terms of their environment and the long term effects of their production, while fashion demands the uninterrupted flow of new and never-ending products. While countries are asking the questions, can the discussion process and any possible solutions be effective other than on an international scale?

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Sustainable Development in the Textile Industry

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While sustainable development enables in part to outline what is at stake in the textile industry, we need to go beyond the general considerations in order to focus on the ethical characteristics of the textile industry itself.

Business Ethics

There are two opposing categories of literature on the subject of business ethics : one is technical and professional and evaluates the institutional and regulatory framework of the deontology and the other, that could be termed the “whistle-blowing” category, roundly criticises the emerging deontology. This criticism mainly puts forward the idea that deontology in this area serves only to reinforce the economic and financial sphere. Ethical charters flourish in companies, schools training future executives teach ethics¹, economic conferences dealing with ethics are on the increase, businesses are expressing themselves on ethics, specialist magazines are developing,² « ethical experts are being recruited to elaborate the codes (of good business behaviour) and control the policies in-house. »³

By observing the increase in the ethical movement in the nineties, Anne Salmon noted that « not just a fad, ethics have become a real issue for companies »⁴. The ethics in question come from the economic sphere itself and the companies in charge of their diffusion. The author goes back over the historical links between ethics and the development of capitalism to remind us that the Protestant work ethic accompanied the capitalism boom and that a progressive ethic accompanied that rationalisation of the workplace. These ethics supplied capitalism with systems of legitimisation and moral justification that probably enabled its development.

Anne Salmon puts forward two theories⁵ in order to explain the revival of ethics that support capitalism : on the one hand, ethics are a means to attain an economic aim and lose their legitimacy once the strategy is uncovered ; on the other, capitalism is currently so powerful that it no longer needs higher principles to justify its existence.

These two hypotheses turn out to be all the more complementary in a period of change where capitalism needs to renew its own justification. A third theory deals with the « tensions that exist between the justification systems and the development of a capitalistic rationale. [...] As exterior authorities founded for other reasons than those that underlie the capitalistic rationale, these justification systems can become a restrictive space for the enlargement of an economic rationale⁶.” Beyond the theory of a « capitalist ruse » to weaken the justification system, “Can capitalism stop justifying this choice of rationale that, among all the possible endings, designates a growth in capital as the aim of the action?”⁷ Thus, is it possible that economic ethics can give economic activity a meaning? Companies tend to make ethics into a « world membership » instrument by using them as a management tool. One of the explanations for the development of ethical arguments in business could be the loss of meaning and values (and notably the loss of the true meaning of work, a rejection of the economic and political spheres, the loss of values and bearings, a generalised lack of responsibility, etc.) to which industry provides an answer, going even, in its advertising form as far as presenting itself as the means by which an individual can satisfy their need for meaning. Ethics has become part of the institutional communication strategy of companies trying to reinforce their credibility. In this way, the company is tempted to affirm that they are working in the interest of the public, and moral values in general. In fact, this ethical discourse is intended above all to encourage those working within the company: “these new ethics are intended to improve the level of fulfilment and self-worth of the individual, and the possible restoration of his or her integrity through their job.”⁸

If we go by the current discourse, ethics in business seem to be a means to control the individual by making them adhere to a system. The idea is to make the individual believe that they will gain fulfilment

through these values. In addition, the creation of ethical charters and codes are all formalising acts that make ethics usable by management, and notably those which propose spontaneity and sincerity. In *Le Nouvel Esprit du capitalisme*, Boltanski and Chiapello showed that « the criticism of moral convention that burst on to the scene in the seventies » has been taken up in the new ethical discourse⁹. As the critics in 1968 dealt similarly with a value system, Anne Salmon puts forward the theory that « the criticism of conventional morals in the name of transparency can be studied as a significant element of a rebellion against instituted forms of authority and the relationships regulated between members of a given community in the name of a new conception of this relationship.¹⁰ » She adds however, that « if criticism is limited to a simple objection to values without dealing with the underlying structures, 'self-expression' as an expression of revolt against the establishment risks being short-term, or even taking the opposite stance.¹¹ » This criticism of conventions can even result in a cult of the elite within companies. The leaders, using an ethical discourse, differentiate themselves, rise above, so to speak. In the world of business, « philosophy is a covering behind which a totally different attempt to anchor meaning in a quasi-mythical perception of the universe of work is hidden.¹² Ethics within the workplace in no way resemble universal morals: « The moral of business, is, according to the author, 'the necessity to act' and this moral does not refer to an idea of good or evil, to a collection of precepts, to laws.¹³ By making a commitment to act, the issue for the leader is not good or evil. The values that structure a business are not those listed in the ethical charters but are influenced by the competition and the market. This is why, « if the actions created by the daily situations in which individuals are placed are the opposite of the values of the system itself, then the system is producing pure belief. [...] Being moral then, does not mean acting according to the principles of good and evil,

it means acting within a moral framework.¹⁴ Hence, the «ethical world» is inside the company, the excluded are outside, and their existence make the moral aspect of business visible. The leaders become heroes, defending values of sincerity and authenticity. The existence of ethical charters contributes to the reality of the existence of a community, the company, of which the employees are members. In addition, the professional duties and risks of sanctions are present within the ethical codes. The question arises of the position of ethics in relation to a business that wants to be an institution : « is it an arm to fight modern individualism and its latent selfishness, or, on the contrary, to fight the « other » within oneself and build a «between ourselves situation» that is falsely reassuring, a community that engenders change and evolution in society, linked together by an « ethical identity » that renews forms of involvement in a collective centred around the objectives of the company?¹⁵

The ethics of business results in dialogues and debates within the professional sphere. But, these exchanges enable the « executives [...] to reaffirm the necessity for moral interrogation¹⁶. Professional ethics are discussed, elaborated in think tanks and hence «the economy is presented as a legitimate place from which moral questions can be reformulated and discussed and from which a new conception of ethics may emerge.¹⁷ When a company acts in a «socially responsible» manner, advertising its actions in favour of ethical values, it does not represent itself as an agent for the «common good», it is trying to impose itself as « a model for the entire society ».¹⁸

For the rest, economic ethics, as a part of the structure of the liberal economy, should help to lighten « the excesses of a market that has no outside control. »¹⁹ The constraints, defined by the deontological norms, help to avoid disloyal attitudes and regulate the system : « cultural and moral values end up being reduced to economic assets that serve an adherence and involvement of individuals with the system... »²⁰ As a result,

ethics end up an integral part of the economic system. They enable the creation of « the 'big dream', the liberal 'utopia': reconciling the individual and his or her passions with social order and its reason. [...] By creating the image of a united society, rid of the conflict between desire and reason, between the individual and the system, economic ethics tend to act as a justification for the subordination of the political, social and cultural spheres to the economic. »²¹ Ethics become a means to ensure the development of the economy. We should then worry about the absence of any other debate, this time in the public arena, on the ethical and cultural contradictions of economic development.

Historical perspective enables us to highlight the rapport between ethics and the economy, first of all going back to Weber, for whom the Protestant work ethic and notably Calvinism accompanied the birth of capitalism by giving it a conceptual base that enabled it to morally justify an intra-mundane temporal activity. In the Enlightenment the issue was the ideal of the progress of the human mind, that replaced notions of secrecy with notions of transparency in the management of human affairs. An important change occurred during the 19th century: the « cult of progress » began even though the development of the industrial economy tended towards the « centralisation and an indoctrination that progressively eroded individual enterprise and the autonomy of the individual; rationalisation and the organisation of competition; the combined exercise of power by economic and political bureaucracies. »²² The principles in the interior regulations are the sign that individuals have to give up on their single habits to dedicate themselves to a collective aim. Hannah Arendt says that action has come to replace the notion of manufacturing in society: « that which seems central in the ethics of action, is that good is no longer seen to be the aim and an ideal to attain (happiness, for example) or as an absolute, as a finality to reach: promise or pardon are acts.²³ » Finally, « the end of the

post-war boom [...] made society fall into a situation of generalised doubt of the paradigmatic value of the idea of progress.²⁴ »

Today, the economy is based on information technology where the individual must involve themselves in new communication techniques. We must ask the question if a new form of ethics has come to replace the progressive ethics that had themselves replaced the protestant ethic. This means « ethics that are purely economic produced in order to regulate and co-ordinate ones own activity. [...] It could be added to the theory of the erosion of belief in progress, the theory that the current transformations in society are not calling for the restoration of faith but for a substitution ideology to accompany this change.²⁵ » The notion of progress in a company has given its place to that of change so as « ethics aims essentially to (re)form the individual by and for the desire for the exchange of knowledge, know-how and greater communication within organisations.²⁶ » The function of economic ethics is to save the world, and the company of course. « The founding ethic for action, and the aim of that action, thus becomes a means of regulation for human actions with no end: a misleading idea to attenuate the anxiety of the feeling that one is inhabited, acted upon by never-ending processes.²⁷ »

In conclusion, the author highlights the fragmentation of the value of work, and a replacement of the search for an ending, by effective means, with a search for effectiveness for its own sake: « However, the dislocation of the economic and the social is doubtless but the sign of a much deeper crisis that will not be resolved (quite the opposite) while ethics are seen as a means to regulate or rework these different spheres. Ethics will become functional.²⁸ » If by taking on this role, ethics are reaffirmed as a means to re-establish social links through effectiveness, it is nonetheless true that rendering ethics functional judging their worth in relation to their usefulness. When used by business, ethics become a « market value » and lose value as the simple

answer to a need: « the concept of the legitimate need for ethics in the order of the instrumental cognitive rationale, but they pay the price of being used. »²⁹

1. Anne Salmon, *Ethique et ordre économique. Une entreprise de séduction*, CNRS Editions, Paris, 2002. Note 10, p. 22 : « notamment Centrale Paris, l'université Paris IX - Dauphine, le groupe ESC Lyon, le groupe HEC... »
2. Cf. *Ibid.*, note 14, p. 23 : «for details on French and foreign publications, see Samuel Mercier, *L'Ethique dans l'entreprise*, Paris, La Découverte et Syros, 1999 ».
3. Cf. *Ibid.*, p. 24.
4. Cf. *Ibid.*, p. 7
5. Cf. *Ibid.*, p. 11-12.
6. Cf. *Ibid.*, p. 12.
7. Cf. *Ibid.*, p. 13.
8. Cf. *Ibid.*, p. 34.
9. Cf. *Ibid.*, p. 47, reference to Luc Boltanski and Eve Chiapello, *Le Nouvel Esprit du capitalisme*, Paris, Gallimard, 1999.
10. Cf. *Ibid.*, p. 48 and note 9 : Salmon refers to Kohlberg, who outlines three stages in the development of a moral conscience : the pre-conventional stage, the conventional stage and the post-conventional stage.
11. Cf. *Ibid.*, p. 49.
12. Cf. *Ibid.*, p. 54, from a critical analysis of the work of Peter Koestenbaum, *Socrate et le Business. (Les Conseils d'un philosophe aux dirigeants d'entreprise)*, translated and adapted by Jacques Fontaine, Paris, InterEditions, 1989 for the French version (trad. de *The Heart of Business*, Dallas, 1987) ; *Les Quatre Vérités du management. Vision, Réalité, Ethique, Courage*, Paris, InterEditions, 1993 for the French version (original edition, 1991).
13. Cf. *Ibid.*, p. 56.
14. Cf. *Ibid.*, p. 58-59.
15. Cf. *Ibid.*, p. 74.
16. Cf. *Ibid.*, p. 81.
17. Cf. *Ibid.*, p. 82.
18. Cf. *Ibid.*, p. 85.
19. Cf. *Ibid.*, p. 87 and note 18, ref. to Peter Koslowsky, *Principes d'économie éthique*, translated from the German by Anne Saada, Paris, Les Editions du Cerf, 1998 (trad. *De Prinzipien der ethischen Oekonomie. Grundlegung der Wirtschaftsethik und der auf die Oekonomie bezogenen Ethik*, Tübingen, 1988).
20. Cf. *Ibid.*, p. 88.
21. Cf. *Ibid.*, p. 90-91.
22. Cf. *Ibid.*, p. 130.
23. Cf. *Ibid.*, p. 148.
24. Cf. *Ibid.*, p. 153.
25. Cf. *Ibid.*, p. 157.
26. Cf. *Ibid.*, p. 160.
27. Cf. *Ibid.*, p. 163.
28. Cf. *Ibid.*, p. 168.
29. Cf. *Ibid.*, p. 173.

Consumer Responsibility

Consumption has changed enormously since the boom of the post-war years: access to information and the huge amount of products on offer¹ has enabled the public to step back and examine its own consumption. In addition, other factors – media over-exposure, workers being exploited for even lower prices and a higher level of awareness among the public in relation to food scares and ecological issues² –, have facilitated this critical distancing most notably toward the big brand names.

Responsible consumerism was born in the sixties through the American consumer movement with class actions, lobbying and law suits. However, this type of action never really caught on in continental Europe. On the other hand, at the end of a 20th century marked by financial and ecological scandals, ethics and ecology moved from the ideological sphere to the practical sphere: the general public realised that the disasters predicted by the Club of Rome would affect them individually and the abundance of goods could, in the long term become a threat. The idea of responsible consumerism took shape: the citizen-consumer now thinks before he or she buys, as a means to counterpoint the hedonism encouraged by the bigger brands, and the average consumer now expects guarantees that go way beyond the simple quality of the product purchased³.

Responsible consumerism can be expressed in many ways: boycotting, buying labelled products (respecting organic norms for textile and food products, clothing products that respect environmental and social

norms), rejection of big brands in favour of socially and environmentally committed brands, like American Apparel who employ poverty-stricken Americans to make organic cotton tee-shirts in downtown L.A. or Edun, the ethical clothing brand created by Bono of U2⁴. The first fair trade fashion fair opened its doors in Paris at the end of 2004, 38% of French people claim to take the ethical commitments of businesses into account, and 50% are prepared to pay more for ethically produced products⁵. There is an estimated 24.7 million pound sterling shortfall in business due to responsible consumerism on the English market alone.

There are however, certain limits to this type of consumerism. The products that come from ethical or organic production are in fact not very well advertised and are badly distributed. In addition, the lack of clear legislation has led to a proliferation of labels and confusion in the mind of the consumer. Not only that but, conventional brands have a clear advantage over ethical or organic brands as they encourage impulse buying without being encumbered with the underlying feeling of guilt that is at the origin of responsible consumption. This is why the public don't engage in anti-consumption but instead look for a balance between recognised brands (Coca Cola, Nike) that have a high level of consumer trust, and less available products (Snapple, Misericordia clothing lines), who play on a certain « organic » or ethical trend. This trend effect includes in fact a qualitative connotation, and can be seen as a refuge-value. This would explain why it is appropriated by other brands such as Carrefour with their slogan « Mieux consommer, c'est urgent » (It is urgent to consume better), which barely masks an attempt to take market share from the discount stores. What is more worrying is this dialectical dead end that also applies to companies that were founded with the best of intentions. We must remind ourselves that despite the commitments made by responsible companies such as The Body Shop or Ben & Jerry's, they have been overtaken by market realities and have to bend

to the demands of turnover and management in a way that tarnishes their reputation in the eyes of the more committed consumer, torn between responsible citizenship and the rejection of capitalism.

1. Kevin Lane Keller, *Strategic Brand Management: building, measuring and managing brand equity*, Prentice Hall, 1997.
2. Naomi Klein, *No Logo*, Arles, Actes Sud, 2000.
3. Cécile d'Elloy, *Communication éthique, éthique de la communication*, Mission report, Sciences Com' 2004.
4. Example given by Dimi Gaidatzi in the *Financial Times*, May 14th 2005.
5. *LSA* from September 27th 2003.

Corporate Responsibility

The notion of the social responsibility of companies is linked to the application of the concept of sustainable development and its economic, social and environmental pillars. Corporate responsibility implies that a company is not only concerned with turnover and growth but also with its environmental and social impact. It is more attentive to those involved: employees, stockholders, clients, suppliers and the rest of society represented by the NGO's. Geneviève Féron¹ tells us that the notion of corporate responsibility is the sign that economic strategy is taking into account the general concerns of social equality and the preservation of the environment. The statistics are not the only indicator of the appearance of social responsibility, the development of norms and codes also bear witness to the fact. These norms show the importance client satisfaction has taken on in recent times. Business has become « more open, transparent in organisation, serving others ». ² These aspects then become part of new norms, but also become elements that help a business to stand out from the competition. In addition "society needs assurances and growing guarantees as to the limitation of the social and environmental risks that concern the rest of the planet."³

Codes of good conduct have appeared within this movement and norms have been established. Investors remember these criteria when deciding to invest. Hence, management companies have hired experts in their financial analysis department to collect and deal with social and environmental studies on companies that are on the stock exchange. These parameters then come into play in the evaluation of business and their results. Socially responsible investment has

become a factor for differentiation to keep up with the competition. Is the company responsible to its stockholders, other people involved or to society in general? Michel Capron⁴ has questioned the causes of this development of social responsibility in companies. Has the acceptable degree of risk for stockholders, employees and society dropped? Or have companies realised the level of damage the environment has endured and the imbalance between north and south? Michel Capron puts forward three theories on the reasons behind the growth in corporate responsibility: a symbolic notion built around the notion of trust, an objective for re-motivating employees when the majority of graduates dream of becoming civil servants, and the lack of action by Nation States that incite companies to present themselves a ideological substitutes.

Beyond the new norms present in management and the ways in which companies are evaluated, the issue is to question the role of the company in our society and on the current forms of dialogue between companies and those involved.

According to Fouad Benseddick⁵, there can be two approaches to corporate responsibility, that, in reference to Max Weber, is either established on a normative basis (ethics of conviction) or an instrumental basis, (ethics of responsibility). Hence, if we take the first approach, the company is an institution that serves society, or the second, there is a cause and effect link between the management of those involved and the effectiveness of the company's performance as an organisation, incidentally also the opinion at VIGEO⁶. Hence, the supervisory agency complies with the intentions of the companies concerned. This social notation is used as a decision-making aid for investors and managers. Responsible investment can be seen as the combination of social and environmental concerns with the financial performance of investment decisions.

While economic regulation is the responsibility of nation states, it seems that globalisation has decided that business can

regulate itself, but, in the new norms adopted by companies shouldn't we see a respect for society, with for example, the ban on child labour, the extension of human rights and the exclusion of those countries that do not respect this. Through corporate responsibility, have companies not gone from being institutions to being social actors? Under which conditions, if it is legitimate, should this take place ?

1. Cf. Geneviève Féron (CEO of ARESE), *Vers une normalisation accrue du concept de responsabilité sociale et de développement durable : quelles conséquences pour les entreprises et les investisseurs ?*, *Rapport moral sur l'argent dans le monde. La mondialisation des crises financières*, Montchrestien, Association d'économie financière, 1998, p. 523-527.

2. Cf. *Ibid.*, p. 524.

3. Cf. *Ibid.*, p. 525.

4. Cf. Michel Capron, professor in Management studies at Paris VIII, *Mythes et réalités de l'entreprise responsable*, *journée d'étude*, *De l'éthique à l'économie*, Maison des sciences économiques, 10/12/04.

5. Research Director and Head of International Relations Vigeo, study day, *From ethic to economics*, Maison des sciences économiques, 10/12/04.

6. Vigeo is an agency set up by Nicole Notat in July 2002 for noting social and environmental issues.

EcoDesign, known in France as « écoconception » involves taking the environment into account when designing products, and as such qualifies as sustainable development. EcoDesign is a design approach for products and their wrapping or packaging that must minimise environmental impact in a process of continued improvement and cost control. EcoDesign already exists for all types of products concerning the respect of existing regulations (such as the ban on the use of asbestos). It is also a voluntary approach that adds value, favours innovation, improves brand images and sustains or increases its market share. This approach is two-fold: at every stage of the manufacture of a product, the manufacturer must take into account the effects on the environment, pinpoint problem areas and propose solutions to reduce, even eliminate negative impact.

In the particular case of textile and clothing manufacturing, the first phase is the choice of the raw material, the second the choice of manufacturing method. The raw materials used are a source of pollution and « énergivore », both in their production and their transformation as well as garment care.

The manufacturing method is above all a source of waste, except in seamless weaving. All in all, the textile-garment industry produces a low level of environmental damage in comparison to heavy industry. The textile industry is labour intensive and as one of the first to relocate to developing countries, the problems posed are more of a social nature, linked to working conditions and child labour.

The garment industry is controlled by fashion that imposes shorter and shorter life cycles on products. The current fashion process has been copied by a number of other industries, with a rush for growth through a production and consumption frenzy that must be seriously called into question due to its radically damaging effect on sustainable development.

Ethical Marketing

Ethical marketing is the answer to the « disillusionment » with consumerism that has hit brands since the nineties as they are incapable of stopping the tide of indifference for the dream they are supposed to be selling. It is becoming more and more difficult to galvanise desire for products whose consumption provides little satisfaction. The appearance of new models of company management and the growth in the ecological and social precautionary principle only serve to aggravate the disaffection for “traditional” marketing and are pushing companies towards sustainable development and ethics.

Ethical marketing is not the same as the ethics of marketing that control good practice¹. On the contrary, ethical marketing is the opposite of the notions used in traditional marketing as it affirms its role as being in the “public interest”², and has become the standard bearer for companies that are ecologically and ethically committed. However, as Edouard de Broglie³ reminds us, while the social and ecological arenas are flattering to business and enable a company to be structured on an ethical basis, ethical marketing has a much wider application and can be used in all sectors of activity, most notably in client relations, access to information, or the clarification of the offer: ethics integrate the marketing mix among other parameters. Ethical marketing brings together social and environmental preoccupations along with respect for the consumer⁴, with a long-term objective of the well-being of the community while, at the same time, gaining an advantage over the competition. Hence, it is an exciting means of differentiation, both for employees and consumers, despite the relatively high cost involved. However, despite its noble ideals, it can go off the rails. Certain people criticise the fact that it is a

powerful communication tool that is used without any real possibility to verify promises that are nonetheless expressed with great force: a practice known as “green-washing”⁵. So somewhere like the Institut Danone is criticised as a communicational tool with no basis in real action. In addition, ethical marketing can be dangerous as all arguments are not necessarily taken on board by the public⁶. Hence, Carrefour caused a stir with its « Consommer mieux, c’est urgent » (Consume better, its urgent), which represented a spectacular U-turn from its previous message of maximum consumerism. In addition, it is difficult to have the idea of ethical marketing accepted in France in a catholic culture where it is considered immoral to make a profit while doing good. This is why the protestant Anglo-Saxon countries are well ahead in this domain. In the U.S., one dollar in every six invested is done so « ethically ». While nine Europeans out of ten think that businesses should give part of their revenue to improving society⁷, it is unlikely that they would accept the Phillip Morris proposal to help those who wish to stop smoking, as is the case in the U.S.

Finally, we must remember that marketing only really means something to the richest quarter of the planet. The restrictions imposed by brands in developed markets are expensive, and might not be applied to the gigantic emerging markets such as China, India and Brazil. It would be difficult for developed countries to make the consumers, governments and local businesses in developing countries accept social and environmental constraints after decades of abuse, even more so as the markets concerned are far from maturity and as such there is no demand for such commitments.

1. Jean-Paul Flipo and Robert Revat, EM Lyon, *Cahiers de recherche, numéro 11/2003, Éthique et Marketing, l'enquête*, June 2003.

2. *Expression* from Alexandre Basdereff, quoted by Cécile d'Elloy, *Communication éthique, éthique de la communication*, rapport de mission, Sciences Com' 2004.

3. *La marque face à l'éthique*, Paris, Village mondial, 2002.

4. *L'éthique, une nouvelle énergie pour le marketing : une introduction*, Bernard Cova, Professeur ESCP-EAP, Savoir Sud, at the EDF R&D conference, October 24th 2002, New trends in marketing.
5. Elisabeth Laville, *L'entreprise verte*, Paris, Village mondial, 2004.
6. Didier Heiderich, *Marketing éthique ou simple changement d'étiquette*, October 2003, on visionary marketing.com.
7. Ipsos Survey, 1999, sample 4 000 people (France, Germany, Italy, UK).

This notion appeared in the sixties thanks to activists such as Frans van der Hoff and the Body Shop founder Anita Roddick. It is based on the realisation that producers in developing countries are confronted with fluctuating low prices world-wide, a lack of market knowledge that weakens their position in relation to distributors and a lack of capital that limits the possibilities of exploring other means of distribution¹. In order to combat this, Fair trade was set up to oppose the rules of free trade, to stabilise prices of raw materials above those of the open market, to reduce the poverty levels of the producers and give them the means to develop. In addition, pre-financing programmes for production and training programmes in exporting are made available. It means enabling producers from the South to have access to markets in the north in decent business conditions.

Fair Trade became very popular at the turn of the century as it seemed to answer the demands of a society in search of meaning, respect and ethics, but also, more concretely, food safety. In 2002, fair trade accounted for 0.02% of the world market, 2% of the market in England, 2% in the Netherlands, 5% in Switzerland where 20% of the bananas are fair trade², and it has a 20% growth rate in France³.

There are two elements to the fair trade movement for the consumer: labels and brands. The main label is Max Havelaar and was launched in France in 1997. It is now present in 17 countries and concerns almost 800 000 families. This label was set up in order to create strict regulations for international trade and to enable products to be easily identified by the consumer. In addition to other, smaller labels such as Transfair or Fairtrade, MaxHavelaar was set up in 1988 by Frans vander Hoff but FLO⁴, the organisation that attributes labels, was only set up in 1997. In the beginning Max Havelaar dealt only with food products but then moved into other domains such as cotton for which a « fair » supply chain was set up in France

in 2004⁵. Faced with the increasing number of norms, the French government plans to establish national norms in 2005 while Max Havelaar has become the world-wide norm by default.

In addition a multitude of brands exist that promote socially aware, ethical production. Among the best known is The Body Shop, set up by Anita Roddick in 1976 which is a company with a very strong commitment to the environment and social issues along with a disarmingly frank advertising strategy. However unlike a label, a brand is inevitably confronted with a capitalistic development problem as it grows and represents a challenge in terms of communication as the consumer is often disappointed to see the brand « sell-out » to capitalism. The numerous criticisms are structural to being with: Fair trade relies on labels - the observation of norms and restrictions -, and rarely on powerful brands, as this would demand commitment from entire companies. There are also quantitative problems, we could compare the low level of fair trade production to its high media profile, which seems to have given rise to a fashion rather than a real economic alternative. Finally, criticisms can also be made on a macroeconomic level: by over-pricing raw materials and only concentrating on sales possibilities, the fair trade movement brings no real structural change to the distribution circuits, and confines the producers of the raw materials to their market. While it does enable them to fight poverty levels in the short term, it does not present a long term development perspective for new markets.

1. From a speech by Victor Ferreira, the Managing Director of Max Havelaar France, Conference on new marketing trends, EDF R&D, 24 October 2002, see <http://www.visionarymarketing.com>.

2. Max Havelaar France, 2004.

3. Le Monde, March 3rd 2005.

4. Fair Trade Labelling Organisation.

5. Les Echos, February 11th 2005.

Natural Resources

Natural renewable resources include, earth, water, forests, bio-diversity. Non-renewable fossil-based natural resources include hydrocarbons and all mining products. The 2002 figure from the World Wildlife Fund show a drop of 30% in the earth's natural resources between 1970 and 1995 and the forecast is more than worrying. In the case of arable land, the quality is decreasing every year due to over-production, mono-culture, uncontrolled irrigation and the use of pesticides and chemical fertilisers that encourage industrial production. The elimination of fences and the use of heavy machinery accentuates soil erosion. This drop in the fertility levels of agricultural land has led to an increase in deforestation, most particularly in southern countries where the land is less fertile than up north. 75% of the tropical rainforest is now under threat, but all around the world forests are disappearing due to agricultural, forest or mining exploitation. Three million hectares of forest are destroyed each year, resulting in a drop in the levels of photosynthesis, the process by which trees absorb carbon dioxide and thus reduce the greenhouse effect.

The majority of biologists believe that mass extinction of fauna and flora is already underway, mainly due to human activities that pollute and destroy our ecosystems. Some say that a fifth of all living species on earth will disappear in the next thirty years. While the figures are controversial, most observers admit the disappearance of a great number of species and unanimously consider that bio-diversity must be preserved as a precautionary principle.

Another huge issue is water. It will become a non-renewable resource in the space of a human lifetime. The threat of water shortage is both qualitative and quantitative. The world's stocks of drinking water is only

1% of freshwater resources and 0.01% of water resources on the planet. For the stable renewal of these resources the useable quantity should be between 12 500 km³ and 14 000 km³ annually. The quantity of water available per capita has moved from 12 900 m³ in 1970 to 7 000 m³ today and should drop to around 5 100 m³ in 2025, given demographic forecasts. If the increase in use continues, between half and two-thirds of the planet will end up in a state of « water stress » according to the UN Programme for the environment. The problem is not just the imbalance in the sharing of fresh water reserves, but also bad irrigation management that currently absorbs 70% of world-wide consumption. If irrigation is not managed better, and this is possible using the drop-by-drop technique currently in use in the Negev region of Israel, the level of water stress forecast by the PNUE will be compounded with a food scarcity. In addition, the question of access to drinking water will have to be addressed on a global level. Today, one person in five does not have access to a decent water supply. Solutions do exist however: the renovation, of production, distribution and purifying structures, build new ones, lower pollution levels. However, this necessitate very high levels of investment and the question of water charges will only serve to increase third world debt and the North-South divide.

The other very real problem to be faced is the exhaustion of fossil fuel supplies, the figures put forward by the oil companies forecast that oil supplies will run out in 40 years, gas in 60 if consumption remains stable. But consumption is increasing due to a higher demand in China and it is possible that these estimates are generous. The even dirtier coal reserve should last another 200 years.

As for green forms of energy, whether this be wind farms, solar, hydraulic, bio mass, photovoltaic or hydrogen-based energy, only the first two are manageable today and the only inconvenience is the inability to stock electricity.

However, even using all of these techniques, our current energy needs would not be satisfied. The use of clean energies in tandem with nuclear energy is the only way for the time being to fill the gap left by the fossil fuel depletion and to reduce the greenhouse effect.

However, the Kyoto protocol is evidence of the unwillingness among countries to make concrete changes. Jacques Grinevald¹ showed this very well when he pointed out the insufficiencies of the official chronology of international summits and conferences on the environment and sustainable development. Speaking about Rio + 10, which was the expression used to talk about the Johannesburg summit in 2002, he says « Rio + 10 is not (...) is definitely not reasonable chronology (...) Rio + 10 is certainly not a neutral historic perspective and is most probably not a politically innocent notion either. Rio + 10, is above all Stockholm + 30 or Stockholm + 10 + 10 + 10, as we should not forget the Nairobi conference in 1982, which was in fact Stockholm + 10 » he adds « this short term chronology is an attempt to camouflage the procrastination of international politics in terms of the environment. It enables them to banish radical critics of the Western development model that came to light in the sixties and seventies ». In support of his theory, we must remind ourselves that the first international conference on the protection of nature took place in Bern in 1913 and in 1979 the first international UN organised conference on man and climate. What if Malthus was right all along?

1. Grinevald, Jacques, « De Monterey à Johannesburg : quel développement ? », *LEcologiste*, winter 2001.

Industrialisation in the 19th and 20th centuries took place with total disregard for the environment even though the dangers were pointed out by the scientific community as early as the 19th century. However, ecological warnings were not heard before the sixties and seventies. In 1972, The Club of Rome published the Meadows Report which summed up the concerns as follows: « With each day of continuing exponential growth our world ecosystem gets nearer to its growth limit ». In June of the same year the first ever international conference on the environment was held in Stockholm by the UN and resulted in the creation of a United Nations Programme for the environment (UNEP) and also put forward the concept of eco-development.

An awakening on an international level occurred when the effects of greenhouse gases and their role in creating the hole in the ozone layer were proven. In 1979, the United Nations organised the first ever international conference on men and the climate in Geneva, this was followed by a convention for the protection of the ozone layer in Vienna in 1985, which was in turn followed by the Montreal protocol in 1987, with concrete commitments by all countries who signed to reduce the production of CFC gases. The same year during the World-wide Commission for the environment and development, the Bruntland Report entitled « Our common future », denounced the « failure of our environmental management » introduced the concept of sustainable development and gave it an official definition: « sustainable development which meets the needs of the present without compromising the ability of future generations to meet their own needs. »

In 1992, the UN organised the First Earth Summit in Rio where the 173 heads of state present made a declaration of which the main points were: participation, precaution, environmental evaluation, polluter-payer. Agenda 21 was created, a comprehensive programme of action for global action in all

areas of sustainable development, objectives for both NGO's and society at large.

Sustainable development, which is very popular among the international community, is based on three main issues. The first is the economy, it calls for international co-operation with developing countries, to fight against poverty, change methods of production and consumption and action in favour of fair trade between north and south. Secondly the environment, which includes a reduction in pollution, the fight against deforestation, desertification, drought, protection of bio-diversity, promoting agricultural methods that respect the environment and health, protection of the seas and fish stocks, promoting renewable energy methods. And thirdly the social issue which involves the fight against poverty, against the exploitation of children and the necessity for access to health and education for all, as well as the reinforcement of social groups through unions and NGO's, while guaranteeing decent living conditions for all. In 1997, a summit was held in Kyoto on greenhouse gas emission and a protocol was adopted in which each country made a commitment to reduce greenhouse gas emission by 6%. Unfortunately, the protocol was not ratified by the US who are responsible for one third of all greenhouse gas emissions, and the refusal by Southern countries only makes the protocol partially operational, in addition, it is valid for only ten years. As for the Johannesburg summit where there had been hopes for real advances in the social aspect of sustainable development, no concrete decision was taken.

Sustainable development represents 300 multilateral agreements, has produced a ton of literature, it mobilises a great number of associations and NGO's, but we must admit that, while it is conceived on a macro-economic scale, its results have thus far been micro-economic. There are a number of reasons to explain the current failure: the international agreements and organisations have no power without a power of sanction. The problem is international so what is needed is an international institution for sus-

tainable development with coercive powers, the role is currently held by the WTO, or by the ORD whose legal precedence hardly takes sustainable development into account. In addition, national governments whose power is already weakened by globalisation and who act only according to domestic elections, delegate their responsibilities, in compliance with Agenda 21 to the NGO's and civil society, meaning multinationals (see corporate responsibility) whose insufficient actions are often a mere pretext for improving their image. Finally, there is an obvious difficulty for consumers as for producers in the west to change their mode and level of development, as the southern countries have every intention of reaching the same level without paying for the damage already done by the countries from the north. However, at a time of Serge Latouche's « educational catastrophes », we can no longer rely on the improbable technological advances that are supposed to be the answer to all the problems. From the Club of Rome to Johannesburg, nothing concrete has been achieved. However, in thirty years, the situation has considerably worsened in the three domains of sustainable development which are, for the time being, purely decorative.

Textile Fibres

For centuries, wool, linen and silk, and later cotton fibres as well as draperies and cottonades were at the basis of world-wide trade. Later on, industrialisation, the disappearance of colonial empires and the evolution of consumption (ready-to-wear), saw the textile business branch out into semi-finished and finished garments. The market in 2003 was 7.3% of world exports for manufactured goods. Besides the economic weight of this sector, clothes are one of the pillars of the consumer world. The garment satisfies a need for protection, belonging and has a symbolic meaning. Hence, it is only natural that consumers reflect on « sustainable development » in this area, that they question the origin and the consequences of their garment-based choices, even if this is limited only to the materials used. Whether the sheep graze in areas that are not suitable for agriculture, if the hydrocarbon that is a base for the textile polymers could be used as petrol, or if the cotton fields that could be used to cultivate another crop (of course the example doesn't hold in Afghanistan where the cotton fields have been replaced by poppy fields for the drug trade as it is far more lucrative). To the consumer, cotton is the symbol of textile fibres and of natural textiles in particular. However, we must nuance this image with two arguments. The share of cotton within world-wide production drops every year and has done so since the sixties in favour of chemical based fibres and it now stands at 35% of overall production. In addition, cotton growing constitutes a real ecological disaster : it is cultivated on 3% of land and uses 25% of the pesticides sold throughout the world. In addition, the irrigation of the cotton fields of Uzbekistan and Kazakhstan have resulted in the Aral Sea drying up. On a economic level, cotton has always been a central global issue: from slave labour in the 18th century, to the American

government being accused of dumping their cotton by West African producers 75% of whose exports rely on white gold and the use of genetically modified crops to improve performance and turnover, etc. In order to fight these excesses, organic and fair trade cotton projects have cropped up in the past few years. In 2005, Max Havelaar launched a fair trade cotton supply chain based mainly in sub-Saharan African cotton. We estimate the share of organic cotton to be a 0.03% concentrated in the big producing countries, Turkey, the U.S., India, but also Peru (the geographical origin of cotton).

Wool, another natural fibre is less controversial but counts for only 2% of textile fibres produced world-wide. Only its treatment (the washing of raw wool) can be deemed damaging. Due to its high price and the technical know-how available, wool is the only fibre that is recycled. The terms recycled (carded) wool is marked on the label of the garment. However, organic wool is quite difficult to obtain as to obtain the label, the animal must not have taken any antibiotics. A « fair trade » label is more common on finished products (sweaters, scarves...) made in small cooperatives in South Africa that come from single herds. Liberian fibres, and in particular linen and hemp can easily fall into the sustainable development category. They are naturally hypoallergenic, linen consumes five times less treatments (pesticides, fertiliser...) than cotton. It also needs half as much water to grow. It is grown in Northern Europe, Egypt and China and contributes to the maintenance of jobs in a number of rural areas. It is perfectly possible to envisage a « fair trade » linen coming from Egypt. As for hemp, despite its mould resistant qualities, its thickness has limited hemp to the usual uses for ropes and sacks. It has the advantage of an ecological image, for the simple reason that it needs no pesticides and has begun to appear in clothing and footwear. Silk is an exceptional natural fibre, only its country of origin can have an influence on its « sustainable development » status. The great majority of production is Chinese, we could envisage a « fair » silk

from Brazil, India or Vietnam. The same goes for natural rubber, used for shoes, there are experiments currently being held for a « fair » product in Brazil.

Chemical-based fibres represent the majority of world textile production and the positions are very different when speaking about artificial or synthetic fibres. As they involve heavy industry there is no point in taking a fair trade approach. The environmental consequences of their manufacture are enormous. In fact, artificial fibres that transform an existing product into a textile fibre using a chemical or mechanical methods, do use renewable raw materials. They are for the most part made using cellulose – trees, cotton waste, bamboo – their manufacturing process can be very polluting due to the number of solvents used. Lyocell is considered a « green » product as its manufacturing process and use of solvents is controlled. It comes from the transformation of maize waste and the polyactide known under the brand Inego is positioned on the market of agricultural waste. Synthetic fibres (polyester, polyamide, acrylic, elastane...), besides the problems linked to chemical factories, have the added disadvantage of contributing to the exhaustion of oil reserves. Certain brands such as Patagonia use recycled PVC from plastic bottles to make their fleeces. With a rise of 27% between 1990 and 2003 in textile fibre consumption in Western Europe alone (22 kg pre capita in 2003), we should be worried about the effects of this seemingly never-ending demand for more textiles. With the rise in purchasing power and consumption in developing countries and developed countries, and demographic growth, it is primordial to find alternative fibres or an alternative means of consumption for clothes and household linens. The notion of recycling into fibres or a finished product has become primordial, whether it is second-hand clothes by the kilo or trendy « vintage » clothing. If technical progress has enabled fabrics to be lightened, thus using less fibre, are we to lighten them even more given the global warming situation? This

possible penury of textiles should favour quality and durability over quantity. But what about fashion? Should we envisage an alternative where consumers will become designers and “personalise” a dress into a skirt and top?

The Manufacturing Process for Textile fibres and Waste Recycling

The impact of the textile and garment industry on sustainable development is very important and can be divided into three sections: environmental, economic and social. Taking a sustainable development approach, the control and optimisation of the raw materials and manufacturing processes is essential so as to limit their impact on the environment, especially to restrain the increase in the greenhouse effect, protect drinking water and control energy consumption. Fibrous material can be natural in origin (plant fibres, animal hairs and silk), artificial (cellulose transformed) or synthetic (mainly petrol-based). In all three cases the impact on the environment is important. The case of cotton merits particular attention in that it represents just under half of the textile fibres used but over half of those used for the garment industry. Cotton growing can have an impact in terms of reducing inequality and fighting famine while also presenting solutions such as the protection of bio-diversity and stopping desertification in the producing countries. As for the transformation process, we should consider the « incomings » and « outgoings » of the processes and evaluate their impact on the environment. Current research enables the calculation of an EKF (Ecological Key Figure) for each process according to the different levels of impact and notably the eq.kg of CO₂ emitted.

| PROCESS | INCOMING | OUTGOING |
|-----------|--------------------------------------|-----------------------------------|
| Milling | Fibres , energy, (water), air | Waste, dust, heat |
| Weaving | Energy, glue products | Effluents, heat |
| Knitting | Energy | |
| Finishing | Energy, water, chemical products | Effluents, greenhouse gases, heat |
| Non woven | Fibres , energy, (air, water) | Waste, heat |

Only incomings and outgoings that have a significant impact are mentioned

So, thread and yarn milling, the first operation in the process where the raw material arrives as a fibre that, depending on where it comes from, needs to be cleaned which means the use of mechanical and pneumatic methods, and even washing in the case of wool and animal hair. Dust treatment involves enormous amounts of energy in addition to that which is necessary to the process. Weaving also pollutes due to the need to glue the threads. This results in effluents and quite a lot of heat loss. On the other end of the scale, knitting is limited to the mechanical transformation of threads into textiles.

However, finishing remains the textile process that has the strongest impact in terms of the environment. A large amount of water is necessary in addition to high levels of energy due to the numerous treatments alternated with washing and drying. Drastic effluent treatment is also needed. Toxic dyes and additives are slowly being removed from the finishing processes and the level of control and checking is quite severe. Finally, according to the method used, the manufacturing of non-woven textiles can be either milling or chemical fibre production. In addition to the energy consumption, these methods need air and water. The energy level needed to go from fibres to textiles is nevertheless lower than that needed for the joint operations of milling and weaving/knitting.

Recycling is common in the textile industry and should be approached on a global level. While the chronology of the 3 R's (Reduce, re-use, recycle) should be respected, the second-hand clothes market in developed countries has resulted in an economic disaster and the quasi-disappearance of the local textile industry in developing countries. On the other hand, recycling, which entails reusing fibre and thread waste or textile seconds (clothes or waste pieces) to make technical products and notably sound-proofing materials, is a very interesting option and enables to limit the production of new fibres.

Vast numbers of companies have re-located from developed countries to developing countries in search of suppliers that ask no questions and often with the intention of escaping worker's rights constraints in Western countries. The two industries that were first condemned by NGO's for their use of sweatshops were the textile-garment industry and the toy manufacturing industry, but other sectors quickly followed suit. The ILO (International Labour Organisation) that was set up to define international labour norms, fixed an absolute minimum that every member state must adhere to since 1998. It involves the freedom of association, the right to collective bargaining, a ban on forced labour, equality of opportunity and treatment, a minimum age convention and a ban on the worst forms of child labour.

On the subject of child labour, the problem must be placed in the context of the country concerned. In a country like Sri Lanka, where the unemployment level is over 50%, child labour is rendered essential to the survival of some families. During the International Working Group on Child Labour in Kundapur in 1996 a declaration was made which presented the demands of the child workers themselves, where it transpired that they do not wish a total ban on child labour, they want it to be adapted, their rights to be respected and a fight against the pure and simple exploitation of children. They obtained an agreement on free time for educational purposes but their other demands were not met. A number of other references such as the SA 8000 norm added hygiene, safety and minimum wage to the ILO's minima.

Respect for fundamental rights is apparently not a spontaneous initiative of business. They change their approach under pressure from NGO's and public opinion so as not to tarnish their brand image. The majority of big companies now have in-house departments dealing with sustainable development and a code of good practice based

on the ILO's principles. However, social audits are often carried out by organisations that depend on the businesses and have little credibility. In addition there is no general marking system which makes comparison difficult.

To add to this problem, buying methods in big distribution companies have changed little. Deadline and price pressure prevent suppliers from really applying codes of good practice they are obliged to apply in theory. Finally, despite the formal condemnation by the ILO of countries such as Colombia, Belarus or Burma whose government "systematically practices forced labour with a total disdain for the human dignity, safety, health and essential needs of the Burmese people", companies continue to re-locate to Burma as the recommendations of the International Work Bureau are just that, recommendations.

This proves that corporate responsibility and ethics, to be effective, need a strict and unified legal framework that enables sanctions. This costs companies money, and the consumers in developed countries are not prepared to accept the extra cost. A big name brand only has to present twenty fair-trade ethically produced items among a selection of 135 000 others to satisfy the consumer's guilty conscience and improve the company's image.

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