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Prepare for New Environmental Standards in the Global Textile Value Chain

EivindStø and Marthe H. Austgulen*

The Briefing Paper provides a brief overview of the conclusion from stakeholder interviews in Norway conducted under the project entitled, 'A Study of Environmental Standards and their Trade Impacts: The Case of India' (SESTI). A strategic selection of stakeholders was made based on existing knowledge about the Norwegian stakeholders in textiles & clothing (T&C) sector. 18 interviews were conducted with 23 informants, out of which six represented businesses and their organisations; three represented design institutions, labelling institutions, and labelling organisations respectively; seven represented public authorities; and three represented NGOs.

A large number of active labelling schemes were identified, but it is at the same time difficult to find these eco-labels in the market. The Paper discusses the reasons behind this contradiction, where the lack of consumer demand plays a vital part.

Stakeholder Perspectives on Ecolabels and Environmental Standards

It is possible to identify a large number of environmental labels intended for T&C in the Nordic market. However, it is difficult to find labelled product in the shops. Which role do stakeholders play in the development and use of environmental standards for T&C? This question was discussed with all stakeholders, and a brief overview of the main results is provided below.

Role of Consumers

None of the informants argue that there is a substantial consumer pressure for more sustainable and eco-friendly solutions or ecolabels in particular. Firms like H&M and the Varner group says that there is an interest in the market, but that they would not call it pressure. This is confirmed by the labelling organisations, designers and the government representatives. However, it is possible to identify a willingness to pay for eco-labelled baby-clothes among consumers. For this category, products are available in the shops and the market shares are increasing. Some large global textile chains also experience that their sustainable fashion collections have been successful as a niche product.

The consumer survey will follow up this preliminary conclusion. An analysis will show if it is possible to identify consumer groups with knowledge, consciousness and willingness to pay for sustainable T&C.

Role of Environmental Organisations

During the last decades NGOs have played a substantial part in the development of Norwegian environmental policy. T&C seems to not have been on their list of prioritised tasks. This main conclusion is supported by interviews with all stakeholders.

However, this conclusion needs to be qualified. It is worth noting that the global textile chains internationally have been cooperating with several

* *National Institute for Consumer Research, SIFO, Norway*

NGOs and some have chosen to cooperate with WWF through the Better Cotton Initiative (BCI). Furthermore, it has been seen that other Norwegian business actors have been in sporadic contact with the Future in Our Hands (FIOH) and GAP Norway (Green Living). However, some of the businesses expressed that there seems to be a tension between the NGOs and the textile industry.

The Ministry of Environment supports GAP Norway economically, and argues that they play two important roles. First, inform consumers about the environmental effects of their consumption habits, and second, regularly test products from the market for harmful substances. GAP Norway is also one of the few stakeholders that are concerned about the amount of T&C being sold on the Norwegian market. This is reflected in their advices to consumers:

- avoid impulse shopping
- buy second hand or re-designed clothes
- buy quality products
- buy eco-labelled products

The FIOH is an organisation that traditionally deals with the environmental aspects of consumption. However, in context of T&C their main focus has been on workers' rights in the global textile market. Together with Change Maker and the Norwegian Trade Unions, they are leading the international Clean Clothes Campaign.

However, despite these activities undertaken by GAP Norway and FIOH, none of the other stakeholders interviewed in this project have emphasised pressure from these organisations or other influential NGOs when it comes to environmental standards in T&C sector. Therefore, the pressure from NGOs was regarded as limited.

Role of Eco-labelling Bodies

Ecolabels have played a significant part in Nordic consumer policy in the last 15-20 years. The Nordic Swan is well-known among Nordic consumers, and its market share is reasonably high in some sectors, such as household chemicals, tissue paper, paints and hotel accommodation. However, any break-through in the T&C market has not been witnessed so far.

It is possible to find a large number of various labels in the textile market, but the actual labelled products are limited. These labels may deal with environmental standards in general, such as the Nordic Swan and the EU-flower. They may focus on specific criteria such as organic production (GOTS), health related question (Øko-Tex 100) or fair trade criteria. In addition, it is also possible to identify a large number of other labelling initiatives, however the initiatives from the large textile chains is an interesting step.

The governance of the labelling regimes is discussed in Stø&Laitala 2011, and some of the labels are illustrated:

From the interviews, following conclusions were drawn:

- There is a jungle of sustainable textile labels, and it is difficult to understand the need and demand for these pluralistic alternatives.
- The knowledge of other labels other than the White Swan is limited.
- The official ecolabels in Norway, the White Swan and the EU-flower are strongly supported by the Nordic governments and NGOs.
- There is an on-going discussion within the official labelling institution, Ecolabelling Norway, about the criteria of the environmental standards, where the requirement for organic production is vital.
- The international textile businesses would either like to develop their own standards, or prefer global labelling regimes. For them, even the EU-flower is too regional in character.

Role of Political Authorities

Based upon interviews with three ministries and one government agency, some conclusions were drawn.

The national governments' scope of action in the international trade negotiations is limited through the agreement on Technical Barriers to Trade when it comes to proposing environmental standards for the production of T&C. However, the Norwegian government recently introduced a chapter on the environment and workers' rights to their negotiations on free trade agreements.

On the other hand, the government may support voluntary agreements, and this is the rationale behind the funding of labelling schemes like the Nordic Swan. However, the ministries supporting Eco-labelling Norway are not giving political signals to the labelling institution. Up until now, the government has not been much concerned about the production and consumption of T&C, in particular, as this policy area has been outsourced to the official eco-labelling body.

The political authorities could use public procurement more actively to increase the market for eco-labelled T&C. The government only need a confirmation that the product they are buying satisfies certain standards and an ISO I ecolabel will be able to document this.

Thus, main conclusion is that any substantial pressure from the government in this matter was not witnessed. The environmental impact of T&C has not yet reached the political agenda in Norway.

Role of Businesses

In regards to the textile businesses, the engagement for environmental standard seems to change. Despite the lack of pressure from consumers, government and NGOs, the T&C businesses are to a varying degree taking measures to enhance the environmental standards in their value chain.

This is confirmed both by the Norwegian Ethical Trading Initiative which helps several Norwegian firms to enhance and improve their work on CSR, by the Federation of Norwegian Commercial and Service Enterprises and by three large T&C firms.

Business engagement:

- H&M – use of organic cotton on specific collections and use of labels like the EU-flower and GOTS.
- The Varner group – has opened an office in Delhi mainly to work on CSR. They use labels like the EU-flower.
- Voice Norway – is much smaller than the other two, but is also increasing their focus on CSR.

An important finding is that firms are positive towards ecolabels in general, but are not convinced that this is the best solution for them. The firms are to a great extent acting on their own, i.e. promoting use of organic cotton which is not eco-labelled. This may be a result of the lack of consumer pressure.

What is motivating the firms when the mentioned pressure is lacking? Firstly, it is part of their general image building and reputation and they are looking to have a competitive advantages as far as both employees and consumers are concerned. Secondly, they also seem to prepare themselves for an increasing political pressure, from governments, NGO and consumers.

Conclusion

The main conclusion is that there is an increasing understanding of the environmental impact of the textile production among all stakeholders. However, compared with other sectors such as food, wood and paper, household chemicals and energy production, this consciousness has been limited.

The scenario, however, is gradually changing. Especially focus has been on the production of cotton where there is an increasing understanding among experts that the current situation must change, as is strongly emphasised by the sustainable design community, tendencies to change within businesses have also been witnessed.

The perception from the industry is that they are preparing themselves for substantial change in the near future. This change may come from the top: governments, EU, UN; or from the bottom: consumers, citizens and NGOs. However, this increased awareness, has not yet been manifested into promising actions. Furthermore, vital actors have been passive on this aspect.

Further, it has been difficult to identify strong consumer demand for substantial changes. The only exception is for baby clothes. On baby clothes, willingness to pay is large, and the market shares are increasing in Europe. Furthermore, the perceptions of the potential role of consumers vary substantially between stakeholder groups. Consumers may have a part to play, but in the current situation consumers have a few choices and their potential, as market actors, is limited.

The main responsible actor today is the textile industry and the global retailers. They have the possibility to change, and it is within these businesses that changes are taking place. There seems to be a competition between some of them in the green market, and this will stimulate other market actors.

There is also a common understanding that political authorities on national and European level have a part to play in this sector, as they have had in other strategic sectors, but it is difficult to regulate economic activities along a complex global value chain. Within the perspective of new governance, labels seem to be a relevant tool. However, it is easier to finds labels on the Internet than in the shops. This represents a challenge for the future.

There is definitely no good solution to the problem. Various actors do not agree on this matter, and their positions reflect their interest. There are strong arguments for international standards. However, it takes time to develop such standards also as an international recognised label. National and regional labels are trusted and well-known by consumers, but are opposed by other stakeholders.

There are reasons to believe that initiatives taken by the large global actors will set new environmental standards. These standards will have to be taken into account by all markets actors along the value chain. Whether these standards will be sufficient to meet the environmental challenges of the textile sector, is another question to be dealt in near future.

It is also an open question if consumers will trust labelling schemes developed by the industry alone. This strategy makes it harder for the consumers and consumer organisations to check if the firms actually take the environmental measures that they claim to do.

Appendix A: List of Informants	
Businesses and Their Associations	
Hendrik Alpen	Hennes & Mauritz
Emma Norman and Fredrik Andersen	Voice Norway
Annabelle Lefebure	Varner-group
Kari Römcke	Federation of Norwegian Industries
Bror William Stende	The Federation of Norwegian Commercial and Service Enterprises
Design Institutions	
GisleMardal	Norwegian Fashion Institute
Tone SkårdalTobiasson	NICE (Nordic Initiative, Clean and Ethical)
KjerstiKviseth	2025design (Cradle to Cradle Partner)
Labelling Institutions	
Elisabeth Tosti	Global Organic Textile Standard (GOTS)
Marianne B. Eskeland	
AinaSeland	Ecolabelling Norway
Political Authorities	
LisbethBjone, EskilHavgar, andKjerstiLarssen	Ministry of Children, Equality and Social Inclusion
Erik Andreas Underland	Ministry of Trade and Industry
Jan PetterBorring and BenteNæss	Ministry of the Environment
Monika Lathi	Climate and Pollution Agency
NGOs	
Maiken Pollestad Sele	Oikos – Organic Norway
MagnePaulsrud	Ethical-Trading Initiative Norway
Tone Granaas	Global Action Plan (GAP) Norway
Scientific Community	
Arne Melchior	Norwegian Institute of International Affairs

Appendix B: Interview Guide
Interview Guide, Sustainable Textile Standards

Introduction

- Short presentation about SIFO and the organisation interviewed
- How do you consider the environmental challenges from the production and consumption of T&C? Is this an increasing problem or was it a more challenging problem earlier?
- Which considerations regarding design is taken (or should be taken) regarding use period, technical quality, waste in production, recycling etc.?

The organisation/company's role related to environmental standards on T&C

- What relationship does your organisation/company have to the different environmental labels designed for T&C?
- What does your organisation/company do to increase the environmental standard on T&C?
- Can you say something about which costs and benefits the different environmental standards and labels entails for your organisation/company, and how this affects your actions?
- In your view, is it profitable for companies to work for and to promote higher environmental standards on T&C?

Environmental Standards and Environmental Labelling in the (Norwegian) Debate

- Can you describe the cooperation between companies, environmental organisations and governmental institutions regarding environmental labelling and requirements to environmental standards on T&C?
- Is it challenging to define the environmental standards for T&C? If so, what are the challenges (technical, economical and/or cultural?)
- Is it possible to identify differences between government funded and private labelling schemes?
- How are environmental standards organised and administrated in the textile industry?
- Do you think Scandinavian/European consumers would be willing to pay more for T&C with a form of environmental label?
- Do you perceive environmental labels on textiles to be a priority for the (Norwegian) government (and/or the EU)?
- Does the Norwegian government priority environmental labels on T&C higher or lower than other European countries?
- Could you say anything about which (Norwegian) non-governmental organisations that has been active in the debate regarding environmental labels?

Relationship to India/Country of Origin

- Which relationship/connection do you have to the producers of T&C (in India)?
- How do you secure that the standards and requirements are being followed? How do you ensure that your partners are following your guidelines?
- Which requirements do you have for quality control of the products and who tests them?
- In your view, does environmental labelling function as a trade barrier or as a facilitator for trade?

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