

## **A SUSTAINABLE TEXTILE INDUSTRY CAN HELP A LONG WAY IN REDUCING CARBON EMISSIONS AND ERADICATING POVERTY.**

“A sustainable textile industry can help a long way in reducing carbon emissions and eradicating poverty.” said Shailini Sheth Amin, Founder and CEO of MORALFIBRE. It is an internationally recognised social enterprise that is promoting ‘almost carbon neutral’ and socially sustainable fabrics in India and abroad.

The Indian govt. has agreed to fully support the reduction of carbon footprint at the Copenhagen Meet on climate change starting from 7<sup>th</sup> Dec 09. We have agreed to become a part of the solution rather than the problem. India's total emissions are the fourth-largest in the world, after the United States, China and Russia, though its per capita footprint remains as low as 1.2 tons annually, compared to 20 tons in the United States and the world average of 4 tons.

The very low Carbon Footprint is also a measure of the poor living condition of people. India has, in fact, bigger challenges. They are in the field of creating social sustainability and equality. Why India is prospering and Indians do not? More than 86 billion people in India, even today live in abject poverty. The solutions lie at the grassroots level and in the villages

Indian Textile Industry is the second largest provider of employment after agriculture. It is also considered one of the lower paying industries, especially in the unorganised sector which is in the majority. The industry as whole contributes about 11 percent to industrial production, 14 per cent to the manufacturing sector, 4 percent to the GDP and 12 per cent to the country's total export earnings. It provides direct employment to over 33.17 million people with a total market size of US \$52 billion (\$32 billion as domestic household consumption and \$20 billion as exports). Market size potential for the industry is envisaged at USD 110 billion by 2012. This would create 12 million job opportunities - 5 million direct jobs in textile industry and 7 million jobs in allied sectors.

### **INDIA HAS TO FULFILL ITS FUNDAMENTAL SOCIAL RESPONSIBILITY- WITH OR WITHOUT GLOBAL PRESSURE.**

“We believe that new growth in the textile industry can be achieved without costing our natural resources and harming the environment and by including the well being of millions of people who are working in the industry. By promoting the textile industry in an environmentally and socially committed way, India can emerge as a world leader - increase its respectability and its market share globally.” says Amin.

### **TRANSPARANCY IS THE KEY**

The inherent transparency of Sustainability Principles and guidelines help create environmental and social sustainability and equality. It encourages tracing the roots of each product and process from farmers, to spinners, weavers, dyers, printers and to manufacturer as well as traders and what happens to people and its impact to the environment in the process. The textile industry can take a lead in becoming a clean and fair trade industry which will help millions of workers in the textile industry living a life of dignity and well being.

We do not have too far to see a success story. Sri Lanka, in a short period of time has shown a remarkable readiness for ethical commerce. Their ‘Garments without Guilt’ programme encapsulates the one million-strong Sri Lankan workforces’ mission and pledge to create world-class apparel products under globally set ethical business standards. The world-renowned certification agency, SGS, has certified over 100 manufacturing plants in the past year - a rare achievement for any industry-attaining triple digit certification in one go.

The ‘Garments without Guilt’ movement has been further strengthened by the continuous support and guidance shown by its global business partners such as Marks & Spencer and Gap, among

others. The recently launched \$1 billion Green Factory project by country's top three apparel manufacturers: Brandix, MAS and Hirdramani is a testimonial of the garment industry's commitment towards partnering their global partner M&S in building a cleaner and greener tomorrow under M&S's Plan A - their Corporate Social Responsibility -CSR program.

Whilst the program builds global recognition for the Sri Lanka Apparel , the industry recently launched the **Abhimani program**, aimed at building a sense of pride and ownership towards what they do best, and do ethically. It is set up for the 1 million direct and indirect workforce members, out of which 80% are women. The program aims to touch the lives of garment workers at the grass roots and individual level.

But like all pioneering initiatives this commitment to ethical commerce comes with a cost, a cost to continuously invest in enhancing people skills, processes, machinery and better environmental safety standards. This is an investment that the members of Sri Lanka Apparel and their international buyers are willingly absorbing to gift the world Guilt-free clothing. No wonder then, in times to come Sri Lanka will emerge as the preferred destination for ethical apparel sourcing in Asia Pacific region. This realization is inspiring other regional players like Apparel Singapore to follow the league.

#### **FOR SUSTAINABLE TEXTILE INDUSTRY IN INDIA**

SA 8000, known as Social Accountability 8000 is the international standard for management systems, primarily dealing with the working conditions. The principles of SA 8000 include no child labour, no forced labour, health and safety of workmen to be ensured, freedom of association and right to collective bargaining to be respected, no discrimination on the basis of sex, religion, caste, etc., no unjust disciplinary practices, working hours not more than eight hours per day, fair compensation (wages) and management systems to be in place to monitor the implementation of the standard

Considering the issues relating to Indian needs we should also include in the list land reforms, labour reforms for cotton farmers, set up teams – clusters- in unorganised sectors, reduction of carbon footprint at all stages of industry, reduce the use of chemicals and pesticides that are harmful to the environment, workers and people, investment in innovation, research and management practices, promote equality and say 'No' to corruption and transparency in wages, practices and systems

#### **NEW SHOOTS - THE GOOD NEWS!**

In India, according to available estimates, there are 58 (Worldwide Responsible Accredited Production) WRAP certifications, 111 SA 8000, and more than 125 (Foreign Trade Association of the German Retail Trade) AVE audits. Besides this, many manufacturers are also keeping up with regular monitoring under code of conduct with specific buyers. GAP is working with over 100 factories, H&M with nearly 60, Kellwood about 40, and Tilburg with around 50 factories for ensuring compliance for their buyers. It is estimated that exporters with a turnover of more than Rs.50 crore are being monitored for compliance and such exporters account for more than 75 percent of exports from the country.

"MORALFIBRE is an emerging brand that is successfully carving its niche in the world of textiles." says Amin. "Our motto is ***Clothing with a Conscience***. Mahatma Gandhi first introduced the connection between ethics and clothing to India. He promoted Khadi to support millions of spinners and weavers who lost their livelihood when the British banned Indian fabric to promote their British made mill cloth. Our fabrics are of high quality using advanced level of hand-spun, hand-woven technology. They are 'almost Carbon Neutral' and allergy free. Today when the concerns about Global Warming and Climate Change are growing, MORALFIBRE is a unique way of fabric making, clean energy initiative aiming to have far reaching economic and social benefits. A purchase of MORALFIBRE products is a step towards creating a 'Zero Poverty World'; eliminating poverty and malnutrition without harming the environment."

## **CHALLENGES**

Indian textile and garment exporters stand to gain from adopting social compliance practices in terms of healthy, empowered and more productive labour. The big warning is that these gains may be overshadowed by the potential misuse of these standards and difficulty of choice emanating from multiplicity of standards. To keep pace with the global happenings and upliftment of India's image on the international map, the social compliance issues should be handled with dexterity both by policymakers and the exporters.

## **TRIPLE BOTTOM LINE**

The most iconic American economist, Milton Friedman, wrote in 1970 that "A corporation's only moral responsibility was to increase shareholders' profits." This was followed by many businesses and corporations in the US and other Western countries. This approach is now called 'Extreme Capitalism' or 'Selfish Capitalism'. It appears that the days of this predatory capitalism are being challenged.

The idea of Corporate Social Responsibility (CSR) is revolutionising the way we work and live. This awareness has received a widespread acceptance. The most progressive companies are talking about, not a bottom line but 'a triple bottom line — PROFIT, PLANET AND PEOPLE. This focuses on how to run a business while trying to improve the environment and worker conditions.

## **WE ARE ENTERING A PERIOD OF BIG SOCIAL CHANGE AGAIN.**

'In 1947, India viewed itself as a 'moral superpower'. It was ahead of other Third World countries in achieving independence and was only significant colony to have freed itself through largely peaceful means. The unique qualities of India's freedom struggle and the deep charisma of Mahatma Gandhi inspired people around the world.' said Edward Luce, in his book 'In spite of the Gods'.

This is one of the rare moments in the history where good business and being a good human being go hand in hand. Not only that, it makes a good business sense. This is very significant for entrepreneurial drive we Indians have. We can live with 'rational self interest' and not greed. We can give back to the community through our work and not by acts of religion based and random act of charity. This is the time to look at ways to optimisation of profit rather than maximising the profits at the expense of everything.



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07/12/09

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