



International
Labour
Organization

► **A Just Transition in the textile and garment sector in Asia**

Decent Work in Garment Sector
Supply Chains project

Key points

- ▶ A Just Transition for the garment industry in Asia is critical as the sector seeks to recover from the impacts of COVID-19 and transforms as part of a critical decade of action for achieving the Paris Agreement and the Sustainable Development Goals. This transformation will alter the future of work in the sector.
- ▶ Across the production centres of Asia, there is a pressing need for economies to seriously analyse the impacts and opportunities presented by de-carbonization and increased social and environmental sustainability in the sector and to collaborate to actively shape the role the region will play in the sector going forward.
- ▶ The process of a Just Transition – achieving sustainable transitions in a way that is “just” to the workers and communities involved, ensuring no one is left behind – is a guiding concept for the transformation that the sector will experience. The policy and social dialogue processes for Just Transition planning provides a useful guide for structuring actions and investments to enable the ongoing sustainability of the sector.

Recommendations emerging from cross-country analysis for sector stakeholders include:

- 1. Build knowledge, capacity, and tripartite mechanisms with constituents for Just Transition planning** - Constituents have a strong interest and collaborative mindset to address transition challenges, when given the information and time to understand and contextualise this learning to their own context. Continued social dialogue, together with the establishment of tripartite committees or taskforces, are needed for the implementation of Just transition Planning.
- 2. Develop standards and harmonise environmental and other sustainability regulations and provide peer learning opportunities** - Demands by international brands, buyers and sourcing countries for increased environmental performance provides an opportunity for harmonising environmental and other sector related regulations across the region (for example on minimum wages) and building shared learning activities.
- 3. Promoting investment, incentives and enabling ecosystem for the uptake of innovation and technologies for resource efficiency, cleaner production, and higher productivity** – Mainstreamed environmental sustainability activities require a wider ecosystem of actors and expertise, an ecosystem approach needs be developed to systematically address challenges and drive system-level change in the sector.
- 4. Identify opportunities and project activities that can tap into intrinsic/internal motivations for sustainability in enterprises** - Identifying ways to tap into and encourage this intrinsic and internal knowledge and motivation in enterprises provides a way to catalyse action at the enterprise level.
- 5. Develop networks and individual and enterprise capacities for inter-organisational collaborations** - Collaboration and capacity building is an essential capability for just transition. Deep supply chain collaboration, especially linked to new innovations and technologies that enable visibility of each participant in the supply chain, can contribute to transparency and further sustainability innovations.

► The need for a Just Transition in the textile and Garment Sector

The garment supply chain is one of the most complex and globalized supply chains of any merchandise or commodity. The sector was one of the earliest to globalize and textile and garment production has played a unique and defining role in the economic development of many nations, especially nations in Asia.

Over the last 30 years, the sector has created millions of jobs, mostly for women and in the formal economy. The sector has provided opportunities for rapid industrialization with associated economic development and internationalization through trade, assisting low-income countries to become middle-income countries and bringing millions of people out of extreme poverty. However, the negative environmental impacts of the sector are pronounced, including the resource intensity of production – energy, land, water and chemicals – and the creation of waste streams – wastewater, solid waste, toxic waste and air emissions.

The social impacts are also mixed. Although the sector has provided additional employment, most of that employment is defined as low-skilled and low-wage; the work is associated with high levels of overtime, poor working conditions, gender inequality and gender-based violence and harassment; and there are limited opportunities for career paths and skills development that could lead to more secure and better paid employment. The sector includes vast numbers of people in “working poverty”, workers who cannot earn enough income to cover their basic household expenditure (Anner 2020a, United Nations 2020). There are also many workers in the supply chain, mostly women who continue to work informally, typically through piece-work conducted in their homes.

The precariousness of the sector was already being highlighted before the pandemic but was further demonstrated with the employment and enterprise losses associated with COVID-19. Today, impacts of the pandemic are still evident in the sector, with workers, and predominantly women workers, suffering the most.

Across Asia, the sector is a transformation point, and there is a pressing need for economies involved in production activities to seriously analyse the impacts and opportunities presented by decarbonization and achieving the sustainable development goals (SDGs) as shown in Figure 1. The sector needs to collaborate and actively shape the role the region will play in the sector going forward.



Garment factory in Vientiane, Lao PDR. ©ILO/Mongkon Duangkhiew.

The process of a Just Transition – achieving sustainable transitions in a way that is “just” to the workers and communities involved, ensuring no one is left behind – is a guiding concept. The policy and social dialogue surrounding the Just Transition planning process provides a useful guide for structuring assessment, actions, and investments to enable the sustainability of the sector going forward.

What is a Just Transition?

The drive towards the transition of our global economies to ecologically sustainable systems creates significant changes in the world of work, with these changes expected to accelerate further in the coming decade. For the labour market, these changes include: the creation of new green jobs and new industries; minor to major changes in existing jobs and occupations with the addition of new skills and practices; and the phase-out of some jobs and occupations associated with carbon-intensive activities. Whilst positive changes to employment and economic output are welcome and anticipated, negative impacts may induce fear and generate resistance, slowing or even jeopardizing the green transition. Furthermore, these changes to employment and their consequences are not shared evenly across geographies or sectors, with concentrations of people and communities advantaged and disadvantaged by the green transition due to the carbon intensity and environmental harm of existing industrial activities.

A Just Transition ensures that while working towards a more ecologically sound economy, we also plan for positive outcomes for those communities and people negatively affected by global and national efforts to decarbonise. This means that for people in jobs and occupations that decline or are phased out, there are pathways mapped to other viable and decent employment, and that social protection is accessible for the people concerned.

This also applies to workers, enterprises and communities that are affected by current and forecast future climate change impacts such as extreme weather events (storms, heatwaves), changes in rainfall patterns (floods and droughts) and slower onset activities such as rising temperatures and sea level rises. To cope, people need protection and assistance as they adapt to these increasing impacts and change to new jobs and more resilient business practices.

The *ILO 2015 Guidelines for a Just Transition towards environmentally sustainable economies and societies for all* highlights that the greening of economies and work will require “a country-specific mix of macroeconomic, industrial, sectoral and labour policies that create an enabling environment for sustainable enterprises to prosper and create decent work opportunities by mobilising and directing public and private investment towards environmentally sustainable activities” (ILO 2015 p.6).

Identifying and implementing this country and sector- specific policy mix for the textile and garment sector will be challenge. In practice, many stakeholders across the sector are grappling with the industrial and employment dimensions of climate action – whereas emission reduction trajectories are being mapped for countries through their Nationally Determined Contributions (NDCs) and associated development planning processes and policies, these are operationalized only slowly at the sector level. Brands, international buyers, and increasingly sourcing countries are introducing or strengthening their environmental sustainability requirements for suppliers, especially around emission reduction. Without associated planning and capacity building in these production countries, - informed by social dialogue – these actions run the risk of further entrenching existing inequalities and power structures, and not resulting in a transition that is just.

This Brief is structured as follows – the next section overviews the environmental impacts of the sector, including carbon emissions, detailing the impacts of the sector and the scale of transformation required to achieve sustainability. Following sections then look at the existing transformative capacity in the sector – through existing initiatives, innovations and regulatory systems that can manage these environmental impacts. The final section then details the emerging processes of Just Transition planning processes in four production countries – Bangladesh, Cambodia, Indonesia, and Viet Nam. The Brief ends with recommendations for sector stakeholders to take forward these Just Transition planning processes across the region.



Environmental impacts of the sector

The textile and garment sector has significant negative environmental impacts. These impacts are concentrated at certain points in the supply chain, particularly in the following areas:

- weaving, dyeing, and finishing processes in textile manufacturing
- energy use throughout the supply chain, but concentrated in textile manufacturing and to a lesser extent in garment assembly
- textile waste associated with garment assembly
- transport emissions throughout the supply chain, as materials and then final products are shipped globally
- use phase of garments and its final disposal; as garment consumption increases and individual garment use declines, this impact is increasing.

The most significant impacts, however, are within the first two areas, with the main impacts deriving from the intensity of water resources use, chemical use (including toxic chemicals), wastewater discharges and lack of treatment processes, as well as energy use and the carbon intensity of electricity used.

Textile manufacturing is very water and chemical-intensive. The growth and sustainability of the sector is highly dependent on how resources are managed. The textile industry in general has an enormous water footprint ranging from agricultural water consumption for cotton farming, to water consumption in textile printing, dyeing, and finishing. The sector is one of the largest users of fresh water in the world, consuming an estimated 79 billion cubic meters of fresh water annually across the entire value chain (United Kingdom 2019). As textile production is prevalent in countries that already have insecure water supplies, water crises are forecast in several textile-producing countries.

The sector is also responsible for severe water pollution by discharging large volumes of wastewater containing hazardous substances into rivers and water courses without appropriate treatment. It is reported that 20 per cent of industrial water pollution globally is attributable to the dyeing and treatment of textiles (EMF 2017).

Moreover, the increase of fast fashion has stimulated demand for cheap and low-quality goods. Both the growing volume of garment production and how these garments are used and disposed of have resulted in increasing climate change impacts stemming from the garment sector. Between 2005 to 2016, the carbon emissions of various production stages in the apparel sector increased by 35 per cent and is projected to continue to increase under a business-as-usual scenario driven by shifts in materials used, consumption habits and production locations (Quantis 2018).

The carbon footprint from the sector is significant, with calculations estimating the sector accounts for more than 8 per cent of total global emissions (Quantis, 2018). The carbon intensity of production is directly related to the carbon intensity of electricity supply in production countries. Over 60 per cent of textiles are used in the garment sector, and a large proportion of garment manufacturing occurs in China and India, where coal and natural gas are used for electricity and heat production. This increases the carbon footprint of each apparel product.

The Paris Agreement sets out to limit global warming to less than 2 degrees above pre-industrial levels, with the preferable target of limiting warming to 1.5 degrees. The emission reductions associated with achieving this goal are significant – to reach this target, global emissions will need to decline by about 45 per cent (on 2010 levels) by 2030 and be at net zero by 2050.

Garment sector stakeholders came together in 2018 to commit to climate action through the United Nations Framework Convention on Climate Change (UNFCCC) Fashion Industry Charter for Climate Action. Signatories to the Charter commit to 30 per cent greenhouse gas (GHG) emission reductions by 2030 (from a 2015 baseline) and net-zero emissions by 2050.

– Realizing this 30 per cent reduction in the sector's emissions is a significant challenge as it would require a reduction of more than half a billion tonnes of carbon dioxide across the sector per year by 2030. System-level changes in the production and consumption of textiles and garments will be required and will impact on how and where garments are produced and on the employment associated with this production.

The implications for decarbonization in the sector, and the ambition and timeline for this decarbonization to contribute to the Paris Agreement and commitments in the UNFCCC Fashion Industry Charter on Climate Action, are becoming clear. What is less clear are the adjustments that need to be made to reduce emissions to working processes by manufacturers in Asia and along their supply chains. The production and manufacturing of fibres, textiles and garments are where most carbon emissions accrue, and therefore it will be these processes and activities that need to decarbonize primarily. Decarbonization activities will focus on switching to cleaner, more efficient energy sources – including renewable energy – as well as reducing the energy intensity of production (for processes using heat and steam).

Decarbonization of the sector will be closely related to the clean energy transition (ILO:2021c). Encouraging energy efficiency and switching to renewable energy sources, such as solar, hydro or wind power, can significantly reduce emissions and improve the sustainability of textile production. Although there is growing pressure and scrutiny on major international brands and their decarbonization plans, it is these together with national ambitions and strategies for clean energy transition, that will drive energy-related emissions reductions in the sector. This requires energy efficiency incentives and standards, as well as broader sustainability strategies for gender equality, circular economy and natural resource conservation and regeneration.

According to ILO (2022c), to ensure a just transition in the textiles sector, the shift to circularity must be accompanied by tackling long-standing decent work deficits arising from intense pressure on producers to shorten lead times. This results in lower prices, costs kept to the lowest possible, and poorly enforced or non-existent environmental and labour standards. Existing circular business models around repair, recycling and resale tend to have a high level of informality, low wages and insecurity. In order to achieve a just transition, such systemic inequalities must be addressed and progressively eradicated.

Regulation and enabling ecosystems to support sustainability

Environmental regulations provide both protection for environmental assets and the livelihoods of communities that depend on these assets. Environmental regulations ensure the protection and conservation of the environment and natural resources in the process of industrial and infrastructure development, and they are a key mechanism in managing natural resources for sustainable development.

The presence of legal requirements for environmental assessment and other management activities does not necessarily translate into reduced environmental impacts. The effectiveness of environmental regulatory systems is dependent on the scope of activities, the capacity of participants, the processes for scrutiny and follow-up monitoring and enforcement, as well as the degree of participation and influence that relevant stakeholders can have in the regulatory process and subsequent approval, and ongoing monitoring and report for resource licensing (for example, water licensing).

The *Effective Regulations* stream of Outcome 4 (see end of this Brief for an overview of the components of Outcome 4) highlighted areas for improved regulatory development in each of the four project countries – Bangladesh, Cambodia, Indonesia, and Viet Nam. This includes addressing issues of law, but also access to technical skills and experience for regulated environmental management activities, the availability and quality of baseline data to identify and quantify environmental impacts and enhancing awareness and experience of industrial proponents for environmental management activities and the importance of these activities in mitigating environmental impacts for sustainable development.

Regulatory infrastructure sets minimum performance standards, but a broader ecosystem of actors and activities is important for enhancing sustainability in the sector, and there are many levers in creating this supportive ecosystem.

Government plays a prominent role in creating this system not only from a regulatory perspective but also by creating new markets for environmental management products and services, providing incentives to enterprises and other stakeholders to pilot and implement new technologies and processes, and to train and develop new environmental management professionals. They also have a lead role in developing the educational and learning structures both through formal training and skills development activities (or creating the institutions and demand for these activities) and soft knowledge infrastructure such as inter-organisational networks that broadly diffuses the knowledge and skills.

The public sector can also play a significant role in understanding and de-risking learning and investment in technical solutions for environmental sustainability by using regulation and incentives as well as other knowledge intensive activities to support enterprises in identify and adopt environmental management solutions that suit their context and circumstances.

There are significant opportunities for policy learning and capacity building through regional knowledge sharing of best-case policy mixes for environmental sustainability both from within the four country case studies, and the wider regional and indeed across all countries involved in the production and consumption of textile and garments.

Collaboration across the sector, including forms of collaborative or networked governance are also needed to create a supportive ecosystem for environmental sustainability. Individual actors may provide isolated cases of best practice, but sustainability will only be achieved when these activities are mainstreamed and common. Network

governance systems offer an avenue for mainstreaming actions. Network governance works from the understanding that governments alone cannot deal with the complexities of sustainability because solutions require access to a broader range of knowledge, experience, and action (such as from industry, enterprises, workers, and civil society) to achieve change. Therefore, new, and existing coalitions of these actors, brought together through dialogues, forums or specific programs and projects can provide ways to develop this network governance, although the processes of representation, participation, sustainability orientation, access, knowledge sharing, and implementation all need to be considered as they impact on the success or otherwise of governance arrangements (Neweg et al 2018).

There are important roles for non-governmental organisations, including international organisations, in supporting demand for environmental activities in the sector. On the supply side, they are also providing and/or subsidising the piloting and learning processes involved with adopting more environmentally sustainable technologies and processes.

A key question for NGO and international organisations is how to upscale this learning from one-off, individual pilot programs into learning that can improve environmental performance in the sector more broadly. The answers will be different for international organisations such as the ILO that have a normative mandate for supporting change.



Figure 2: Stakeholder workshop. © ILO/Samantha Sharpe 2022

International trade agreements are also providing pressure for increased environmental performance; enabling increased environmental management, and increased performance over time will be critical to the continuing international competitiveness of the sector. In implementing these agreements sourcing countries need to ensure that the capacity to comply with these standards is widely available in the sector. Insufficient and non-compliance can contribute to increasing inequality and power asymmetries in the sector, which can have negative consequences for environmental and social sustainability ambitions.

Environmental initiatives and multi-stakeholder platforms

There are many initiatives and forms of private regulation that are focused on social sustainability (including decent work criteria such as adequate wages and compensation, non-discrimination, workplace safety and freedom of association) and environmental sustainability (environmental regulatory compliance, phase-out of hazardous chemicals, water efficiency and waste water treatment, and energy efficiency and carbon emissions reduction).

Social sustainability efforts have had a longer period of operation, and recent analysis shows that these efforts have not translated into widespread improvements in the sector (Kuruvillea 2021). Environmental efforts have also been unable to stem widespread environmental damage in the sector (Ortmann 2017, Niinimäki, Peters et al. 2020, ILO 2021a).

There is a great deal of diversity in these initiatives, including differences in their focus, the actors involved, who the beneficiaries are, the longevity of the activities and how they define and measure success. For many stakeholders in Asia the number and diversity of initiatives is confusing.

Sector-based initiatives have an important role to play in coordinating sustainability activities across the textile and garment sector. These initiatives represent a form of sectoral governance mechanisms – setting out what is good practice and how to achieve these practices. However, there are limits to these mechanisms – by design they are limited in reach, coverage and focus, and this is before implementation metrics are considered, of which there are minimal data available in the public domain. There is little focus and coverage for micro and small and medium sized enterprises (MSMEs and SMEs). This is a clear gap – as well as an opportunity and direction for future work. Further, while the sentiment for enhanced environmental sustainability exists, measures that can drive implementation at the scale and pace required for industrial transformation have not been developed or resourced.

There is a limit to what individual projects and initiatives can achieve, and with limited opportunities for meta- learning (learning that looks across multiple projects and initiatives to understand and reflect on what has been learnt from in different contexts and then applies this learning into future projects/ initiatives) and longer term funding and investments, we will continue to see ad hoc and limited impacts from these individual projects and initiatives (ILO, 2021a).



A weaver operates a loom to produce a rug. © ILO/Byamba-ochir Byambasuren

Stimulating transformational eco-innovation

Eco-innovations are innovations that have positive environmental impact. Innovations need to make business sense and productivity gains can be part of the benefits (e.g. less chemical processing, faster production) but reduced environmental impact is the aim. Different from the most used term of 'cleaner production', eco-innovations have different barriers and enablers that are separate from those that drive productivity gains.

Innovation in the textile and garment sector also needs to include transformational innovation. Transformational innovation is radical innovation that extends to all aspects of the system. As was noted earlier, to achieve the Paris Agreement and the SDGs system-wide changes will be required in textile and garment production and consumption. On the consumption side there are already proposal for garment circularity and stewardship (for example the EU Textile Strategy) that would change the quality and quantity of garment production. What enables this transformative innovation to occur in a complex supply chain such as the textile and garment supply chain? Where does this innovation stem from, and is it possible to encourage and plan for these transformations?

Work completed as part of Outcome 4 of the DWGSSC *Supporting Eco-innovation processes* demonstrated that for firms that undertake eco-innovations – incremental or radical - intrinsic motivations for sustainability by key decision makers are critical. The decision-makers could be managers, owners, or key staff members that were able to see the benefits of sustainability and overcome organisational inertia to develop and implement new practices. Identifying ways to tap into and encourage this intrinsic motivation in enterprises provides a way forward for developing environmental sustainability in a range of enterprises across the supply chain (ILO, 2022a).

This motivation develops within a context of awareness, developing a foundational knowledge base of what environmental sustainability is, why it is important and what options are available to individuals, enterprises, and other sector stakeholders to encourage it.

Awareness can be achieved in either a bottom up/ incremental way, or top down/ strategic way - although the presence of both has been needed for sustained progress on environmental sustainability. Strategic planning that incorporated goals for environmental sustainability was more associated with larger, more well-resourced firms, and much more difficult for smaller firms who are on the threshold of viability.

In terms of developing enterprise-level processes for environmental sustainability, most stakeholders saw the role of brands and buyers to pay more for sustainable produced product, rather than mandating standards.

The lack of availability of skilled professionals to both advise and implement environmental sustainability programs and activities across the sector also limits the creation of this knowledge base. The skilled personnel shortages are evident not just in enterprises, but also in other related and supporting institutions throughout the sector including in the public sector, in non-government organisations, trade unions and among the broader pool of workers in the sector (ILO:2022b).

In addressing these skilled personnel gaps, developing and targeted policy and programs to train and upskill women to take up these roles offers another avenue of achieving a double dividend of enhancing environmental sustainability as well as achieving gender equality. How these skills and activities are brought to market also need to be understood, as this could provide an opportunity to bring smaller enterprises and different enterprise types, such as not-for-profit or collectives into the knowledge economy to support the textile and garment sector.

Garment enterprises across the four focus countries are examining similar eco-innovation opportunities in the sector, providing opportunities for regional level knowledge sharing and capacity building, but the specific identification and implementation of opportunities also depends on the context specific expertise and technological availability in each country's garment sector. (ILO:2022b). This is especially the case when eco- innovations require shared or common larger infrastructure investments, such as textile collection and recycling facilities, grid availability in the case of renewable energy, centralised water treatment facilities and waste and re-use and remanufacturing activities for the circular economy.

The existence of a supportive ecosystem for eco-innovation is also critical for progress at both enterprise and sectoral level. There are many actors in the sectoral innovation system including enterprises, workers, their respective organisations, universities and research and development agencies, but also governments (especially when supporting or de-risking innovations, or providing key innovation networks), entrepreneurs, and other civil society actors.

Innovation in small and medium enterprises

Changes in production and consumption systems – such as the circular economy, which calls for the slowing and closing of production and consumption cycles – can add to demands for near-shoring or on-shoring of textile and garment manufacturing closer to where consumers are located. This may especially be the case when production is coupled with increased after-sales services to consumers, such as repairs and second-hand sales. Collaborative partnerships are crucial to the development of sustainable business models for circular supply chain management that lead to reductions in raw material utilization and waste generation (Nosratabadi et al. 2019). This also requires a shift in mindset towards “designing out waste” and seeing “waste as a resource” (McDonough and Braungart 2002). Such a shift would offer many possibilities for adding value to material resources and support greater transparency throughout supply chains.

Regenerative business models are being adopted by many sector enterprises, but they are predominantly SMEs. These businesses develop their relationships and responsibility through conscious leadership and agile organizational development. The enterprise focus shifts from the short- term, transactional interactions for economic gain that are commonplace in conventional compliance-based business models, to one that is value-adding and co-creates

mutually beneficial partnerships with all stakeholders, including employees, customers, shareholders and local communities and natural ecosystems. This regenerative way of being and doing business aligns its values with ethical and sustainable practices, such as corporate social responsibility and circularity, and this reciprocal relationship with people and the planet helps ensure the long-term viability of the organization and surrounding ecosystems.



Figure 3. Stakeholder workshop for Just Transition planning Bangladesh.
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The need for a Just Transition in the sector

The scale and pace of system-wide change in textile and garment manufacturing that is required to meet targets for climate action, as well as manage existing climate change impacts, will translate into significant changes in the world of work. These impacts will include changes in the technological intensity of the sector, and therefore increased demand for financial capital and demand for new skills and knowledge. This, in turn, may potentially lead to less overall demand for labour in the production process. Other impacts could include changes in the volume and types of garment product and changes in the longevity and use of garments.

These impacts will not be evenly distributed – just as in the case of the environmental impacts of the sector, climate change and climate action impacts will also concentrate in certain areas or “hotspots”, many of which will be in the Asian region. Further work is needed to analyse the impacts of decarbonization in these areas of the supply chain, and to assess responses and mechanisms to manage these changes (ILO:2021d).

It is important to highlight that the impacts of a lack of environmental sustainability in the sector fall disproportionately on the most vulnerable participants in the sector and the wider society in which the sector operates – this is women and marginalised groups. The benefits of enhancing environmental sustainability are closely linked to and can mutually benefit achieving and driving gender equality if opportunities for just transition are also aligned with achieving gender equality.

Planning for a Just transition

Planning for a Just Transition requires a good understanding among constituents and other sector stakeholders of the following issues:

- what does a just transition entail?
- how will the decarbonisation process within the textile and garment sector unfold?
- what activities need to be undertaken?
- what knowledge and information is needed for decision-making?
- how is decision-making taking place?
- how will social dialogue mechanisms be used to inform these decisions?
- who are the actors and institutions that need to be involved?
- what are their roles and how are they to be resourced to undertake these roles?

Many enterprises and stakeholders across the four focus countries discussed the low level of awareness of environmental sustainability, and how the lack a shared view of sustainability limits progress towards achieving sustainable development and social responsibility.

Building foundational knowledge and awareness of just transition planning processes at multiple levels in the sector is a critical priority. The need to build this foundational knowledge in environmental sustainability including across energy, energy efficiency and water efficiency, chemicals, and wastewater management as well as solid waste and the potential of recycling and the circular economy, is a necessary precursor to more ambitious strategies and goals for sustainability.

In sum, Just Transition planning processes need to incorporate five key components. These are summarised in Table 1.

► **Table 1: Components of Just Transition Planning**

Component	Details
Bring together the team/ working group	Who is involved in planning and steering the transition? How do they work together?
Understand impacts and opportunities	How will transition occur? Who and how will be impacted, what opportunities and advantages can be built upon?
Identify solutions and responses	What do we want our sector be like? What solutions and responses are available/ possible? How do we implement?
Develop appropriate mechanisms	What specific mechanism can be developed to provide training, skills development, what incentives, entrepreneurship, and enterprise support? How do we provide social protection?
Resource the transition	What resources do we need? Types – financial, knowledge, networks?

Just Transition Planning workshops have taken place in the project’s four focus countries – country-level results are summarised in Table 2. These workshops focused on building awareness of sector constituents on the concept of just transition and the components of just transition and allowing space for discussion about key questions in each of the components. The aim of the workshops was to kick start the planning process and identify stakeholders who should be part of the transition working group, and highlight early priority actions, for the group to undertake.



Figure 4. Stakeholder workshop for Just Transition planning Indonesia.
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Key themes that have emerged from these workshops include:

The role of workers in the process of transition – further work is needed to establish the impact on workers' incomes and well-being of how production is currently operating in the industry. Measures should be in place to accompany workers and communities to develop alternative employment strategies. At the same time, there is a need to define the role for workers, and the implications of workers role in environmental sustainability and just transition. Workers have a very clear role in enhancing environmental sustainability and increasing sustainability will also call upon them to develop new skills and undertake new tasks, how this new work is recognised and rewarded needs to be established. Gender dimensions to work also need to be analysed, and opportunities taken up to leverage reskilling activities with increasing women's participation in higher wage occupations in the sector.

The need for a place-based approaches - Just transition planning is a highly place- and context-specific activity. While concepts and frameworks for just transition can be generally applied in many places and sectors, the results of this application will be very place-specific. Just transition planning will need to consider national policy and sectoral context so that the most effective match of relevant drivers can be realized (i.e. global brands, factory owners, workers, community organizations, service providers, and government). There is a stronger role for different levels of Governments, in regulation and compliance, but also for investment promotion towards innovation, energy efficiency and renewables, and value adding processing.

Developing foundational awareness and knowledge with constituents – Just transition and the workplace impacts of decarbonisation and increasing sustainability are still new concepts for many sector stakeholders. Therefore, before just transition planning can really begin, there needs to be broad based knowledge and awareness raising of the concept and the planning processes, as well as assessing and understanding impacts and opportunities.

► **Table 2: Key outcome of country-level just transition planning workshops**

Key outcomes of country planning workshops
<ul style="list-style-type: none"> - Participants in all four workshops emphasized the importance of social dialogue among industry partners as a key prerequisite of realistic Just Transition planning, with the Government creating - and enforcing - an enabling legal and regulatory environment. - Participants called for the establishment of a high-level committee or taskforce for further tripartite dialogue for the design and implementation of a Just Transition strategy.
Priorities for action
<p>Bangladesh</p> <ul style="list-style-type: none"> - Strengthening policies and regulatory compliance to improve the enabling environment for a green and clean RMG sector. - Promoting investment in resource efficiency, cleaner production, and higher productivity: applying technology improvements, accessing renewable energy sources, and improving business practices. - Establishing a fund for renewable energy investment for factories, with favourable credit conditions and fiscal incentives. - Raising awareness, improving communication, and promoting skills development among workers and HRD management. - Strengthening social dialogue for the factory of the future at sector and national level to drive better work in greener factories.

Cambodia

- Promoting investment in productivity and energy efficiency.
- Strengthening environmental management at factory level in tandem with improved laws and regulations and enforcement.
- Undertaking skills development for workers and managers.
- Improving energy efficiency and waste management through enhanced advisory services.
- Enhancing inclusivity, empowerment to ensure workers' well-being.

Indonesia

- Contextualizing tripartite dialogue to the country's circumstances.
- Strengthening policy alignment to enhance the interest of investors and lenders to co-finance a just transition.
- Undertaking consistent planning for a just transition in the garment sector.

Vietnam

- Mobilizing incentives for enterprises and workers to invest in greener business models and workplace practices.
- Undertaking skills development for managers and workers to enable the sourcing and adoption of improvements.
- Targeting senior managers to act by showing the business case of greening and the emphasizing the importance for due diligence all along the value chain.

Recommendations

Recommendation 1. Build knowledge, capacity, and tripartite mechanisms with constituents for Just Transition planning – the just transition workshops in the four countries showed that constituents have a strong interest and collaborative mindset to address transition challenges, when these key concepts and the just transition planning processes are discussed, and participants are given time to understand and contextualise this learning to their own context.

The importance and need for social dialogue among industry partners as a key prerequisite of realistic Just Transition planning, as well as the establishment of a high-level committee or taskforce for further tripartite dialogue for the design and implementation of a Just Transition strategy.

Although just transition planning will need to be context specific the tools and explanations used to build awareness can be common. Institutional mechanisms – like task forces, inter-ministerial commissions, tripartite committees – should harness the interest and drive to realize a Just Transition. The Just Transition toolkit, created under Outcome 4 in this project (see last page for further details), provides as start to this process, although new knowledge and tools will need to be added as the process of just transition planning develops.

Recommendation 2. Develop opportunities for standardising and harmonising environmental and other sustainability regulations and provide peer learning opportunities for policy makers across the region - Increasing demands by international brands and buyers for increased environmental performance provides an opportunity for harmonising environmental and other sector related regulations across the region (for example on minimum wages). There are also peer learning opportunities for governments across the region to learn from and learn together in developing these regulations and other policies mechanism to support sustainability in the sector.

Recommendation 3: Promote investment, incentives and enabling ecosystems for the uptake of innovation and technologies for resource efficiency, cleaner production, and higher productivity - The conditions and

incentives for local greener business practices and global supply chains need to be better aligned. Governments need to provide an enabling environment whilst brands and financial institutions should facilitate access to climate finance in sourcing countries. For SMEs, tailored support to improve financial literacy is required.

Mainstreamed environmental sustainability activities require access to a range of knowledge, experience, and action from different sector stakeholders – various government agencies, industry associations, enterprises, workers, specialist business and technical business services as well as civil society organisations to achieve change.

Focusing on individual activities such as specific environmental regulations, or the performance of individual enterprises, will not achieve enhanced environmental sustainability if the wider ecosystem in which these activities sit is also not analysed and strategies developed for its enhancement and increasing sophistication to address system-level sustainability challenges.

Recommendation 4. Identify opportunities and project activities that can tap into intrinsic and internal knowledge and motivations for sustainability in enterprises - Identifying ways to tap into and encourage this intrinsic and internal knowledge and motivation in enterprises provides a way forward to catalyse action at the enterprise level, especially in SMEs.

Recommendation 5. Develop networks and individual and enterprise capacities for inter-organisational collaborations - Collaboration and capacity building has been described as an essential capability for just transition. Deep supply chain collaboration, especially when linked to new innovations and technologies that enable visibility of each participant in the supply chain, can contribute to transparency and further sustainability innovations.

Collaboration is also a resource-intensive process, both in terms of human resources and time, and increased collaboration will not happen without direct interventions to support cross-sector networking and collaborative projects. Collaboration requires a specific set of organisational capabilities – these capabilities are very similar to innovation capabilities - in that an organisation needs to understand how they obtain and use new knowledge and how they can combine their knowledge with other organisations. These capabilities do not exist in all organisations, let alone in equal amounts, so for cross- sectoral collaborations to succeed it will also be necessary to invest in activities that build collaborative capacities in organisations across the supply chain.

Recommendation 6: Support the active role of Workers' and Employers' organizations. Workers' organizations should be capable of ensuring job security, gender equality (equal pay), OHS measures and opportunities for skills development. Employers' organizations should work towards strengthening competitiveness of the sector as a whole by improving resource efficiency and cleaner production. They can also be instrumental in linking global buyers with local SMEs and preventing carbon/pollution leakage if Tier 1 enterprises are forced to comply with stronger environmental regulations.

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► Other useful resources

https://www.ilo.org/asia/media-centre/news/WCMS_806222/lang--en/index.htm

https://ilo.org/asia/media-centre/news/WCMS_861766/lang--en/index.htm



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► The Decent Work in the Garment Sector Supply Chains project

Outcome 4: Improved environmental sustainability capacity of key actors in the garment sector in Asia

This outcome aims to improve the environmental sustainability capacity of key actors in the textile and garment sector in Asia. Asia accounts for some 60 per cent of global exports of garments, textiles and footwear. The industry has rapidly grown over the past two decades, employing more than 40 million workers, in many countries the majority being women.

As identified in the 2017 scoping study for this project (see Annex 1 for expanded executive summary) the sector is contributing to serious negative environmental impacts including high levels of water utilisation, pollution from production processes, chemical use and inappropriate disposal mechanisms, and high GHG emissions associated with wet processing, and to a lesser extent transportation and garment assembly. The ability of the sector to address these issues will also be challenged by the effects of climate change and COVID-19.

Further, as the scoping study identified, these environmental impacts are further exacerbated by: deficits in environmental regulatory and compliance systems; a lack of awareness and knowledge in textiles and garment firms of technologies and processes that will minimise environmental impacts; limited financing and funding options to assist with implementation of eco-innovations; insufficient skills and capacity of stakeholders in the sector to improve and increase opportunities for eco-innovation across the supply chain.

Outcome 4 includes a mix of knowledge creation, diffusion and capacity building activities. The aim of this outcome is to develop an evidence base for how environmental sustainability, the transition to decarbonization, and the adoption of more sustainable practices in the textile and garment supply chain enhances decent work in the sector.

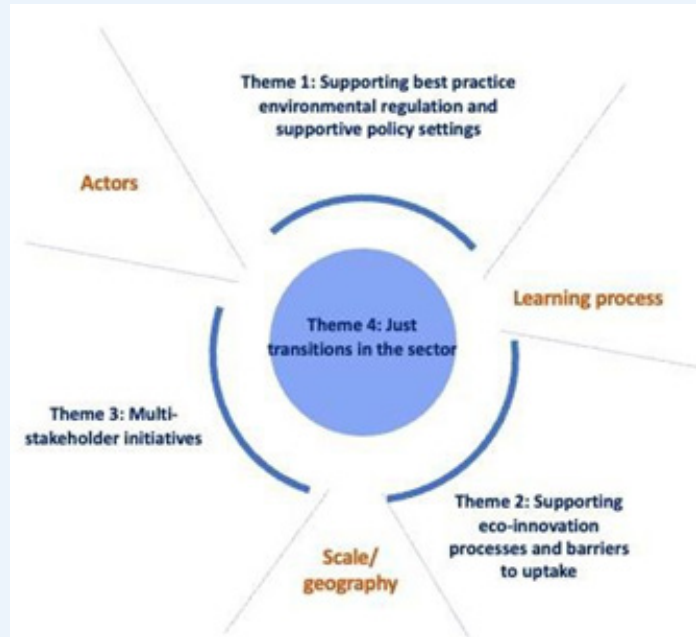
The ILO has a long-standing evidence base that supports interventions for industrial relations (IR), gender and productivity – however the same evidence base for environmental sustainability, and how this evidence is used in the creation of tools, programmes and training, is still emerging. In undertaking this activity, we are not starting from new – the sector already has a number of existing tools and information guides, and contested views about what is best to do, when and by whom. This outcome area is focused on identifying the role of the ILO in enhancing decent work and environmental sustainability in the sector in the context of ‘just transition’; that in transitioning to low-carbon and sustainable practices that employment and labour market impacts are identified and where employees and enterprises are negatively impacted that just transition planning ensure new pathways are created and that no one is left behind.

Knowledge and awareness of environmental issues is emerging across the value chain. The project aims to address knowledge deficits in areas of best practice environmental regulation, policy and regulation to support the greening of jobs, as well as understanding eco-innovation and sustainable transition from an Asian manufacturing perspective. Critical to this will be understanding the extent and potential solutions for SME financing and funding for eco-innovations.

A significant contribution to knowledge creation is the recruitment of two PhD scholars as part of the Outcome 4 activities. Both scholars, through the ISF postgraduate research program will undertake significant research projects within the bounds of the project. The students will be closely involved with data collection from Outcome 4, and where appropriate other outcomes in the project. This contributes new knowledge on the environmental performance of the textile and garment industry in Asia, as well as

the advanced tertiary training of two early career researchers that will have in-depth knowledge and experience of the garment supply chain and the Asian region.

In addition to these specific knowledge gaps there is the need for awareness raising of environmental issues across the supply chain, as well as the codification and translation of existing knowledge materials into guides, training programmes, and other associated capacity building to enable their wider use.



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