

# **Corporate Social Responsibility in the Chinese Textile Industry - Experience Sharing Meeting**

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Opening remarks

by

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Good morning,

First of all, I would like to welcome all of you to this conference, particularly, our pilot enterprises representatives. We look forward to hearing your presentations and what improvements have been made in your workplaces as a result of this project.

Promoting CSR is basically about strengthening the management and corporate governance systems to ensure that enterprises overall conduct their activities in a more socially responsible way and that they provide better and more productive working environments. It is also about ensuring that human, financial and natural resources are combined equitably and efficiently in order to achieve innovation, enhanced productivity, sustainable and balanced development along with the safeguarding of the sustainability of the planet. This calls for new forms of cooperation between government, business, labour and society at large. It also calls for changes that reach throughout the supply chain.

Although some progress has been made, effectively implementing a well-balanced and meaningful approach to CSR at the national and international levels in private sector development and enterprise growth remains an overarching challenge. But there is now a heightened global awareness and public concern regarding key drivers of corporate sustainability, its social and environmental dimensions, the nature and impact of climate change, the role of governments, private enterprises, trade unions and other players. Indeed even the G8 recently asked for more work to be carried out at the international level on this issue. Therefore, the discussion on the promotion of corporate social responsibility and launching the project on CSR in the Chinese Textile industry was particularly timely and the lessons we are learning here are important for China as well as the international community.

From the UN perspective, we believe it is important to anchor the vision of the private sector as the engine of growth within the overarching paradigm of achieving the MDG's and promoting the Decent Work Agenda. Promoting CSR in line with the Global Compact is an important strategy to achieving these objectives. .

As this project has shown, using an integrated approach to implement corporate social responsibility is not only strategically sound but practical and makes good managerial and business sense - because it is in workplaces that the social, economic and environmental

dimensions come together inseparably. This is an important lesson we have learned through the project.

For China, in future I believe the success of the project demonstrates the importance of promoting CSR beyond the coastal areas and the export industries to the western and central provinces and to domestic oriented enterprises. This will help serve the national goals of balanced and equitable development. It will also strengthen the competitive ability of the country as a whole as it will help promote the national policies on promoting more and better jobs, higher productivity and cleaner business practices.

Ladies and gentlemen, now I would like to turn to the labour aspect of the project as my UNIDO colleague will make reference to the environment aspects. In this project, the pilot enterprises have tried to apply workplace practices based on respect for fundamental principles and rights at work and international labour standards, and foster good labour–management relations as important means of raising productivity and creating decent work. To do this the following principles have been promoted in all enterprises:

(1) Social dialogue and good industrial relations.

Engaging in social dialogue and good industrial relations, such as collective consultation and worker information, and participation. These are effective instruments to create win-win situations, as they promote shared values, trust and cooperation, and socially responsible behavior. Social dialogue can also contribute to higher productivity and innovation, health and safety in the workplace, as well as equity, fairness and the development of skills that meet the needs of enterprises and the need of workers for recognized and transferable skills.

(2) Human resource development.

- Human resource development is based on social dialogue and workers' participation. Skilled workers are viewed as a major source of competitive advantage and employees both as assets and agents for change. The development of relevant skills and competencies and their effective use ensure high productivity and competitiveness of enterprises. Enterprises identify and determine the skills they require, invest in training of workers and managers, promote a culture of lifelong learning and innovation, encourage workplace learning and facilitate knowledge sharing.
- Workers are encouraged to make use of education, training and lifelong learning opportunities. The development of skills and competencies ensures employability of workers and their ability to adjust to changing technologies and work organization.
- Responsible enterprises integrate human resource development into their business strategy that respects genuine employment relationships and gives equal treatment to men and women workers in developing their skills, competencies and productivity.

(3) Conditions of work.

Conditions of work that provide a safe and motivating working environment and mutually beneficial flexible work organization are promoted. They adopt workplace practices that are

free of discrimination, harassment and intimidation. They promote gender equality and equal opportunity and treatment of vulnerable groups. They apply workplace practices that maintain a sustainable balance between work, life and family, and recognize the role of women in sustainable development. Good workplaces are safe and healthy, and allow workers to contribute to changes and improvements.

Respect for the relevant national laws and international labour standards including minimum age for employment, reject the worst forms of child labour, reject forced labour and, prevention of HIV/AIDS and other chronic and life-threatening diseases. In this context, the ILO code of practice HIV/AIDS and the world of work is a useful point of reference. They recognize that such practices improve productivity and strengthen the innovativeness and competitiveness of enterprises.

#### (4) Productivity, wages and shared benefits.

Workers need to be able to participate in the success of enterprises and to gain a fair share in the benefits of economic activities and increased productivity. This helps to contribute to a more equitable distribution of income and wealth. Important vehicles for achieving this are through collective bargaining and social dialogue.

Finally, I think Chinese enterprises can use CSR to complement their pursuit of sustainable strategies and outcomes. CSR is a business-driven voluntary initiative and refers to activities that are considered to exceed compliance with the law. CSR cannot substitute for legal regulation, law enforcement and collective bargaining. However, where CSR is transparent and credible and based on genuine partnership, it can provide workers and other stakeholders with further opportunities to engage enterprises on the social and environmental impact of their activities. In this regard, ethical and fair trade initiatives help promote CSR in value chains. The ILO Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy (MNE Declaration) and the OECD Guidelines for Multinational Enterprises provide guidance on good corporate behavior and citizenship.

I believe that this project experience sharing meeting is useful to policy-makers as a vision to frame policies for enterprise development, for entrepreneurs in companies of all sizes to develop their competitive strategies, and for workers to put into perspective the social, economic and environmental dimensions of the world of work. I look forward to the continuation of this project and the continued use of the good training material produced during the project.

I would like to conclude by paying tribute to the staff and leadership of CNTAC, the good strategic collaboration with UNIDO, the Swiss Development Agency, the Project staff team and the trainers. Thank you!