



Truly sustainable or not? An assessment on China's textile and apparel corporations' sustainability performance from the moral responsibility perspective

Nannan Yang, Beijing Institute of Fashion Technology, P. R. China
Jung E. Ha-Brookshire, University of Missouri, USA

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Due to the resource- and labor-intensive, and highly polluting features, the need for sustainable development of the textile and apparel industry has been receiving much attention worldwide. Particularly, as the world's largest textile and apparel producer, China's textile and apparel manufacturing industry plays a huge role in achieving global sustainability goals. However, according to Research Report on Corporate Social Responsibility of China (2013), researchers point out that Chinese textile and apparel manufacturers are doing poorly in fulfilling their environmental and social responsibilities. The textile and apparel industry ranked 12th out of 14 focused industries in their performance of social and environmental responsibility. Although Chinese textile and apparel corporations are paying more attention to sustainability aspects in recent years, researchers claimed they are not doing enough (Yuan, 2015).

According to Ha-Brookshire's (2015) Moral Responsibility Theory of Corporate Sustainability (MRCS), corporate sustainability performance could be determined by (1) whether the corporate members see sustainability as a perfect or an imperfect duty, (2) whether they have clear goals for sustainability, and (3) whether well-defined corporate structures are in place to achieve the goals. That is, if corporations take sustainability as a perfect duty, or an absolute obligation, they will perform sustainability in all situations. If they perceive sustainability as an imperfect duty, or a meritorious obligation, then they can decide how to fulfill it in certain circumstances, leading to arbitrary sustainability-related behaviors. Furthermore, clear goals and structures would implement their visions, and depending on such structure, there will be a spectrum of companies from truly sustainable, occasionally unsustainable, and occasionally sustainable in all or selected areas. If this theory is true, perhaps, potential reasons for poor performance of China's textile and apparel manufacturers in sustainability could be discovered from this theoretical perspective. Therefore, this study was designed to review Chinese textile and apparel companies' sustainability efforts and classify them into one of the six categories that Ha-Brookshire theorized.

To achieve research goal, this study involved content analysis of self-reported corporate documents. They are often published under the titles of "Corporate Social Responsibility (CSR) Report [企业社会责任报告]" or "Environmental, Social and Governance (ESG) report [环境、社会和管理报告]", most which are used to communicate their sustainability activities with their stakeholders. We first identified the list of the financially leading companies in China's textile and apparel industry from rankings released by two Chinese national textile and apparel association. Initially, companies listed in 4 separate rankings in competitiveness (top 500), main

business revenues (top 100), brand value (top 50) and export values (top 200) were considered. After combining the 4 rankings and removing the repetitive ones, 745 companies were identified as the study's sample framework. Out of 745, only 86 companies (11.5%) were found to have CSR or ESG reports available in public domain. Therefore, we reviewed the entire 86 reports.

Overall, 66 out of 86 corporations seemed to express sustainability as a perfect duty, based on their statements such as "as a social citizen, corporations must assume social responsibility", "taking moral responsibility is the core value of the corporation." Among them, 23 companies expressed clear goals for all four emerged areas of sustainable activities communicated in the reports (environmental protection, labor relations, operation improvement, and public welfare involvement), and 19 of those clearly illustrated their structures to achieve the goals, such as "establishing a committee to formulate policies" or "developing codes or documents". These 19 were categorized as truly sustainable corporations. Of those, 4 companies did not show clear structures, and therefore categorized into the occasionally unsustainable corporation. Notably, 43 companies appeared as occasionally sustainable corporations in that, despite their expressed view on sustainability as perfect duty, they did not show clear goals toward it, categorized as occasionally sustainable corporations. In addition, 11 corporations expressed sustainability as "a need for reputation" due to "the external requirements and supervision", or "would try to take more social responsibilities", suggesting they expressed sustainability as an imperfect duty. Among them, 4 companies presented themselves as consistently sustainable corporations in selective areas because they showed clear goals and structures, while 7 of them were classified as occasionally sustainable in selective areas due to the lack of goals and structures. Of all the companies analyzed, 9 companies did not indicate their views on sustainability from the moral duty perspective.

Table. Corporation Types in Sustainability Performances

Perfect duty?	Clear goals?	Well-defined corporate structure?	Corporation types in sustainability performances
YES (66)	YES (23)	YES (19)	Truly sustainable corporation (19)
		NO (4)	Occasionally unsustainable corporation (4)
	NO (43)		Occasionally sustainable corporation (43)
NO (11)	YES (4)	YES (4)	Consistently sustainable corporation in selective areas (4)
		NO (0)	Occasionally unsustainable corporation in selective areas (0)
	NO (7)		Occasionally sustainable corporation in selective areas (7)

The study revealed that, although they view sustainability as their perfect duties, even the sustainability leaders in the Chinese textile and apparel industry failed to express clear goals toward it. The lack of structures also partially explained the lack of clear goals. Therefore, if they want to be truly sustainable, companies must establish clear goals and structures to implement their visions. Further research is recommended to examine same research questions with a wider range of companies to get a more comprehensive picture about China's textile and apparel producers' sustainability performance.

References

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