

# Chapter 18

## Fashioning a Socially Responsible Garment Supply Chain:

### A Qualitative Exploration of Corporate Social Responsibility in Sri Lankan Export Garment Manufacturers

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#### **ABSTRACT**

*The high street fashion industry is a dynamic, challenging global industry and one of few sectors under simultaneous pressure for short lead times and low costs. However, the increasing use of complex global supply chains in order to meet the challenges of the new competitive environment has also increased focus on issues of worker exploitation in globally dispersed production networks. Although there is evidence of a rising consumer demand for low cost, fashionable clothing sourced through ethical supply chains, the nature of the high street fashion industry is not conducive to the implementation of corporate social responsibility (CSR). Qualitative research was undertaken to understand the interplay of obstacles and drivers of CSR implementation in Sri Lankan export garment manufacturers.*

#### **INTRODUCTION**

This chapter explores how issues and drivers in global garment supply chains impact on the implementation of corporate social responsibility in garment manufacturers supplying Western

retailers and brands. As one of few sectors under simultaneous pressure for short lead times and low costs (Masson *et al.*, 2007), overseas labour rates are a strong influence on UK high street fashion retailers' sourcing decisions. With labour rates in developing countries a fraction of those in Western nations, the trend for global sourcing

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continues (Jones, 2006). However, the increasing use of complex global supply chains to meet the challenges of the new competitive environment has also increased focus on issues of human resource exploitation in the outer reaches of supply chains (New, 1997; Boyd *et al.*, 2007), and a further dimension in fashion supply chain management (SCM) therefore has been the focus on CSR (Emmelhainz and Adams, 1999).

It is recognised that the characteristics of garment supply chains, with their focus on effectiveness (speed-to-market) and efficiency (lowest cost per garment), are not conducive to CSR implementation. However, SCM initiatives, with the focus on cooperation between chain partners for the mutual benefit of all, present strategic and operational solutions to the challenges in the high street garment sector as well as supporting the implementation of CSR.

The objective of the chapter is to explore from a managerial perspective the impact of negative and positive forces within the garment supply chain on CSR implementation, with a view to understanding how CSR implementation can be reconciled with competitive challenges of the fashion industry.

## **BACKGROUND: THE NATURE OF THE HIGH STREET FASHION INDUSTRY**

The high street fashion sector, which dominates the fashion retail industry in the UK (Mintel, 2010), refers to the mid-market and value segments served by multiple fashion retailers such as TopShop, Zara, H&M, New Look, Primark, Tally Weijl and Forever 21, which are typically found on a high street or in a shopping mall in developed economies. The sector is characterised by short product life cycles, high product variety, high volatility, low predictability, relatively low margins and high levels of impulse purchasing (Masson *et al.*, 2007; Bruce *et al.*, 2004; Fernie

and Sparks, 1998; Christopher and Peck, 1997). Globalisation, changing consumer expectations, advances in technology and the availability of information have reshaped the competitive landscape (Sridharan *et al.*, 2005; Griffiths *et al.*, 2001). Socio-cultural changes such as the orientation towards constant progress and change filter through to the fashion apparel market where consumer needs and wants change at a faster pace (Barnes and Lea-Greenwood, 2006). 'Fast fashion', the strategy of rapidly changing collections of high-fashion garments, accounts for an increasing share of the UK apparel market. The aim is "to reduce the processes involved in the buying cycle and lead times for getting new fashion product into stores, in order to satisfy consumer demand at its peak" (Barnes and Lea-Greenwood, 2006, p.259). Some retailers in the 'fast fashion' sector may count as many as twenty planned seasons per year (Christopher *et al.*, 2004). A pioneer of 'fast fashion', Spanish retailer Zara harnesses its vertically integrated supply chain to maximise speed, synchronicity and responsiveness which enables it to deliver budget interpretations of catwalk looks into stores within two weeks (Tokatli, 2008). With product life-cycles averaging six weeks but some as short as three weeks, Masson *et al.* (2007, p.239) described the European mass fashion industry as "fickle, volatile and unpredictable". With the added challenge of long-term falling prices in the sector, brands and retailers have had to re-examine their sourcing and supply chain practices (Hines and McGowan, 2005).

## **SUPPLY CHAIN MANAGEMENT IN FASHION**

SCM has gained much prominence in recent years due to recognition of its potential as a major new area of profit and growth, rapidly becoming a strategic priority in many firms (Jüttner *et al.*, 2007), and especially during the recent global recession. The term denotes a management dis-

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