SDGs in the textile global value chain: Sustainability within an Upgrading Perspective

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Focus of ICTSD research

GVCs and upgrading opportunities for firms in developing countries

Dynamics and governance of specific GVCs
Role of lead firms (TNCs)
Role of international and domestic policies
Not only whether LDCs participate but how

Sustainability implications

SDG 1 End poverty
SDG 10 Reduced inequalities
SDG 5 Gender equality
SDG 8 Decent work and economic growth
SDG 9 Industry, innovation and infrastructure
SDG 12 Responsible consumption and production
SDG 13 Climate Action

Policy implications

International trade and investment policies and agreements
Domestic policies
Lesotho

**Trade preferences**
- Driven by Taiwan quota-hopping FDI for AGOA
- End of WTO Agreement on Textile and Clothing
- Triangular Manufacturing

**Regional Value Chains**
- Driven by South African retail chains
- More opportunities for upgrading

**Labour**
- 60% firms part of ILO Better Work Conditions
- Sustainability for US vs. regional end markets
- Skills transfer
Triangular manufacturing

GLOBAL BUYERS

MULTINATIONALS (TAIWAN)

FDIs, JVs, SUBCONTRACTING (LESOTHO MYANMAR)

DESIGN
INPUT SOURCING
PATTERN MAKING
PACKAGING LOGISTICS
RELATIONSHIP WITH BUYERS
CUT MAKE AND TRIM

DESIGN
MARKETING
RETAIL
Myanmar

New frontier for apparel production

- Pre-existing skills and established markets
- Fast growing industry
- Triangular manufacturing

Labour

- Poor but improving worker conditions
- BSCI driven by EU and US buyers
- Workers’ protests
## Ethiopia

### Investment
- Since late 2000s
- Heterogeneous investment
- Vertically integrated textile firms

### Active government policies
- Strategic FDI promotion, export promotion
- Focused on learning, upgrading and local linkages
- Textile Industry Development Institute

### Labour Environment
- Poor working conditions
- Sweden, H&M, ILO initiative
- Climate Resilient Green Economy (CRGE)
Concluding remarks

Participation in GVCs supports SDGs

Upgrading imperative

Sustainability standards

Complementary strategies

Long-term, shared vision for textile sector