



CONCEPT OF CORPORATE SOCIAL RESPONSIBILITY AND APPLICATION IN THE INDUSTRY OF TEXTILE AND CLOTHES

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Abstract: *Social responsibility is applied in many industrial branches around the world, and in recent decades, various aspects of corporate social responsibility have been analysed in the apparel and textile industry. The textile and clothing industry is rapidly developing branch of the industry, so modern corporations must be able to respond to market demands and place products on the market as soon as possible. In doing so, they must be aware of their environment and actors who are involved in the process in any way and must adapt their business in order not to cause harm to others and do not pollute the environment. However, in spite of the efforts of organizations to be socially responsible, we still meet today with textile and clothing companies, which behave very unethically towards their actors. As long as there is an opinion that the realization of a profit is on a far higher scale and that it is far more valued by employees, consumers, investors and other stakeholders, there will exist a problem of implementing a socially responsible business. Organizations tend to reduce all critical aspects that negatively affect the production itself and are often criticized by the community. They try to behave ethically towards all actors, but the unethical reflection in the business is present to a lesser extent. The aim of this paper is to study the textile and clothing industries through the prism of corporate social responsibility at the national level. Particularly important is the way companies in this sector are dealing with social responsibility issues.*

Key words: *corporate social responsibility, textile industry, clothing industry, ethical behaviour, organizations.*

1. SOCIAL RESPONSIBLE BUSINESS IN CONTEMPORARY CONDITIONS

Nowadays, the new role of business in the wider social sphere is being recognized. All successful global companies have been implementing the concept of corporate social responsibility for decades. One way for companies to acquire a large number of customers is to involve themselves and solve community problems through involving themselves in solving the problems humanity encounters, i.e. their employees, consumers, suppliers and brokers. Many companies have begun to invest money to help at least address a social problem. The most common help is education, health, culture, sports and art. Companies thus integrate into the local community. Modern companies in the world are aware that such investments benefit them, as they become more intimate with their clients, clients become more loyal, and the company successfully builds itself a positive image. All this brought socially responsible business into the forefront [1]. One can not ignore the fact that the

relevance of corporate social responsibility is today stronger and that corporations suffer more pressure when it comes to expressing their ethical side [2].

Corporate social responsibility (CSR) is more than an investment, it involves the implementation of its activities and all business processes above and beyond the statutory norms, which includes special treatment of employees, investment in training programs aimed at protection at work and raising awareness of employees, performing all processes in line with business ethics, environmental protection and investment in the development priorities of the local community, transparency, access to information and similarly [3].

Corporations that are socially responsible, gain a lot, but in the same way a wider community also gains. In today's situation, when a market game leaves no room for further growth and development of the company only on the basis of price and quality, the company's responsible behavior towards its employees and all actors that are involved in some kind of business is coming to the fore. Charles Handy claims that the implementation of CSR is very important for the environment because of consumers, but the most important because ignoring the lives of people can contribute to losing key members of the workforce. Since business is not possible without employees, they become the main aspect to which the most attention is paid [4]. By following this way of thinking, every corporation, especially those operating in the industrial sector and employing millions of workers, such as the textile and clothing industry, should give priority to creating a suitable work environment for its employees in the supply chain. By implementing social responsible business companies create a positive image and become able to attract appropriate employees. Shafiqur Rahman stresses out ten dimensions of CSR present in the 21st century, which are in this paper illustrated in the Figure 1 [7].

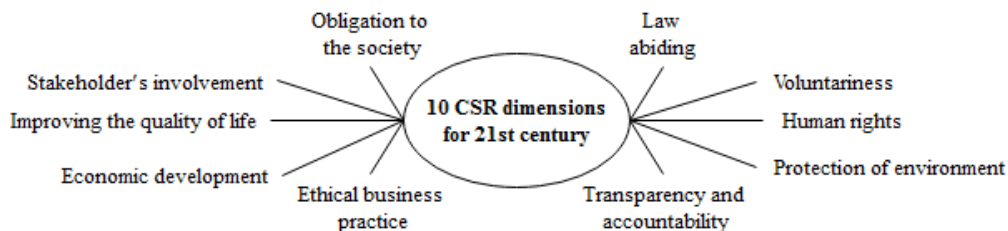


Fig. 1: Ten dimensions of CSR for 21st century [7]

The concept of socially responsible behavior in business brings multiple benefits, not just to the company, but also the whole world. At the global level, the tendency towards stable and sustainable business has already begun to change both the business culture, the business entities themselves, and even the lifestyles of ordinary citizens. Many companies today tend to be seen by the public as socially responsible. Social responsibility should be, not only part of the strategy, but also part of the identity that will differentiate the enterprise from its competitors.

2. SOCIAL RESPONSIBLE BUSINESS OF TEXTILE AND CLOTHING INDUSTRY

Behind the glamour, the fashion and textile industry is characterized by long working hours, monotonous tasks and difficult working conditions. These working conditions can cause serious ethical issues and problems, if not addressed, and this is a segment in which CSR plays a major role.

Fashion brands are currently heading to the fast fashion segment, a new trend within the industry, which provokes the way fashion companies have so far managed the requirements of the



fashion industry and working conditions without creating ethical problems. Moving towards fast fashion has created new challenges to an already fierce industrial competition that faces increasingly demanding consumers every day, as well as the need to produce better, cheaper and faster. These are just some of the reasons why many textile manufacturers turn to low resource costs, such as cheap labor or biologically non-degradable materials [5]. Bearing in mind the economic, social and environmental aspects of society, the above mentioned practices can be considered as unethical, especially in relation to their workers, who must endure, among other things, overtime or dangerous and unsafe jobs. This is mostly the case in underdeveloped countries where production is being shifted in order to reduce costs. Also, apart from examples of unethical behavior in underdeveloped countries, large giant textile industry are often criticized, because although they are making great efforts in implementing corporate social responsibility, somehow they manage to be accused of unethical business [2].

This industry is generally characterized by a quick and innovative atmosphere and it is under the influence of constant changes in customer tastes and styles, which makes the environment extremely competitive. Supplied goods are products that have a short life cycle, especially in the mass market. In other words, lower production and labour costs mean lower costs as a whole, resulting in lower prices [6]. Since fast fashion has been spontaneously encouraged by compulsive customers, low prices have become an important requirement. Fast fashion brands are focusing on producing the latest trends to meet the rapid demands of customers and supporting the production chain and the supply chain with a large capacity covering several types of products and meeting the quantitative requirements in a very short time. This change in fashion combined with greed for newer clothes at a cheaper price has led to a loss of understanding of the importance of high-quality materials and good workmanship. This creates a cycle in which we buy more, but we throw more, either because the trend has changed or that the garment is so poorly designed that it can be carried a limited number of times, and it breaks down after a few wearings because its bad quality does not allow more washing [7].

In order to cope with mass production, the fashion industry moves its production facilities in developing countries where costs can be reduced by employing cheap labour [8]. The consequences of doing business under these circumstances are often the drivers of bad conditions for employees, where workers are often subject to overtime and are bargaining about wages that sometimes even do not cover their basic needs. Besides, workers often have to work in factories that are not adapted to working conditions or do not possess all the security procedures required by law, since the production of textiles and clothing is a very unsafe work sector. Accordingly, elements of CSR on the workplace, which need to be addressed in textile and clothing industry, are involvement of employees, workplace diversity, human capital development, human rights, labour rights, health and safety, quality of life, and gender issue as well [9].

The consequences of moving towards fast fashion have raised several ethical issues related to industry participants. The constant pressure, such as competition and the need for efficiency, creates a work environment that often violates several human rights. The working environment of the global brand in the supply chain often includes severe working conditions, which relate to a work environment that is dangerous and extremely difficult conditions where human rights violations occur [10]. Catastrophic events, like the case of Rana Plaza, a ruined factory in Bangladesh, is just one of the examples highlighting the serious problems of this sector in the 21st century. In this incident, 1,200 workers died when the factory collapsed, leaving evidence that many workers in the textile industry are facing dangers day by day [11].

Additional problem of the textile industry is connected with environment preservation, because the textile industry is not the most favourable for the environment due to the excessive use of pesticides and chemicals. In spinning, dyeing yarn, weaving, finishing and tailoring, chemical



products are used which generates waste, high consumption of energy and water is present in the production process, all this can be related to violation of human rights through terrible working conditions [12]. Obviously, conversations with designers and top executives show that they are aware of the problem and are actively seeking a solution. Every year, the apparel and textile industry causes suffering to millions of animals, which are unethically killed for fashion and fashion trends. Silk, cashmere, leather, fur and wool are materials for which, unfortunately, animals have to pay the price of fashion. Although certain materials are still used in the fashion industry today, like leather, fur and wool, there are many ways to ensure the welfare of animals. Companies must adopt a business policy that protects the welfare of animals, and thus reduce the use of unethical products, as it will result in greater loyalty of their consumers.

The link between the textile industry and corporate social responsibility appears to be quite controversial due to the fact that, on the one hand, retailers want to take advantage of the new opportunities which would increase their profits, but do not have real control over factories, and on the other hand, consumers are pushing companies to encourage their manufacturers to meet the requirements of the users as soon as possible in order to improve their reputation, and yet remain competitive on the market. Implementation of a socially responsible business brings trust, support and loyalty of consumers who are later ready to pay more for a new product of the company and support it to continue to operate socially responsible.

3. EXPECTATIONS FROM THE TEXTILE AND CLOTHING INDUSTRY IN THE COMING PERIOD

Consumers spend enormous amounts of money every year on clothes. On a daily basis, they buy needed items, but also those clothing that will temporarily provide satisfaction. However, the question arises: How many times do we look at the declaration when buying? How many times do we wonder which raw material is used for the desired garment? In most cases, the answer is rarely, and perhaps never. This is just one evidence of irresponsible consumer behavior. The main problem arises when the research concludes that most customers are not familiar with the notion of social responsibility and socially responsible business. They state that the criterion of socially responsible business is not important when choosing and buying clothes, and that they would not pay more for products if they meet the criterion of social responsibility. Most consumers pay more attention to quality and product characteristics in terms of price. On the one hand, it is important for consumers to have the object made of natural materials and not tested on animals, but also to purchase a garment from natural fur rather than artificial. Consequently, it is evident that customers do not know and are not fully aware of what social responsibility is. They are also not aware of the global problem, which they, by their irresponsible behavior, make for the environment, community and society [13]. A large number of consumers are unaware of how socially irresponsible behavior affects all stakeholders and creates negative effects for the corporations themselves. They need to be educated to be aware of the impacts of their environment. It's a costly and time-consuming process, but the ultimate results are invaluable. If more people know about socially responsible business and their positive effects, it will contribute to the development of a growing number of corporations that adhere to this criterion, and thus create better living and working conditions.

Today, businesses are aware of challenges such as human rights violations and non-compliance with a number of legal regulations, and additional engagement is needed to minimize such problems. Being ethical does not just mean doing business the right way, but how to behave when things go wrong. In this regard, it is very important to comply with business law and regulations. Violation of any law can have serious consequences, both for the company and for responsible individuals. This primarily relates to legal provisions on imports and exports, provisions



on the prevention of boycotts, sanctions in force, trade embargo and compliance with the laws of each country.

Companies understood the core of social responsibility and socially responsible business and slowly started with initiatives, primarily for the protection of nature, the environment, and humans themselves. It's important to start from the very beginning, or cotton growing. In order to turn to socially responsible business, the cultivation of cotton must be environmentally sound, without the use of pesticides. Also, it is necessary to try to reduce the use of artificial materials and dyeing of textiles without the use of water. Clothing should be made from environmentally friendly materials, because it contributes to the preservation of nature. In this regard, it is necessary to support "green marketing", which implies the necessity of appreciating the natural environment. Green marketing is a form of marketing where products, services and all activities are carried out, taking into account the action and impact that it can have on the environment and society as a whole. The recycling of worn out textile products, garments and waste generated during the fabrication of textile products, as well as the use of textile and clothing items, deserves more attention than the one currently being dedicated to it. Textile industry today is one of the largest environmental polluters [14]. Recycling reduces the number of wild waste of textiles, which reduces environmental pollution.

In line with market pressures, it is necessary to regulate and harmonize the working hours of workers. Each company should organize training for its new employees and provide them with professional training. It is necessary to harmonize professional and personal goals, and to ensure equal opportunities for all employees, without any discrimination. The company should be aware of the importance of the quality of people's lives and to pay salaries based on the capabilities and results of employees. Also, in order for employees to be more motivated, their proposals need to be included when making management decisions, and that the company is committed to improving the quality of life of employees. An increasing number of companies is making efforts in responsibility towards employees, taking into account consumer attitudes, especially in areas where strong competition exists, there are clear declarations about content and characteristics of products on all products, child labor is not used, many companies encourage the development of local entrepreneurship, but problems remain, such as disregard of contractual obligations, inadequate servicing of products within the warranty period, and so on [15].

However, the situation in Serbia is not so ideal. The CSR practice is underdeveloped, apart from the small number of companies that take into account the impact of their business on society and the environment and report on the effects of these activities, far more companies contribute to further expansion and deepening of social and environmental problems. The main reason for the low level of socially responsible business of Serbian companies is insufficient state involvement [16].

5. CONCLUSIONS

The concept of socially responsible business is becoming universally accepted in contemporary society. Due to the high pressure of international institutions, governments, non-governmental organization (NGOs) and consumers, pressure on businesses and entrepreneurs for implementing the concept of socially responsible business and contribution to the society and the community in which they operate is being increased. Generally speaking, CSR is defined as an obligation of the corporation to create wealth in a way that allows avoiding causing damage and at the same time improving the property of society and leading to the preservation of the environment. This responsibility is important for the success of the company itself. Applying socially responsible activities increases the image of the corporation, creates a good reputation, increases profit, loyalty of consumers and the company itself becomes competitive in the market. Employees, investors,



NGOs and consumers should be familiar with the concept of socially responsible business and how it can contribute to the community and the environment in which the company operates. Companies are increasingly turning to this concept and endeavouring not to endanger their environment and actors, who are in any way connected with the company. Corporations are aware that this is a long, difficult, painstaking and expensive process, but only by its application it can improve the business and the environment in which they operate. Enterprises of textile and clothing industries realized the core of social responsibility and socially responsible business and slowly started with initiatives, primarily for the protection of nature, the environment, and humanity itself. Textile enterprises should be socially responsible. They need to introduce this concept to their employees, and to involve them in it, because the good practice of CSR leads to improved productivity and commitment to the corporation, while contributing to business success and sustainability.

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