



Evaluation Summaries

Corporate Social Responsibility in the Chinese Textile Industry

Quick Facts

Country: China

Final Evaluation June 2008

Mode of Evaluation: Independent

Technical Area: Corporate Social Responsibility

Evaluation Management: EMP/ENTERPRISE

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Project Start: May 2007

Project End: June 2008

Project Code: CPR/06/04/SWI

Donor: Seco Switzerland (507,347 US\$)

Keywords: Corporate social responsibility, textile industry, employer's organization, social dialogue, small enterprise

Background & Context

Summary of the project purpose, logic and structure

The project sought to build capacity within small and medium-sized enterprises (SMEs) in the Chinese textile industry by improving their labour and environmental performance including productivity, labour management relations, working conditions, and environmental management. The strategy focused on the development and pilot testing of comprehensive training and advisory support services for managers and workers in selected companies. Two different models of training were tested. Model A is an individual training and consulting of one factory at a time. This service was provided to 5 companies.

Model B is based on group training. It was provided to two clusters of 10 and 15 enterprises respectively. The companies were located in Guangdong and Jiangsu Province. The project was managed by the ILO Office Beijing and implemented in partnership with the United Nations Industrial Development Organization (UNIDO) and the Chinese Textile and Apparel Council (CNTAC).

Present situation of project

The project has been successfully implemented within its very tight budget. Training material for a training of trainers as well as factory training has been developed in collaboration with UNIDO and CNTAC. Five trainers have been trained to deliver the training and all together 30 companies participated in the factory trainings. A project advisory committee with representatives of the following organizations has been established: China Enterprise Federation (CEC), CNTAC, Ministry of Commerce (MoFCOM), Ministry of Human Resources and Social Security (MoHRSS), ILO, the Swiss Embassy in Beijing and UNIDO.

Clients of the evaluation

Donor, project management team, ILO field and headquarter staff, project stake holders

Methodology of evaluation

The evaluation followed the methodology suggested in the Terms of Reference of the evaluator. It consisted of document review, individual interviews with relevant stake

holders and company visits. Due to the very tight schedule of the evaluation the evaluator was unfortunately not able to meet with all stake holders.

Further difficulties were due to the fact that some of the documents were only available in Chinese and could not be translated or brought into an acceptable English by project management and the national evaluator.

Main Findings & Conclusions

Considering the very tight time frame and budget, the project was a great success and has managed to take CSR in the Chinese Textile Industry a step forward. The project has built a very good basis for future activities in the area of CSR in China. Contributing to this are the following achievements:

The project has successfully developed and tested training material for consultants (training of trainers) as well as for companies (factory training). The material has been well adapted to the needs of the Chinese Textile Sector, although there is still room for improvement. A website has been set-up in order to make the training material easily available to the trainers for improvements.

Further a CD has been produced to facilitate the dissemination of the training material. Nevertheless, the aim of wide dissemination of the training material has not yet been reached

Training of trainers enabled five consultants to hold workshops of the five modules contained in the training. Unfortunately due to time-limits and difficulties concerning the selection of consultants, the quality of the trainings has not been satisfactory in all companies according to the feedback of several stakeholders.

The project has exceeded the target of participating companies. As planned, 5 companies have participated in the Model A training, while 25 participated in the Model B training (20 were initially planned).

On an enterprise level, improvements have been observed in all areas covered by the training, leading to a certain increase of productivity and competitiveness in the companies. The project has further shown that the intense onsite workshops (as held in Model A) were more successful in initiating change within the companies than the group trainings (as held in Model B). Due to the short duration of the project though, impacts have in general been limited. A collection of 5 case studies has been written, which can be used as best practices for further projects.

The project has proven that the holistic approach of integrating economic, social and environmental issues is successful. It was observed that the immediate results and improvements that companies could experience by implementing elements of “Cleaner Production” lead to higher motivation to initiate changes concerning social issues.

Additional to the immediate objectives of the projects that have mostly been reached, the project has also managed to create further results that will be very useful for the next phase of the project:

- The project has established very good relationships on national and local level, with governmental and industrial organizations and private sector actors.
- The project has contributed to an increase of awareness for CSR within the Chinese Government and MoHRSS in particular. Very important in this respect was the trip of representatives of MoHRSS to Switzerland and England that had been part of the project.
- The project has set a very good example of inter-agency collaboration within the United Nations System (between ILO and UNIDO).
- Besides providing capacity building to national consultants, the project has also contributed to increasing the demand for such consulting services in the areas of CSR in the Chinese Textile sector. It has therefore proven that a market for such services can be created.

Recommendations & Lessons Learned

Main recommendations and follow-up

For the next phase of the project a sustainability strategy has to be developed which should be based on a sound business model that would allow the project to go into a direction of less financial dependence on donor funding.

Building on the already very good basis resulting from this project, a viable roll-out strategy should be developed, that will allow using the achieved results in new sectors and geographical areas.

Although the teaching material is already of good quality, certain parts of the training need to be better adapted to the needs of the companies and participants.

The selection process for the trainers needs to be more transparent and selection should be done based on clear criteria and supervised by the project management.

In order to reach better training quality, the training of trainers should be reorganized and more time invested in their capacity building.

It would be recommendable to find a way of securing the quality of the training material as well as training. Suggestions would be to publish the training material with an ISBN number and to introduce certificates for the trainers.

As the first phase of the project has produced considerable results in terms of case studies and best practices, a social marketing strategy should be developed to ensure the promotion of the project.

The next phase of the project should produce clear performance indicators to facilitate the measurement and monitoring of the results in the companies.

Important lessons learned

Integration of social, economic and environmental issues: The project has shown that the integration of social, economic and environmental issues was a big success. The

companies felt that all their needs were covered through the project.

An important point to highlight is that the tangible results that the companies experienced through energy savings, increased productivity and quality etc. increased the motivation of the companies to make improvements in the other areas. The approach of such a holistic approach should therefore be replicated in similar projects.

Collaboration between ILO and UNIDO:

The close collaboration between ILO and UNIDO was also from another perspective a clear value added; while both organizations contributed their expertise, several resources were shared such as promotional activities, administrative support etc.

On-site trainings: The feedback by the companies was clearly that the most useful part was the on-site training as they gave them practical solutions to their problems. Although individual trainings or rather consulting services in the companies are mostly too cost intensive, an approach to integrate this practical, hands-on component in other projects could be to use sample companies to show best practices.

Company Certificates: The approach to award participating companies in the end with a certificate has proved very useful. It increased the motivation of the companies made the companies participate in the whole programme, not only in fractions.

Collaboration with local governments: The collaboration with local governments was a crucial factor for the success of the project. Local governments have been important partners in the project to identify participating companies and to promote the project on a local level. They have further contributed to the organization of events and trainings and have overall been a valuable partner.

Sector Focus: Overall it was a valuable approach to concentrate on one sector and to adapt the training material to the specific needs of the sector. The feedback has shown that sector specific knowledge is very important.