



## G18-R2 Environmental Issues or Sustainable Development

Regional Sustainable Development and the role of Regional  
Change Agents –  
The Example of the Regional CSR Competence Centres  
in North-Rhine Westphalia (Germany)

*Thomas Hajduk, Martin Wenke*



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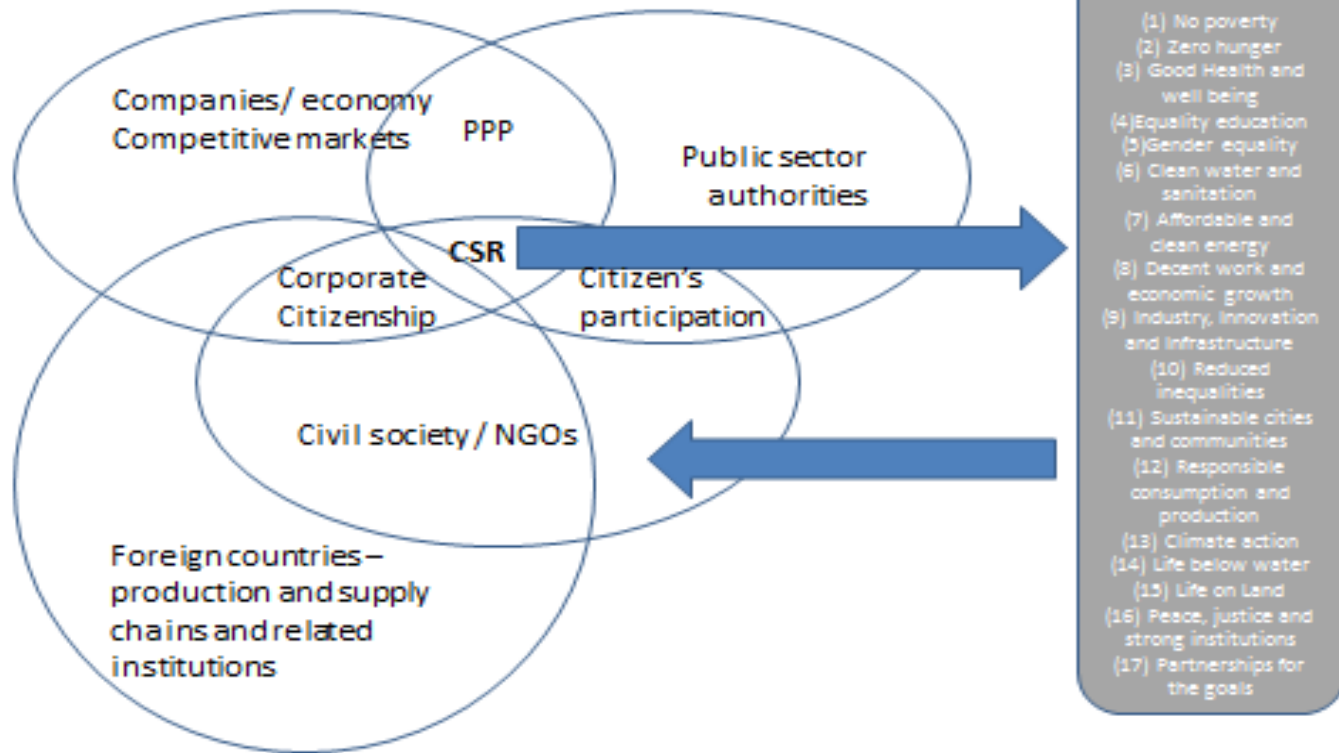
# Agenda

1. Background and regional aspects of CSR
2. NRW CSR Competence Centers as change agents
3. Textiles and Garments Industry in NRW
4. CSR Competence Centre Textiles and Garments
5. Regional Impacts
6. Conclusions and outlook

# 1. Background and regional aspects of CSR

- **Three pillars** of Sustainable Development: Economy, Ecology and Society
- Sustainable Impacts recently measured with the 17 areas of the **“Sustainable Development Goals SDGs”**
- SD impacts initiated by **“change agents”**
- Important change agents are **governmental institutions, HEIs as well as companies**
- Companies’ change agent activities are based on Corporate Social Responsibility CSR: **“CSR is a concept, which attributes an extensive responsibility of companies for their impacts on the social and the natural environment ”. (EU)**





## 2. NRW government's CSR strategy

The **NRW state government's CSR strategy** is designed

- to **strengthen the role of responsible businesses** as best practice examples,
- to **highlight routes** to achieving a culture of responsibility,
- to **support the implementation** of CSR in different industries and regions,
- to **drive forward CSR partnerships** between businesses and universities and
- to **promote CSR** in international business relations.

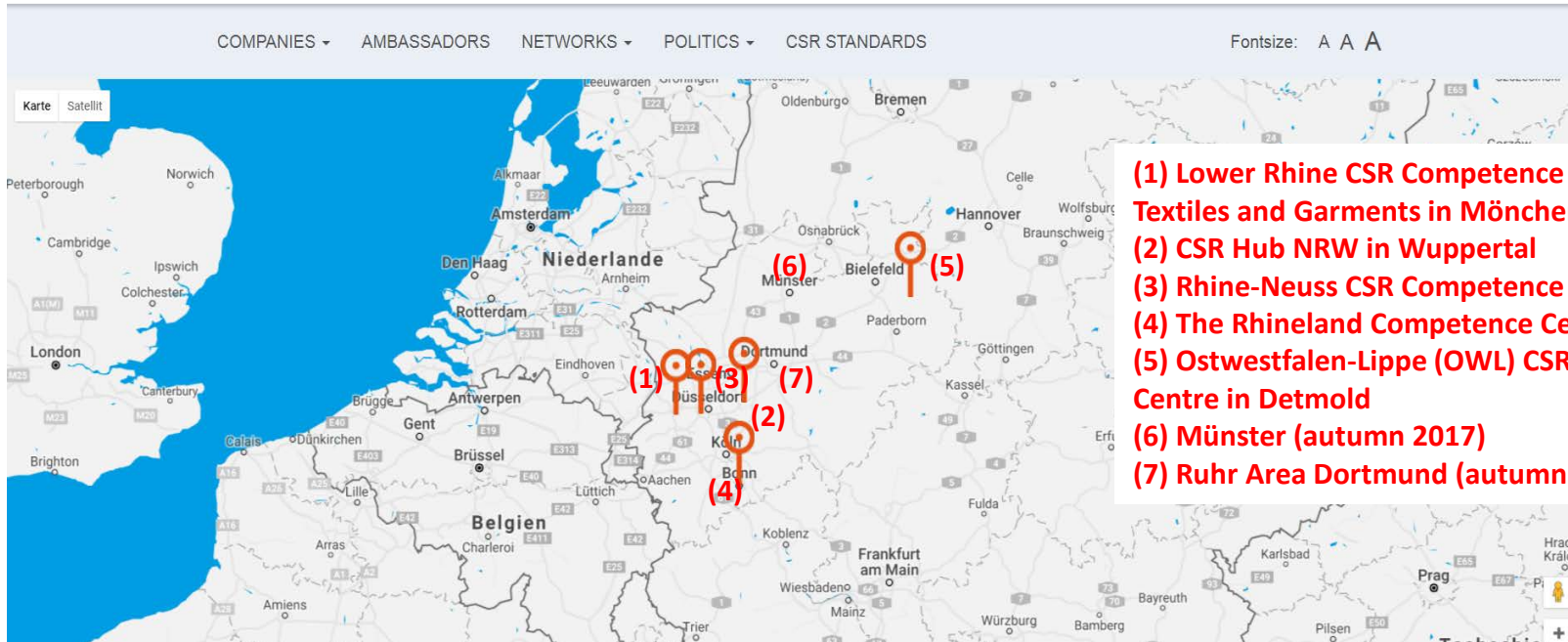


## 2. NRW CSR competence centres – objectives

- The funds are provided by the **European Regional Development Fund** and the **state government of North Rhine-Westphalia** (matched funding).
- The centres aim at making **small and medium-sized enterprises (SMEs)** familiar with strategic CSR.
- The CSR competence centres correspond with the observation that **SMEs are deeply rooted in their region** and that their CSR practice is shaped by their local environment and its stakeholders.
- Therefore, any **instrument** aimed at SMEs needs to **take into account local conditions** which vary widely in a large state like North Rhine-Westphalia.



## 2. NRW CSR competence centres - locations



- (1) Lower Rhine CSR Competence Centre for Textiles and Garments in Mönchengladbach
- (2) CSR Hub NRW in Wuppertal
- (3) Rhine-Neuss CSR Competence Centre in Neuss
- (4) The Rhineland Competence Centre in Bonn
- (5) Ostwestfalen-Lippe (OWL) CSR Competence Centre in Detmold
- (6) Münster (autumn 2017)
- (7) Ruhr Area Dortmund (autumn 2017)

## 2. NRW CSR competence centres – organisation

- **Lead:** organisation which is closely linked to the local economy, for example a regional development agency, a chamber of industry and commerce or a trade association.
- all lead partners collaborate with academic actors, i.e. universities, research institutes and a think tank

### Lower Rhine CSR competence centre Textiles and Garments:

- **WFMG** Economic Development Agency of the city of Mönchengladbach (**lead**)
- **EthNa** Competence Centre for Ethics and Sustainability at the Niederrhein University of Applied Sciences (faculties of Textile and Clothing Technologies, Business Engineering and Business Administration and Economics),
- General and Textile Industry Research Institute, University Münster (**FATM**),
- **ZiTex** Business Association of Textile and Fashion in NRW,



### 3. Textiles and Garments Industry in NRW – 1 -

- During the last decades the German and hence the North Rhine-Westphalian **textile and garments industry** has developed towards an **important und sustainable industrial sector**.
- Already during **the 1960s it has been one of the forerunner industries of internationalization**, and one of the first sectors differentiating the international supply chains via outsourcing and offshoring. The same observation holds for the strategy of “vertical integration”.
- As a result **of globalization**, the textile and garments industries in NRW show one of the earliest (since the 1960s) and **most serious structural changes during more than 4 decades**, which resulted in significant losses of production, companies and work places (“**old-industrialized-industry-areas**”)
- After many decades of decline **starting with 2012** it seems that this sector began to **stabilize**.
- The most important cause of this to some extent surprising “re-industrialization” is seen in the **concentration of businesses on technical textiles** and innovative production processes.



### 3. Textiles and Garments Industry in NRW – 2 -

- There is still a **relative high production share of technical textiles** left in NRW.
- Compared to that, the production of **garments and the textile retail trade is pretty much globalized** with very small shares of local production based in NRW (as well as in the rest of Germany).
- Historically **textile and garments production industries are concentrated** in the following areas of NRW: Münsterland (Münster), Eastern Westphalia (Bielefeld), Lower Rhine and Wuppertal/Bergisches Land.
- There are about 260 companies with altogether 24.500 employees, turnover of 5 Bill. € (75% textiles, 25% clothing) and an export share of about 40%.
- Majority of companies are **SME's**, with the average of less than 100 employees.

## 4. CSR Competence Centre Textiles and Garments – strategic objectives

- **Development of a CSR-network for textile and garment SMEs in NRW**, to discuss different challenges of dealing with CSR relevant requests, e.g. based on the ISO 26000 CSR guideline's core aspects (human rights, labour practices, environmental protection, fair operation practices, consumer issues, community involvement and development).
- **Increasing the business awareness** regarding the hidden opportunities of CSR measures such as future related sustainable investments in economic, ecological and social innovations.
- **Introduction of recently developed instruments and guidelines** to support CSR activities, e.g. CSR reporting standards, "materiality analysis", CSR Business Cases, sustainable sourcing, etc.
- **Development of a broader communication and cooperation platform**, combining businesses and different stakeholder groups, including NGOs, different regional bodies, consultants, research and educational institutions.

## 4. CSR Competence Centre Textiles and Garments – operating objectives

During the project period of 3 years, different tasks have to be organized:

- **Workshops** about detailed CSR aspects;
- **Empirical studies** about the CSR implementation status of textile and garment SMEs in NRW;
- Development of **guidelines** to support the implementation of selected CSR measures and tasks;
- **Market places and other cooperation platforms** bringing together different actors (sourcing companies, suppliers, regulating institutions, representatives of stakeholder groups like consumers, NGOs)

## 4. CSR Competence Centre Textiles and Garments – project steps carried out and planned

- **Introduction of the project steps** and inventory of businesses information requests and interests about CSR practices;
- **Basics of CSR management systems** based on the ISO 26000 framework;
- Dimensions, contents, standards and internal organization procedures **of CSR reporting**;
- **CSR communication**, relevance of information, PR versus transparent information;
- another workshop about “**materiality analysis**”;
- market place “**sustainable public procurement**”, organized together with the business initiative MaxTex;
- discussion workshop with representatives of the federal **multi-stakeholder initiative “Partnership for Sustainable Textiles”**;

## 4. CSR Competence Centre Textiles and Garments – experiences, challenges and obstacles

- Some of the planned **tasks might be too ambitious**, e.g. discussing so called CSR Business Cases, which seems to be too more theoretical than practice oriented.
- **High and still increasing competition pressure**, combined with costly requests introduced by digitalization, such as online and multi-channel distribution of textiles and garments are limiting additional resources to utilize for CSR related activities.
- **Companies are not yet identifying or interpreting CSR activities as (further) investments into innovations** in a broader sense, which will also increase the economic sustainability of their businesses.
- Because of the more sector orientation of this particular competence centre, **no inter-sectoral CSR experiences-based “information-motivation-spill-overs”** can be initiated.
- The former aspect also introduced the challenge that potential competitors should cooperate to some extent, which introduces the necessities of **“cooperative competition”**.

## 5. Regional Impacts – in general

- Introduction of the CSR Competence Centre conception by the NRW federal government seems to be an **excellent example** of the establishment of a sustainability oriented **federal state-wide governance structure**.
- It finally initiated seven institutionalized **cooperation networks** all over NRW, which themselves are **collaborating and exchanging experiences** each quarter during a meeting and additionally supporting each other by different measures.
- Institutionalized centre members themselves are **collaborating** from time to time and often informally **with a multitude of actors of the civil society**, which supports the penetration of ideas and CSR-related information throughout the federal state of NRW and beyond.
- **Existing mixture** of content related competence centres (e.g. start up and social entrepreneurship, CSR and employer branding, CSR reporting, sustainable cost accounting) and a sector specific orientation (textile and garments) **is strengthening the potential positive impacts on the civil society** via selected SDGs.
- All activities are focusing on already existing potentials and have so far **been improving the endogenous development speed towards sustainability** of the NRW regions.

## 5. Regional Impacts – CC of Textiles and Garments

- Here the potential **sustainable regional impacts initially are lower...**
- ... because the **sector itself is relatively small** and the most important CSR-relevant challenges of textile and garment businesses are supply chain related ...
- ... those **supply-chains are highly globalized**, so the most impacts are potentially affecting those international production host countries.
- It was important to have chosen one of the **traditional old industries as an example to show opportunities of interpreting innovations** not only as product and process related technical improvements, but also as positive impacts to the society.
- As **the textile and garment industry SMEs** could survive “stormy” globalization trends, it **will also survive, by early adaption, forthcoming and increasing requests of the public and consumers for social responsibility**, for the regional as well as for the international civil society.





## 5. Conclusions

- Summing up the business and other institutions contacts, discussions or common projects started, a **successful process seems to have started.**
- From the competence centre's point of view, **especially the cooperation between the centres could be strengthened**, to “produce” more synergies and impacts on sustainability as institutionalized regional change agents.
- As CSR has to be established and developed in a fast changing economic and social environment, the **competence centres also have to adopt to new developments.**
- One of such a development is the **digitalization transformation**, which is heavily also influencing the topics of CSR and sustainability. As an example recently the so called “blockchain” technology has been identified to revolutionize the fashion supply chain regarding its almost full transparency.
- **New technologies might close the gaps between producers' readiness for CSR, sustainable supply chains and consumers related purchasing decisions** and so motivate much more retailers and so SME textile and garment producers for significant CSR measure implementation and **related regional positive societal impacts.**

