Ecolabelling : Normative Power or Corporate Strategy? : A Study Case of Textile Company in Indonesia

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Abstract: Textile is one of buyer-driven industry which rely on label trust from the consumers. Most of textile manufacturers produce textile and textile products based on consumer demands. The company's policy is highly depend on the dynamic evolution of consumers behavior. Recently, ecofriendly has become one of the most important factor of western consumers to purchase the textile and textile product (TPT) from the company. In that sense, companies from developing countries are encouraged to follow western consumers values. Some examples of ecolabel certificate are ISO (International Standard Organisation), Lembaga Ekolabel Indonesia (Indonesian Ecolabel Instution) and Global Ecolabel Network (GEN). The submission of national company to international standard raised a critical question whether this is a reflection towards the legitimation of global norms into national policy or it is actually a practical strategy of the company to gain global consumer. By observing one of the prominent textile company in Indonesia, this research is aimed to discuss what kind of impetus factors that cause a company to use ecolabel and what is the meaning behind it. Whether it comes from normative power or the strategy of the company. This is a qualitative research that choose a company in Sukoharjo, Central Java, Indonesia as a case study in explaining the pratice of ecolabelling by textitle company. Some deep interview is conducted with the company in order to get to know the ecolabelling process. In addition, this research also collected some document which related to company's ecolabelling process and its impact to company's value. The finding of the project reflected issues that concerned several issues: (1) role of media as consumer information (2) role of government and non-government actors as normative agency (3) role of company in social responsibility (4) the ecofriendly consciousness as a value of the company. As we know that environmental norms that has been admitted internationally has changed the global industrial process. This environmental norms also pushed the companies around the world, especially the company in Sukoharjo, Central Java, Indonesia to follow the norm. The neglection toward the global norms will remained the company in isolated and unsustained market that will harm the continuity of the company. So, in buyer-driven industry, the characteristic of company-consumer relations has brought a fast dynamic evolution of norms and values. The creation of global norms and values is circulated by passing national territories or identities.

Keywords: ecolabeling, waste management, CSR, normative power

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