

## CHAPTER I

### INTRODUCTION

#### 1.1 Background

In the era we live in today, we are surrounded by global processes in which affect one's lifestyle, such as the increased variations and consumption goods. It is not only found in the goods and services that we consume but it is also in the fusion of national cultures and national economics.<sup>1</sup> In general, we are familiar with this phenomenon as globalization. According to Manfred B. Steger, globalization refers to the multidimensional and uneven intensification of social relations and consciousness across world-time and world-space.<sup>2</sup> Although the meaning of globalization varies between researchers, by using the definition from Steger, we can classify globalization into four dimensions; Economic, Political, Cultural, and Ecological. In terms of trade related goods and service over national borders, liberalization and expansion of markets, and international economic institutions, this is understood as forms of economic globalization.

Economic globalization has enabled consumers to gain access to various good and services from all over the world with prices ranging from the affordable to the most expensive. On the other hand, economic globalization has allowed businesses to outsource their production and manufacturing process' to countries that can produce at a lower price compared to their home country. This becomes one of the

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<sup>1</sup> Levin Institute. n.d. "What Is Globalization?" Globalization101. Accessed September 12, 2020. <https://www.globalization101.org/what-is-globalization/>.

<sup>2</sup> Steger, Manfred B. 2020. *GLOBALIZATION: A Very Short Introduction*. New York: OXFORD UNIV Press.

push factors why many goods are produced abroad rather in one's country. For instance, a person buys clothes from a Swedish multinational clothing retail company, H & M. However, the clothes itself is made from Indonesia instead of Sweden due to the cheap operational cost and low minimum wage of its workers. Similarly, a person may purchase a phone from Apple, an American multinational technology company, but the phone itself is made in China. Such example of day-to-day activities reflects the reality of how unlikely it is that one will consume goods which is made wholly from one's own country. In addition, tracking back where a goods may have come from, how it was made, in what conditions were the workers in, and by whom becomes a challenge especially when there is no enforcement on transparency during its operation, especially in the developing countries.

Manufactured goods are usually made in developing countries where; labor wages are cheap, lenient operation regulation, lack of transparency, and ease in accessing an operation permit. However, developing nations often consider that the process' of globalization are biased against their odds. As mentioned by Steger, globalization process' are uneven, hence resulting in uneven development across the world and within one's country. Globalization marginalizes economies and societies that cannot adapt to the fast-paced changes and this applies to most developing countries. Moreover, the adverse effects globalization puts to the environment, especially in the developing countries where the production occurs. Yet at the same time, these developing nations do not seem to reject economic globalization wholly mainly because of the advantages they receive, such as: increased job opportunities, foreign investment, and economic growth.

During the last decade, 1999 to 2019, the world population has increased over a billion people from 6 billion to 7.7 billion, in comparison to the first billion which was not until 1800 proving how fast the population growth in the 21<sup>st</sup> Century has become.<sup>3</sup> With rapid population growth, results in a growing demand for daily necessities and wants. In fulfilling the demand, economic globalization has provided a pathway for a more efficient and low-cost business operation. The result of this can be seen in the change of geographical distribution of production, where there is a shift from North America and Europe to Asia, mainly to the developing countries.

In Indonesia, it was evident that there was an increase in global demand in the manufacturing sectors, in late 1970s, specifically in the textile industry. Though Indonesia's textile industry is not ranked number 1 in the world in terms of production destination, it cannot be ignored Indonesia has significantly contributed to the global economy through its long history in the textile industry, particularly in its famous *batik* clothes.

According to the database of the World Bank, World Integrated Trade Solution, Indonesia has revenue of over \$12.7 billion from exports of textiles and apparel where 3.96 billion came from the United States as of 2014.<sup>4</sup> Undeniably, this has brought great benefit especially towards those who are affected by the textile production process. For instance, the people of West Java, where 57% of the

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<sup>3</sup> Max Roser, Hannah Ritchie, and Esteban Ortiz-Ospina. 2019. "World Population Growth." Our World in Data. <https://ourworldindata.org/world-population-growth>.

<sup>4</sup> Debbie M. Price, Marion Renault, and Anja Krieger. 2020. "The Environmental Scourge of Indonesia's Textile Boom." *Undark Magazine*. September 8, 2020. <https://undark.org/2017/02/23/indonesia-textiles-citarum-river-pollution-2/>.

industries operate, has seen an increase in economic growth as well as a rise in job opportunities.<sup>5</sup> Yet this comes at a price of contributing to the increasing damage towards the environment. Textile industry holds a reputation for being heavy pollutant, resource-intensive sector with a sizable carbon footprint.<sup>6</sup>

Wet processing operations of textiles, such as the processes of dyeing the materials, are usually done in less developed or developing countries, in which these are countries that do not have the proper technology and enforcement to treat the effluent.<sup>7</sup> Water pollution emitted by the world's industrial sectors, especially the textile industry, contributes a total of one-fifth of wastewater in the form of various harmful chemicals, one of them is carcinogenic, a substance to make clothes.<sup>8</sup> This form of water pollution is just one of the few forms of pollution this industry emits.

Encouraged by economic globalization it adds complexity of the supply chain for not only one supplier is involved in the production process of a brand, but rather thousands of suppliers are involved in it. With the lack of transparency enforcement, makes it difficult to hold the industry for accountability. With increasing demand, manufacturing production rises hence resulted in the increase

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<sup>5</sup> Kuncoro, Mudrajad. 2013. "Indonesia's Textile and Its Products Industry: Recent Development and Challenges." *The Business & Management Review*, 126–39.

<sup>6</sup> Alina Brad, Alice Delemare, Natasha Hurley, Valerie Lenikus, Rachel Mulrenan, Urska Trunk, and Nusa Urbancic. 2018. Publication. The False Promise of Certification. Changing Markets Foundation. [http://changingmarkets.org/wp-content/uploads/2018/05/False-promise\\_full-report-ENG.pdf](http://changingmarkets.org/wp-content/uploads/2018/05/False-promise_full-report-ENG.pdf).

<sup>7</sup> Brad et al., "The False Promise," 65

<sup>8</sup> Linda Greer, Peter Lehner, Susan Egan Keane, and Sarah Murray. 2017. "Encourage Textile Manufacturers to Reduce Pollution." NRDC. June 16, 2017. <https://www.nrdc.org/issues/encourage-textile-manufacturers-reduce-pollution>.

of pollution emitted. Raising the assumption that the increased gains achieved through economic globalization are at the expense of the environment because of the various factors such as lenient environmental standards.

Sungai Citarum is a river that runs through West Java and is surrounded by textile industries along its way in reaching the sea. It is the home of the largest number of textile industries followed by Central Java, Jakarta, and the rest spread around East Java, Bali, Sumatera, and Yogyakarta.<sup>9</sup> A great number of 446 textile factories are under operation at the Citarum Watershed.<sup>10</sup> In which many of these factories play a role in supplying and manufacturing for big brands such as H&M and Zara, specifically through their viscose production; a chemical intensive, man-made, plant-based fiber.<sup>11</sup> This results in the emission of many harmful wastes into the river which reportedly has threaten the lives of the fishes. Moreover, threatening the livelihood of the fisherman's in the area. It is reported that the fishes caught in the area are evidently contain poisonous metals and proven to be hazardous when consumed by people at a regular basis.

One of these metals found is lead, and this is particularly found in two indigenous fish species; Nile Tilapia and Hampala barb.<sup>12</sup> To top it off, most of the fisherman have shifted their occupation into garbageman because of the dwindling

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<sup>9</sup> Kuncoro, "Indonesia's textile and," 126-139.

<sup>10</sup> Greenpeace International. (2013). *Toxic Threads: Polluting Paradise*. Amsterdam: Greenpeace International.

<sup>11</sup> Changing Markets. 2017. Rep. Dirty Fashion: How Pollution in the Global Textiles Supply Chain Is Making Viscose Toxic. Changing Markets Foundation. [https://changingmarkets.org/wp-content/uploads/2017/06/CHANGING\\_MARKETS\\_DIRTY\\_FASHION\\_REPORT\\_SPREAD\\_WEB.pdf](https://changingmarkets.org/wp-content/uploads/2017/06/CHANGING_MARKETS_DIRTY_FASHION_REPORT_SPREAD_WEB.pdf).

<sup>12</sup> O.S, Suanrudi, and Ohtsuka R. 2005. "Multi-Source Water Pollution in the Upper Citarum Watershed, Indonesia, with Special Reference to Its Spatiotemporal Variation." *Environmental Sciences* 12 (3): 121–31.

number of fishes living in the area. Unfortunately, it does not end there, the people living along the river have also become dependent towards the river as it has long been their source of water mainly used for, bathing, cooking, cleaning and even for irrigation. With such toxic chemicals in the water, it threatens the people in being exposed to hazardous chemicals and health risks.<sup>13</sup>

Having Sungai Citarum as one of the sources for water, agriculture, and electricity to those many who are living near the river. Ironically, the river has become one of the most polluted river in the world. Notably, rivers are natural resource in which are finite.

According to UN World Commission on Environment and Development, sustainable development is a development that meets the needs of the present without compromising the ability of future generations to meet their own needs.<sup>14</sup>

In terms of environmental sustainability, it would mean the environmental capacity to maintain a given level of environmental quality and the rate of natural resource extraction indefinitely.

Despite the promising advantages economic globalization offers; the varied options and opportunities that are given, it cannot be denied that the consequences from it are quite damaging and will cause a detrimental effect on the future generation. It questions whether financial gains ought to be prioritised over environmental protection and public health.<sup>15</sup> However, by going back to the

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<sup>13</sup> Changing Markets, “Dirty Fashion: How,” 34.

<sup>14</sup> UCLA. n.d. “What Is Sustainability?” UCLA Sustainability. Accessed 2020. <https://www.sustain.ucla.edu/about-us/what-is-sustainability/>.

<sup>15</sup> Shishoo, Roshan, and P Patterson. 2012. “The Impact of Environmental Regulation on Future Textile Products and Processes.” Essay. In *The Global Textile and Clothing Industry: Technological Advances and Future Challenges*, 29–54. Oxford: Woodhead Publishing.

dimensions classified by Steger, I argue that one dimension and its side effects cannot determine whether globalization is good or bad. Rather, it would be better seeing if the other dimensions can come to an advantage to mitigate the consequences of economic globalization.

Hence, I have chosen to examine deeper into Indonesia's textile industry as it has reflected the many positive impacts of globalization resulting this industry to have a prominent role being in the global textile supply chain, whilst at the same time reflecting the side effects globalization has brought, environmental damage. From the case of Indonesia's textile industry, it is hoped that it can be guide to other textile producing countries. To this, this research will discover how globalization has affected environmental sustainability and how Indonesia will still be able to take advantages of economic globalization in the textile industry whilst being more environmentally sustainable.

## **1.2 Research Questions**

In accordance with the information that was previously mentioned, I would like to suggest the following questions:

1. How has the Indonesian government's regulations on environmental matters influences the environmental sustainability in the Indonesia's textile industry?
2. In what ways has globalization affected environmental sustainability in Indonesia's textile industry?

### **1.3 Research Objectives**

The objective of this research is firstly, to identify how the Indonesian government has played their role in encouraging environmental sustainability in the textile industry through regulations and how it has impacted the textile industries' stakeholders. Secondly, through the many dimensions of globalization, I would like to see how it has affected environmental sustainability in Indonesia's textile industry. Hence, giving an understanding how Indonesia will still be able to benefit from economic globalization in the textile industry in a more environmentally sustainable manner.

### **1.4 Significance of Research**

The result of this research will provide an insight on what the Indonesian government has done so far in terms of sustainable environment in its textile industry and what can be done in the future to still benefit from this industry through ecological globalization. Moreover, this will provide a deeper understanding of the nature of globalization. This topic will encourage the readers in raising their awareness as being citizens surrounded by global processes in which what they consume has its pros and cons. It will also encourage the readers in increasing their awareness in being more environmentally sustainable and how they can contribute by being responsible consumers. I hope that this research can also contribute as a reference to Indonesia's future development programs specifically in the creation of a sustainable environment.



### **1.5 Structure of Thesis**

The first chapter will be the introduction that consists of the background of my thesis topic, followed by the research questions, the research objective, and the research contribution.

The second chapter, is the theoretical framework, will have literature review on international relations theory and concepts that are used as a framework to analyze the Indonesian government current regulations as well as ecological globalization effects on environmental sustainability.

Chapter three is on methodology, which will give a detailed explanation on the research approach, research method and the data collection technique that is necessary to complete my research. In addition, this chapter will be closed with the data analysis technique in which will be used in the data collection techniques to answer the research questions of this thesis.

Chapter four, which is the analysis, will discuss and analyze the main topic of this research. Furthermore, this chapter will present the data collected that has been gathered regarding the Indonesian government current regulation as well as globalization effects on environmental sustainability in a systematic manner and in accordance with the international relations theory and concepts. The results will then be used to answer the research questions of this thesis and analyzed its consequences.

Lastly, chapter 5, which is conclusion, will summarize and conclude the analysis of this research from the previous chapters.

With the given introduction of the research in this chapter, it will be followed by the theoretical framework in the next chapter which includes the literature reviews used for this research, including the theories and concepts that will be used to answer the research questions.

