

Global Brands Find It Hard to Untangle Themselves From Xinjiang Cotton

Under pressure to renounce cotton harvested in a Chinese region marked by gruesome repression, they face a backlash from nationalist Chinese consumers.



An H&M store in Beijing. Enraged Chinese consumers have seized on the company's months-old renouncement of Xinjiang cotton as an attack on China. Credit...Kevin Frayer/Getty Images



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Faced with accusations that it was profiting from the forced labor of Uyghur people in the Chinese territory of Xinjiang, the H&M Group — the world's second-largest clothing retailer — promised last year to stop buying cotton from the region.

But last month, H&M confronted a new outcry, this time from Chinese consumers who seized on the company's renouncement of the cotton as an attack on China. Social media filled with angry demands for a [boycott](#), urged on by the government. Global brands like H&M risked alienating a country of 1.4 billion people.

The furor underscored how international clothing brands relying on Chinese materials and factories now face the mother of all conundrums — a conflict vastly more complex than their now-familiar reputational crises over exploitative working conditions in poor countries.



Farmers picking cotton in a field in Hami in China's northwestern Xinjiang region, in 2018. Credit... Agence France-Presse — Getty Images

If they fail to purge Xinjiang cotton from their supply chains, the apparel companies invite legal enforcement from Washington under an American [ban on imports](#). Labor activists will charge them with complicity in the [grotesque repression of the Uyghurs](#).

But forsaking [Xinjiang](#) cotton entails its own troubles — the wrath of Chinese consumers who denounce the attention on the Uyghurs as a Western plot to sabotage China's development.

The global brands can protect their sales in North America and Europe, or preserve their markets in China. It is increasingly difficult to see how they can do both.

“They are being almost at this point told, ‘Choose the U.S. as your market, or choose China as your market,’” said Nicole Bivens Collinson, a lobbyist who represents major apparel brands at Sandler, Travis & Rosenberg, a law firm in Washington.

In an age of globalization, international apparel brands have grown accustomed to criticism that they are profiting from oppressed workers in countries like [Myanmar](#) and [Bangladesh](#), where cheap costs of production reflect alarming safety conditions.

The brands have developed a proven playbook: They announce codes of conduct for their suppliers, and hire auditors to ensure at least the appearance of compliance.

But China presents a gravely elevated risk. Xinjiang is not only the source of 85 percent of China’s cotton, but synonymous with a form of repression that the U.S. government has officially termed [genocide](#). As many as a million Uyghurs have been herded into [detention camps](#), and deployed as [forced labor](#).



Farmers sowing cotton seeds last month in the Xinjiang region, which is the source of 85 percent of Chinese cotton. Credit...Ma Kai/Xinhua, via Getty Images

The taint of association with Xinjiang is so severe that both the Trump and Biden administrations have sought to prevent Americans from buying clothing produced with the region’s cotton.

For the apparel brands, their dilemma is heightened by the fact that the Chinese government has weaponized China’s consumer market. In fomenting nationalist outrage, Beijing is seeking to pressure the international brands to pick a side — to ignore reports of forced labor or risk their sales in the world’s largest potential consumer market.

Framing this choice is the reality that China remains the world's central hub for making clothing.

In pursuit of alternatives, many international brands are shifting production from Chinese factories to plants in countries like Vietnam, Cambodia and Bangladesh. But moving does not eliminate their exposure to Xinjiang cotton.

China exports unprocessed cotton to 14 countries, including Vietnam, Thailand, India, Pakistan and Bangladesh, and yarn to 190 countries, according to the International Cotton Advisory Committee, an international trade association in Washington.

China is the source of nearly half of all cotton fabric exported around the world. Most of that material includes cotton harvested in Xinjiang.

“Supply chains are long and opaque, and the journey from field to shelf involves cotton gins, mills, weaving or knitting, dyeing and finishing — all steps that may take place in different parts of China, or different countries,” said Leonie Barrie, an apparel analyst at GlobalData, a consulting company in London. “Even if a brand had no direct relationship with Chinese factories, they can't completely rule out any links to Xinjiang's cotton.”



Spools of yarn in Kuqa in the Xinjiang region. China exports yarn to 190 countries, according to the International Cotton Advisory Committee. Credit...Cai Zengle/Visual China Group, via Getty Images

The Long March to Xinjiang

The ubiquity of clothing made with Xinjiang cotton is the result of forces that have shaped the global economy for centuries.

Cotton's history is intertwined with the barbarity of slavery, given that it is vital to the production of textiles, and dependent on large numbers of people to harvest and refine in a grueling process.

The lucre of cotton prompted plantations in the American South to turn to the African slave trade. In modern times, the cotton trade has frequently drawn accusations of forced labor from human rights groups, most prominently in [Uzbekistan](#).

As China has transformed itself from an impoverished country into the world's second-largest economy, it has leaned on the textile and apparel industries. China has courted foreign companies with the promise of low-wage workers operating free from the intrusions of unions.

The brands have turned China into an export colossus. They have also invested heavily in selling their products to a growing Chinese consumer class.

Xinjiang, a rugged expanse more than twice the size of Texas, holds China's largest oil reserves. Its abundant land and sunshine have made it fertile ground for cotton.

The Chinese government has rejected claims of worker abuse in part by claiming that much of Xinjiang's cotton harvest is now automated. But manual picking remains common in the south of the region, where most Uyghurs live. There, nearly two-thirds of cotton is handpicked, the [regional government said last year](#).



A textile factory in Korla in the Xinjiang region, which is more than twice the size of Texas. Credit...Que Hure/Visual China Group, via Getty Images

As human rights groups have focused on the exploitation of the Uyghurs, apparel brands have sought to distance themselves from Xinjiang. Nike, Burberry and PVH, the parent of Calvin Klein and Tommy Hilfiger, have issued assurances that they have ceased buying cotton from sources in the region, while conducting audits of their suppliers.

But supply-chain experts caution that multinational manufacturers frequently game the audit process.

“The key tool it’s used for is rubber-stamping conditions in supply chains, as opposed to trying to deeply figure out what is going on,” said Genevieve LeBaron, an expert on international labor at the University of Sheffield in England.

In Xinjiang, efforts at probing supply chains collide with the reality that the Chinese government severely restricts access. Not even the most diligent apparel company can say with authority that its products are free of elements produced in Xinjiang. And many brands are less than rigorous in their audits.

Major apparel brands have coalesced around the Better Cotton Initiative, an organization based in Geneva and London whose official mission includes improving working conditions for those in the trade.

Last fall, the organization announced a halt to its activities in Xinjiang amid persistent reports of forced labor. But the body’s China branch recently asserted that its investigation in Xinjiang “has never found a single case related to incidents of forced labor,” dating back to 2012, according to a [statement](#) reported by Reuters.

That assertion flew in the face of a growing body of literature, including a recent [statement](#) from the United Nations Human Rights Council expressing “serious concerns” about reports of forced labor.

The Better Cotton Initiative declined a request for an interview to discuss how it had come to its conclusion.

“We are a not-for-profit organization with a small team,” the initiative’s communications manager, Joe Woodruff, said in an email.

The body’s membership includes some of the world’s largest, most profitable clothing manufacturers and retailers — among them Inditex, the Spanish conglomerate that owns Zara, and Nike, whose sales last year exceeded \$37 billion.



Nike is one of many companies that have issued assurances that they have ceased buying cotton from sources in the region. Credit...Kevin Frayer/Getty Images

Angering Chinese Consumers

Even as statements about Xinjiang cotton from apparel companies have failed to ease human rights concerns, they have provoked outrage among Chinese consumers.

On Chinese social media, people have posted photos of themselves throwing away their Nike sneakers or — for the less committed — covering the logos on their sweaters with masking tape.

An auto body shop in Hohhot, Inner Mongolia, put up a banner barring customers who wore Nike or H&M. A bar in Beijing offered free drinks to customers who wore apparel from domestic brands.

In the southern Chinese city of Xiamen, Polly Cai, 24, said her taste for clothing and shoes from brands like Nike and Uniqlo had been trumped by her disgust for what she viewed as a blow to her country's dignity.

“Western brands want to take Chinese consumers’ money and still step all over Xinjiang cotton,” she said. “It’s ridiculous.”

The brands are putting stock in the enduring popularity of their products in China, while seeking to avoid further provocation. Inditex removed from its website a statement in which it had promised to avoid Xinjiang cotton.

Yet in muting their condemnation of forced labor in Xinjiang, the brands risk amplifying their problems outside China.

“If they do the right thing, they face serious commercial risk in China,” said Scott Nova, executive director of the Worker Rights Consortium, an advocacy organization. “Yet they know consumers globally will be repulsed by a brand that willfully abets forced labor. It is a profound moral test.”



A garment factory in Vietnam. Many international brands are shifting production from Chinese factories to plants in Vietnam and other countries. Credit...Kham/Reuters

Beyond China

For the apparel brands, the furor over Xinjiang is merely the latest development driving them to move production to other countries.

As labor costs have climbed in China in recent decades, many industries have shifted operations to lower cost nations like Vietnam, Cambodia and Bangladesh. The [Trump administration](#) furthered the trend by pressuring American multinational companies to abandon China.

“All of the economic forces that pushed this production to China are really no longer at work,” said Pietra Rivoli, a trade expert at Georgetown University in Washington.

Still, China retains attributes not easily replicated — the world’s largest ports, plus a cluster of related industries, from chemicals to plastics.

Other countries present their own human rights concerns. Last year, the European Union revoked duty-free access for garments from [Cambodia](#) in response to its government's harsh crackdown on dissent.

Some global brands are seeking Beijing's permission to import more cotton into China from the United States and Australia. They could employ that cotton to make products destined for Europe and North America, while using the Xinjiang crop for the Chinese market.

Yet that approach may leave the apparel companies exposed to the same risks they face now.

"If the brand is labeled as 'They are still using forced labor, but they are just using it for the Chinese market,' is this going to suffice?" said Ms. Collinson, the industry lobbyist.

Last week, H&M issued a new communication, beseeching Chinese consumers to return. "We are working together with our colleagues in China to do everything we can to manage the current challenges," said the [statement](#), which did not mention Xinjiang. "China is a very important market to us."

Those words appear to have satisfied no one — not the human rights organizations skeptical of claims that apparel companies have severed links to Xinjiang; not Chinese consumers angry over a perceived national indignity.

On Chinese social media, criticism of H&M remained fierce.

"For you, China is still an important market," one post declared. "But for China, you are just an unnecessary brand."