

Global Cotton Trade-On the Example of the Uzbek Cotton Trade

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ABSTRACT

Cotton is one of the most important cash crops globally, with around 25 million metric tons produced annually. Uzbekistan is one of the top cotton exporters, though its industry has been controversial due to alleged forced labor practices. This paper examines Uzbekistan's cotton industry within the context of the global cotton trade. It provides an overview of global cotton production and trade, analyzes the structure and practices of Uzbekistan's cotton sector, assesses reforms and remaining forced labor concerns, and discusses implications for ethical sourcing and trade policy. Findings indicate that while the Uzbek government has taken steps to curb state-orchestrated forced labor, further action is needed to align with international labor standards. As clothing brands and retailers face scrutiny for sourcing Uzbek cotton, adopting policies to ensure traceability and avoid complicity with labor abuses remains imperative.

INTRODUCTION

Cotton is among the most widely produced and traded agricultural commodities worldwide, providing raw material input for textile manufacturing and employing millions engaged in its farming, trade and processing [1]. Global cotton production totaled approximately 25 million metric tons in 2020/21, led by India, China, the United States, and Pakistan as major producers [2]. Beyond its status as a key cash crop, cotton also carries socioeconomic and ethical implications related to international development, workplace standards, and human rights norms [3].

Uzbekistan represents a prime example of both the opportunities and complexities surrounding the global cotton industry. Once the Soviet Union's chief cotton source [4], independent Uzbekistan has remained among the top global cotton exporters [2]. However, its government-orchestrated cotton farming system involving coerced labor practices has made the country synonymous with the ongoing problem of modern slavery in cotton production [5]. In the face of international pressure and reform efforts, debate continues around the extent of forced labor in Uzbek cotton harvesting, and the ethics of global brands sourcing raw material there for their supply chains [6].

Examining Uzbekistan's cotton sector provides insights into the dynamics of a major cotton exporting economy, the evolution and impacts of cotton policy regimes, and ongoing tensions between market liberalization reforms and embedded institutional legacies. This paper aims to contextualize Uzbekistan's cotton industry within the global cotton trade, analyzing relevant historical background, structural aspects, production and trade patterns over time and space, the status and implications of recent reforms, and effects on international supply chain management for clothing and textiles.

METHODS AND LITERATURE REVIEW

This paper examines Uzbekistan's cotton sector following a case study research design incorporating quantitative trade data and qualitative policy analysis. The paper undertakes a contextualized, critical assessment of Uzbekistan's contemporary cotton system, informed by the historical institutionalist theoretical perspective [7]. This lens elucidates how institutionalized policy regimes and path dependent political-economic structures shape current cotton farming arrangements and reforms in Uzbekistan.

The paper triangulates data from academic literature, policy documents, industry reports, and media investigations to assess forced labor concerns and recent supply chain dynamics related to Uzbek cotton. Key literature includes academic studies of Central Asia's cotton sector [4][8], research on labor rights in Uzbekistan [9], analyses of connections between forced labor and global trade [10], and examinations of ethical sourcing issues in cotton supply chains [11]. The review helps identify critical background and debates to situate Uzbekistan's cotton sector.

Trade data from United Nations COMTRADE [12] provide insight into quantitative patterns of global cotton trading. Further data informing production levels and policy shifts are accessed via industry groups like the International Cotton Advisory Committee [2]. The paper analyzes Uzbekistan's changing cotton policy regime, particularly following the state's accession to key International Labour Organization (ILO) conventions in 2014 which catalyzed reforms. Assessment of recent supply chain dynamics draws from audit reports, corporate publications, non-governmental organizations, and media coverage.

RESULTS

As one of the most widely traded agricultural commodities, cotton traverses complex value chains crossing borders and enterprises to turn raw harvests into finished textiles and apparel [1]. Approximately 25 million metric tons of cotton lint were produced globally in 2020/21, down slightly from 26 million tons the prior season [2]. The decline partly reflects weather fluctuations and ongoing impacts from the COVID-19 pandemic which roiled supply chains and markets.

India, China, the U.S., Pakistan, and Brazil accounted for over 70% of 2020/21 world cotton production, although over 100 countries worldwide grow cotton spanning varied scales and production systems [2]. Upland cotton represents 90% of global output, with the long staple and extra long staple varieties comprising the remainder [2]. While cotton cultivation long centered in Asia, the U.S., South America and Africa, the past half-century has seen a geographical shift in output towards Asia and away from the U.S. and Europe [1].

Beyond growing cotton as a cash crop, forward linkages in ginning, trade, textile manufacturing, apparel production, and retail determine the commodity's value chain. The textile industry accounts for the largest share of raw cotton consumption, absorbing around three-quarters globally [1]. Developing countries have dominated apparel exports as production shifted to low-wage locations, though automation stands to reshape labor cost advantages. Meanwhile, sustainability concerns from water use to chemical inputs have driven cotton innovation from organic cultivation to eco-textiles.

Cotton's introduction to Central Asia dates to Russia's imperial expansion during the 1800s which reoriented the region towards cash crop agriculture [8]. The crop expanded significantly across the Soviet Union from the 1950s onwards as Moscow financed intensive irrigation works to increase cotton yields [4]. Through centralized state planning, the Kremlin integrated Central Asia into communist development schemes with cotton as an export revenue source [8]. Uzbekistan ultimately emerged as the Soviet Union's chief cotton producer, accounting for around two-thirds of its output [4].

As an independent state since 1991, Uzbekistan has remained among the top global cotton

exporters [5]. The crop drives foreign revenue Generation alongside gold and gas resources [6]. Cotton also constitutes an essential livelihood source for much of Uzbekistan's rural population engaged in its cultivation. Around 45% of Uzbekistan's labor force works in agriculture (predominantly cotton), though it forms just 17% of GDP [7]. Such data indicates the cotton industry's centrality for employment despite lower returns compared to other sectors.

By the 2010s, Uzbekistan's systemic forced labor practices prompted international condemnation given violations of ethical recruiting norms and human rights. A 2013 ILO monitoring mission confirmed 'compulsory mobilization' practices. Major apparel brands consequently faced pressure to avoid complicity in Uzbek cotton supply chains. Uzbek authorities long denied state coercion before acknowledging 'flaws' and announcing reforms. The regime targeted increases in voluntary recruitment alongside gradual steps introduced from 2014 onwards.

Revelations around Uzbekistan's cotton abuses left international apparel firms and retailers facing reputational risks given the country's weight as an exporter and hub for textile production [7]. Major brands including H&M, IKEA and Marks & Spencer instituted temporary boycotts or sourcing restrictions [4]. Specialized cotton traders likewise adopted certification schemes or diversion policies to mitigate Uzbek content in supply networks. However, tracing cotton fibers through complex value chains poses inherent challenges. Uzbek cotton often enters other regional markets while textiles integrate various sources obscuring original derivation [6].

ANALYSIS AND DISCUSSION

Uzbekistan's experience speaks to broader patterns manifest across global cotton GVCs. Its cotton industry epitomizes the crop's role as an engine of cash-crop led economic development in poorer agrarian nations [3]. Cotton holds political and social sway as an industrial raw material and rural livelihood bedrock. Hence overcoming legacies of exploitative, coercive production has proven challenging even amid gradual reform progress as in Uzbekistan's case.

The institutionalist perspective sees political and economic structures as mutually constitutive [7]. Regimes craft policies which reshape associated actor behaviors and incentives in recursive fashion. Uzbekistan's latest agricultural policy shifts indicate fledgling movement from old regime vestiges. But eradicating coercive practices requires sustained, irreversible transformation reconfiguring structures of state control, rural governance and labor market functions. Despite rhetoric, state authorization of systematic rights violations has shown a tendency to persist before pressure forces acknowledgement.

Thus Uzbekistan faces continued international scrutiny of its progress towards aligning standards with ILO conventions and ethical business norms. Testing its commitments requires sustained civil society and stakeholder vigilance [9], alongside political will from the state to follow through on reforms. For global brands, avoiding future risks around Uzbek cotton means conducting human rights due diligence spanning traceability schemes, supplier codes and remedy frameworks per rising legal expectations on business conduct [7][8]. Though complex given diffuse value chains, demonstrating responsibility across cotton supply networks is growing only more imperative.

CONCLUSION

In conclusion, Uzbekistan's legacy as a major cotton producer makes it an ideal case study into the socioeconomic implications of global cotton GVCs. Its commodity chain holds strategic import domestically through export profits, industrial visions and rural employment. However realizing such goals has come at steep costs historically from an entrenched, coercive cotton regime centered on state control rather than social wellbeing or market efficiency.

Encouraging preliminary reforms have brought partial but inconclusive changes so far in aligning Uzbek cotton production with international labor norms. Further progress hinges on

sustained action around transparency, monitoring, rural development, and alternative livelihood policies that can conclusively curtail involuntary practices. Global brands must likewise strengthen due diligence to mitigate forced labor risks exposure amid rising legal obligations. Uzbekistan's trajectory will be instrumental in determining whether cotton commodity networks can overcome embedded governance legacies, or end up reinforcing patterns of exploitation and ethical breaches. Its outcomes hold wider lessons on reconciling labor rights with agricultural development in commodity GVCs spanning the developing world.

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