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Sustainable fast fashion: a feasible oxymoron?

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Abstract

This final dissertation aims at presenting the global phenomenon of fast fashion and, especially, assessing if its global value chain can become sustainable.

Therefore, the phenomenon will be analyzed from the global value chains and globalization's viewpoint, focusing on their global structure and on most involved countries, the governance behind at public and private level, the role of capitalism and labor with its implications.

Moreover, the workplan will be developed as an analysis of fast fashion from an economic, social and inevitably cultural point of view, thus considering three elements: development, global value chain and sustainability.

These three standpoints will be developed in one chapter per each: after an introduction on what is fast fashion, its origins and what implies today, in the first chapter the focus will be on the economic aspects, together with historical implications, as well as the orthogonality of slow and fast fashion; the second chapter will analyze the social part of fast fashion, which has to be understood as workers' rights in developing countries and how civil society and institutions have or have not intervened. In addition, in these two chapters two case studies on brands will be presented: Levi's and Missguided. Lastly, the cultural view will be based on an analysis of data regarding consumers' consumption habits in the West and provide some valid sustainable alternatives to fast fashion.

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Summary

Alla domanda “può un sistema come quello del fast fashion diventare sostenibile?” la risposta sembrerebbe quasi scontata, e negativa. Si potrebbe quindi affermare che si stia parlando di un ossimoro data la lontananza semantica, quasi opposizione, tra i due aggettivi “fast” e “sostenibile”; di fatto, il fenomeno conosciuto come fast fashion, che indica un sistema di produzione, si spiega quasi da sé, abbigliamento prodotto velocemente, con nuove collezioni disponibili ogni due settimane, se non meno, prodotte in abbondanza per ogni punto vendita del marchio presente nel mondo. Dall’altra parte, l’idea di sostenibilità, che per il Brundtland Report rimanda alla necessità, visti già alcuni effetti negativi del cambiamento climatico negli anni Ottanta del Novecento, di consegnare il pianeta alle generazioni future così come loro lo avevano ricevuto, il che per il settore produttivo e industriale significa rivedere quantità, ma anche qualità, di produzione possibilmente rallentandola. Chiaramente, in un paradigma fortemente capitalista e soggetto a molte crisi politiche, questo non poteva che essere messo in secondo piano.

Passando dalla storia della moda più recente che inizia con la fabbricazione delle divise militari negli anni Trenta quando spopolano i primi *sweatshops* negli Stati Uniti, alla moda come indicatore di ogni status sociale, come la si intende adesso, si passa per gli anni Sessanta in cui Liz Claiborne fu la prima designer e imprenditrice nel mondo a comprendere i vantaggi dell’*outsourcing* o esternalizzazione della produzione dei capi d’abbigliamento. Evidentemente la catena di approvvigionamento come la si era conosciuta fino a quel momento non era altrettanto efficiente, dato che da lì a poco il sistema risultò così conveniente che molte aziende seguirono questa pratica di trasferire la manifattura all’estero, generalmente in un paese in via di sviluppo e in quelli circostanti coprendo quell’intera regione, trasferendovi anche parte degli uffici per sovrintendere ai lavori. Quando il sistema fu stabilizzato, in questi paesi le grandi aziende iniziarono anche a sviluppare l’intera catena di produzione, inserendovi anche i segmenti produttivi di design, ricerca e sviluppo, i vari servizi connessi all’export e la distribuzione, che veniva poi considerata un upgrade industriale della catena di approvvigionamento stessa. Oltre

ai prodotti tangibili che andavano perfezionandosi acquistando sempre più valore, poiché i lavoratori erano chiamati a specializzarsi sempre più in un determinato segmento e settore della catena, anche i servizi aggiunti sopra citati facevano crescere l'azienda, dal punto di vista industriale. Molti studiosi sottolineano che questo miglioramento detto "upgrading industriale" è alle volte affiancato da quello sociale, cioè un miglioramento delle condizioni di vita e lavoro dei lavoratori.

Prima di continuare a parlare di crescita, bisogna anche chiedersi come mai, in questi paesi, pur essendoci una delocalizzazione di così tante aziende e prodotti, la situazione economica non migliorasse di molto, soprattutto quando ci si concentrava sullo stile di vita dei lavoratori impiegati in questi grandissimi networks. O quantomeno, la situazione economica migliorava, a differenza quella dal punto di vista dello sviluppo. Inoltre, in un quadro storico come quello sino-americano degli anni Cinquanta e Sessanta, chi beneficiava maggiormente da questo scambio era la Cina, all'inizio, e gli Stati Uniti. I dati degli investimenti regionali per lo sviluppo industriale nel decennio tra il 1948 e il 1960 mostrano che dopo l'Europa occidentale, che era sempre stata vista come alleata dagli Stati Uniti d'America, per cui erano stati spesi 43 miliardi di dollari -metà del totale degli aiuti mondiali statunitensi- di cui quasi il 68 per cento era per scopi non militari, quasi 19 miliardi ai paesi dell'Asia orientale, da aggiungere ai flussi di capitali privati e agli investimenti diretti esteri per quasi 9 miliardi dollari nel 1966, diventando il polo manifatturiero industriale per le multinazionali degli Stati Uniti (Golub, 2010, p. 69). Per mantenere l'economia capitalista mondiale, gli Stati Uniti avevano bisogno di alleati con strutture di sicurezza regionali stabili, economie e sistemi politici che riflettessero una base capitalista. Per fare ciò, gli Stati Uniti crearono sistemi multilaterali a sostegno dello sviluppo interno negli stati alleati dell'Europa e dell'Asia orientale: il cosiddetto liberalismo integrato, che implicava l'interventismo ma non il libero scambio. Perpetrare un sistema politico di tipo illiberale in Asia era stato uno strumento adoperato dal governo americano per agire da potenza egemonica, pur consentendo l'industrializzazione: infatti, dopo il 1948, il Giappone fu definito "l'animale economico americano" (Golub, 2010, pp. 74-75). Nel resto del sud-est asiatico gli Stati Uniti hanno fatto affidamento su forti regimi autoritari e dittatori militari, così come in Corea del Sud e Taiwan, fino alla fine della Guerra Fredda. Pertanto, gli Stati Uniti hanno stabilito con

l'Asia -capitalista- relazioni bilaterali nel contesto transatlantico del multilateralismo, mirando principalmente a raccogliere materie prime chiave che si estendono dall'est della regione al sud-est e al sud, rendendole le zone di produzione più cruciali: l'Asia aveva scambiato libertà politica nella regione in cambio dell'ingresso nel mercato americano. Durante la Guerra Fredda gli Stati Uniti mantennero accordi commerciali bilaterali e incoraggiarono l'industrializzazione guidata dalle esportazioni e la dipendenza dal mercato unico, il che ovviamente significava vincoli alla libertà, ma anche una crescita economica significativa che continuò inarrestabilmente fino agli anni Novanta.

Questo non è un passaggio da sottovalutare, dato che ha creato il supporto sistemico per condizioni disastrose in cui versavano e versano tutt'ora i lavoratori di alcune zone del mondo 'impiegati' nelle catene di approvvigionamento globali, che essendo tali si sottraggono alle logiche di governance di una azienda nazionale e lasciano dei deficit di responsabilità intesa come *accountability*, che quindi non può trasformarsi in responsabilità, neanche in quella della nota responsabilità sociale d'impresa. È stata infatti fondamentale la consultazione delle varie pubblicazioni dell'Organizzazione Internazionale del Lavoro, da loro commissionate, come "Towards Better Work - Understanding Labour in Apparel Global Value Chains" poiché ha permesso di fare chiarezza su questo deficit di governance che perpetra disuguaglianze a livello locale, ma partendo dalla sfera internazionale, poiché la globalizzazione con la sua conseguente frammentazione lo ha permesso. Comunque, di recente, si sta cercando di ovviare a questi deficit di governance pubblica con degli interventi da parte delle aziende, quindi dalla governance privata, tanto che si è arrivati a parlare di de-regolazione delle forme pubbliche di governance ed esperimenti con la governance privata. Gli esempi sono molti e articolati per ogni ambito, ma tutti mirano a colmare il vuoto creato e lasciato dalle istituzioni pubbliche: codici di condotta, iniziative multilaterali, due diligence, gruppi audit, la responsabilità sociale d'impresa e il suo alternativo paradigma sociale guidato dai lavoratori. L'ultima alternativa, che si pone come iniziativa bottom-up rispetto alla CSR, si sta sviluppando negli ultimi anni (nata anche in seno a Levi's) e potrebbe costituire

l'unica ipotesi di sfuggire a possibili pericoli di *greenwashing* e *bluwashing*¹, strategie ingannevoli verso il consumatore da parte di aziende che affermando di essere impegnati a salvaguardare ambiente e lavoratori, in realtà stabiliscono i loro standard, non accettano i ruoli dei sindacati, non modificano l'utilizzo di sostanze chimiche nella produzione e così via, uscendone impunte poiché non c'è sufficiente normativa per evitare che ciò accada.

Sia per la parte meramente industriale che è stata coperta dal primo capitolo, sia per quella sociale del secondo, sono stati presentati due casi studio di due aziende, una molto conosciuta a livello mondiale, Levi Strauss and Co., l'altra che si è fatta conoscere negli ultimi due anni, Missguided. Paragonandole si è confermata la teoria di Mio, secondo cui le imprese possono persistere nel tempo solo quando intrattengono rapporti positivi con i propri azionisti o con coloro che condividono i loro valori, il che implica anche iniziative su base volontaria nei confronti di capitali, stakeholder e norme (Mio, 2021, p. 8). Questo è ciò che Levi's ha tentato di fare negli ultimi anni, con successo: l'azienda è riuscita a coinvolgere ogni parte della sua catena di approvvigionamento, inclusi i consumatori, per di più allungandola, rendendola più ecocompatibile, vicina ai lavoratori, inclusiva, il tutto con trasparenza, altra caratteristica fondamentale della sostenibilità. Levi's, infatti, aveva compreso il valore della creazione del *long-term value added*, pertanto, riportando i risultati di molti studi condotti da riviste specializzate e ricerche, Levi's si posiziona sempre in ottime posizioni in relazione ai parametri considerati per la sostenibilità d'impresa, che pur essendo un'azienda che produce in grandi quantità, presenta dei dati simili a quelle che seguono un processo di produzione definito "*slow fashion*", al contrario di Missguided, che invece si pone su un piano diametralmente opposto, toccando quasi i numeri dell'ultra-fast fashion, dimostrando non solo una cattiva gestione di impresa, ma maltrattamento dei lavoratori coinvolti a livello di *contractor* e *sub-contractor* e pagamenti mai effettuati, oltre ad un recente tentativo di *greenwashing*, dopo il fallimento del brand.

¹ Il *bluwashing* è il predecessore del *greenwashing*; si riferisce a quelle aziende che hanno firmato il Global Compact delle Nazioni Unite ma non hanno mai attuato riforme conformi ai suoi principi.

Per concludere, è stato analizzato il fenomeno dal punto di vista dei consumatori, cioè dell'ultima parte della catena di produzione. Il nucleo della questione è che il consumatore guida la domanda, in questo caso dell'abbigliamento, generando anche l'offerta, che quindi viene prodotta. Inoltre, la richiesta, anche se assente, viene creata con pubblicità, marketing, e ultimamente anche attraverso i social network su cui spopolano influencers, grazie a cui per esempio Missguided aveva venduto una quantità inimmaginabile di maglioncini abbinati per cani e padroni. Perciò, partendo dall'ultima parte della catena di approvvigionamento si può incidere sui numeri della domanda per abbassare quelli dell'offerta. Questo accadrà, secondo le previsioni dell'Unione Europea a partire dal 2030, nonostante altre analisi come quella del Global Fashion Market che prevedono che il mercato aumenterà del 63 per cento. In ogni caso, l'Unione Europea sembra volersi porre come avventrice dell'eliminazione di un sistema di sovrapproduzione lasciando spazio all'economia circolare, che sta lentamente prendendo piede soprattutto tra i più giovani nella fascia 16-34 anni, la cosiddetta generazione X o Millennial e generazione Z. Le proposte avanzate dall'Unione Europea variano infatti dalla creazione di un passaporto digitale del prodotto, che riporti ogni specifica informazione dal tessuto, all'origine delle fibre, allo stabilimento o stabilimenti in cui è stato prodotto e quanta CO2 la sua produzione ha comportato e la sua eventuale compensazione, promuovendo un'idea di circolarità. Per far sì che questo tipo di iniziative possa attecchire, è importante capire la propensione dei consumatori nei confronti della circolarità, il che è stato oggetto di molti studi da una decina di anni ad oggi, anche indagato tramite un sondaggio volto a collezionare esperienze e punti di vista di intervistati appartenenti a diverse fasce d'età. Ciò che si evince, tra molti altri dati ed ipotesi, è che il livello di apertura mentale nell'acquistare abbigliamento più sostenibile è molto alto, più di tre quarti dei rispondenti, a fronte di quasi la stessa percentuale di coloro che sono a conoscenza delle implicazioni sociali, economiche e ambientali del fast fashion. Inoltre, molti intervistati sostengono anche di essersi allontanati da lungo tempo da questo tipo di pratiche e di aver puntato sullo *slow fashion*, che comporta l'utilizzo e acquisto di capi di seconda mano o vintage, da marchi specializzati nell'utilizzo "cosciente" di risorse e persone, ma anche dall'uso prolungato di capi acquistati da catene fast fashion, quello che è stata definita ortogonalità.

In conclusione, si può dedurre che il fast fashion sostenibile è possibile, se da parte di ogni attore coinvolto nella sua produzione e utilizzo c'è lo sforzo per farlo diventare tale: le aziende devono comprendere che il loro valore aggiunto non è esclusivamente quello tangibile e di innovazione tecnologica, ma anche sociale, del rispetto dei diritti umani e dei diritti dei lavoratori, che non serve ricorrere a mezzi ingannevoli per raggiungere i loro consumatori e che ogni stakeholder deve essere coinvolto nelle azioni dell'azienda. D'altra parte, il consumatore dovrebbe essere più cosciente nei suoi acquisti, per guidare il mercato verso delle soluzioni più vicine alla sostenibilità sociale ed ambientale.

Introduction

Can fast fashion be sustainable? This has become a rather frequent question, perhaps an oxymoron, owing to the semantic distance between the adjectives 'fast' and 'sustainable'. In fact, it is at least since 1987 that a sustainable development is invoked, economically, socially and environmentally. Economic growth was accelerating, at a pace that was already preoccupying scientists. The Brundtland Report constituted an appeal to be careful and to start slowing down the most dangerous and intensive production practices referring to all groups of society: governments, private enterprises and firms, civil society, citizens, non-governmental organizations. The Report has then been translated in 17 Sustainable Development Goals to achieve by 2030: each of the 17 Goals reflect the vastity of the umbrella term 'sustainability' and consequently that all aspects of life should be reconsidered.

This dissertation aims at analyzing the global phenomenon of fast fashion based on the 'Triple Bottom Line' approach, which is usually the most operated in studies of all kinds on sustainability by focusing on social, economic and environmental viewpoints. Sustainability is, in fact, an umbrella term, that may involve good, best and even bad practices -as it can also be hiding greenwashing or blue washing-, but that mainly involves the slowing down of the pace of economic practices. However, nowadays, it should be linked to efforts that must be made to perform well at all levels in the three fields mentioned before. The abovementioned approach can also be referred to as the three P's approach as it involves people, planet and profit (Schabasser, 2022, pp. 2-6) which allows to conduct a complete analysis on fast fashion phenomenon.

Along this dissertation many Sustainable Development Goals have been touched, analyzed and discussed: the eighth, focusing on the promotion of sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all, the ninth on the building of reliant infrastructure, promotion of inclusive sustainable industrialization and fostering of innovation, the tenth, which aims at reducing inequalities within and among countries, the twelfth, which is about ensuring sustainable consumption and production patterns, the thirteenth to take urgent action to combat

climate change and its impacts, among which appears a shift of economies towards carbon neutrality and finally Goal 16 *“Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels”* (UN, 2021, pp. 15-23). Clearly, when speaking of sustainability, it is impossible to consider a part of Goals and leave others behind, it is intrinsic in the concept of sustainability itself as chapter two will illustrate. However, for relevance I focused on some rather than others.

Numbers of fast fashion, a system that focuses on mass production of garments on tight deadlines in developing countries with extremely lower prices, are unbelievable nowadays: in 2022 its worth was of \$99.23 billion, and it is expected to grow to \$133.43 billion in 2026. How can, in fact, a t-shirt cost less than 10 euros, considering all the costs involved in its production? Usually, the highest share involves its selling, but the costs behind, those of production are extremely low, in the order for a few cents, even for the payment of workers per piece produced.

The dissertation begins with a focus on ‘profits’: how fast fashion works, the paradigm in which it operates, how it has improved and how it can be still improved. First, global economy should be considered as paradigm in which global supply chains operate, which present a lot of nuances, also given the degree of internationalization of this kind of chains, involving Foreign Direct Investments and the continuous outsourcing. In this chapter the historical background must be analyzed, especially that segment of history that saw the United States of America, first in industrialization in mid-20th century, and the Asian region as highly interconnected. This interconnection that could be one of the first signals of globalization and global economy, vaguely of development -that had nothing to do with sustainability, which must be considered at all costs nowadays. All in all, the first chapter deals with two main actors: firms, representing the private sphere of economy, and governments, whose role played in the past mainly involved trade.

In the second chapter, the focus is on ‘people’: workers’ rights are under the spotlight. After the Rana Plaza collapse many questions went unanswered; when answers were received, too many deficits were revealed in the system. In fact, this second ‘P’ involves governments, international organizations, non-governmental organizations and their

actions, laws, regulations created over the last century to safeguard workers' rights in some cases, but not exclusively. I wanted to start from Corporate Social Responsibility, that has been gaining room among firms as a self-regulative tool. However, this concept is already obsolete, as it is impossible to discuss responsibility, without considering accountability. Moreover, Corporate Social Responsibility is only the tip of the iceberg, and new tools are much more complex and, in some cases, effective. In fact, although the numerous rules and regulations on worker's health, workplace, general conditions of life in the Global South or Third World have been acknowledged, there is so much more that needs to be tackled for sustainability's sake.

These two chapters also present a more practical approach: two fashion brands and their recent sustainable or unsustainable practices, Missguided and Levi's from Levi Strauss and Co. have been discussed from the Profits and People's viewpoints. They have very different background and history as well as corporate apparatus and business administration; their differences are abyssal, as it can be noticed from the main source to see these differences has been Levi's Sustainability Report, which is until 2022 voluntary for businesses, yet they have been dedicated to its publication for a few years now.

In the third and last chapter consumers in a global economy become the focus, on 'planet' in the background. What I mostly intend to argue is that consumers drive the market, and by purchasing in a certain way market can be changed and adapted to a more sustainable lifestyle, which we must achieve by 2030. This last part offers an alternative viewpoint to purchasing fast fashion and fashion in general. Planet is the protagonist, however, starting from some bans on textiles and willingness to change the paradigm of overconsumption we are inserted in by the most relevant actors in the international arena, such as the European Union. It can also be observed how some multinational corporations, like Levi's, using the drive of incentives on customers, can lead the way for a systemic change. Innovation becomes pivotal in all these processes, so that a virtuous circle can be installed.

Considering fast fashion in numbers has become difficult, as its worth in 2022 was of dozens of billions; however, the market is enlarging by adopting different nuances: in the

last few years circular economy has started to take room and a lot of new market proposals are available, among them more uses per users, more users per products and beyond physical products are the most relevant. The problem might seem how to get there and out of the paradigm we are in, since the simple act of purchasing has always been a way to symbolize the belonging to a social status. It must be reminded that consumers drive the market, and many scholars argue that the latest generations are already making huge steps towards a greener future, which has also been confirmed by my survey.

Chapter I

1. What is fast fashion and what is sustainability?

Fast fashion is a global phenomenon and business strategy that can be explained as “*an approach to the design, creation, and marketing of clothing fashions that emphasizes making fashion trends quickly and cheaply available to consumers*” (Merriam-Webster, 2022). Apparently, the first use of this word dates to 1975, but its implications exist since the spinning wheel. The central characteristic of fast fashion is “*the timely satisfaction of consumers’ demand for fashion product at affordable prices*” (Chouprina, 2014, p. 31). This explanation can be transformed in a more comprehensive one, referring to two scholars who pointed at the high responsiveness in fashion industry, which has its precise cause in the emerging mass consumption and chain production.

High responsiveness includes both aspects related to the production of apparel - technologies, and the relation between retailers and suppliers- and the mass-market’s consumers’ demand (Burns and O’Bryant, 2002, p. 23), but the time period of production can also be included. The main difference from the traditional fashion where the relation was designer-customer is that it is the mass-consumption that drives the creation of clothes and its subsequent production, therefore transforming radically the business model (Chouprina, 2014, p. 32). Usually, the collection projects last two weeks maximum, depending on fashion trends and the collections available, instead of the classical seasonal collections, nowadays left to haute couture or High Fashion Houses, whose designs are usually copied by suppliers and adapted to current trends. Another characteristic that must be taken into consideration is the affordable price, which comes mainly from the outsourcing of production. Chouprina (2014, p. 33) insists on something that prescinds from the supply chain production, which is consumers’ behavior, their need to have the latest pieces, emphasized by the limited amount of time the clothes are displayed in shops. All in all, it seems that everyone wins because customers can buy at

affordable prices, which make the clothes sell out while an increase in profits for the producers occurs.

However, the development of fast fashion is highly at odds with apparel industry's sustainability in general and is often considered as the most evident example of a non-sustainable approach to production. Before discussing this issue and taking into exam the possible transformations of this model, it can be useful to provide a definition of sustainability.

Sustainability has been defined in 1987 as the ability of current generations to meet their needs without compromising future generations to meet theirs (UN, 1987, p. 16). According to the report that initiated the fight of most international organizations, non-governmental organizations and supranational organization to build a fairer future, sustainable development aims at balancing the poverty situation and making the most affluent adopt a lifestyle that does not further damage the Earth and particularly the biosphere that cannot sustain the rhythm of human activities, the consumption of resources, the abuse of the ecosystems that has been adding up lately. The authors recognize that sustainable development is not a unique solution but actions and processes of change that should occur gradually and as soon as possible, and should start from the political will (UN, 1987, p. 17). Sustainability and its goals should be decided, in fact, by each nation, since each one has different needs and resources. Social and economic development inevitably depends on policies adopted; however, in general, the starting point is basic needs, equality and ecologic values. This means that living standards should be reviewed and should be compatible with a long-term vision (UN, 1987, pp. 41-42).

What comes as a particularly interesting thing is that the Report presented at the Brundtland Commission highlighted the role of international cooperation and economy, which should satisfy both ecosystems and economic partners' exchanges that should be equitable and fair (UN, 1987, p. 23): these conditions were already conflicting in 1980s. Nevertheless, the interventions by the World Bank and other organization -that will be encountered further on- show that developing countries are those who suffer the most from unfair trade and therefore unsustainable development. The fact that some of the

most relevant developing countries in the 80s were facing huge debts hindered them from pursuing a sustainable development, pushing them to overproduce and produce for short-term visions. One solution may be inspired to the International Tropical Timber Agreement, where commodity-specific arrangements may be more suited to tackle ecological concerns. Furthermore, the Brundtland Report called for more equality in negotiation processes between multinational and transnational corporations and firms in developing countries, which may help building foundations for sustainable development (UN, 1987, p. 23).

Owing to the economic crisis, the 1980s were a highly pivotal time since the first environmental changes and reports were adding some other preoccupations, such as the meaning of economic development. These two issues are thought of as separate, resulting instead in an inevitably entrenched union (UN, 1987, p. 35). As a result, during crises it is the developing countries that suffer the most, because their production prices are more and more lowered, leading to *“human distress, overexploitation of land and natural resources to ensure survival in the short term”* (UN, 1987, p. 35). This results in some nations’ -the richest- domination and decline in multilateralism, on which Bretton Woods and the institutions originated from it had to count on. The Brundtland Report underlined that economy is not just about wealth and development as well as ecology is not just about the protection of the environment: the two collide and that is the reason why it is important to explore some ways to make these two premises work, since they ineluctably affect human lives despite national boundaries (UN, 1987, p. 36). The issue with national boundaries is that every state has a different legislation and, despite all the efforts by the United Nations, World Bank, G7 and G20, it is impossible to force everyone under the same laws, sign all the agreements, bring them under the same policies, behavior and daily habits, because of culture, traditions, different stages of development.

For these reasons Agenda 2030 has been created, thanks also to the United Nations Economic and Social Council’s push, operating in a way that encourages all the countries to make more than an effort to combine their interests, also for what concerns the fashion industry, which comes second after the oil industry for pollution (ILO, 2018). Another relevant aspect that sustainability considers is the working conditions, including

working hours, work environment, textile quality and chemicals used -that could be harmful to environment and workers.

In general, sustainable development aims at tackling every obstacle to the achievement of intergenerational rights, eliminating poverty, enhancing economic growth. Intergenerational rights aim at ensuring a more equal future to the next generations, starting from learning from mistakes of the past one as the present generations (Brown Weiss, 1988, p. 23).

This chapter aims at linking the two aspects, fast fashion and sustainability, analyzing in the first place the economic aspects of fast fashion, apparel and its production to be able to develop strong foundations on how to create possible solutions- together with the second chapter- for a sustainable fashion industry.

1.1 Historical overview

1.1.1 Development theories

It seems impossible to track down the history of apparel without starting from United States' post-Second World War economy to finally get to the Southeast Asian region nowadays -which will be the one taken in consideration in my analysis. Therefore, this paragraph will scrutinize both history and geography of the apparel industry.

After World War II, the United States carried the burden of rebuilding the global economy: it was thanks to the Bretton Woods system that countries started to recover again. Many studies on the functioning of global economy started to arise, but in anticipation of the relevant issue for this thesis, light will be shed on the world-system theory by Immanuel Wallerstein, which will be further enlarged. The theory critically considers colonization and imperialism establishing fixed relations between countries in different parts of the world with different economic and social backgrounds, which Wallerstein would name core countries, referring to the richest and industrial, in this case the United States, whilst the semi-peripheric countries are those that could not make the leap to the core but resist to fall into the periphery, where the Third World countries

belong and that in the global economy fulfill the role of supplier of raw materials (Gereffi, 2005, p. 140). Particularly, based on Wallerstein's perspective, the core-semi periphery relation counted as a structural context of world economy (Gereffi, 2018, pp. 4-5). After the Second World War a dichotomy started to receive more attention: a country could be developed or developing, owing to the growing complexity of each nation, its trade and economic situation.

To have a more complete frame it will be necessary to report the trends of development strategies put in order by developing countries from 1950s until 1990s at least. The global economy should be split in two in order to make this distinction even clearer: Latin America and Eastern Europe, and East Asian countries. The former group was gradually more invested by Bretton Woods-related organisms, such as the World Bank and the International Monetary Fund, whose main strategy was the import-substitution industrialization, where firms were nationalized and protected by government policies, to make them able to produce nationally with imported machinery, imposing significantly high tariffs or quotas, trying to increase the output that had to be bought locally and abroad after exports. This strategy developed by Raul Prebisch and Hans Singer seemed to work well enough until 1980s, when the oil crisis costs peaked so much that even with low labor costs, there was no comparative advantage created (Gereffi, 2018, p. 11).

In the meantime, East Asian countries took advantage of networks created in the centuries before and used a completely opposite development strategy, that was worth their nomination of '*miracle economies*': the export-oriented industrialization. In World Bank research, the Asian efforts were particularly praised, since they were fulfilling the wishes of the World Bank itself and International Monetary Fund not merely economically involved in many fields, among which education, the welcoming of foreign direct investments, limitation of government intervention and most importantly an openness to foreign technology and trade. The only field in which government would intervene was the promotion of selective policies that sustained diversified patterns of export growth. Gereffi and Wyman (1990) developed the concept of 'manufacturing miracles' as a "*country's successful relation with the global economy that affects domestic allocation of resources among industries and major social groups*" (Gereffi and Wyman, 1990, p. 23).

It must be noted that the real fortune of South Korea and Taiwan was that they switched to exported-oriented industrialization -EOI- after having adopted in the first place ISI or inward-oriented strategy, sooner than Latin American countries, but also the historical circumstances were unique for Asia amid Cold War. This situation led to the creation of global commodity chains, whose governance started to become more clear-cut in the 1990s (Gereffi, 2018, pp. 12-13). Gereffi underlines the difference between primary and secondary ISI and EOI since in the primary phase of both strategies the focus of production is on domestic and export markets, while in the secondary on durable, intermediate and capital goods: Korea and Taiwan started off with primary EOI, then shifted to secondary ISI and afterwards to secondary EOI (Gereffi, 1990, p. 13). In general, it can be argued that EOI strategy has been the most adequate and therefore successful in the buyer-driven commodity chains, such as the apparel one, because of the right mixture of factors involved: production occurred in Third World countries, specifically in the East Asian NICs, where governments were facilitators creating infrastructural supports, telecommunication and transports and subsidies to buy raw materials (Gereffi, 1994, p. 48). This differentiation is needed in order to explain the phenomena of outsourcing: very rich and populous countries -in the 1950s- like the United States, could not produce everything locally since the demand was too high and could not be met, or because some raw materials were not available and had to be imported in any case or the machinery were not suitable or there was no knowledge about manufacturing, or the labor would cost too much so that the final good would have no market in the end.

In general, producing abroad was more profitable since more and more bilateral and multilateral agreements were being implemented, which lowered eventual tariffs and quotas between the two or more countries involved.

1.1.2 History of apparel production

It seems impossible to discuss modern apparel production without tracing back its history.

Burns and O'Bryant (2007) thoroughly analyzed the rising of fashion as we intend it today,

with the first Vogue magazine being published in 1892 in New York City in order to remain updated about the fashion trends. However, at that time in the United States there was a Ready-to-Wear apparel production focused mainly on outerwear coats, whose benefit was that they did not need to be sized and whose production was committed to immigrants in their homes with very low wages, or in buildings, the so-called sweatshops, where work was literally sweated off (Burns and O’Bryant, 2007, pp. 9- 12). The technique of the Ready-to-Wear was refined and accelerated during the World War I owing to the growing demand for military uniforms manufacturing, which then helped for the ease of production of the loose fits typical of 1920s (Figure 1).



Figure 1. The fitting styles of 1920s fashion, easy to produce in mass.

Source: Burns and O’Bryant, 2005.

This led to fashion being available to everybody due to the inexpensiveness of apparel production. Another typical 1920s outfit is the boyish chemise-style, which was easy to manufacture since the piece did not have to be adjusted to each body type, even if it

wasted more yardage of textile. New York City, especially Seventh Avenue, remained for many years the milestone for fashion, with movie stars influencing the fashion trends to come, and with 80% of women apparel produced in the US. When the Great Depression started in 1929, the garment industries both in New York and California and in Paris - home of *haute couture*- suffered from the crisis and managed to recover only after World War II, where US production became mainly focused on sportswear, while Paris continued with *haute couture* (Burns and O’Bryant, 2007, pp. 13-16).

The 1950s represent a pivotal time, which sees teenager and university students as protagonists since it was them who started some of the fashions that afterwards became mass fashion and were made affordable just by most of them. With it came the switch of the production from natural textiles to synthetic fibers, such as acrylic, polyester, acetate and triacetate, which were cheap and light, and used plastic and oil as main raw material for their extensive production. Expectedly, these developments in textile industry are linked to the military needs of 1940s and 1950s, but fashion designers like Christian Dior and Pierre Cardin did not exempt from creating their own collections using these newly developed materials. However, mass-produced clothing affected designers, since it was easy to copy their designs at a fraction of the cost (Burns and O’Bryant, 2007, pp. 17-18): this led *haute couture* designers to create Ready to Wear apparel as well, which was less expensive, and that nowadays often comes with ‘Jeans’ after their brand name.

The fortune -for the apparel industry- after World War II was related to “*the revolution in transportation and communications technologies*” (Gereffi, 1994, p. 43), which allowed manufacturers and retailers to expand the production to other further areas in the world; attention was particularly drawn to developing countries where manufactured exports had been ignored until that moment. In fact, large retailers and brand-named companies do not produce what they sell, they only buy the goods. Therefore, the US, which had the biggest slice of the market in all fields of mass production, started appearing on the most advanced developing countries and newly industrialized, such as in East Asian ones.

It may be interesting to approach the reason why the United States chose that region during the Cold War period. After World War II, the US exited as more powerful than

before entering the war. They gained not only military power, but also economic might, the power to invest, not only in their own national companies, but also abroad, in countries that remained struck and, in some cases, destroyed by the war, such as Italy, Europe in general, but also the Asian region. The Marshall Plan was established, and in exchange for investments and loans, the US military placed many of their bases all over these territories. The military expenses to support the anti-communist project totaled 13.1 trillion dollars -from 1948 to 1991- with growing investments year per year and region per region (Golub, 2010, p. 67) that went beyond the Marshall Plan. The most relevant figures regarding regional investments for the industrial development, “*assistance for the construction of liberal democratic constitutional states*” (Golub, 2010, p. 68) of these areas are the following: in the decade between 1948 and 1960, 43 billion dollars went only to western Europe -half of total US worldwide aid- of which almost 68 percent was for non-military scope, almost 19 billion to East Asian countries, to add them to private capital flows and investments and American foreign direct investments for almost 9 billion dollars in 1966 in Europe, which became the industrial manufacturing hub for the United States’ multinational companies (Golub, 2010, p. 69).

In order to maintain the world capitalist economy, the US needed allies with stable regional security structures, economies and political systems that reflected a capitalist basis. To do so, the US created multilateral systems supporting domestic developmentalism in European and east Asian allied states: the so-called ‘embedded liberalism’, which involved interventionism but not free trade. Golub (2010, p. 68) explains that the best strategy for the US in East Asia was to ‘maintain disparity’ with the peoples of Asia with regards to human rights, living standards and democratization, which instead had been raised for European allies, even with Germany. Perpetrating an illiberal type of political system in Asia was a mere tool of the American government to act as the hegemonic power, yet allowing industrialization: in fact, after 1948, Japan was defined as the ‘*American economic animal*’ (Golub, 2010, pp. 74-75). In southeast Asia the United States relied on strong authoritarian regimes and military dictators, as well as in South Korea and Taiwan, until the end of the Cold War. Therefore, the US established with -capitalist- Asia bilateral relations in the transatlantic setting of multilateralism mainly aiming at collecting key raw materials spanning from the East of the region to the

southeast and south, making them the most crucial production zones: Asia traded the regional political freedom in exchange for the entry in the American market. During the Cold War the US kept bilateral trade agreements and encouraged the export-led industrialization and single-market dependency, which of course meant constraints on freedom, but also significant economic growth continuing unstoppably until 1990s, not without constraints (Golub, 2010, pp. 75-76). In the late 1980s, Japan was considered much more advanced in technologies, manufacturing and international leadership than American industries; the MIT Commission pointed at a decline in the US innovative knowledge-intensive sectors like software, hardware and pharmaceuticals (Golub, 2010, pp. 85-87). However, Japan's dependency on the American market was, in fact, deeper than the other 'colonies': the US absorbed 30.9 percent of Japanese exports, which led some scholars to think that Japan in that period was a much stronger industrial -and also financial since it was buying American debt- power than the US (Golub, 2010, p. 93), thus of the rest of the world.

The above-mentioned US mercantilist interventions pushed east Asian regionalism: one of the first moves, after having ascertained that Japan was a strong industrial power, was to retrieve their price competitiveness and redistribute the lower value-added manufacturing activities to southeast Asia and some higher value-added to the Newly Industrialized Economies (South Korea, Singapore, Taiwan, Hong Kong) in northeast Asia. The devaluation of the dollar as a policy mechanism to make people buy made-in-America products did not discourage Asian governments but pushed them to renegotiate the prices of their raw material's exports (Arrighi, 2010, p. 29). In a 10-year-period Japanese Foreign Direct Investments in the region tripled, and a good share of them served to meet demand domestically, boosting the intra-firms trade relations, which from the late 1980s and 1990s encouraged an evolution of value-added activities in the region. The crisis at the end of 1990s showed that the US was more than capable of regaining -almost- full control on the region and maintain their relation of dependence on external demand and foreign-owned or financed production capacity (Golub, 2010, pp. 135-137). After all, it was thanks to the US that brought high-productivity technologies in the abovementioned latecomer states, which, in turn, mixed them with low-wage labor and relatively backward small business, achieving rapid economic growth, as well as uneven

development (Arrighi, 2010, p. 25). By the mid-1960s, Japan -and western Europe- has succeeded and even surpassed US industries in almost every field: textiles -for what concerns this thesis- but also automobiles and electronics. Due to the low prices at which the goods entered the American markets, they had more success than the actual American products, thus causing a decline of 40 percent in the rate of return in the US industries at the end of the 60s. This crisis of profitability was resolved devaluing the strongest currencies, bringing also the first world towards a trend of high mass consumption that would have benefited the liberal capitalism, and intensified the intercapitalist competition, yet bringing social empowerment of labor, however only in the western world (Arrighi, 2010, pp. 26-27).

Remaining on the East Asian front but moving to the Chinese one, the country had taken advantage of the regional cooperation gathering financial power, particularly after both regional and global crises; and while Japan was suffering from the these, China managed to survive them absorbing regional exports and establishing at the end of 1990s strong leadership and policies. Following the Japanese example, China was able to increase trade and investments within the region -displacing US and Japan's previous achievements- "*boosting interregional trade and FDI through intermediate goods of multinationals as part of cross-border chains*" (Golub, 2010, p. 139). These successes trickled down to the nearby and involved countries, yet with the main centers China and Japan, which appear both allies and enemies in the economic field, consolidating east Asian cooperation and laying the basis for a multi-layered regional system (Golub, 2010, p. 139). Japan remained, even after the economic ascendance, very much dependent on US military defense, but the US remained dependent on Japan for finance and industries. Japanese government's secret maneuver was the investment in both labor-intensive and capital-intensive industries and, more expectedly, a high degree of competition -intra-regional too- between low-wage industrializers and higher-income countries (Arrighi, 2010, p. 42).

1.2 Global apparel commodity chains

After having unraveled the historical background of the relationship between the US, where mass consumption basically started, and their following countries in the world economy to meet the global demand, this paragraph will be dedicated to the mechanisms and functioning of the apparel industry, its organization, its governance, the meaning and role of geography with regards to global sourcing.

Owing to the historical background and connections between the United States and certain Asian countries as well the history of apparel, it can be argued that most of the apparel industries lay on international foundations and that it is the oldest and biggest sector for production and export too. The production system that organizes these kinds of industries is the global commodity chain, which enmeshes the economic activities of firms and the technological and organizational network that permit companies to develop, trade and produce specific goods. In the picture of global economy and specifically capitalism, we need to distinguish between the degree of internationalization and globalization of a firm: while the former refers to the geographical expansion of headquarters and presence, the latter refers to the actual economic functionality and organization of the dispersed stores, offices and factories. Therefore, global commodity chains present three characteristics falling under a global level: input-output structures, which represent the degree of value-adding economic activities, territoriality, which refers to the place where production occurs and the networks need to function properly, and finally, the governance structure, which can be producer-driven or buyer-driven; while at a local level other three characteristics are listed: upgrading, local institutional context and the industry stakeholders (Fernandez-Stark and Gereffi, 2019, p. 55). Apparel industry is considered a buyer-driven commodity chain, since large retailers, brand-name merchandisers, trading companies do all the work, but they are not owned by the same business, thus are decentralized or fragmented. Moreover, these networks are typical of that kind of production that is labor-intensive and carried out in third world countries, which provide the finished goods under OEM -original equipment manufacturer arrangements- where buyers and branded companies design the product and then it is the contracted manufacturers' duty to finish it (Gereffi, 1994, pp. 44-46). Many of the most popular fashion brands, using this production system, do not own any of the

facilities, but are addressed as merchandizers, who design the product that manufacturers or contractors will eventually produce. Therefore, a high degree of coordination and management between these different and geographically distant firms operating together is required to ensure consumers with products every day in every part of the -developed- world.

Profits derive not from economies of scale -which is the case of producer-driven production- but from the precise arrangements of all the actors within the chain: retailers, traders, buyers, factories and every other small unit involved, such as Research & Development, designs, sales, marketing, financial services, allowing buyers and merchandisers to develop the right strategies to link everyone optimally (Gereffi, 1994, p. 47).

1.2.1 The role of international trade

Since in these types of chains outsourcing is one of the main characters, as trade, which is international in most of cases and regulated by governments, quotas and tariffs might be involved as consequences of political decisions, international diplomatic relations and policy making. However, it is possible that some regions establish Free Trade Areas- which became popular in 1990s-, which might even be exempt from quotas and tariffs or just keep trade barriers low and stable. The US did not proceed with FTA with the Asian region but only with bilateral agreements, while Puerto Rico benefited from some developmental -capitalist- policies called 'export processing zones' (Neveling, 2015, p. 64) used as tax incentives to contrast Moscow's collectivism. In fact, the role of state governments in policies making, facilitating international trade, exports and imports is crucial to ensure profitability of such enterprises. It has been shown that low quotas are effective in terms of profitability and in terms of relations at least in the apparel industry (Gereffi, 1994, p. 49) to protect developed countries' markets. Moreover, Salvatore (1994, p. 5) insists on several advantages of international trade in emerging markets under international conditions -quotas, tariffs- among which there is the full use of eventual unutilized raw materials at national level and therefore export them, which leads to an expansion of the market making economies of scale and division of labor

possible as in the case of Southeast Asia; the intrinsic transmission of new ideas, new technologies, new skills at all level of organization and production, and the flow of international investments from developed to developing countries. In addition, Salvatore underlines that all these benefits appear stronger in economies with lower income, an example is Korea, whose import-export values were higher than China. Specifically for the textile and apparel industry, the abovementioned Asian countries show a peak also owing to the shipment of newer machinery; thus, the share of developing countries' apparel imports seems to have increased between 1965 and 1990 (Salvatore, 1994, pp. 5-7).

Gradually, the imports of the United States from the Asian apparel producers supplanted those from Mexico, which were the first outsourced in the apparel sector. Figures show that in a 15-year-period in 1997 the sum of imports from Northeast Asia, Southeast Asia and South Asia was adding up to 56 percent, while Central American producers supplied up to 53 percent (Gereffi, 1999, pp. 84-85). It might be supposed that the shift occurred thanks to the cheap labor that the Asian region offered, since Japan, Asian Big Three apparel producers (Hong Kong, Taiwan, South Korea) and China historically offered labor at the cheaper level. However, Gereffi (1999, p. 86) demonstrated that in this case it was not the cheap labor, since wages have been increasing since the beginning of outsourcing, but exchange rates and specific trade policies. An example, specifically in apparel imports in the US, is the Multi-Fiber Agreement that used to regulate the quotas on apparel and textiles until being phased out. Moreover, speaking of the NIEs, it has been due to the binding quotas that Taiwan and South Korea have been almost pushed to outsource and internationalize their companies in 1970s and 1980s in quotas-free and low-wage countries such as in Southeast Asia -Indonesia, Sri Lanka, Bangladesh, otherwise quotas in Taiwan added up to 50% of apparel exports (Gereffi, 1999, p. 95).

In general, trade liberalization, started in the decade between 1950 and 1960, proved efficient only when one crucial factor was there: stable macroeconomic balance, mixed with a strong political leadership, commitment to a program of trade liberalization, strength of the exporter group and facilitators as small size of the country and small import-competing sectors' opposition (Salvatore, 1994, pp. 9-10), in addition to various degrees of market orientation according to the domestic ones (Drabek and Laird, 1998,

p. 4). Macro-economic stability, in fact, proves to be the key also for Drabek and Laird (1998, p. 3), who insist on enterprises and price reforms as well, in order to achieve the elimination of trade controls. However, in the so called 'transition economies' or 'emerging economies' and developing countries these kinds of policies were difficult to implement, but the trend resulted to be as follows: the faster countries made the reforms, the faster they bounced back. Many non-tariffs barriers were abandoned since a reduction in their scope had occurred, but also because there was higher import demand and an elimination of non-tariff barriers and fewer tariffs exemption. Still existing non-tariffs measures include imports-export quotas in textiles and clothing, which have been either phased out or cut out during the Uruguay Round, which led to the creation of the World Trade Organization in 1994 and whose negotiation began during the Tokyo Round in 1973. Other trade policies already mentioned are the reforms in the field of taxation on the value added on the enterprises level, while on the state level there have been de-bureaucratization on trade formalities and investments, which affected inevitably the private sector with privatization of state-owned enterprises in order to reduce debt and increase efficiency and facilitation to FDI for banks, insurance companies, transports and services in general (Drabek and Laird, 1998, p. 8). It is important to underline that these reforms, whether at the state level or at the private level, must be supported by those who have to live with those: citizens. The reason is both socially and industrially relevant and will be analyzed later.

1.2.2 Global apparel value chains

As we have seen previously, it must be considered that *"nation states are not the ideal unit of analysis for establishing global sourcing patterns, since individual countries are tied to world economies in different social and economic characteristics"* (Gereffi, 1989, p. 519), thus this paragraph will engage in the organizational characteristics of apparel chains.

Global value chains generally provide a means to describe the events of the last forty years in the economy, which in this case will be referred to as global, since the main actors

lately have been the third world countries, which thanks to interventions of International Monetary Fund and the World Bank, as well as Foreign Direct investments -as for the case of China- are emerging economies in 1980s and some even leading economies in 2000s (Fernandez-Stark and Gereffi, 2019, p. 54).

Firstly, apparel industries should not be mistaken with textile industries, which lay on the capital-intensive firms producing basic pieces such as pillows and towels made from different fibers (Gereffi, 1994, p. 49). Apparel industries, instead, rely on labor-intensive firms exploiting low-wage labor constituting the main aspect to remain competitive and organizational flexibility, which can be based on lower-order competitive advantage, which is not enough for a global strategy, and higher-order advantages that basically involves constant industrial upgrading (Gereffi, 1994, p. 50).

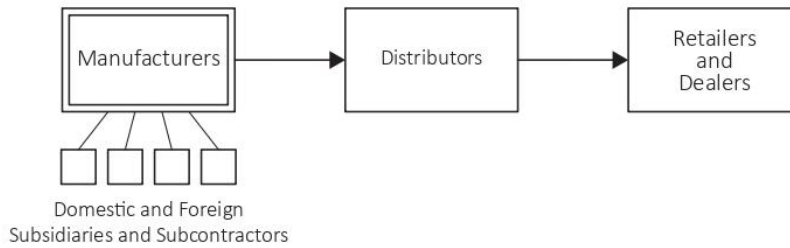
Another fragmentation of the apparel commodity chain is between the standardized final products and the fashion-oriented garments. Standardized apparel is made by firms that usually have single dedicated machineries and the US jeans factories are an example, Levi's, Wrangler, Lee, which are associated with textile suppliers or ship abroad US-made parts for sewing, in order to keep the tariff application only on the value added by offshore labor (Gereffi, 1994, p. 50). On the contrary, fashion-oriented garment industries are those that produce fashionable item, with numerous collections during the year, that it is the only one where global sourcing is more employed and more profitable for big brands and retailers (Gereffi, 1994, p. 51).

Organization of buyer-driven commodity chains derive from the US companies that, back in the 1960s and 1970s, revolutionized the way consumers bought and apparel was produced, due to the oligopolization of industries. This revolution also accompanied a change in the business model introducing the vertically integrated one, where large conglomerates bought apparel companies, controlling at turn the various steps of the design, production, marketing and distribution of goods (Burns and O'Bryant, 2007, p. 22-23). Buyer-driven commodity chains rely on highly competitive, locally owned, and globally dispersed production systems, where the key is rent -technological, organizational, relational, brand-named, trade-policy- generated from barriers to entry in the market: in apparel barriers are usually low but grow in case of industrial upgrading.

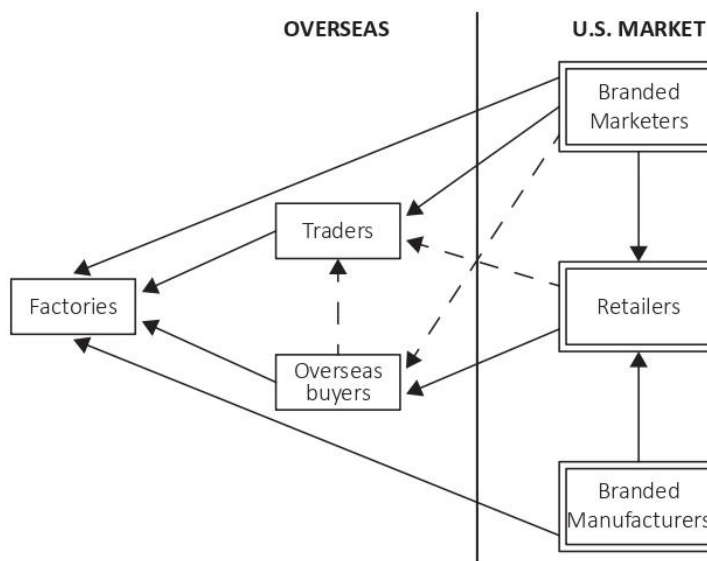
These rents in buyer-driven chains are usually of the relational type, where firms of different size and assemblers cluster together creating inter-firm relations sometimes with supply-chain management (Gereffi, 1999, pp. 75-79). Thus, the economic agents involved become more numerous: retailers, traders, overseas buyers, factories. Retailers can be various in scope, but generally the most common in the apparel value chain are the following: fashion-oriented retailer companies, department stores, mass merchandizers, large-volume low-priced discount stores, small importers. Their economic relevance stands in the type of relations they have with the importers and overseas manufacturers: the first in the previous list downwards are the ones with better quality and higher prices goods, which implies that they need to have the best connections with contractors (Gereffi, 1994, p. 56). In the 1980s, retailers began to rely on full-package sourcing networks buying ready-made apparel primarily from Asia, Hong Kong, Taiwan, South Korea, which are historically specialized in this type of production (Gereffi, 1999, p. 73).

Along the chain, branded marketers constitute those very well-known firms that *per se* do not produce anything, since they have always relied completely on global sourcing in Asian countries. They have the merit to have spread knowledge to overseas suppliers, allowing them to upgrade economically and socially overtime. Liz Claiborne's founders were the first in apparel to rely on global sourcing in Asia for their production in 1960s: they supplied everything to them, knowledge, machinery, at first labor and skills, obtaining in the end very independent contractors that nowadays make decisions on all aspects of production processes (Gereffi, 1999, p. 81).

Producer-driven Commodity Chains



Buyer-driven Commodity Chains



Notes: Solid arrows are primary relationship; dashed arrows are secondary relationship.

Figure 2. Producer-driven commodity chains VS buyer-driven commodity chains' functioning.

Source: Gereffi, 1999.

Finally, since manufacturing abroad costs less, and many firms use them, branded apparel firms have decided to join them and surpass their predecessors by learning how to manage them. These branded apparel manufacturers supply intermediate inputs like already cut fabric, thread, buttons, trimmed cloth to neighboring countries, with whom they share trading agreements that allow products to be re-imported with a tariff including the only value-added by foreign labor. This process is called sub-contracting and occurs in all the regions in the world. There have been some cases of American branded apparel who decided to de-verticalize their firms focusing exclusively on the marketing

approach by capitalizing brand names and retail outlets, thus creating concept stores, featuring all the products offered by manufacturers and marketers and creating a direct link with consumers. The de-verticalization of production consists in a re-verticalization of brands and stores (Gereffi, 1999, pp. 82-83). Levi's has been through this process and rebuilt its role as a retailer. This is better explained in the following scheme (Figure 3). The shift from a commodity chain to a global value supply chain stands in the value adding activity. Commodity can be understood as the gathering and assessment of raw materials, such as simply cloth, while when these cuts are just assembled, they start to be adding value (Rodrigue, 2020).

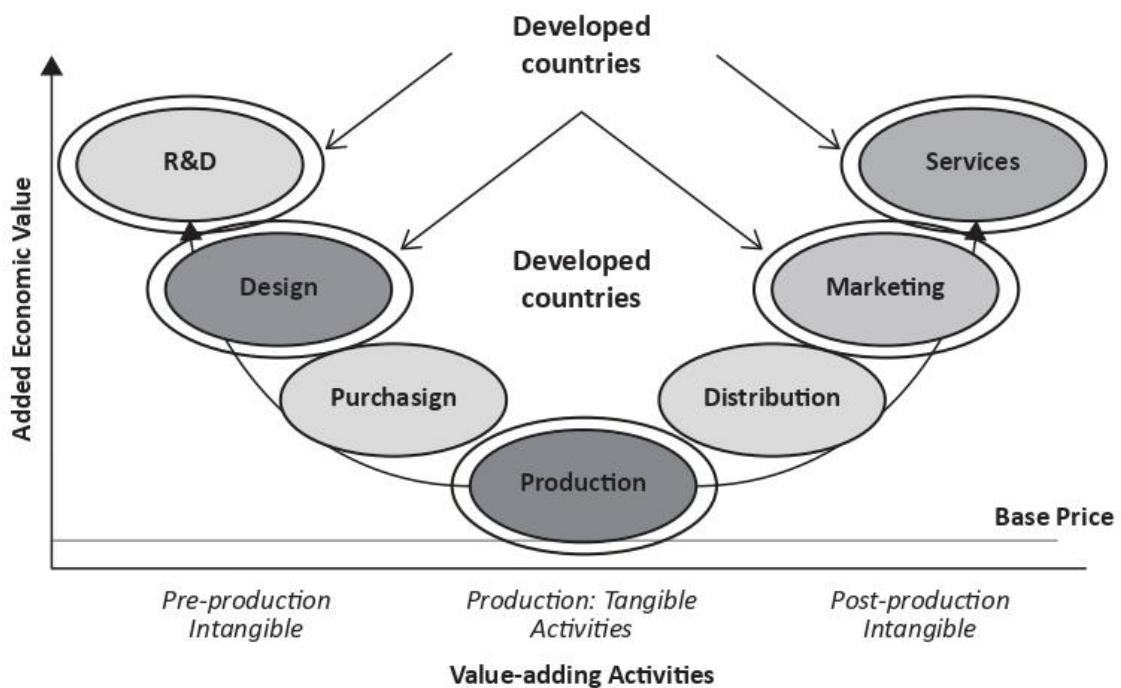


Figure 3. Value adding activities in global value chains.

Source: Baldwin et al., 2014.

1.2.3 Industrial upgrading

Debating industrial upgrading is intrinsically connected to the strong existing linking between the multitude of actors within the apparel sector, not only the sector's development, but also the country's, and mostly of the global economy, because of the

amount of job created due to the fragmentation and geographical distance of all the actors involved in the production processes (Gereffi and Lee, 2016, p. 276). Industrial upgrading means that within firms, within interfirm enterprise networks, within local or national economies or within regions an upgrading regarding production from a low value to and higher-level activities, knowledge and skills occurs (Gereffi, 1994, p. 55) and can have an organizational basis, a national basis or an international basis (Gereffi, 1999, p. 87). The industrial upgrading can be organizational when two important factors are present: information inflow and learning potential linked with the connections previously established by lead firms, as well as organizational patterns among these lead firms, having chosen where to place their demands on overseas suppliers (Gereffi, 1999, p. 88). This means that manufacturers, retailers, marketers that have their suppliers overseas, and are thus importers, transfer pieces of information and therefore knowledge, know-how, special machineries. Starting from manufacturers engaged in production-sharing, requiring the lowest level of expertise, such as the assembly of clothes' cuts, getting to retailers and marketers requiring highest level of expertise and eventually resorting to subcontracting local firms in order to achieve full-package production from companies who already have it all, including, sometimes, marketing strategies.

Moreover, another way to achieve an industrial upgrading lies at the hierarchical level or organizational succession together with the geographical expansion: "*different types of foreign buyers pass through each tier in the global sourcing matrix*" (Gereffi, 1999, p. 88). This means that fashion-oriented retailers rely on a certain kind of clientele that at turn relies on designers' products and therefore to a higher price range; usually it is a national branded firm based on a small group of high-quality apparel exporters, while department stores and specialty chains rely on a vaster range of clients who buy cheaper goods imported from Third World exporters that at turn produce simpler and more standardized products. Therefore, the succession occurs because newcomer companies -can be department stores or specialty stores- open the market by paying some basic goods more than department stores would, thus squeezing out these actors, who had to recur to less experienced factories or less expensive countries to do the same job (Gereffi, 1999, p. 88). These latecomers had to improve some of their segment of production so that they did not remain out of this production 'succession' and slowly upgrade their

production to meet more sophisticated buyers' demand. The peculiarity of this procedure is that gradually all the counties and specialized companies that are in the clothing or apparel field will benefit from this upgrading since, once a firm or more in general a country reaches a more sophisticated level of production and therefore raises their prices, retailers will look for something else elsewhere, which takes time, but will be beneficial for the economy and especially for the people, since, as we will see afterwards, an industrial upgrading in many cases corresponds to a social one.

All in all, it can be argued that it takes not only organizational skills to build an upgrade at a global level, but most of all connections and networks: locally integrated manufacturing and marketing networks, connections with foreign buyers, internationalization of the apparel commodity chain and their coordination, as well as the regionalization of apparel commodity chain within Asia. Asia, and especially East Asian NIEs have been the beginners in industrial upgrading, changing in fact all the perspective around these mechanisms. The use of special exporting zones has been crucial to the development of commodity chains in the East Asian region in the first place, to which has followed the original equipment manufacturing (OEM), which was based on the good's production by the supplier, under contract by the buyer, who decides the design and they remain separate, while the supplier is not entitled to the distribution (Gereffi, 1999, p. 90). The OEM export appears to be incredibly advantageous since everything occurs locally, thus local entrepreneurs can learn the buyers' preferences, including international standards of prices, quality and delivery, they have more connections to rely on since they know the domestic economy and are able to find the most reliable suppliers. Given all that, it is easy for OEM suppliers to increase expertise and organizational knowledge. However, after having made large profits from this kind of production, especially the buyer-driven commodity chains, East Asian NIEs ventured in the OBM, Original Branded manufacturing production "*by integrating the manufacturing skills with design and sales of their own branded goods*" (Gereffi, 1999, p. 91). Taiwan has been the pioneer, while Hong Kong has been the most successful in this shift. However, some companies returned to the OEM since they had stronger connections locally and worked better for them since they supplied more well-known companies and their strength was in R&D and manufacture, and lastly in wage competition in developing countries (Gereffi, 1999, p. 92). The key part

is, however, the input: fabric, so a strong tie with textile industry is needed (Gereffi, Humphrey and Sturgeon, 2005, pp. 156-158).

Until now we have seen a lot of actors involved in the production processes; in the coordination of commodity chains, which are throughout the world -especially in developing countries- a process called triangle manufacturing is a facilitator in the geographical expansion of value-added chains (Gereffi, 1999, p. 95). Triangle manufacturing has been used since the 1950s from Asia, the British were usually intermediaries between the East and West: Honk Kong was the deposit of all the merchandise and India was the trading companies' supplier. Owing to the large number of orders, today each of the East Asian NIEs have divided their production sites and factories: Hong Kong and Taiwan operate on China and Southeast Asia; South Korea is all over in Guatemala, Indonesia, Dominican Republic; Singapore has its share in Malaysia and Indonesia (Gereffi, 1999, p. 96). These 'clusters' have been decided based on cultural and social factors, as well as on ties between governments and their bilateral agreements. Therefore, this triangle mechanism operate as follows: at first, US buyers put their orders in the NIEs manufacturers they have previously sourced, these shift most part of these orders in their offshore factories in their affiliated low-wage less developed countries and finally the goods are shipped to the buyers under the pre-set quotas. Doing this, the NIEs become middlemen in the whole retailer-supplier relationship: for this reason US buyers would interrupt the relations with the NIEs and go directly to the actual supplier, but it would become impossible and very unsmooth of a process to eventually bypass the offices in the NIEs since it is them who have developed the organizational skills, especially since when the buyers have started to place bigger and bigger orders, sometimes also more sophisticated. Eventually, retailers decided to supplant the 'middlemen' and establish their buying offices in Hong Kong, with branch offices in Taiwan, Korea, Singapore, keeping the triangle manufacturing but incorporating the direct-buy activity (Gereffi, 1999, pp. 95-97). All in all, it seems easy to recognize a trend toward regionalism since all the supplying mechanisms occur within Asia, meaning that in the field of OEM this region has achieved an incomparable degree of coordination and organization related to other important apparel centers. According to many sources, for what concerns the apparel sector, the Asian region has surpassed every other region in

production between 1986 and 1996, even the historical textile producer Mexico, which had enjoyed benefits from GATT and MFA for some time before the overseas offshoring in export-processing assembly and full-package supply -OEM- (Gereffi, 1999, pp. 99-101); and after the Multi-Fiber Agreement was phased out between 1995 and 2005 Asia was still the main supplier and exporter to the world and especially to the US (Frederick and Gereffi, 2011, p. 71). Thus, it can be stated that industrial upgrading is often associated with intra-regionalism.

However, some strategies for industrial upgrading *per se* are gradually enacted by companies in order to indeed upgrade: the shift from OEM to OBM is an example, integration in the supply chain creating backward linkages, the acquisition of expertise in a new field also to attract new buyers, the diversification of production, for example the shift from the assembling to R&D and design, and a whole series of interventions on the processes to reduce cost, increase productivity, improve flexibility through machineries and workers' training (Frederick and Gereffi, 2011, p. 71). Apparel suppliers usually employ a combination of functional and product upgrading strategies when they want to grow their supplier capabilities based on what functionality their firms have, whether they are cut-make-trim, original equipment manufacturing, free on board, original design manufacturing or original brand manufacturing. Owing to the costs associated with the triangle manufacturing, lead firms are willing to give that up establishing direct buyer-suppliers links yet sacrificing that one segment mastering coordination and sourcing. Usually, in terms of economic efficiency it is good that OEM are also full package having strong ties with the textile industry, just like India, China, South Korea and Taiwan, contrary to Central American industries. If these suppliers also have the R&D and design segment developed enough, thus able to coordinate value chains and value-added activities such as design, they can produce complex pieces of clothes and in great quantity, therefore being perfect partners to overseas buyers. This is what again Taiwan, Hong Kong, Korea started from the 1980s until today (Frederick and Gereffi, 2011, pp. 74-75). Another way of upgrading is the export market diversification: another strategy used by Asian exporters, mainly to US and Europe -the First World. China is the most diversified exporter and the most powerful one, even though due to the entry in the WTO and the existent quotas in 2005 it suffered from a decrease in profits. Another strategy is

to reorient export from abroad to domestic or regional markets, which are functional in their upgrading potential since they help small exporter to enter the market and experiment on strategies. Indian apparel manufacturers have been doing that since 1990s, being in the OEM and developing OBM in the meantime, and even developed their retail chains.

After having given up the triangle buyer-supplier-manufacturers, transnational manufacturers and lead firms directly rely to China's neighboring countries, such as Cambodia, Vietnam, Bangladesh, which have performed well also after the MFA's phase out. It is also interesting that these low-wage countries receive benefits from access to EU market, but not from the US anymore. Yet, the US has found a way through multilateral agreements such as the NAFTA and CAFTA (Frederick and Gereffi, 2011, p. 80) to secure for itself the still developing markets in textile and apparel within the American continent, with Mexico relying primarily on US market but also Europe, and the Caribbean exclusively on US. The reasons for such successful upgrading and for China being the most powerful in apparel production and exports lay on both economic and institutional ground. One reason for Asian countries continuing to be at the top of rankings for production and exports is that, being also a machinery producer, exporter and investor, they have the finest and newest machinery, ready to be used: an example is the knitting and spinning machinery; as well as high installation capacities. Furthermore, since China has developed through the years the capacity of producing every natural or chemical fiber and every type of clothes -both sophisticated and basic-respecting deadlines and quality. This reputation is not likely to disappear easily, since everyone is more than satisfied with it: buyers, retailers, consumers. Another reason why China will remain on top of the apparel sector production is that Chinese government manages to maintain the labor costs low, even though they are higher than in the other Asian countries but still lower than Mexico, even after the legislation about labor, domestic market and yuan appreciation, energy and transportation rising costs. Related to this, it is possible to go even deeper about the reasons that made China so prosperous in apparel: owing to the economies of scale, China's production networks are based on firm-specific, cluster-specific, product-specific or even supply-chain cities, as better explained below; their creation started from research projects from the Hong Kong

Polytechnic institute, which aimed at lowering the transaction costs, reducing lead times², using economies of scale and making the supply chain management as flexible as possible (Frederick and Gereffi, 2011, p. 85-86). Finally, one last point might be that China has enjoyed the benefits of the regionalism and intra-regional trade and manufacturing integration with its neighboring countries, which followed in industrial upgrading due to the high degree of coordination and organization.

Finally, the coordinated upgrading of the apparel value chain occurred in the Asian region appear to be about segments: garments, textiles, fibers and machineries in a climax as capital intensity increases; while countries Bangladesh, Cambodia, Vietnam, China, Indonesia, Thailand, India, China, Honk Kong, South Korea, Taiwan and then Japan have all entered the apparel industry and have climbed up the ladder of the production process from the least value-adding activities to the highest, capitalizing from their knowledge and moving up in the higher-value-added stages. The first countries mentioned and showed in Figure 3 are those that are slowly climbing up the value-added activities, being the least developed and receiving machineries, fibers and textiles from the already developed neighbors. The more the economies advance, the more they can capitalize from their expertise and distribution networks (Frederick and Gereffi, 2011, pp 86-87). By 2008 Chinese apparel sector had already astronomical numbers in exports: its production is especially the OEM model, but it tried to move to ODM and OBM to succeed in the domestic market as well and *“China’s domestic backward linkages into the fiber, yarn, and textile segments of the chain, in addition to trim, packaging, and most components required to produce apparel, provide a solid foundation for firms to make this transition”* (Frederick and Gereffi, 2011, p. 90).

² Intended as *“the time that spans between the phase of product design and the moment of its sale to the final consumer”* (Schabasser, 2022, p. 2).

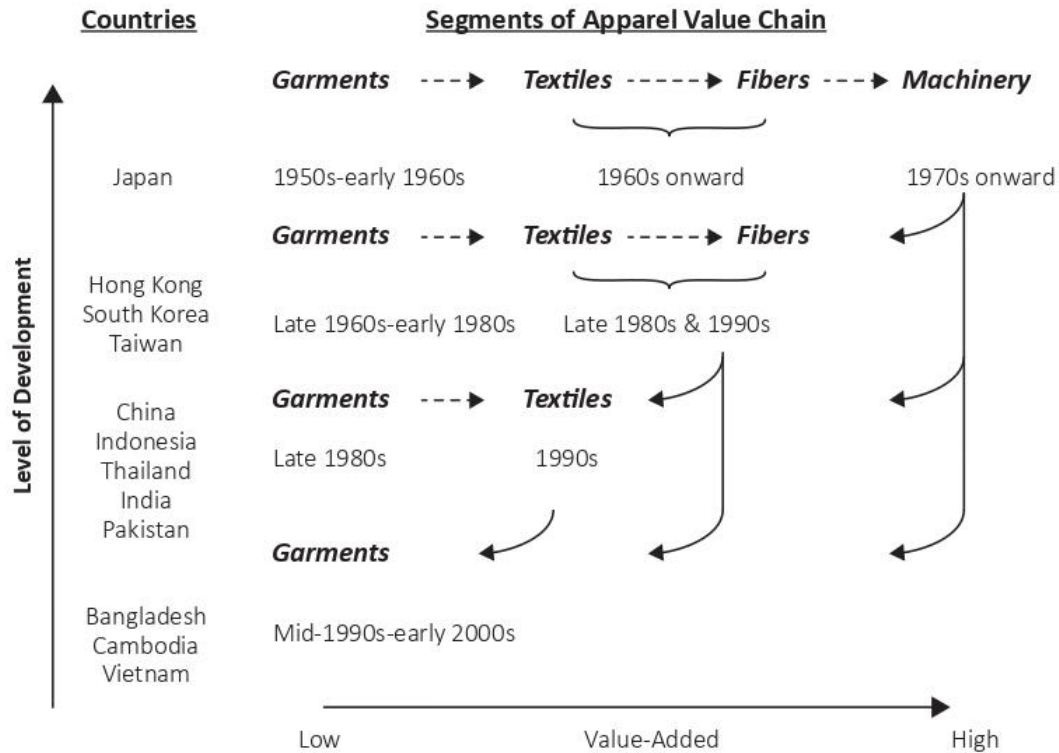


Figure 4. Coordinated upgrading in apparel in Asia.

Source: Gereffi, 1994.

As mentioned before, the upgrading has been possible thanks to ‘structures and sub-structures’ that refer to vertically integrated firms. The picture is, therefore, fragmented as there are multiple levels of coordination and governance geographically. Gereffi has, in fact, often used the term ‘clusters’ to underline that the success of these suppliers is a consequence of big portions of lands used as factories, sometimes so big that they resemble a city, which was one of the reasons of success of Chinese development with production, along with fast transportation, diversification of industries and exports of course. ‘Supply-chain cities’ is a very complete term used to identify the huge scale of production that occurs in some parts of the world, such as China, Taiwan, Hong Kong and refer to the “agglomeration of multiple stages of the value chain in particular locales in China as a key to its upgrading success” (Gereffi, 2009, p. 219). It can be referred to two phenomena: big vertically integrated firm factories called ‘super factories’ that bring together the various steps of the supply chain: manufacturing, design, supply in order to minimize transaction cost, take advantage of economies of scale and create a more flexible supply chain management (Gereffi, 2009, p. 221). These supply chain cities are

also referred to as cluster cities to identify those areas that have increased their production of one specific good massively in all stages of production and involving other actors within the production, like yarn dealers, sewers, pressers, packagers. Due to the expansion of 'normal' factories one other phenomenon involved would be that of construction, since more and bigger factories and therefore buildings were needed as well as housing, dormitories, facilities. The type of formation behind this can be seen either as top-down because control is still under the government's decisions; on the other hand it is the market that drives the amount of goods to produce pushed by both initial foreign investment and domestic entrepreneurship, therefore, at least in China, the mechanism is mixed and responds to bottom-up impulses and top-down because the local and regional government fosters policies such as tax reduction, incentives and streamlining red tape. These clusters can be foreign-led or Chinese-led: the former originated in 1970s-80s mainly in south China, were low-cost apparel and textile manufacturing industries, provided low-wage labor, came from foreign direct investments that came from Hong Kong, Taiwan, Macao and used transportation centers like Guangdong, Fujian and Yangtze River Delta, they responded to the top-down policies, therefore, the role of governments in fostering the FDI was crucial; today they continue their growth building firms with international actors and are attentive to current trends and industries, thus keeping on adding values to their production. The latter developed in 1990s thanks to governmental and regional push for innovation, they originated in East China in Zhejiang and Jiangsu provinces in rural areas by a mix of historical knowledge and connections, individual entrepreneurship, but kept growing thanks to governmental policies' support, but currently are struggling to find their competitive comparative advantage (Gereffi, 2009, p. 222).

1.2.4 Governance of global value chains

The global value chain approach analyzes the global economy from two opposite viewpoints: 'top-down' or global and 'bottom-up' or local. Governance, however, reminds of a key concept typical of the former, focusing on lead firms and the organization of international industries (Fernandez-Stark and Gereffi, 2019, p. 56). It has

been explained beforehand that governance can be buyer-driven or producer-driven; as for apparel, it is represented by the buyer-driven commodity chain, which underlines the main role of retailers, branded merchandisers, who impose some standards and protocols to their suppliers. This is an extremely simplified example of governance within a global supply chain, thus regulating also the global economy (Fernandez-Stark and Gereffi, 2019, p. 58). In each sector or company whose production is entrusted to global value chains there is a specific type of supply chain, since, of course, the production of plants and vegetables and garments and textile results in different processes and need different types of attention, and follow here: market, modular, relational, captive and hierarchy. Gereffi, Humphrey and Sturgeon (2005, pp. 120-121) found that the apparel industry relies on the captive and the relational type of value chain. Indeed, there has been a shift overtime from the captive to the relational type: the former is typical of mid twentieth century production and export as it presents a high degree of complexity and in the ability to codify transactions, a low degree from the supplier's side to produce complex goods, thus requiring more interventions by the lead firms, which at turn ends up in requiring a superior level of dependence with the lead firm, making the power asymmetry gradually more relevant. Suppliers engaged with this kind of value chain will mainly provide for a narrow range of and very basic tasks, such as assembly, thus relying on the lead firms for all the remaining parts of the production processes -the value-adding ones- such as design, logistics, distribution and all those activities necessary to eventually upgrade (Gereffi, Humphrey and Sturgeon, 2005, p. 116). Whereas the relational value chain is similar to the captive one but presents high capabilities of the suppliers; also, the level of knowledge passed by buyers is higher and this makes lead firms to outsource to gain access to this level of knowledge and expertise, thus lowering the level of power asymmetry and facilitating coordination (Gereffi, Humphrey and Sturgeon, 2005, pp. 115-116).

This shift has been possible due to the international trade and lead firms' outsourcing that were looking for the lowest prices yet high skills and capability. That is why thanks to the global supply base, most chains have shifted from captive to relational, getting closer to an industrial upgrading. This mechanism occurred from the 1950s until 1990s in East Asia, specifically in Japan, Korea, Taiwan and China, emerging as the global suppliers of

textiles and garments, making the above-mentioned Asian countries' success. East Asian suppliers moved from a captive supply -assembling imported cuts in export-processing zones- to a more domestically integrated and higher value-added activities exporting OEM or full-package supply (Gereffi, Humphrey and Sturgeon, 2005, p. 120). The full package supply, therefore typical of a relational value chain, encourages the supplier *“to learn how to make internationally competitive consumer goods and generates substantial backward linkages to their domestic economy”* (Gereffi, Humphrey and Sturgeon, 2005, p. 121). One of the consequences of the shift is the augmented presence of the supplier in the international scene, allowing, for instance, the building of more overseas buying offices owing to the amount of information required to be exchanged. Moreover, under the Multi Fiber Agreement's quotas regime intermediaries were extremely needed all over the world to ensure an adequate degree of coordination between the suppliers, manufacturers, retailers. With the phasing out of the MFA in 2005 and the coming of the World Trade Organization's Agreement on Textiles and Clothing, the actors that remained in the apparel production were the most successful and capable, and most of all the cheapest (Gereffi, Humphrey and Sturgeon, 2005, p. 121).

In addition to an eventual upgrade relative to the type of governance in the apparel value chain, it should receive attention the fact that global economy has various degrees of governance in which global value supply chains are embedded, comprehensive of all the pertinent fields, and thus their nuances. At the macro level, the biggest institutions that regulate and establish norms at the global level are international organizations, as for this field some have already been mentioned: International Monetary Fund, the World Bank, World Trade Organization, and still International Labor Organization, United Nations Industrial Development Organization, United Nations Development Programme, whose work will be analyzed in the second chapter. Regional bodies that issue norms and regulations in the trade field such as the European Union and the North America Free Trade Agreement are part of the picture too. At the meso level, the main actors are developed and developing countries and firms or interfirm networks, where the former represent the institutional approach to the analysis of the global economy and the latter the organizational approach: both involve a top-down focus on their functions as they are also drivers of change (Gereffi, 2005, p. 138). At the micro level -surprisingly enough- the

author identifies consumer groups, activists, transnational social movements, which usually counter the normalized vision of globalization and are trying to switch the focus from a top-down one to a bottom-up, empowering consumers and raising awareness on the realities of the fashion business.

Starting from 1960s interconnectedness, which was later called globalization, resulted in impacting every nation in all sectors: trade, industries, economy, social life, labor. Until that moment trade was the utmost proponent of internationality and connection within everyday life: transnational corporations started to arise and have a strong impact on economic and social life. It was unlikely, until then, that production was fragmented or outsourced to another country, since transportation and communication would become too difficult to handle; a decade later it became the rule (Gereffi, 2005, p. 142). Global outsourcing became the main feature of contemporary globalization as it involved international competition, the narrowing between periphery and semi periphery -in the world-system theory- and jobs, labor, wages, transfer of capital and value-added chains (Gereffi, 2005, p. 143). However, the increasing interconnectedness did not necessary match an increasing level of development, nor a reduction in poverty in countries engaged in exports; on the contrary, as more countries specialize in manufacturing, the entry barriers fall and competition increases, ending up in a process defined '*immiserizing growth*' (Kaplinsky, 2001, p. 52): economic activity grows extensively as a result of an augmenting output and employment, but economic returns fall as well as the living standards for unskilled workers and gradually also for skilled ones and industrial products (Gereffi, 2005, p. 144). The only way to counteract this trend, occurred already in China and India, is to search for and invest in intangible parts of value chains where high-value, knowledge intensive activities like innovation, design and marketing (Gereffi, 2005, p. 144).

One economic actor in the gradual transformation of the global economy into a new economic system is represented by transnational corporations, which started at the micro level of -American- firms at the end of 1960s and grew until becoming vertically integrated in 1970s in most economic and industrial sectors, with their main tools as the foreign direct investments, directed by the United States towards developing countries in Latin America, Middle-East, Asia and specifically the East Asian tigers, where import-

substitution industrialization predominated and was supplanted by the export-oriented industrialization during the following decade (Gereffi, 2005, pp. 145-146). Therefore, since also the developing economies had understood that the key to exports and to industrial advance was outsourcing, this implied that the national boundaries had to be erased to favor a smoother process, and TNCs had to point to and possibly achieve that. This also meant to overtake national jurisdiction and the work of national governments, since according to many scholars of the time, TNCs appeared bigger than countries -when using a value-added approach in industrial production. Therefore, transnational corporations served as primary actors during the decades of 1980s and 2000s, especially those that were vertically integrated. Globalization ends up being more connected to trade because it is automatically connected with geographical expansion, employment and a rising number of trade agreement regulated by international organizations, even if trade exists since 1500 and it has grown overtime; communication means has only facilitate it and expanded its scope. Nowadays, fragmentation takes place since each industrial supplier is specialized in the production of one item or maybe one piece of an item. These require a high degree of coordination through service links such as transportation, insurance, telecommunication, quality control (Gereffi, 2005, p. 147). In 1990s it was found that trade in components, for those firms that use imported intermediate parts or 'vertical specialization', made up 30% of total OECD exports. This model is also linked to a 'disintegration of production' or 'integration of trade' (Gereffi, 2005, p. 148).

In addition, another reason why trade is being a resource is that with export-oriented industrialization the strategy was to understand where a firm or a country could get an advantage and use that to go up in the value-added global chain, so to go abroad too. Furthermore, Kogut (1985, p. 16) proposed a theory explaining the centrality of the value-added chains based on the interplay of firms and nations eliminating the comparative advantage discourse and reinvigorating that of competitive or firm-specific that focuses on activities and technologies a firm should invest in in order to succeed, thus it is also relevant to pay attention to what consumers require from the market, the perfect example is R&D, but also after-sales services (Kogut, 1985, p. 17). This vision is completed by Porter's viewpoint according to which the competitive advantage is defined by a firm's

level of value chain, while the comparative advantage is at the industry's level, as they are then immersed in the global economy (Gereffi, 2005, p. 149). Since international competition is the norm, firms with 'multidomestic industries' should, since the beginning, adopt global strategies to define how value chain activities will be distributed among the countries, as factors such as quotas, tariffs, eventual trade agreements must be decided. The last and newest level within the global economy are the global commodity chains, which put order within in each value chain, their sector's production and distribution, highlighting the roles of supply chains, international production networks, global commodity chains, *french-filiere* approach, global value chains, and the actors within their 'jurisdiction' including those that have been explained here beforehand (Gereffi, 2005, pp. 150-151). Still at the meso level, the analysis is on two very distant viewpoints: organizational and institutional. The former focuses on the research of global production networks highlighting the connections between developed and developing countries created by transnational corporations and interfirm networks, thus the governance is that exercised by companies and one clear example is given by industrial upgrading, seen as developing countries' opportunity to improve their position in the global economy. The latter considers nation-states as units of analysis and approaches within the governance of modern capitalist economies including social systems of production, since this kind of research takes places in the most advanced capitalist democracies with a deeper analysis on business-government relations, labor markets, welfare states, innovation systems (Gereffi, 2005, p. 152). This last viewpoint encompasses more complementarily the two considered spheres analyzed connecting thus the macro and the meso level. However, it would be certainly better if both analysis' viewpoint would merge in order to reinstate a more complete picture of the global economy (Gereffi, 2005, p. 154): some scholars are actually working on it.

Finally, at the micro level, every entity owning rights is considered as such and the borders that divide each entity are erased: in 2000s civil society started to gain relevance, recognition and legitimation. Not only civil society, but along with it also anti-globalization movements started demanding more transparency and accountability from WTO's side as well as IMF's and all the other organizations that had substituted the national government and governance. Thus, people as consumers, since they were -and we are-

in the hand of trans-national and multi-national corporations, before citizens, started requiring more attention towards what they bought, ate, wore, used. Being great amount of accountability removed from national governments, as private companies took over the production gradually, it was these international organizations' duty to ensure that the globalization products are distributed equally (Gereffi, 2005, p. 162). Government policies both in developed and in developing countries slowly revealed unfit to fulfill these duties, and at the micro level of governance began to voice it: at the end of 1990s stronger rules on corporations in human rights, labor, standards, in environmental sustainability to counter the laxest policies for the expansion of the market and to finally regulate them were demanded (Gereffi, 2005, p. 163). It is relevant to mention that the Brundtland report was published in 1987, therefore a great amount of scientists at least and head of states, and representatives were aware of it as well as also a share of the population after some time. The resonance of the Report was so large that a range of 'private governance' or certification institution started to arise: codes of conduct, NGOs, firms and labor stakeholders, third-party auditing systems, the United Nation Global Compact encouraging the private sector to work with the UN, in partnership with international labor and civil society organizations, to promote good practices in the relative fields.

In the apparel sector similar initiatives along with standards, certifications and monitoring appeared in the first half of 1990s: the Clean Clothes Campaign, born in Europe to improve working conditions in the global apparel sector, with its relative certification in the US Worldwide Responsible Apparel Production, representing US brand manufacturers; Fair Labor Association, which includes big brand merchandizers like Nike and Reebok; Workers Rights in Consortium, developed by students, unions and various NGOs in the apparel sector (Gereffi, 2005, p. 164). These initiatives are only a few but reflect the enormous growing commitment over the years, a commitment which is not only local or national but international as FLA was used in Mexico to raise awareness of the working conditions of Nike and Reebok manufacturers. Private governance in transnational firms is working to reinforce the standards and certifications in global supply chains creating a course that encourages global firms to respect and enhance some protocols relative to human rights on the workplace: the proposals are flowing,

such as a 'compliance plus' training and empowering initiative or a continuous-improvement model that functions as a gradual upward on labor standards so to work with the biggest extra-EU brands and multistakeholder corporations (Gereffi, 2005, p. 164). The hope is that these private policies have an impact over public ones, since with globalization this is the only way to go, and some countries will distinguish themselves for the banning of the use of some materials, chemicals or practices that are hurtful to those who produce them. The European Union constitutes a very good example in regulating these kinds of sectors, as it has previously done with trade. However, the micro level of governance will be further analyzed in the second chapter of this thesis.

All in all, along with lead firms' economic organization intended as what is produced, how and where, firms encounter other fields to organize, for instance their relations with institutions or other firms, with whom they can put into place systemic change and industry behavior. Firm governance, for example, involves market analysis as well as the internal economic organization of a firm, where to outsource production, what products should receive more attention, the impact that the firm is having on economic development, if the firm can industrially upgrade or even socially. Going outside the nucleus of the firm, there is institutions and industrial policy: how the firm is affecting local, national and international institutions thought trade, economic and social development (Frederick, 2014, pp. 10-11). The way to carry out these analyses are various and may come from different sides: clients, stakeholders, NGOs, workers, statistics. Clients, including NGOs, governments, industry associations, may be provided with outcomes from simple input-output and geographic expansion of the firm but concretely have no idea on what the firm practically looks like: this evaluation method is called 'bench marking' and uses benchmarks indeed as reference based on the sector to which the firm belongs. Policy recommendations are also provided at national or regional level using best practices and strategies used by other actors either public and private in similar situations; as well as upgrading recommendations to enlarge the firm's position in the given industry process-wise, product-wise, location-wise and production variety-wise. Visual analytic applications can be used to show research results data and connect with other firms from the same sector to reach a larger audience (Frederick, 2014, pp. 11-12). Clearly, data from surveys carried out by brands and firms, market analyses by

academic or research institutions like Standard and Poor's or by international organization like the Organization of Economic Cooperation and Development, World Trade Organizations, United Nations Industrial Development Organization and so many others.

1.3 Study cases on operational models and sustainability: Levi's and Missguided

This last paragraph will complete the chapter analyzing two study cases by focusing on how Levi's, which is not a fast fashion-based firm, has recently improved its operational model making it more sustainable and Missguided, a UK fast fashion retailer recently collapsed mainly due to its bad management and non-compliance with standards and certification. Finally, in order to maintain a fixed viewpoint on sustainability, the Brundtland Report will be recalled comparing it with the measures and operational models of the supply chains, as well as some insights on how fast fashion chains manage to stay on top of international rankings for sales and appreciation by consumers, specifically analyzing the psychology behind it.

1.3.1 Missguided

The UK-based fast fashion retail company became very popular during one the worst crisis of the 2000s, in 2009, whose founder had always been in contact with the retail, department stores and imports due to previous family businesses. The founder, Nitin Passi, started with an online shop and found that about 30% of his clients -mostly women aged 16-35- visited the website at least once a day, therefore he released a collection every day (440 Industries, 2021). This move recalls fast fashion but, as he defined it as well as many scholars in the field, it can be identified as, respectively, 'rapid fashion' or 'ultra-fast fashion', with fast fashion companies displaying collections every week or biweekly. The author underlines that production is made in the United Kingdom as well as 'in the Far East', whose suppliers can finish items of one collection up to three days. Reportedly, the key to his success as retailer is "*being more active than your competitor*",

providing customers with strong and better products and with what they want and prefer (440 Industries, 2021). Missguided started with 120 designers who are exclusively in-house and make the brand unique, but in 2021 they were about 4000 people in the headquarters creating very up-to-date clothing establishing itself as leading fashion brands providing cheap and fashionable clothes to its customers.

In 2016, Missguided launched its first transactional and branded application, since most customers were already online shopping from their cellphones, in order to monitor closer their customers' preferences, becoming therefore a multi-channel brand with a fully branded iOS application, which succeeded with 30 million pounds within 4 months from its opening (Poq). After a few years Missguided upgraded its multi-channel retail and expanded it marketwise launching his first brick-and-mortar store in London in 2017 using an SAP Management -very standardized first in the apparel sector- to turn into physical what the firm has achieved online, following the opposite path than most brands (Attune).

By analyzing Missguided at a first glance, it corresponds to an ultra-fast fashion operational model approach, which was made up to satisfy customers' needs and demands. Fast fashion already implies an 'accelerated supply chain' to keep up with such needs, which of course have changed overtime forcing retailers to modify the pace of their supply chains that nowadays appears to be even ultra-fast (Camargo, Pereira and Scarpin, 2020, p. 537). In modern retailing, the authors underline that supply chains are more and more strategical to the other segments of production allowing, as seen beforehand, high degrees of coordination, organization and communication. However, to increase competitiveness, different strategies have been implemented at the supply chain level: efficient risk-hedging, responsive and agile. The efficient supply chain aims at maintaining the active supplier networks using effective communication improving in the end production and distribution. Risk-hedging supply chains involves a high degree of risk, tackling it especially through the exchange of information among firms, in case a disruption occurs. Still, the responsive type focuses on flexibility to meet customers' demands; this may occur by involving customers in the design processes, product development, establishing a bond between clients and manufacturer. Finally, the agile

supply chain is demand-driven, information based rather than inventory-based and forecast (Camargo, Pereira and Scarpin, 2020, p. 538). Generally, a quick response, like that of Misguided but of many other brands, is associated to vertically integrated business model, to improve supply chains management, which associated to the agile type and the makes easy meeting customers' demands, also called '*leagility*', the combination of leanness and agility, which could have been the design adopted by Misguided. In the same way, many other retailers had worked in the early 2000s-2010s in reducing drastically their response times using a minimum inventory (Camargo, Pereira and Scarpin, 2020, p. 539): it is the example of all Inditex firms such as Zara, or of H&M or Benetton, speeding up their production processes to satisfy their customers. For what concerns Misguided, the issue is beyond different: it belongs to a category of retailers that managed to further speed production processes strengthening their foundations: supply chains. The advent of internet platforms like ASOS this new generation of retailers took advantage of them as strategy to provide fashionable, trendy, quickly shippable pieces to their clients. Website platforms like ASOS provided 4000 new items every week, with 713 manufacturing factories, benefiting from economies of scale and low production cost (Camargo, Pereira and Scarpin, 2020, p. 540). Misguided claim more than 8000 products available on their website, with 500 new ones per week (Hodson, 2020, p. 3), whilst a non-fast fashion production, *haute couture* for instance, which dictates the fashion trends, takes up to 24 months for the delivery to customers (Kim and Ha, 2018, p. 710) with fashion trends including colors, cuts, fabrics established up to 24 or even 36 months in advance (Kim and Ha, 2018, p. 712). Finally, research has shown that both fast fashion and ultra-fast fashion retailers respond to clients' demand and usually are vertically integrated, but ultra-fast fashion is completely client-centered, or 'direct-to-consumers' approach focused on producing garments (Camargo, Pereira and Scarpin, 2020, p. 542) that respect the fashion trends of the moment.

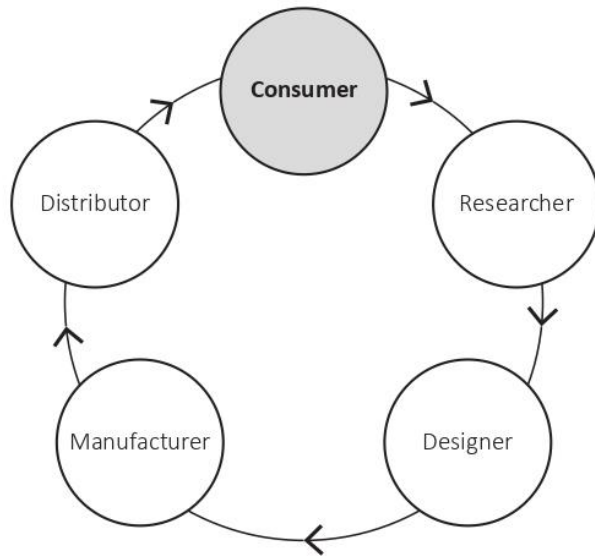


Figure 5. The centrality of consumers in the (fast and ultra-fast) fashion system process.

Source: Kim, 2018, p. 711.

The great majority of the above-mentioned businesses was born online, through e-commerce, thus becoming more appealing to the youngest population, disincentivizing the older range of over 35 consumers, who prefers to buy after trying clothes on. Starting online, thanks to technologies development and digital revolution, retailers could clearly understand what their customers demanded and receiving market feedback through data collection online. Trends are, in fact, more easily identifiable on social media platforms through artificial intelligence, views, likes and style scouters. Social media platforms help all e-commerce businesses in providing fast and free customer experience and honest opinions, also facilitating data collection and market feedback (Camargo, Pereira and Scarpin, 2020, p. 543). The phenomenon of fashion influencers online on digital social media platforms is strictly connected to the display of the items that a digital brand can offer to its clients: an example is constituted by the Instagram advertisements, strengthened by agencies that help businesses in promoting them and specifically some items, as in the case of matching dog and owner jumpers in 2018 (Rose, 2020). This agency's duty was to monitor the launch phase and track the demand.

These e-commerce platforms selling fast fashion and ultra-fast fashion products are usually vertically integrated and own a few online stores and two or three physical stores,

relying on the '*leagile*' production, flexibility and high rate of responsiveness rather than exclusively economies of scale. Another characteristic of this kind of business model is represented by the onshoring and nearshoring, allowing retailers to present more collections with less pieces, always new, supplied from close location in order to gain time in delivery time and offset their lead time, also encouraging local manufacturing and maintaining strong relations with their suppliers, without necessarily offshoring (Camargo, Pereira and Scarpin, 2020, pp. 544-545). In fact, Misguided claims to produce mostly in the United Kingdom, yet keeping its prices unrealistically low. Ultra-fast fashion's distribution does not differ much from fast fashion's, except for focuses industrially is at the supply chain management strategy level: shortening lead time, producing on demand -less pieces more often, onshoring or nearshoring and no excess inventory (Camargo, Pereira and Scarpin, 2020, p. 546).

However, both models display some important flaws: although ultra-fast production focuses on an on-demand one, it creates excess, which translates into surpluses, thus higher total costs; even though ASOS kept investing in technologies dedicated to the improvement of global inventory management (Camargo, Pereira and Scarpin, 2020, p. 540). The on-demand production constitutes a selling strategy since the customers are aware that pieces do not come in great quantity and are pushed to buy as soon as possible, because even though the price is not too cheap, the clothes are fashionable (Camargo, Pereira and Scarpin, 2020, p. 547). From a sustainability point of view, surplus translates into waste creation of resources and of value-added activities connected to it.

Both fast fashion and ultra-fast fashion are born with an inherent will of industrial upgrade, based on the consumers' willingness to buy and habits, which are continuously enhanced by their being digital natives and having always available online platforms of all kinds. Technology is intrinsic to these two business models as retailers' fortune comes from the availability of information on their websites: information technology assets such as RFID systems, which optimize product traceability and consequently all the supply chain; social tagging; Electronic Data Interchange, which allows precise inter-firm communication; Point of Sales; Vendor Managed Inventory programmes, which optimize the supply chain replenishments (Camargo, Pereira and Scarpin, 2020, p. 548).

All in all, it can be stated that fast fashion and ultra-fast fashion production respond to one thing only: consumers, which is where the change of habits should take place in order to change the business models. These kinds of firms that respond to this kind of business model have all the power in the present and certainly in the future to transform into more sustainable firms, since their technological skills are more than advanced and can keep up with very strong rhythms of production.

1.3.2 Levi's

This paragraph will analyze Levi's by Levi Strauss & Co., one of the oldest and at the same time newest US jeans company, which started off as a manufacturing firm, then became a branded manufacturer opening more than one hundred retailing stores in 1993 (Gereffi, 1999, p. 83), ranking in 1991 at the top of American apparel manufacturing retailing companies (Gereffi, 1994, p. 67).

It cannot be denied that Levi's produces its items in mass, due to the number of stores around the world and its fame. Its sourcing countries until 20 years ago were mainly Asian: Taiwan, Hong Kong, south Korea, Singapore, Indonesia, Malesia, Southern China, Philippines, India, Thailand; but also in nearer locations to the United States: Brazil, Mexico Turkey, Egypt (Gereffi, 1994, p. 61). The brand offers since its opening fashionable items, mixing its classic and recognizable styles and modern fashionable trends. Its production is outsourced and occurs within short lead times and using global value chains, however, Levi's cannot be considered a fast fashion firm, since it uses a different business model, in which quality overtakes quantity (EE editorial, 2022). The article introduces the concept of slow-fashion as opposed to that of fast fashion, which is a movement that ensures that garments are produced according to standards of ethics, for example Levi's does not use child labor, not even its suppliers, applies fair wages and sustainability, trying to reduce cloth and resource waste. Therefore, it can be stated that Levi's is trying to improve its business model and production to offset the consequences of mass production and consumption, but it is not a sustainable firm, it is more sustainable than others (Barrera, 2021). Concerning materials, a few years ago the firm

has introduced Tencel Lyocell, a type of rayon needing less water and chemicals than normal viscose (Barrera, 2022), and cottonized hemp, which uses less water and grows faster, as well as recycled materials to their collections. More than a half of the cotton used by their suppliers in 2020 derived from sustainable sources, such as Better Cotton Initiative, organic cotton farms and recycled cotton providers; moreover, in 2021 Levi's announced its participation in US Cotton Trust Protocol, which could reduce water and energy consumption, greenhouse gas emission and land-use (Barrera, 2021).

In addition, Levi's has always aimed and continues to aim at high-quality, making the jeans the most durable on average -3 years before being discarded or donated- allowing the entrance to the slow fashion category. Finally, Levi's encourages its customers to buy less, with its 2021 spring campaign advertising '*Buy Better, Wear Longer*', emphasizing the mutual benefits to the environment and to the consumers and its 2022 fall campaign '*Buy Better, Wear Longer 2.0*' (Unzipped Staff, 2022a). In this case, the company considered necessary to have some influencers and activists involved in the campaign, as well as some NGOs like Ellen MacArthur Foundation, dedicated to promoting circular economy among these apparel corporations by incentivizing repairs, resell and recycling instead of extracting additional raw materials (Barrera, 2021). Levi's adhered to a similar initiative where jeans could be personalized, repaired or redesigned in 2015 and in 2020 Levi's Secondhand website was implemented to buy and sell vintage or used jeans.

Notwithstanding these honorable initiatives and business choices in the environmental field in which it has achieved a great amount of its preset goals such as Zero Discharge of Hazardous Chemicals, the implementation of systems for reducing water and resources wastes, Levi's is not doing enough with regards to its animal welfare policy, since it still uses leather, whose production employ liters of waters, and does not provide enough evidence for some certifications it has adhered to (Good On You, 2022). All in all, the online magazine Good on You, also supported by the United Nations, dedicated to promoting the transparent and ethical fashion, rated the sustainable work of Levi's as a start towards progress for sure.

Moving to Levi's operating model, the firm has recently invested on an industrial upgrade regarding digitalization and technology that allows to waste the least cloth possible in the

finishing processes of jeans production (Henderson, 2020). In fact, denim finishing has been a manual labor-intensive activity and chemical-related process until Project F.L.X. has been implemented. It allows the reduction of textile waste and water and energy consumption, as well as more precise details on the pieces. Moreover, although Levi's already used recycled water in the manufacturing phase, this new implementation will be another way to save resources in the finishing phase, thanks to a leading firm's technologies in the sector of sustainable apparel manufacturing technologies (Henderson, 2020).

In addition to the above-mentioned internal achievements in terms of sustainability, Levi Strauss ranked first in transparency and supply chains practices in China (Unzipped Staff, 2021). Data are provided by a non-profit organization located in Beijing dedicated to environmental performance tracking locally, which is also in charge of releasing the Corporate Information Transparency Index, where all the companies sourcing in China are shown. Being ranked first among 600 companies means to be working well at every level of production, especially at the supply chain one, where the actual processes involving sustainability occur (Unzipped Staff, 2021). These achievements have not come easy: financial mechanisms to provide the capital needed for machinery, research and raw materials have required financial operations and investments for suppliers' businesses to overall improve Levi Strauss' performances at lower costs through the HSBC's Sustainable Supply Chains Finance Program (Unzipped Staff, 2022b). Levi Strauss and Co. (2022) have recently released their sustainability report, which is mainly based on the three Cs: climate, consumption, community. In addition, the report analyzes all the levels of production and distribution to ensure all the -minimum- standards are reached: a basic example is the use of LED lights in their retail stores, guidance in supplying structures to reduce resources waste, creating energy-efficient buildings that follow directives regarding air conditioning, auto-shutoff lights (Levi Strauss and Co., 2022, pp. 56-57). For what concerns shipping, they claim their footprint adds up to 10 percent in their global value chain, trying to use railways in the most developed countries such as European ones. Moreover, the company has partnered with International Finance Corporation, the private sector belonging to the World Bank Group in the Global Trade

Supplier Finance program, to offset the environmental effects of production (Levi Strauss and Co., 2022, pp. 62).

1.3.3 Fast fashion and slow fashion: environmental implications

After having analyzed two important brands and their strategies, sustainable or not, it can be argued that the difference between the two is enormous. In the first place, statements must be considered: Missguided has never even stated to apply at some of the sustainability standards concerning their production processes and living wages; it has openly committed to use some eco-friendly materials but in practice the production's materials and processes have never been subject to changes aimed at enhancing the sustainability rhetoric (Schabasser, 2022, pp. 11-12).

In its eighth chapter, the Brundtland Report, published in 1987 and predecessor of Sustainable Development Goals in the Agenda 2030, reported the Commission's research about the world industry, industrialization in the Third World, new technologies' advent and their implications as well as strategies to implement sustainable industrial development (UN, 1987, p. 173). For what concerns developing countries, their growth was astonishing between 1950s until the beginning of 1970s, according to the UN (1987, p. 175); however, it has been previously underlined that the growth in manufacturing fluctuated until 2000s, especially in the NICs -Newly Industrialized Countries. In 1980s, developing countries' industrial production was being diversified especially in heavy industries, which are also the most polluting ones; however, given that developing countries started from the lowest level of industrialization in 1950s, they experienced a steady growth overtime (UN, 1987, p. 174). As for manufacturing, in 1982 its trade value amounted to 112 billion dollars, which corresponded to 54.7 percent of international trade (UN, 1987, p. 176); its regulation was nearly none, whose effects were felt all over the world, particularly in developing countries: land and air pollution, smog, environmental damages, health threats became the agenda. Fortunately, some governments and industries, also encouraged by the work of non-governmental organization, operated to counter the effects of pollution, which was visibly harming their

citizens' lives. In the end, the funds allocated to tackle the environmental issues had a *"positive short-term effect on growth and employment"* and benefits at all levels (UN, 1987, p. 178). Still in 1987, at the time of the publication of the Report, the consequences of industrialization were expected to worsen, as well those of a population growth, which equaled to an industrial output, thus to an increase in pollution and resource degradation. Likewise, large-scale production though using newest technology *"created unknown health hazards"* (UN, 1987, p. 183).

In the meantime, the Brundtland Commission demanded that the environmental aspect, including resources and energy, recycling and waste reduction, had to be considered when planning at an industrial level guided by industries and governments (UN, 1987, p. 183). Yet, in 2022 this guidance is not always present and there is often, as in the case of Misguided, no commitment made, or regulation set and respected. The Commission once again demanded benchmarks, to whom the population could look at, in case neither the government nor the industry respected the existent regulations. Benchmarks should regard air and water pollution, waste management, occupational health, workers' safety, resource efficiency, manufacture, marketing, transportation, disposal of toxic or chemical substances; all the beforementioned should be regulated at national level and observed at international level (UN, 1987, p. 183). Nevertheless, since many firms are transnational, laws and regulations should be flexible enough to adapt to national laws and international laws, to protect every nation' citizen, worker and land. In fact, environmental laws created nowadays include *"the responsibility of every state not to harm the health and environment of other nations, liability and compensation for any damage caused by trans frontier pollution, and equal right of access to remedial measures by all parties concerned"* (UN, 1987, p. 184). One strategy to make industries improve their production processes, since pollution can be considered a symptom of industrial inefficiency, is that of 'stick and carrot': economic incentives, investments for green(-er) industries, accompanied by standards imposed by governments, supranational organizations such as the EU, UNIDO, UNDP, to promote an equal competition between firms too (UN, 1987, p. 184).

Another strategy proposed in the Report concerning resources employment is to start considering air and water as value goods instead of free goods. Water, for example, is employed regularly in the textile and garment industry and it should be subject to environmental costs. Either this cost should be externalized, thus bore by the other segments of production or by the community, the one paying the expenses for it, or internalized, meaning that firms must pay for it, under the form of investments or measure to counter the environmental and social damage: some plant forests, rehabilitate lands after mining, offer compensation in case of unavoidable damages (UN, 1987, p. 184). This initiative became the base for the Polluter Pays Principle, established in the 1970s, which discouraged any subsidies that could distort trade, by promoting incentives to tackle pollution and waste reduction, the use of innovative technology to make production efficient and recycling -like the ones Levi Strauss & Co. put into practice only in 2020s- as well as non-compliance fees (UN, 1987, p. 185).

The last point that will be analyzed from this section of the Brundtland Report regards a sense of 'social responsibility' by polluting industries. The Commission requested that industrial enterprises, trade associations, labor unions as well as multinational companies establish -binding- laws and policies on environmental hazards and therefore its management. The International Chamber of Commerce and the European Council of Chemical Manufacturers' Federation took relevant steps forward in encouraging sustainable development with regards to environmental issues (UN, 1987, p. 186). However, not all firms can afford to employ these kinds of investments to improve the quality of their production: if small and medium enterprises are considered, they may need subsidies or loans from private or public sectors, or these kinds of regulations could severely be harmed, with respects to bigger enterprises (UN, 1987, p. 186). Therefore, even though the issue might seem complicated, governments cannot be completely relieved from their duty to ensure the well-being of citizens and non-physical entities. Public and private sector together should be prepared to such circumstances. This assumption becomes even more valid when developing countries are involved in the frame: government should strengthen their environmental and resource management capability (UN, 1987, p. 191), also because many developing countries yet have labor force willing to learn the skills, but have technologies and machineries imported, thus

depending on foreign investments to develop their business. Therefore, they face a more arduous quest: find -often private and foreign- investments, make their business grow, make it sustainable, tackling bureaucracy, government issues and variables coming from the international economy. And still *“bear the consequences of inappropriate industrialization, ensuring the sustainability of their development with each government, define their own environmental goals and development objectives, establish clear priorities among competing demands on their scarce resources and need to search for more self-reliant means of industrial and technological development”* (UN, 1987, p. 191).

To conclude, it can be argued that Levi’s, differently from Missguided, is trying to enhance and improve its way to produce, also by encouraging their customers to buy responsibly, thus empowering them as market-drivers and through bottom-up actions. On the other hand, Missguided can be considered as passive: it satisfies its customers by offering them trendy clothes frequently and massively. It can thus be concluded that Levi Strauss & Co. has taken action to improve its operating model and its sustainability overall and earned the title of ‘slow fashion’ firm as it intervenes at more than one level of the standard apparel supply chain (Figure 5), trying to dilate time of use and consumption, thus a garment’s life cycle (Schabasser, 2022, pp. 4-5).

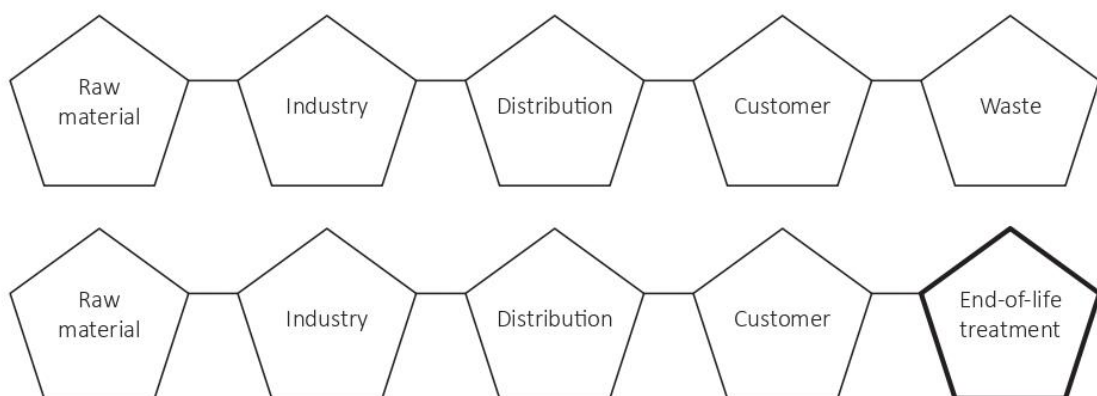


Figure 6. Key components of the supply chain.

Source: Schabasser, 2022.

Moreover, Schabasser (2022, p. 5) found that fast fashion and slow fashion supply chain management greatly differ: fast fashion proposes innovative products, in the case of garments, trendy products, thus subject to external forces like that of the fashion trends;

while slow fashion proposes functional items, independent from trends, with predictable demand and long life cycles. These two foundationally diverse paradigms also present different business models and logic. Firstly, a firm that tries to be sustainable does not aim primarily at growing, rather at developing. A possible scenario is that fast and slow fashion business models converge as a response to external factors such as the environment, renewed shopping needs, reduction of carbon footprints; however, it should be noted that the two business models are specific to certain needs and goals of each company (Schabasser, 2022, p. 6). Levi's, for instance, is progressively intervening in all steps of the supply chain, as it is tangible in their commitments, actions and programs.

An astonishing finding in the environmental sector proved to be Patagonia, a completely sustainable and slow fashion company, which not only focused on reducing its gas emissions throughout its supply chains, whose production is completely transparent and available to customers and public, but also started some research programs on microplastics with industry organization (Schabasser, 2022, pp. 13-14) and implemented them through the years. The firm was born as climbing gear making and it was only afterwards that the founder, Yvon Chouinard, entered apparel, always using materials that less harmed the environment. Since the company's foundation, it devolved one percent of sales each year to offset its carbon footprint. They became B-Corp certified³ and California benefit corporation certified with its own personal value charter (Patagonia, 2022). The same founder is today 83 years old and decided that the faith of his company would be to "*go purpose*": he has recently donated the entire company to a non-profit organization, Holdfast collective, dedicated to fighting the environmental crisis, that will, from now on, save the environment thanks to Patagonia dividends received at the end of each year. By doing this, Chouinard ensured that the Earth, defined as "*our only shareholder*", will be taken care of, as the state, which constituted an

³ Certified B Corporations must demonstrate high social and environmental performance by achieving a certain level of risk; the bigger the corporations, the more standards and transparency they are required, for a legal commitment must be made to change their corporate governance structure to be accountable to all stakeholders and shareholders. (About B Corp certification Measuring a company's entire social and environmental impact)

alternative, would not have done that, as it is *“under too much pressure to create short-term gain at the expense of long-term vitality and responsibility”* (Patagonia, 2022).

Finally, while dealing with environmental implications of supply chains, it seems mandatory to briefly present the phenomenon of greenwashing. According to Forbes, the term was coined around 1986 and addresses deceptive advertisement or marketing made by companies to induce consumers to believe that purposeful actions are being taken to save the environment (McClimon, 2022), for example, by claiming to produce *“green, ecofriendly, sustainable”* items, while completely ignoring the environmental issue. As a result, shareholders and stakeholders might be skeptical about a company’s tangible actions towards such matters. To counter this consequence, independent social audits, sometimes the government and the components of micro level governance established regulations to unfold the real intentions and, consequently, real actions of a company, such as standards, certifications, prizes, in order to encourage transparency within a company. Especially for those companies sourcing from developing countries, like India, Pacific islands, Southeastern Asian countries, where climate change’s effects are heavier and pollution hampers a normal conduction of daily life, transparency on operability of supply chains should be mandatory, whilst being now extremely vague and non-regulated at the state level. As a matter of facts, developed countries benefit from a higher level of regulation on environmental affairs, as well as on greenwashing (De Freitas Netto, 2020, p. 2). Research has shown that 66 percent of consumers would pay a higher price for environmentally friendly products (De Freitas Netto, 2020, p. 1), mostly due to growing environmental awareness among population. At the same time, however, the number of skeptics increases. It is an easy thing, in fact, for businesses, to claim that they are dedicated to the world’s health to satisfy customers while exclusively making profits. For this reason, Corporate Social Responsibility concept rose, so as to integrate social and environmental concerns in business operations and voluntarily communicate them with their stakeholders (De Freitas Netto, 2020, pp. 1-2). The research conducted by de Freitas Netto, Falcão Sobral, Bezerra Ribeiro and da Luz Soares gathered the various types of greenwashing approaches that companies use. Communication and the distortions that it brings with it are at the basis: usually, the deception lies in the way the company’s performances are presented through

information released to the public audience. The authors defined it 'selective disclosure' of positive information without full disclosure of negative ones, "so as to create an overly positive corporate image" or to "maintain legitimacy by disproportionately revealing benign performance indicators to obscure less impressive overall performance" (de Freitas Netto, 2020, p. 6). Other findings show that greenwashing is used as a decoupling behavior: the company starts with a 'green' talk but has not taken any concrete actions towards the environment, employing green-related words as symbols (de Freitas Netto, 2020, p. 6). Under these two big categories, the authors enumerated the ways in which greenwashing can be spotted: the hidden trade-off, which occurs because there are narrow ranges to consider a product as 'green'; the 'no proof' and vagueness (de Freitas Netto, 2020, p. 8), when zero, little or vague evidence available to support a company's effort towards the environment -reason why there are certifications. Marketing and advertisement are complicit, if not perpetrators of greenwashing through the use of labels, suggesting false information or that the product has undergone a process of 'greenization' (de Freitas Netto, 2020, p. 9). Other practices may be irrelevance, meaning that the claim might be true, but because of laws and not of firm's initiatives; fibbing or perjury; distracting the consumers from a greater issue focusing on a small positive performance; fearmongering. The consequences of greenwashing could be justifications: broken promises, injustice, hazardous consequences, profiting over people and populations through the environment (de Freitas Netto, 2020, p. 9).

Finally, it can be argued that every data released by a company which is not backed by clear and transparent information, significant images, reports by certifications and standards and by comparisons with scores of previous years or of what is recommended internationally can be defined as greenwashed, thus as unsustainable behavior. Once again, it remains up to the consumers to be careful to what they buy and use.

Chapter II

2. Social sustainability of fast fashion

While the first chapter introduced the discussion about global supply chains' functioning, actors involved, their geographical locations, their governance, this second chapter will further focus on the governance especially that at the meso and micro level: civil society, NGOs, no-profit organizations and certification institutions; but also at the macro level, since the biggest and most important international organizations are crucial in enacting processes and subsequently laws and regulations of firms, inter-firms, global production networks, which tie global buyers and suppliers. Attention will be, in fact, paid to one of the main forces driving development and eventually upgrading: labor. Since all the global value chains are constituted by a mix of labor-intensive and capital-intensive activities, and the latter have already been analyzed, light will be shed on the former.

2.1 Governance, decent work, development

The 2030 Agenda's Sustainable Development Goals connected related to the topic of this paragraph are the eight "*Decent work and economic growth*", aimed at promoting inclusive and sustainable economic growth, full and productive employment and decent work for all, and the tenth, which aims at "*reducing inequality within and among countries*" (UN, 2021, pp. 15-17), but aspects from the other Goals will be inevitably touched. Moreover, the title of the paragraph is extremely evocative, as, ideally, the three concepts of governance, decent work and development could be involved in a positive and virtuous circle that touches upon SDGs objectives.

2.1.1 Development

One of the cases previously analyzed has been that of Japan that, in order to industrially upgrade, increased the amount of labor and the related skills. When lead firms

understood the advantages of offshoring production in the Global South, particularly in East Asian countries, the amount of wealth created was unprecedented. Nonetheless, as the Basic Needs approach⁴ suggests, economic growth does not necessarily match economic nor human development (Mayers and Pickles, 2014, p. 17). The desirable strategy adopted by multinational companies would be, according to this approach, to redistribute productive assets so that an equal redistribution helps the country engage in growth and development promotion -that does not necessarily mean growth in GDP.

In 1990, the Human Development Report Office of the United Nations Development Program (2015) presented the Human Development Paradigm, which approached development as a multi-dimensional concept regarding firstly and mostly people, opportunities available to them and choices. This approach was developed by the Pakistani economist Mahbub ul Haq, drawing from Indian economist Amartya Sen’s work “Development as Freedom”. The Human Development Index was elaborated by the UNDP and represent the geometric mean of three dimensional indexes: health - calculated as the average of life expectancy in years-, education -calculated as the expected years of schooling and the mean years of schooling in years- and standard of living -intended as gross national income per capita.

$$\text{Development Index} = \sqrt[3]{\text{Life Expectancy Index} * \text{Education Index} * \text{Income Index}}$$

$$\text{Life Expectancy Index} = \frac{\text{LE} - 20}{85 - 20}$$

$$\text{Education Index} = \frac{\text{MYSI} + \text{EYSI}}{2}$$

$$\text{Income Index} = \frac{\ln(\text{GNIpc}) - \ln(100)}{\ln(20,000) - \ln(100)}$$

Figure 7. Human Development Index calculation.

Source: <https://www.sustainabledevelopmentindex.org/methods>.

⁴ The Basic Needs approach rose as a response to the Neoclassical approach that believed in the ‘trickle down’ economics. It considers -economic- development, especially in Third World Countries, as the mean to ensure people at least the basic human needs like food, water, shelter, through labor-intensive technologies.

This index is one of the simplest existing measurements of development and was created to overcome the exclusive measurement of a country's performance through Gross National Product, which could be deceptive in nature, since it only considers economic processes and their outputs. In fact, GDP is defined as *"the market value of final goods and services that are newly produced within a nation during a fixed period of time"* (Callen, 2020), thus, gross national product does not indicate *"overall standard of living or well-being of a country"* and *"although changes in the output of goods and services per person -GDP per capita- are often used as a measure of whether the average citizen in a country is better or worse off, it does not capture things that may be deemed important to general well-being"* (Callen, 2020). Another aspect that GDP does not reveal in its calculation is the external costs, such as environmental damage, which lowers the overall well-being of human beings, causes natural resources' impoverishment and finally unequal distribution (Callen, 2020).

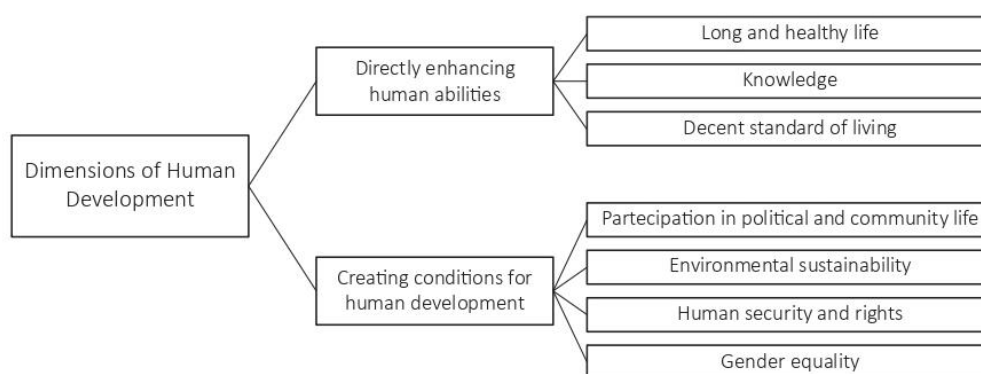


Figure 8. Dimensions measured by Human Development Index.

Source: <https://hdr.undp.org/content/what-human-development>.

Historically, the first measurement used to calculate GDP -particularly, the United States' one- was created by Simon Kuznets in the early 1930s. The economist had already warned that it was not meant to be a calculation of the general welfare of a country, but of the mere quantity of the value of goods and services produced in a country indeed. The developed inverted U curve demonstrates that inequality in income is at the beginning of a country's economic development and that the data improves after some time (Ota, 2017, p. 1). However, this empirical theory presents some policy implications, according

to which profits must be expanded, thus remain in the hands of those who have the power to invest, the capitalist class; to expand profits, cutting labor costs and maintain wages low, therefore focusing on capital-intensive techniques so as to trigger an industrial sector and capital accumulation.

As demonstrated by research applied to some of the currently developing Asian countries, the 'inverted U curve' hypothesized by Kuznets is broadly confirmed, yet with some peculiarities between lower-income and higher-income countries (Ota, 2017, p. 20). The author has also shown how in the former *"growth impacts generated on inequality are generally small, though their impacts on environment tend to be large"* (Ota, 2017, p. 1). Since the environment is one of the indicators of well-being, it was involved in a research hypothesizing Environmental Kuznets Curve focusing on the relation between environmental and income policy, which is often non-existent for low-income countries, whilst high-income countries have generally introduced different policies to cope with growing income inequality and environmental degradation (Ota, 2017, pp. 1-2).

According to the International Monetary Fund Managing Director yet in 2002, global per capita income has more than tripled lately, also in terms of literacy and life expectancy (Kohler, 2022). In fact, Kohler (2002) recognized that the biggest gainers have been developing countries that managed to integrate within the global economy, from which, he was certain, they would benefit. However, the Director acknowledges that in the process *"too many people have been left behind"*, that *"the disparities between the worlds' richest and poorest nations are wider than ever"* (Kohler, 2002) and that in order to reach a better future a new way to enact globalization and cooperation is needed. Finally, he addressed his concerns about the crises experienced by industrial economies, encouraging them to restore the momentum of global growth, also for those more vulnerable economies' sake. At that time, the United Nations had set its Sustainable Development Goals to be reached in 2015 and had as main objective that of fighting poverty, especially in developing countries -as addressing situations like a two dollars wage per day- and the IMF joined the cause with numerous programs. However, things have still not turned out differently.

2.1.2 Decent work

As already mentioned, one central issue of this chapter will be decent work and working conditions in global supply chains.

Global supply chains have been created as cross-border organizations of goods and services' production and trade; the ones operating in developing countries are usually big and involve international sourcing by lead firms, which decide terms and conditions of production as well as arrangements with suppliers and subcontractors (ILO, 2022). The 2030 Agenda does not explicitly make any reference to work in supply chains, but the contribution of global supply chains is considered a factor to promote several Goals, specifically the eighth, ninth, sixteenth and seventeenth, in connection with economic objectives and decent work in general (ILO, 2022).

Expectedly, the International Labor Organization plays a pivotal role in managing to ensure that labor implications are respected, and it has started to do so in 1919 when the first tools to safeguard global supply chains workers were enacted and were officially adopted in the Tripartite Declaration of Principles⁵ concerning Multinational Enterprises and Social Policy.

In 2002, the Organization remarked this subject, establishing the World Commission for the Social Dimension of Globalization, which provides multinational corporations guidelines, reminds them relevant international standards, due consideration of local practices and the respect the sovereign rights of States, together with their laws and regulations (ILO, 2017, p. 4). Moreover, the Tripartite Declaration encourages its Parties to respect the Universal Declaration of Human Rights, the related International Covenants and the ILO Declaration on Fundamental Principles and Rights at Work and its updated versions. These Conventions should be respected even though ILO Members did not ratify them, since it would mean that they respect *“(a) freedom of association and*

⁵ Tripartite refers to the three parties involved: private, public and social governance. This already suggests that a multi-level governance should be created in order to solve current problems.

the effective recognition of the right to collective bargaining; (b) the elimination of all forms of forced or compulsory labor; (c) the effective abolition of child labor; and (d) the elimination of discrimination in respect of employment and occupation” (ILO, 2017, p. 4). Therefore, regardless of Membership, the Tripartite Declaration’s General Principle should be applied by all Members even though they have not ratified ILO’s relevant Conventions, since the principles of the Declaration regard governments, multinational and transnational enterprises, employers, employees, thus acting on a multi-level governance to ensure that Fundamental Rights are respected and safeguarded (ILO, 2017, pp. 4-5). To complete the frame, there are other two extremely relevant concepts in the Declaration that are worth underlining: ‘due diligence’ and ‘corporate responsibility’, which will be later analyzed. Some of the general principles reflect the guidelines given to enterprises: they should comply with national laws and with the objectives set by the countries in which they operate. Most importantly, they should encourage to do more: promote good social practices in this tripartite agreement, to finally stimulate sustainable economic growth and development by raising living standard -and wages-, meeting employment requirements, research the required innovative technology that would enhance a social upgrading, establish a plan with governments to reduce unemployment and underemployment enhancing formal work -consistently with the eighth SDG- and finally consider and use the local resources and raw material consciously (ILO, 2017, pp. 5-7).

Dealing with decent work means to engage indeed with social upgrading, social security and security in the workplace, elimination of child labor⁶ or forced labor⁷ by introducing

⁶ For which the ILO has taken action through Minimum Age Convention (No. 138), Recommendation (No. 146) in 1973 and Worst Forms of Child Labor Convention (No. 182) and Recommendation (No. 190) in 1999.

⁷ The ILO has intervened through:

- Forced Labor Convention, 1930 (No. 29), its Protocol of 2014 and Forced Labor (Indirect Compulsion Recommendation, 1930 (No. 35);
- Abolition of Forced Labor Convention, 1957 (No. 105);
- Forced Labor (Supplementary Measures) Recommendation, 2014 (No. 203) (ILO, 2017, p. 17).

national laws against it, equal remuneration, the possibility to form unions⁸, equal juridical system, training to work, which are all issues tackled and included in the 'Fundamental' Conventions of the International Labor Organization. Some of them are legally binding, like Conventions, which lay down the principles to be implemented by Members, Protocols, Recommendations that serve as non-binding guidelines (International Labor Office, 2019, p. 19), but it seems that a stronger approach should be applied now. Ratifying Fundamental Conventions means that in case of non-compliance, the parties involved might face consequences, as the Conventions usually come into force one year after their ratification, thus a case may be brought to court.

To create an international labor standard, the legislative process must pass through the hands of governments, workers, employers. Firstly, the main initiative comes from the ILO Governing Body, which decides to include issues in the agenda of future International Labor Conferences, which at turn analyze the facts and draw up reports. The first drafts reach the various delegations: two Member States delegates, one organizations delegate per workers and employers; subsequently, they work on comments and discuss them during the conference, after whom a second draft is prepared, re-proposed to Members and eventually amended and proposed for the adoption whether a two-thirds majority vote is achieved (International Labor Office, 2019, pp. 20-21).

Beside to the International Labor Conference, there is a Tripartite Working Group, made up of 32 members with the proportion of 2:1:1, constituting the Standard Review Mechanism, reuniting once a year and reviewing the various legal acts that date back to the Organization's initial operative years, ensuring an up-to-date body of international labor standards suitable for global standards (International Labor Office, 2019, pp. 23-24). Moreover, international labor standards have been created mainly to help governments implement laws on work and social policies, whose first step is ratifying ILO Conventions and adapting it to national laws. These standards "*thus serve as targets for harmonizing national law and practice in a particular field; the actual ratification may come further along the path of implementing the standard*" or may not occur at all,

⁸Or Freedom of association guaranteed by the Right to Organize and Collective Bargaining Convention, 1949 (No. 98) and the Collective Bargaining Convention (No. 154) and Recommendation (No. 163), 1981 (ILO, 2017, p. 17).

however aligning national legislation with standards, also assisted by a technical body (International Labor Office, 2019, p. 25). Subsequently, national courts have the obligation to apply the standards to decide cases that require the appliance of national laws: international law applied to the national one means that the international system is working, and it is indeed a resource to regulate work and labor also at the enterprise level (International Labor Office, 2019, pp. 25-26).

2.1.3 Governance

The governance issue, as already mentioned in the first chapter, regards its function, which is and must be multi-level: the International Labor Office (2019, p. 26), representing the greatest exponent of public governance, highlights an ineluctably substantial top-down approach, constituted by many actors and thus multi-level, belonging to the public and private spheres. This whole issue includes another relevant crucial factor: globalization. It must be considered that global supply value chains operate on behalf of multinational corporations that have offshore production overseas. As already underlined, globalization contributed to the erosion of borders, from which governance has started to suffer. Therefore, in order to improve workers' conditions -or to socially upgrade- in global supply chains a multi-actor approach must be taken: public governance with labor enforcement laws needs private governance support because they cannot bear the costs and responsibilities of social upgrading alone without mutual help (Rossi, 2014, pp. 7-8). Moreover, civil society, international organizations and the numerous other parties of the governance's micro level help shed light on new issues, especially on apparel value chains, and create initiatives to tackle relevant issues by finding solutions synergistically (Rossi, 2014, pp. 9-10).

For instance, the World Trade Organization, after having overcome a solid resistance from developing countries' governments, managed to add some provisions related to work condition to its multilateral agreements (Mayer and Pickles, 2014, p. 30). However, it is possible to achieve public governance at regional level, if not possible at a global one: an extremely evident example is the European Union, whose regulative and redistributive

role is unprecedented in global arena, as well as that of creator of one of the first regional Free Trade Areas and fosterer of developing economies, yet with some clauses to them. In addition to this exemplary institution, also the other regional FTA such as the American ones such as CAFTA and NAFTA have been implementing side treaties with labor as main and unique focus (Mayer and Pickles, 2014, p. 30).

States constitute the other part and parcel of public governance. Concerning developing countries, they have been integrating labor laws to protect workers in the last few years; in 2010, Bangladesh, after years of hyper-exploitation due to low wages and poor work conditions managed to increase wages for apparel workers by 80 percent, thanks to unions' negotiations, even though the amount requested was way higher (Mayer and Pickles, 2014, pp. 31-32) and will need to increase even more. Another relevant case was that of China's labor law: in 2005, thus supposedly consequently to the country's entrance to the WTO, trade unions and major buyers preoccupied of their brands' reputation -owing to continuous scandals about factories' working conditions and workers' deaths- pushed for reforms of Chinese labor law, following state-sanctioned Corporate Social Responsibility and eventually obtained them in 2008, when laws came into force (Mayer and Pickles, 2014, pp. 32-33). Again, the cases of deaths in the workplace, child labor, wretched wages were growing since 1990s. These laws did nothing but guarantee some labor rights to those employed through contracts as a response to those companies that were taking advantage of some workers by offering them probationary contracts or continuous short-term contracts. This specific problem was related to the fact that many unregistered migrants coming from the nearby countries were more than welcomed to work in the Special Economic Zones based factories, such as in Shenzhen and Guangzhou. The newly issued laws also managed to guarantee association rights and the possibility to recur to a union and bring cases to court when non-compliance occurred (Mayer and Pickles, 2014, p. 33), in fact the number of cases presented grew dramatically between 2006 and 2008. Although many multinational companies decided to adhere to this law and ensure workers their rights, others relocated their factories to nearby developing countries where there were no similar laws so that they could perpetrate their hazardous behavior. Therefore, the same

brands could be adhering to law and be 'sustainable' where imposed by the law, yet perpetrating work and gender inequality elsewhere (Mayer and Pickles, 2014, p. 34).

First in their article, Mayer and Pickles (2014, p. 17) defined governance as the actions taken by institutions to enable or constrain market actor behavior in the public and private sphere. Their main result is that of 'governance deficits', created by globalization and constantly managed to be filled by institutions. Therefore, this deficit does not have to be intended as a proper deficit or something that has been missing, but as a dynamic process undertaken by public and private sectors creating a new diverse institutional environment. Specifically, the apparel sector is highly globalized and a global employer, thus victim -or perpetrator- of governance deficits; however, has been nowadays witnessing the rising of a new and diverse governance framework (Mayer and Pickles, 2014, p. 18). Specifically, when situations in apparel value chain came out, they have always been pitiful -and will be further reported- and little could be done due to the constraints explained above. Moreover, during the rising welfare states wages and living standards were adjusted to the country's standards, but globalization destabilized this 'order' of 'regulated exploitation'; also after the liberalization of international trade and the de-regulation of emerging market economies, such as that of Central Europe or the well-known South-east Asian region, the market became, indeed, global and everything was de-regularized, since supplier countries were developing countries, developing from every viewpoint (Mayer and Pickles, 2014, pp. 19-20). One case is that of Thailand, where in something similar to an export-processing zone 'partial border citizenships' were given to illegal workers to allow them to work and maintain the lowest costs of production possible, making this an extreme form of strategic economic competition; it was only after NGOs and institutions like the IMF or the World Bank intervened, around 1970s, that the situation has been at least acknowledged and they are trying to tackle it (Mayer and Pickles, 2014, pp. 20-21).

At the same time, 'private governance', especially in the apparel sector, proved diverse among the different actors; on one hand, however, companies such as Levi's, according to Mayer and Pickles (2014, p. 22), has always paid attention to certain ethical issues, localized production and sourcing. On the other hand, Levi's behavior is anything but

usual: many other visible brands need to be monitored and pushed to cooperate, comply with standards and be more transparent with their practices, especially in their supply chain. Moreover, Monitoring International Labor Standards have been extremely helpful in many cases, in achieving the shift from non-compliant to socially and environmentally friendly companies (Mayer and Pickles, 2014, pp. 22-23).

The deregulation of public forms of governance became the starting point for private governance experiments, which, under certain circumstances, proved successful, owing to the multitude of -private- actors involved: chambers of commerce, associations, industry groups, which helped modify the operation aspects, production processes and initiatives (Mayer and Pickles, 2014, p. 23). As already mentioned before, some of the initiatives born in the private governance field have been codes of conduct, monitoring and social labelling, aimed at ensuring transparency within a brand. These practices follow the need to oversee the production processes that occur far from the consumers' eyes, since globalization created outsourcing at global level. Around 1990s, the need to know what global production hid translated into the creation of certifications; in apparel one of the most well-known is SA8000, a Social Accountability certified standard requiring some basic implication regarding working conditions in a firm's supply chains: a 'basic needs' wage, associational rights, workers' development and enhancement, social upgrading, health and security in the workplace, non-discrimination, child labor and exploitation. Specifically, SA8000 checks upon nine macro-areas covering all the business activities just listed through a self-evaluation of requisites application, the Direction's Commitments, compliance with the nine macro-areas and the management system (Certificazione etica SA8000). The guidelines are claimed to derive from the Universal Declaration of Human Rights and International Labor Organization's treaties.

Another well-known certification is Fair Labor Association (FLA) which evaluates members' suppliers on their compliance with codes of conduct, even if this has been phased out and substituted by a more recent one, FLA 3.0. The certification is implemented on a voluntarily basis, it is periodically renewed and therefore checked upon, also because sub-contractors potentially change all the time, and they should be abiding to the standards required by SA8000 (D'Angerio, 2022, p. 46).

Yet, buyers and suppliers complain about 'monitoring fatigue' or 'code overload': as many as 30 to 40 inspections might be occurring over one year, where they are required to meet requirements of national governments together with the almost a dozen brands for which they produce (Mayer and Pickles, 2014, p. 24). However, most of buyers turn to ethically sourced products mainly because of reputational risks -an instance is what happened to Nike- and strive for social labelling approaches; whilst certifications and monitoring mechanisms are real tools to check upon the supply chains' situations, the social labelling is more of an internal tool to make marketing from, to let ethic consumers know that the brand is dedicated to some social causes, which makes them instantly socially responsible (Mayer and Pickles, 2014, p. 26) and sustainable -a term more than abused in the last few years. What should be really done by these apparently dedicated firms is real actions and program supporting education, safe infrastructures, safe workplaces; indeed, there are some private initiatives dedicated to *"deliver a shared, global and sustainable approach based on consensus and best existing practice"* (Mayer and Pickles, 2014, p. 27).

The authors, however, are well aware of the limits of this kind of governance: firstly -and expectedly- it is often the firm itself to constitute these labels and certifications, thus monitoring personally their own suppliers; secondly, monitoring is sometimes a cost bore by suppliers -usually localized in developing countries and paying a few cents for each garment produced- who, at turn, should also comply with codes of conduct and monitoring audits, and finally, it has been found that *"suppliers tend to comply only with more easily adopted 'low hanging fruit', rather than deeper structural issues and enabling rights"* (Mayer and Pickles, 2014, p. 28).

The apparel industry is one of the most globalized ones, thus represent the perfect example to support this discussion. It has also been an exponent of governance failure, predatory sourcing and production practices from West to East (Mayer and Pickles, 2014, p. 18). The peculiar merit of these authors has been that of researching the diverse ways in which these governance deficits tried to bridge the gaps, which will be further analyzed as follows.

2.2 Governance approaches: from accountability to responsibility

Governance has proved to be extremely tricky in the field of global value chains; a crucial factor in this long and complicated process has been globalization, which has made borders and governance blurrier and more difficult to deal with. Owing to the difficulties of installing a proper governance, there have been pushes from the top, from the bottom, from both the public and the private spheres to create one. Here, approaches to establish a private governance will be discussed.

Firstly, it can be argued that private governance initiatives derived from societal pressure in general, in a setting of economic globalization and public governance's deficiency. Karl Polanyi explained it quite clearly: since economy was born within the society, it is inevitably embedded with it. However, one of the globalization effects was to dis-embed markets from the state institution, ending up with no regulation on them; unless the - newly transformed- international economy becomes embedded with international regulation (Mayer and Gereffi, 2010, p. 253). Consequent to the failure of public institutions, workers, social and environmental activists, NGOs and civil society began to demand more from the other big sphere in society: private governance. A fact of utmost interest is that these issues depend on social dynamics, in fact, all the data that we have now are anecdotal and descriptive and may vary when focusing on a different region or country, thus it seems impossible to track down all the other more objective data (Mayer and Gereffi, 2010, p. 254).

The historical framework is that of 1980s, when globalization was spreading and becoming extensive. Its main signal was global manufacturing moving to developing countries, public institutions being unable to tackle the related issues, and finally the shift of many developing economies towards a new economic paradigm (Mayer and Gereffi, 2010, p. 255).

Apparel represents a crucial sector in which all these changes can be observed: most production is carried out by vertical integrated multinational corporations with their suppliers overseas in developing countries, their regulation initially undertaken by states, later assigned to the most powerful market-facilitative international organizations such as the World Trade Organization, the International Monetary Fund and the World

Intellectual Property Organization, to the detriment of important but limited institutions like the International Labor Organization, United Nations Environmental Program and the United Nations Development Program (Mayer and Gereffi, 2010, pp. 256-257). Therefore, starting from weaker regulations by international organizations, the first move made by lead firms was to set some standards and codes that could be checked upon by themselves, as in the case of CSR, and afterwards NGOs and civil society created some third parties certifications and codes arrangements for which they had the monitoring power and thus an independent monitoring mechanism could be ensured, bad practices like violations of labor international standards could be detected (Mayer and Gereffi, 2010, p. 258).

2.2.1 From accountability to responsibility

The ILO has been researching the field of labor in global supply chains and has been analyzing the aspects of accountability and the processes related, until getting to responsibility. It has been found that *“international standards operate in domestic rules and institutions and intergovernmental arrangements, creating a type of imperfect and incomplete multi-layered global governance”* (Landau and Hardy, 2021, pp. 44-45). Transnational labor governance must be intended as complex interplays that might evolve, overcome and reshape organizational behavior.

Apparently, accountability is extremely broad, thus can be considered an umbrella concept for similar terms: legitimacy, democracy, responsiveness and responsibility. To define it, a context is needed, thus more clearly in this setting it could be defined as *“a moral or institutional relationship between different actors, in which actor(s) or ‘power wielders’ have an obligation to explain and to justify their conduct, and another actor or ‘accountability holder’ has the power or authority to pose questions, pass judgement and impose consequences”* (Landau and Hardy, 2021, p. 45). However, accountability is both a normative concept usually belonging to organizations and used to legitimize or de-legitimize exercises of power, and a social mechanism used by institutions to regulate their accountability to one another (Landau and Hardy, 2021, p. 46). Moreover, it also

serves a crucial democratic function: risks mitigation of the most powerful institutional power to hinder power abuse; its final step is that of raising awareness, informing and making more effective policymaking and its implementation: when accountability core components -standards, information and sanctions- are involved, accountability assumes a strong teaching and moral power (Landau and Hardy, 2021, pp. 46-47).

Once explained accountability's implications, it becomes immediately noticeable the relation between the concept and governance, and the question naturally arises: how can we achieve governance without actors taking accountability? In fact, governance deficiency after the rise of globalization is strictly linked with a lack of accountability: first by state institutions in liberal-democratic systems, secondly, by the impossibility to transfer these states' institutions at the transnational level, thus creating an accountability gap, and thirdly, the dispersion of functions specifically assigned to each authority, which at turn results in problems taken care by "*many hands*", thus a messy governance (Landau and Hardy, 2021, pp. 47-48). As a result, accountability in a transnational field is less feasible owing to the impossibility of wielding direct accountability because there are no formal institutions strong enough to do so, which needs the intervention of third parties, creating a 'proxy accountability' (Landau and Hardy, 2021, pp. 48-49). This lack of accountability shows not only at the private-public-social level, between lead firms and international organizations of all types, also at the UN level: the Global Compact is, in fact, void of any accountability mechanisms, which allows corporations to avoid social responsibility and innovating their operational models (Landau and Hardy, 2021, p. 51). Regulatory targets are, in fact, often relieved from all their obligations in the transnational sphere, whilst it should be up to them to maintain a regulatory order to influence the international sphere's behavior and encourage taking the responsibility path (Landau and Hardy, 2021, p. 51).

It can be argued that the path towards responsibility is a long and tortuous one, and the efforts to get there are being made synergistically, but perhaps the accountability fill-in will not be achieved in a short-time period. The next paragraphs will list the actors and initiatives involved in the private sphere towards labor governance.

2.2.2 Private governance's relation with institutions

At the beginning of the whole process towards responsibility there was a sort of clash between public and private spheres, as they were the only legitimized to have a word about what was going on in the world, on their territory for the states and in their firm for privates. The only other legitimized bodies that could intervene were the United Nations and the International Labor Organization, which in fact established in 1977 the first Tripartite Declaration of Principles Concerning Multinational Enterprises and Social Policy⁹ (Landau and Hardy, 2021, p. 52). The implementations regarding labor were introduced later, in 1984, by the OECD Guidelines; however, until that moment there was no mechanism to hold a firm accountable for non-compliance, nor governments had instruments to do so. This is the reason why private governance arose: firms could set their own standards, benchmarks of responsible conduct and regulate themselves, especially in absence of a strong national legislation and having to abide only to soft law, for example the OECD Guidelines. Other accountability's core elements like information and sanctions were absent at first, whilst soft law and the so-called 'naming and shaming' enacted by other self-regulatory mechanism to push enterprises to comply were present (Landau and Hardy, 2021, pp. 52-53). As follows some accountability mechanisms will be touched and explained in their implications with social and environmental impacts.

2.2.2.1 Codes of conduct

Corporate codes of conducts represent the second step made by corporations towards respecting labor standards. These were slowly implemented through monitoring and securing mechanisms, though starting off as voluntary unilateral or bilateral commitments. Clearly, these measures were addressed to brand retailers, as well as to suppliers to ensure workers' just wages, working hours, a healthy environment and safety in the workplace. In the beginning, suppliers' codes of conduct were closely monitored by their own employees, thus constituting an internal monitoring, or by third parties, thus

⁹ As a firm's statement that goals could only be achieved through the cooperation of all the three parties.

an external monitoring (Landau and Hardy, 2021, p. 54); however, the author points at another way of monitoring, enacted by independent agencies not being paid by those they are monitoring, and calls it 'verification'. Expectedly, supply chain governance and this internal mechanism failed to meet the demands of their retailers in a way that they could be accountable for what happens within their factories. Undercover activists and journalist managing to enter in one could witness the reality of many workers' conditions: miserable. In fact, this type of audit presents blatant limitations, which lead eventually to a weak degree of transparency and consequently accountability too. It has been only in the 1990s that human rights organizations have begun to push brand retailers to disclose more information, almost challenging them to do so (Landau and Hardy, 2021, p. 54); until Agenda 2030 rose, and the sustainability talks arrived.

2.2.2.2 Multi-Stakeholder Initiatives

What has been analyzed beforehand is what brought to this additional type of initiatives around 1990s firstly in the United States' transnational apparel suppliers, but that are common all over the -Western- world nowadays. Stakeholders can be defined as all the involved parts in the business, thus from clients to holders. The fact that initiatives to make everyone involved in ensuring more accountability to a firm is extremely relevant, especially for my thesis, as it confirms it: it makes people aware and through the people's willingness, a change can be achieved. As for working conditions, MSI can address them by looking for mechanisms to hold a firm accountable: external monitoring, for instance, proved to be extremely efficient, thus having it made by external stakeholders. One danger is, on one hand, that these external stakeholders would work together to learn from each other -which is not completely a loss- rather than monitor on each other, but also cheat on standards or report false compliance (Landau and Hardy, 2021, p. 55). On the other hand, some other multi-stakeholder initiatives have been undertaken by the Fair Labor Association that carries out independent external monitoring or 'verification' and implementation and enforcement procedures. However, the most effective type of monitoring mechanism has proved to be that carried out by governmental bodies or

organizations and third parties as a higher degree of compliance has come out (Landau and Hardy, 2021, pp. 54-55).

Yet, truth is that there is not one global fixed measure for compliance, ending up in the so-called 'accountability dilemma', which at the same time hinders efforts towards better practices. For this, FLA created four layers of accountability, therefore firms joining the FLA commit to implementing the Obligations present in the Charter in a fixed period of time: firstly, compliance of suppliers in supply chains is planned and then monitored by FLA, and then the results are published online on the FLA website; afterwards there is a tripartite board deciding upon companies' accreditation, and finally, in case of complaints, a Special Review is present in the FLA Charter, which allows companies and individuals to file them and receive an answer within 90 days (Landau and Hardy, 2021, p. 56). This specific example is a demonstration of the so-called proxy accountability, where workers could have their disputes settled and be engaged in all the monitoring processes.

A further aspect to consider is governance within a multi-stakeholder initiative that in case of non-compliance or poor performance must establish whom to hold accountable, possibly the decision-makers. To increase a firm's level of transparency and thus legitimacy, many have started to increase their level of participation with civil society or NGOs (Landau and Hardy, 2021, p. 57).

Moreover, the most, probably, relevant actions realized by firms are policies, particularly those aimed at increasing transparency and thus accountability. There could be two types of policies: regulative and allocative; the former includes creating of rules that "*prescribe or proscribe certain courses of action, as well as monitoring compliance with those rules, certification of compliance, adjudication of disputes and application of sanctions for non-compliance*" (Landau and Hardy, 2021, p. 57). The latter aims at improving and enlarging the scope of actions of policies themselves by providing credit, insurance, technical training, healthcare, thus using proxy accountability to make a change in policies interventions making them regulative policies (Landau and Hardy, 2021, p. 58).

Finally, among social and labor activists there are raised concerns regarding the possibility that workers are the ones that could be left behind in multi-stakeholder initiatives as they are mainly aimed at finding ways to hold someone accountable, causing a disempowerment of workers eventually. Therefore, the Workers' Rights Consortium has been created and involved in the MSIs, working not as a monitoring body using codes of conduct, thus quantitatively, but by inspecting factories and receiving workers' complaints, especially in those countries considered more high-risk, and then revealing information. Scholars have found that Workers' Rights Consortium proved to be so much more effective model of accountability than others, also responsive and active towards workers -since it also organizes training days with educational scope- that local public law wanted to include it in its enforcement mechanisms with an improving scope (Landau and Hardy, 2021, p. 58).

2.2.2.3 Legal accountability: due diligence

Regardless the international attention towards workers' safety and dignity issues, the numerous instruments undertaken were not that effective in strengthening national legal accountability mechanisms (Landau and Hardy, 2021, p. 58).

Since 1990s, those dedicated to ensuring employee's just working conditions were looking for ways to establish liability of multinational enterprises for labor rights violations in global supply chains, some of these were the following: "*direct liability by way of national tort, contract and consumer protection laws; mandatory disclosure and due diligence laws; and enforceable brand agreements, established by way of contract*" (Landau and Hardy, 2021, p. 59). In fact, labor and human rights advocates and lawyers found that the law already offers a solid ground to build cases on tort law, which was strong enough since it is private law, thus includes private actions in contracts, use of unfair competition and consumers protection laws to hold firm accountable for their non-compliance with Corporate Social Responsibility. However, in addition to these obstacles to those who already know legal avenues, there are some about how to make lead firms

liable for labor rights violations or for the misleading statement about them given to the public (Landau and Hardy, 2021, p. 59).

The second way in which legal accountability could be used was due diligence applied through national and international laws, referring to human right's due diligence, which can be of two types: mandatory disclosure law and mandatory due diligence law. The former refers to companies obliged to disclose information on human rights risks in supply chains processes, present in UK's Modern Slavery Act in 2018, California's Transparency in Supply Chains Act and Australia's Modern Slavery Act 2018, as well as the EU Directive 2014/95 on Disclosure of Non-Financial Information. However, scholars have pointed out that ad hoc laws are needed in order to tackle corporate accountability and finally responsibility (Landau and Hardy, 2021, p. 60). The latter is mostly common in Europe and takes place after a company's failure; it is a due diligence mechanism under civil law, since it seeks civil liability and these kinds of campaigns are underway in many jurisdictions of the Old Continent (Landau and Hardy, 2021, pp. 59-60). This seems to be a stronger mechanism than the former as *"the law is narrowly confined in terms of the types of corporate actors on which it imposes accountability"* and it is imposable on a wide range of stakeholders holding companies (Landau and Hardy, 2021, p. 60). However, also this mechanism presents flaws such as the adequacy of standards, analysis of vigilance plans which may not present meaningful details, the possibility for victims to sue the company for negligence but without liability. The third type of legal accountability procedure that can be enacted is the 'enforceable brand agreement' or 'legally binding buyer responsibility agreement', it presents a binding arbitration clause, representing the newest form of corporate accountability at both domestic and transnational level. (Landau and Hardy, 2021, pp. 60-61). This has been tested in the Accord on Fire and Building Safety in Bangladesh in 2016 and 2018 by cooperating with labor rights organizations which arbitrated on rights in brand agreements to *"advance a streamlined arbitration system that moves quickly, avoids excessive litigiousness, promotes transparency, does not impose burdensome costs on parties and their representatives, and provides final and binding enforcement while ensuring impartiality and due process guarantees for all parties to the agreement"* (Landau and Hardy, 2021, p. 61).

2.2.2.4 Audit as intermediary accountability

In the previous chapter, it has been seen that the rise of transnational and multinational corporations brought with them the rise of numerous intermediary figures within a firm, especially in the places where the supply chains are localized. However, in this context, intermediary refers to *“any state or non-state actor that operates as a go-between concerning the regulator and the target”*, among them: certification companies, auditors, advisors, management consultants, accounting firms, law firms, credit rating agencies, but also NGOs, unions and worker groups, governmental bodies and international organizations (Landau and Hardy, 2021, p. 61). Audit groups resulted in being central in these intermediary activities, including regulatory and monitoring compliance, setting standards, encouraging information disclosure, favor enforcement efforts like sanctions (Landau and Hardy, 2021, p. 62). Usually, audits are mainly focused on outcomes standards rather than on process rights; in fact, failure in detecting human rights violations in the workplace by audits occur almost regularly, since their approach is merely that of a checklist where conditions are quantified in order to compare them. Therefore, as this audit approach is exclusively quantitative, it should be implemented by a more qualitative one, for example, whether workers are hired by labor providers or contractors, whether unions and associations are welcomed and existing, whether courts accept workers’ complaints (Landau and Hardy, 2021, p. 62). Moreover, auditors have no obligation to disclose information, no power to de-certify firms, nor sanction the non-compliant ones, resulting in having a highly constraining role and making the audience wonder for whom their role is effective, also not favoring any SGD goal. Therefore, it may seem that audits’ function is that of legitimize a multinational company’s operational business model to give audience the idea that the firm exerts control over its production processes and is aware of the events related to them. In that case, the function played by these actors turns against their actual one: they may end up *“minimizing or avoiding liability for poor quality audits through the insertion of disclaimers in engagement agreement”* (Landau and Hardy, 2021, pp. 62-63): a body to monitor an already

monitoring body would be needed, to ensure that they are held accountable for their conduct (Landau and Hardy, 2021, p. 64).

2.2.2.5 Corporate Social Responsibility

The concept of Corporate Social Responsibility is extremely broad -as well as that of sustainability- and defines the peculiarities of a socially responsible business (Nguyen et al., 2021, p. 578). Narrowly, corporate sustainability considers both corporate growth and profitability, as well as the non-profitable aspects like social goals or natural protection, social justice and welfare, community's development. However, as much as this seems to be benefitting and contributing to the cause of Sustainable Development Goals, it does not; instead, it mostly hurts all the developments since in developed country the presence of CSR policy management often corresponds to greenwashing, bluewashing or to a strategy to prove to the consumer that the firm is also dedicated to some global or local issue that affects the community.

Nowadays, CSR is one of the most critical concepts that companies have been trying to implement voluntarily within their operational models, ever since the concept of sustainability rose (Nguyen et al., 2021, pp. 579-580). Therefore, since 1980s companies have been increasing their efforts in promoting ethical sourcing, high quality and localized production, also owing to the social pressure generated by globalization and anti-globalization movements, which required positive actions from big companies, especially from the labor-intensive ones with a value chain's buyer-driven structure: apparel (Mayer and Pickles, 2014, p. 23). After the intensification of pressures from one slice of consumer's groups, multinational corporations and sourcing networks have been working on how they could tackle the issue of meeting basic living standards; thus, under CSR they have been intervening with all the private governance measures that have been seen beforehand in this chapter. Nike, for instance, after pressures from students and NGOs, disclosed its list of suppliers in 2005: the consequence was the establishment of audits and initiatives in the social and environmental fields that started the following year (Mayer and Pickles, 2014, pp. 23-25). Therefore, as Mio interpreted it, CSR acts

considering the firm as a morally responsible subject, which through specific and targeted initiatives guarantees on behalf of some stakeholders: employees, community and the environment (Mio, 2021, p. 6). These actions appear as targeted to both the outside and the inside of a firm: on one hand, on the inside, a firm may aim at improving the relation with the above-mentioned stakeholders enacting some corporate welfare initiatives like kindergartens' creation, gyms, extra bonuses; on the other hand, such firm can, voluntarily, operate on the outside giving -back- to the community, creating social initiatives, events, meeting spaces, parks, garden, and to the environment, trying to lower its pollution, hopefully carbon footprint, promoting recycling initiatives, to give back to the environment they are in too (Mio, 2021, pp. 6-7). Although the 'giving back' is undeniable, it is not the optimal thing to do, as it only accepts the *status quo* of the firm, it does not engage with social challenges, or with a commitment to change the current operational model -which is certainly, without needing to cite scientific data, responsible for most of the emissions and social injustice.

As the 1976 Nobel Prize Milton Friedman highlighted, a corporation or a single firm's prime aim and responsibility was perceived as that of maximizing shareholders' profits consistently to the laws of the country they operate lawfully (Mio, 2021, p. 7). This view configures roles such as those of managers and CEOs as decision-makers of the capital that has been entrusted to them, not of everything around it -job organization, human resources, labor, environment. In contrast, a few years later, in 1984, the so-called 'stakeholder-based view' elaborated by Edward Freeman postulates that enterprises can persist overtime only when they entertain positive relationships with their stakeholders or those who share their values, which also implies some voluntarily based initiative towards other than capital, shareholders and the law (Mio, 2021, p. 8). Clearly, as in a loop, the two can be complementary and get closer and closer to benefit a greater share of the population.

In addition, Chiara Mio (2021, pp. 4-6) underlines the intensity of the connection between the paradigm of sustainability and three different areas: charity, corporate social responsibility and value creation. Although it may not seem so, the three converge, in a way, to private governance and its implications. Charity, for instance, is currently often

employed by firms and consists in donating part of their profits to an association engaged in fighting social injustice, protecting women's rights, protecting the environment; however, it does not enter and affect the operational model of supply chains or retailing per se, thus does not help with fighting social injustice, protecting women's rights and the environment: the firm acts on the outside of the firm, almost to redeem its ethical guilt, with a pure charitable action and that may -or may not- reflect the firm's values (Mio, 2021, p. 5). Relevance must have the fact that donations are not subject to taxes, thus acting for charity presents its advantages.

Finally, Mio analyzes something that at first is referred to as 'sustainability' and that is later better explained: a *long-term value-added creation* that is to be interpreted as directed both at the firm in its numerous dimensions -economic, financial, reputational- and at its stakeholder in general (Mio, 2021, p. 7). This may be an area of applicability of the growing ESG, that 'green' financial-economic activity measured in what is done towards the environment, society and governance, which constitutes the value added to the basic economic activities. This last 'horizon' has a few implications: the value that is added should not already exist within the firm but has to be synergistically created, it has to be shared among the actors involved, not just economically but among stakeholder and the environment, which, finally is the key connection with the other welfare areas created from the firm for the firm (Mio, 2021, pp. 9-10). Therefore, this concept of value added could really solve the puzzle of a socially purposeful and useful private governance, since it also presents a time implication: it has to yield as an investment for a long time period, with social and environmental implications that are long-time oriented, which matches consistently the sustainability conceptualization. This implication clearly varies along the types of firms, as some can enact valuable and purposeful actions over ten years, for others it could take more (Mio, 2021, pp. 9-10).

Overall, this model suggests extremely relevant peculiarities of a sustainable enterprise: the enlarged accessibility to services, the qualitative increase in the use of technology in terms of innovation, qualitative and quantitative user-friendly products, that citizens feel comfortable using and conscious. It can be thus argued that this one last model is the only one presented that acts within the firm and makes positive changes towards the

environment and the people, because it detaches from what we already know, what already exists in terms of business models, in terms of production, finding ways to be more sustainable, adapting the concept in every field analyzed until now (Mio, 2021, pp. 13-14).

To confirm the previous interpretations of the other private governance initiatives about firms being active or passive about codes of conduct, compliance and so on, Mio (2021, p. 17) points out three possible behaviors acted by companies: a passive one, an active or reactive one and a proactive one. Being passive practically means forcibly comply with a firm field's existent laws, norms or solicitations from the public opinion and civil society. Thus, firms face heavy pressure towards a social and/or environmental -and also operational- responsibility and experiences it as a duty that does not belong to them, thus intervening *ex post* to enterprises' being and actions that should become sustainable. The other type of strategy is the active or as Mio (2021, p. 17) defines it 'reactive' one, since without pressure firms begin their path towards a more sustainable production model, strategy, labor, adopting clean technologies and enacting corporate social responsibility actions so as to not to lose business opportunities. According to this last one interpretation, the reactive strategy may also be an adaptive one, since firms could consider CSR as a marginal factor in their business: in fact, Zappa's definition of business responds to the following "*economic institution doomed to exist, which, to satisfy human needs, regulates in a continuous coordination, welfare's production, procurement and consumption*" (Mio, 2021, p. 14); sustainability is a newcomer and usually the classic models are the hardest to eradicate, although scholars affirm that sustainable conduct is nowadays the most appealing (Mio, 2021, p. 15). A famous Italian example is that of apparel brand 'Brunello Cucinelli', whose business model embracing ethics presented and set the standards for high level CSR characterized by strong ethical internal policies, social welfare and emphasis to the supply chain, without impacting tremendously its business model (Mio, 2021, p. 18).

Finally, the proactive strategy refers to firms living and interpreting sustainability not only as a competitive opportunity but mainly as a value-driven perspective, a responsibility distinguishing a way of operating in the social economic context. Usually, this kind of firms operate through and for objectives expressed as value-shared actions: firms first and

foremost integrating and planning social and environmental dimensions in their business model (Mio, 2021, p. 18).

Consequently to this identification, it is possible, according to the author, to create a spectrum to understand how firms behave: if on one side there is a firm that enacts -or does not enact- a passive strategy, it is highly improbable that it enacts value creation actions nor towards the environment nor towards labor; and to go further, it is also highly unusual that a firm that does not enact any value creating strategy and practically avoids any actions for the common good, valuing only its economic welfare on a short term ever starts a sustainability path, as what is missing is the intention and the mentality, on top of the values (Mio, 2021, pp. 18-19).

Similarly, a corporation presenting a proactive approach, is more likely to create shared values, such as apply possible solutions to environmental or social issues and make them central to the business model. According to Porter and Kramer, this is feasible through three ways: redesigning products and re-thinking services so that they consider and tackle health, inclusive policies about dwellings, environment and financial security; re-defining the concept of and productivity along the supply chain, which is, as seen, the major implication to the use of resources and supply, distribution, labor or capital intensity and logistics, favoring the productivity which is enmeshed with social and environmental positive implications; finally, a strategy connected with the previous explained, the development of local socio-economic context through a reinforcement of relations with institutions, servicing supplier organizations and firms, infrastructure and clients (Mio, 2021, p. 19).

To close a circle, the major implication is that a firm must have an intrinsic and pervasive sustainable mentality, not only at the management level, where changes towards positive behaviors are not scary but welcomed. This, without a proper private corporate governance is not possible as sustainability become the key to business management (Mio, 2021, p. 20).

Expectedly, all the above-mentioned indicators and guidelines should be implemented and monitored, but firstly should be measured. Management control system affects the whole firms' functioning, their behavior and values: according to this interpretation, every responsibility center must have guidelines towards aims. The main three represent

the '3Ps' model: people, what represent the social guideline, planet and profit, respectively representing the environment and the economic dimensions (Mio, 2021, pp. 22-23). Interesting enough is the fact that in order to give these dimensions a proper and effective meaning and status a crucial role should receive indicators of performance to indeed grasp, measure and represent the results achieved and the efforts made towards the achievements of objectives and impacts produced (Mio, 2021, p. 23). They are measurements that managers of each unit and chiefs in command focus on so as to guide employees' behavior together with a strong complying leadership, achieving a joint objective of eco-efficiency, considering aspects that are both inward and outward-looking (Mio, 2021, pp. 23-24), which are the most difficult to measure but the most relevant ones. A distinguished example is externalities or outward-looking aspects' measurement: profits and capital's measures derive from the valorization of exchanges between enterprises and third economies involved in the general accounting, however a socio-environmental accounting based on which the variation of the social performance does not exist. Social performances cannot be accounted but can be measured outside the standard accounts (Mio, 2021, p. 26).

Finally, there is another distinction to be made about the type of businesses and their relationship with the possibility of developing a corporate social responsibility action plan according to the sectors they belong to: sustainable sectors, non-sustainable sectors and transitioning ones. For brevity and clarity's sake I will only focus on the ones relevant to this paragraph's research: transitioning sectors. Transitioning sectors are the main ones in the global economy, thanks to technological innovation, at turn connected to the mentality changes resulting in the transformation of firms from unsustainable to sustainable. However, a huge contradiction usually occurs: firms can also decide to implement a CSR annual report but not change their business model, thus still aiming at profits and ignoring the environmental and social fallouts, focusing on the appearances and not acting in a life cycle approach. Political openness plays an important role too, therefore needing an encouragement from the public sphere so as to trigger positive responses and create critical and conscious consumers capable of orienting the whole sector and not just one firm or corporation towards virtuous examples (Mio, 2021, p. 29). A summarizing representation of the sustainable business is presented below.

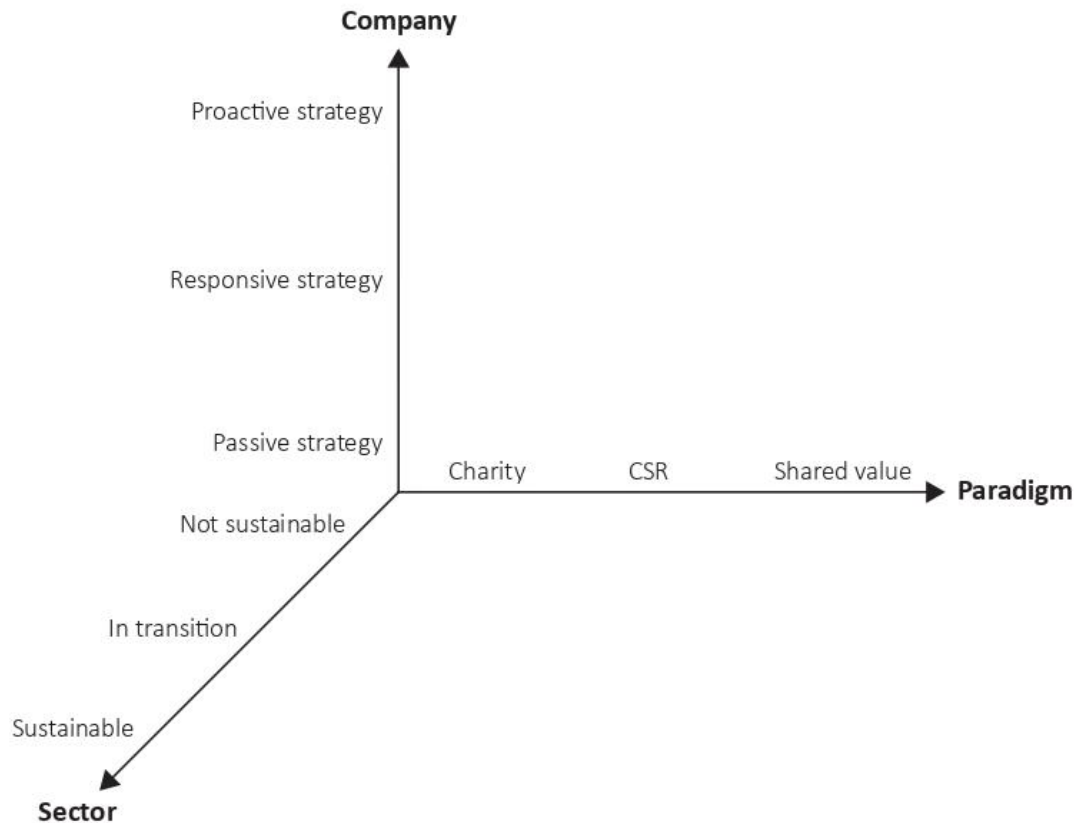


Figure 9. Sustainability's constitutive factors.

Source: Mio, 2021.

2.2.2.6 Workers-driven Social Paradigm

An alternative to CSR was represented by the of Worker-driven Social Responsibility (WSR), which is currently emerging and evolving with growing sophistication and applicability, supported also by NGOs focused on labor rights that were examining the advantages and disadvantages of this new system (Brown, 2019). Some of the characteristics of WSR are the following: workers' organizations must be the driving force in the creation, monitoring, and enforcement of programs designed to improve their wages and working conditions; cooperation by brands and retailers that must sign legally binding agreements with workers' organizations, requiring them to provide financial support to their suppliers to help meet the labor standards established by the program, and to stop doing business with suppliers who violate those standards; finally, monitoring

and enforcement mechanisms to be designed to provide workers an effective voice in the protection of their own rights, including extensive worker education on their rights under the program, rigorous workplace inspections that are effectively independent from brand and retailer influence, public disclosure of the names and locations of participating brands and suppliers, and a complaint mechanism that ensures swift and effective action when workers identify abuses, thus transparency (Brown, 2019).

2.3 Recent striking events

After having analyzed the major implications of labor and before presenting some solutions, it would be better to contextualize where, partially, this thesis was thought of in the first place, reporting some contemporary events that might not be very well-known to the public, as it is usually independent press and news agencies focusing on them.

One of the most catastrophic events regarding apparel workers, which allows to speak of all the implications, including those of the first chapter, has been the Rana Plaza collapse in Savar, Bangladesh in April 2013.

The eight-story commercial building included a bank, shops and garment factories or sweatshops and was built in 2006 on the site of a drained swamp and a ninth non-authorized floor was being built at the time of collapse (Foxvog et al., 2013, p. 19). The day before the collapse -and probably even months earlier- large structural cracks were detected in the Rana Plaza building and the lower floors that housed shops and the bank were closed to the public and to employees and all the usual users of the building were warned about the danger. However, the upper floors housing factories of various brands remained opened, and deliveries were scheduled for the day after, thus factory owners ordered workers to come back the day after (Clean Clothes Campaign, 2022). Almost all the usual workers went to work that day, which was also the day that the building collapsed reaping 1134 victims and injuring 2600 workers, some of them could never return to work due to the injuries reported (Clean Clothes Campaign, 2022). The only luck in this tragedy was the sector finally gained social and political relevance and names of some of the brands operating in that building come out, thus buyers could be held

accountable for a series of violations that were taking place in the building (Clean Clothes Campaign, 2022). Although 31 names were found eventually as they were sourcing from to those factories – mainly European and North American ones-, some are still refusing to pay compensation or donate to the fund that Clean Clothes Campaign created to compensate families for deaths, medical care or support for those who could not work anymore as a consequence to the injuries.

Another finding coming from the disaster is that brands, retailers and audits were not incorporating policies for the safety in the workplace (Foxvog et al., 2013, p. 1), as other previous disasters in Bangladesh prove: Spectrum factory cracking in 2005 and the fire in Saraka Garments in Dhaka in 1990. In 2013, Bangladeshi apparel workers were those paid the lowest amount of money, under 38 dollars per month working 90 hours a week. Interviewees tell about the threats they faced about not receiving their monthly wage if they had not shown up at work after the danger alerts (Foxvog et al., 2013, p. 2).

2.3.1 Private and public governance at work

Talking about accountability and responsibility, companies must guarantee to carry out due diligence to ensure the respect of human rights, and provide remedy if incidents happen. Since at the same time Bangladeshi law did not include this kind of regulation in its jurisdiction, local and international unions together with NGOs managed to calculate full and fair compensation for the victims, after having joined other organizations and having forced responsible companies to donate to create the fund. The elaborated formula does not include medical costs, which were different for each injured worker, but in general was constituted by brands and retailers for 45 percent, factory owner for 28 percent and the BGMEA University of Fashion & Technology part that was 18 percent and finally the government was forced to give 9 percent (Foxvog et al., 2013, p. 4). It has been estimated by the International Labor Rights Forum and Clean Clothes Campaign that the total compensation for all the victims and their families added up to at least 71 million American dollars. A first tranche of donations arrived directly to the Bangladeshi Prime Minister's Fund collecting enough for covering all the hospital expenses of injured people, for paying the owed wages and benefits to workers, for covering burial costs and for the

compensation of the amputees from the government too (Foxvog et al., 2013, p. 22). According to Poutiainen (2019), who was Country Director of International Labor Organization Bangladesh, the ILO later established in conjunction with the government a universal employment injury system to prevent, compensate and rehabilitate workers after an industrial accident or disease (Poutiainen, 2019).

In September 2013, the International Labor Organization organized, supported by e IndustriALL Global Union, an urgent meeting to discuss the latest events and how they could be avoided and tackled. In the end, nothing binding was signed but brands and buyers showed availability in supporting the victims and contribute to set up a fund for compensation. The Bangladesh government, the BGMEA, IndustriALL at global level, the IndustriALL Bangladesh Council and the CCC have also joined the committee for which the ILO acts as independent chair (Fowvog et al., 2013, p. 24). *“With the ILO acting as a neutral chair, an Arrangement was adopted, providing a single approach to compensation consistent with ILO standards, and more specifically with the Employment Injury Benefits Convention, 1964 (No. 121)”* (ILO, 2018). In October 2013, thanks to the support and help by Clean Clothes Campaign and the International Labor Rights Forum, a financial Arrangement was being built and many brands had swiftly decided to cooperate, together with other buyers that had been sourcing from Rana Plaza in the twelve months before the collapse (Fowvog et al., 2013, p. 25). Still in 2015, the Committee met regularly to negotiate the terms and practical steps for the implementation of the Rana Plaza Arrangement.

Suspect is the case of Inditex, which declared it was not sourcing from Rana Plaza but still decided to contribute to the fund, to the global fund and to the Arrangement so that it can be used for other cases. To prove that private governance alone cannot function without a good complementary support system, CCC found that there were audits checking upon two Rana Plaza factories under the Business Social Compliance Initiative code of conducts, but both failed to reveal that the building was not complying to the legal standards (Fowvog et al., 2013, pp. 26-27).

2.3.2 After Rana Plaza

The compensation initiatives were just the beginning of a lengthy process. For those in the garment field, these kinds of situations are the agenda, and Rana Plaza represents the beginning of a process that is still going on nowadays. Fowvog et al. (2013, p. 29), in fact gathered some of the outcomes: Accord on Fire and Building Safety, Tripartite National Action Plan, Labor Law Reforms, Minimum Wage Reform, but there are so many more.

The Accord on Fire and Building Safety has been signed in 2013 by almost 100 brands that committed to work together to ensure safety in almost half of Bangladesh's apparel factories. The Accord originally lasted for 5 years, was then resigned in 2018 with a validity until midnight of May 31, 2021 (Accord on Fire and Building Safety in Bangladesh, 2017, p. 1), and again renewed until 2021. It was, finally, the first legally binding agreement on health and safety in the garment industry. However, 2021 was a difficult and pivotal year, because the Commission would have changed and the Accord renewed. In August 2021, a new International Accord on Health and Safety was signed by unions and brands (INTERNATIONAL ACCORD FOR HEALTH AND SAFETY IN THE TEXTILE AND GARMENT INDUSTRY, 2021, p. 1), where the signatories' responsibilities are monitored by the Steering Committee with ILO still as neutral chair. The Accord has a specific clause to Bangladesh, as it was firstly made to tackle the urgency of Rana Plaza collapse (INTERNATIONAL ACCORD FOR HEALTH AND SAFETY IN THE TEXTILE AND GARMENT INDUSTRY, 2021, pp. 2-3) but some organizations, among which Clean Clothes Campaign, have been conducting inspections in garment factories in Pakistan, where more than four million people are employed in the sector and disasters have been happening too, and are willing to expand the Accord on Safety there too.

The Tripartite National Action Plan was established after the Tazreen fire -occurred in Dhaka, Bangladesh and presenting the same dynamics- and has been further developed by the ILO. This Plan gathers local stakeholders, such as the government, business representation and labor unions aiming at avoiding such events in the future. The Plan seems to be complete enough since includes a review of existing policies and will scrutinize the adoption of a new legislation, especially regarding trade union areas,

human rights, occupational health and safety (Fowvog et al., 2013, p. 29). It presents a strong willingness to fix and strengthen the Bangladesh government's administrative capacity so as to implement the above mentioned policies, on top of practical actions of the factories, the distribution of materials on rights and occupational safety and health to workers at all levels and the redeployment and rehabilitations of workers affected by incidents (Fowvog et al., 2013, p. 29). Unfortunately, this proposal, already in 2013, has no public monitoring mechanism and probably no progress has been done.

The idea of reforming labor law, instead, as it has been seen previously with China labor law, existed for a long time before the collapse of Rana Plaza, even if a real push has been given after the event.

The Bangladesh Labor Law Act -whose draft dates to 2006- was amended a few months after the Rana Plaza collapse with revisions of occupational safety and health; especially the Government committed to modernize and regulate again the Department of Inspections for Factories and Establishments (DIFE), whose budget has been almost quadrupled in 2018-2019 (Poutiainen, 2019). All the new reforms relate to the field of the Accord for Health And Safety In The Textile And Garment Industry -which, not by chance, is the only binding agreement-, thus to health and safety. In fact, thanks to it, many workers together with the factory manager were educated on fire and building safety, safe exits, which must be present at each floor and free from obstacles (Poutiainen, 2019).

However, the amended laws are still lacking standards of freedom of association, which are also common to those of the ILO Tripartite Declaration, therefore depriving workers to associate and create new unions, unions' workers and activists risking being sacked for misconduct, workers deployed if they dared to demand that their minimum wage was met (Fowvog et al., 2013, p. 30). Notwithstanding, for some circumstances far from the reform, some process has been made as about 35 new unions were registered in the apparel sector, some profiles of workers accused of misconduct -because they demanded a minimum wage met in 2010- were reviewed by the government, who dropped them and finally, some organizations dedicated to free speech and defense of workers' human rights were 'freed' from the scare of jail (Fowvog et al., 2013, p. 30).

Speaking of minimum wage, after Rana Plaza unfortunate event, the media, helped by organizations dedicated to the issue, spotlighted the issue of minimum wage, which is consistently not respected by contractors and ignored by buyers. Proposals for a livable wage have been given by unions in the first place, which based theirs on an at-the-time recent study from the Bangladesh Institute of Labor Studies for which the minimum acceptable wage had to amount to at least 104 US dollars and that in end was agreed to 46 by part of factory owners (Fowvog et al., 2013, p. 31). After a first big strike in November 2010, there were others in September 2013, which forced 400 garment factories to close.

2.3.3 Modern slavery in supply chains

Whilst the Accord on Fire and Building Safety in Bangladesh provides a model for an internationally enforceable agreement and has produced significant changes at safety levels, it has nothing in it that safeguards poverty and wages. The cause is that most labor laws around the world are based on an antiquated model where employees have direct employment contract with their employer. However, the number of these kinds of jobs has been shrinking across the world. In addition, national based labor laws cannot account for the fact that we live in a reality where workers and capital cross national borders, thus antiquated. Today's workforce is largely part of complex international supply chains, where the distance between those at the top and those further down the chains continues to grow.

The Fair Wear Foundation reports that Bangladeshi garment workers earn from the retail value of one piece that they make only 2.96 percent. After the minimum wage was increased in Bangladesh in 2013, big buyers did not intend to increase wages anymore (Star Business Report, 2020). It seems, based on the data gathered by expert Klaus Hohenegger, that brands agree to increase prices only if there is an increase in factories' efficiency or if there has been a fluctuation of costs that brought the textile prices up, but excluded labor inputs from the calculations. Moreover, this behavior must be seen strictly connected to Bangladesh "*where the prices of garments have been steadily going down*

year by year despite the rising costs of production” (Star Business Report, 2020). During the workshop organized by FWF and Bangladesh Knitwear Manufacturers and Exporters Association in 2019, it was highlighted that buyers were responsible for compliance with the legal wage requirements, behaving in a manner that is transparent in ‘Free on Board’ pricing, which occurs when transfer of the goods’ ownership to the buyer. This part is important because the increase in wages would not affect the ‘marketability’ of the garments since the labor costs are minimal in the equation. In fact, the example brought at the workshop was an 18.25-dollar t-shirt: manufacturers expenses amount to 1.75 dollars for fabrics, 0.40 dollars for accessories, 0.25 dollars for embroidery and 0.10 dollar for packaging, beside to direct labor costs, which amounts to 0.33 dollars, indirect labor cost of 0.21, management cost 0.17 and factory running cost of 0.29 dollars (Star Business Report, 2020). If these costs are not openly disclosed by firms, the risk is that working conditions might worsen.

An incredibly positive turnaround occurring in recent years is that more and more often corporations are being held responsible for their suppliers and sub-suppliers concerning the situation of workers, which represents *“a major reputational risk to brand value”* (Stevenson and Cole, 2018, p. 81). According to Crane’s definition, modern slavery can be explained as a person deprived of individual liberty and exploited along the broad range of supply chain from customer service to production; however, it has also to be intended as forced labor, servitude and trafficking, even though Supply Chain Management scholars have been denying the issue lately (Stevenson and Cole, 2018, pp. 81-82). However, firms and corporations leave marks of their operations and organizations have been able to identify and remediating modern slavery in such segment of production, disclose and report information, provoking a legal response. In developed countries, laws and regulations have already been adopted such as the famous French Duty of Vigilance Law or the 2015 United Kingdom’s Modern Slavery Act. The latter aims at regulating all the corporations and firms operating in the UK, as well as their small and medium sized suppliers, even though it does not present any specific requirements, but only details of organizational structure and its governance of both business and supply chain, organizational policies on slavery and human trafficking, due diligence processes, assessment of steps taken towards the most vulnerable segments of the chain, the details

of the training offered on modern slavery and human trafficking (Stevenson and Cole, 2018, p. 82). Applying this information to fast fashion models -or even ultra-fast fashion ones- results in an impossibility to avoid the above mentioned situations, but continuing to produce as much as they do, since on one hand the responsibility of protecting workers is placed on large organizations also by recurring to politization, on the other hand, if there is demand from the consumers, the brand cannot ignore it and not push suppliers and sub-contracts to reduce lead times (Stevenson and Cole, 2018, p. 82). Therefore, once again, fault and flow are on the business model.

Corporate Social Responsibility could play a part in fighting modern slavery, by disclosing in its voluntarily drawn up Report; however, CSR Reports, as seen before, could be double-edged swords as corporations write them, select which information to disclose, which can also be not 'verified' by third parties, which at turn could be bribed to release certain partial information. However, the research carried out by Stevenson and Cole (2018) was based on audits against codes of conduct, third-party certifications, but firms can also rely on announced or unannounced supplier audits assessing the standards, which has led overtime to a multitude of actors in this specific field, also increasing the chances of corrupt inspectors, misleading documents such as altered timesheets (Stevenson and Cole, 2018, p. 83). What needs to be increased, instead, is end-to-end transparency in the operational model, which is even more threatened by outsourcing and the delocalization of production, occurring in more than one states per brand. This of modern slavery is an incredibly tricky problems as the governance gap can be really experienced: codes of labor practice do not manage to reach more vulnerable workers, nor involve them in unions: even when the issues are recognized, national labor legislation often cannot help workers immigrants, workers that are not registered in country or subcontracted ones (Stevenson and Cole, 2018, p. 83). Researchers have identified the issue as a geographical, industrial-sectorial, cultural, socio-economic and regulatory contextual one. All these variables together but also one alone may affect people's lives; being born in the wrong place in the world is enough. Therefore, other researchers completed the previous findings encouraging organizations to conduct risk assessments in most at-risk regions before directly investigating some shady suppliers and relative brands (Stevenson and Cole, 2018, p. 83).

Unfortunately, the situation since Stevenson and Cole's studies has not improved, instead a newly published report by Business and Human Rights Resource Center has disclosed worsening of human rights issues in supply chains in at least five different south east Asian countries: workers claimed *"they had continued to face discrimination, threats, violence, false charges and arrests, with many factories in question apparently using Covid-19 as a means for these alleged attempts to suppress any organizing efforts"* and that the situation has worsened during the pandemic (Douglass, 2022). Moreover, the situation got worse for trade union members, suffering from intimidation and harassment as half of the interviewees underlined. The European Union has been proposing some initiatives such Good Clothes Fair Pay demanding fair wages legislation in countries where production occurs, but it seems useless as in those countries the EU has no legislative power. Finally, this report highlighted the importance of mandatory due diligence frameworks as well as a proactive strategy coordinated between suppliers and buyers, as also Mio had previously stated (Douglass, 2022).

2.3.4 Women in fashion production

Apparel sector's fallouts are heavily gendered. It has been proven, not only through questionnaires and surveys, but it is also objectively, that women are the backbone of this over production and those who suffer the most from it, especially in the Global South, which is where this irregular production occurs.

Firstly, the case is that of pay gap, which is a fact in the whole world and contributes to the exacerbation of inequalities both in the workplace and at home, thus making this a gender issue beside to a sustainability one. Sources show that 70 percent of garment workers are women, 80 percent only were in Rana Plaza, which could seem stimulant for gender empowerment and inclusivity in modern society, but it is not: innovation and inclusion also involve equality, but in this case, it is only a way to get access to a mean to feed their family (Sebastio, 2015, pp. 17-18). When speaking of Global South, some countries are still living in poverty, and industrialization has benefitted only one part of the population, also in the context of human rights. Fowvog (et al., 2013, p. 3) reported

some of the interviews conducted outside of factories and working hours and sometimes in presence of trade union members, for extra security. Interviewees confirmed the claim above: the apparel industry says to improve women's position in society but only exacerbates it adding 90 working hours a week to the family load and responsibility. Many dead workers in Rana Plaza were, in fact, women, sometimes single mothers, sometimes the only source of income of a family (Fowvog et al., 2013, p. 3). Some, after the injuries reported in the collapse were forced to send their sons and daughters to work for the same industry that compromised their lives. After losing their jobs, some were disowned by their husbands, or if they were alone, they ended up homeless: guilt and destitution, however, should not be the price to pay because their workplace was not safe (Fowvog et al., 2013, p. 3). *"It noted that without the right level of protection, female workers were facing declining wages, precarious work conditions, longer hours and abuse on the factory floor. This was mirrored in the collected data, which found 30 percent of respondents had reported an increase in gender-based violence"* (Douglass, 2022).

Moreover, from the Report published by Clean Clothes Campaign based on the sweatshop's workers in Pakistan it is acknowledged that the Pakistani situation does not deviate from that in Bangladesh previously reported. Poverty wages, which also suffer declines with age and time employed, failings in basic health and safety provisions, mistreatments like verbal abuse as endemic factory feature (Davies and Jenkins, 2022, p. 6). However, some positive features were also noted: the presence of trade unions or works councils are associated to safety and health provisions and registration for social security, as they favor a better connection with both government and brands and better working conditions as well (Davies and Jenkins, 2022, p. 7). A question asked to workers was about mistreatments in the workplace, which assume different nuances, such as verbal abuse, threats like termination of employment, false allegations, non-employment in other factories, impediments to breaks like toilet one and prayer time, threats to life, isolation, deprivation of food, physical abuse and deprivation of water. These descriptions were given by the women interviews and data can be found below.

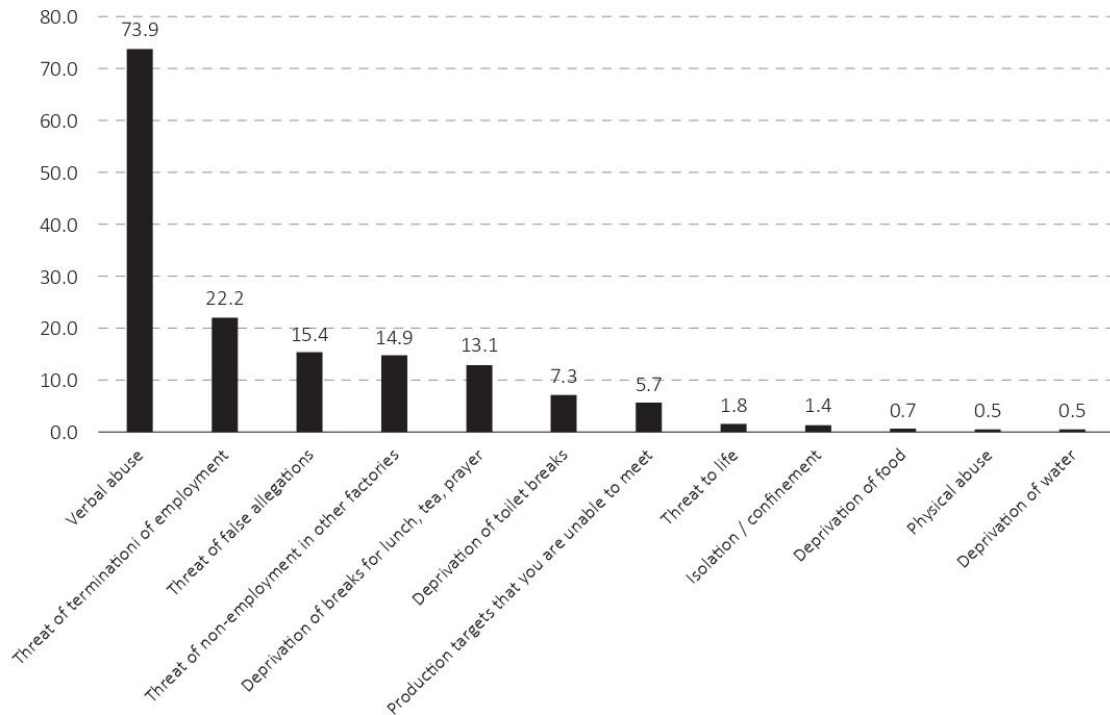


Figure 10. “Is there mistreatment at the workplace?” Answers.

Source: Davies and Jenkins, 2022.

Nevertheless, other research showed that the entrance in the Ready Made Garment Sector was, in some parts of Bangladesh, beneficial for girls and women’s empowerment as postponing the things that are most suitable for women in a traditional society such as marriage and children may bring them to get an education (Sebastio, 2015, p. 18). Whilst unmarried girls experience equality in their household for having a job in the garment sector, the situation concerning gender equality in factories confirms the previous analysis: only 1 on 20 supervisors is a woman. Related to this argument, a study has been developed on the effects of investing on women’s vocational training, thus enable them to become more skilled -which in economic language translates in investing on labor and social upgrading- and improve the overall management of the factory itself. After the training, it was demonstrated that female trainees are as or more effective than male ones when it came to efficiency and quality of work (Sebastio, 2015, p. 18). Moreover, Woodruff and Macchiavello found that a bias still predominates over women covering higher-degree roles and male figures are preferred in leaders’ roles. The issue is also linked to the fact that more than three quarters of workforce remains untrained and

unskilled, which lead to the detrimental vicious circle of high turnover rates -influencing factories' efficiency- but also gender bias and harassments in the workplace (Sebastio, 2015, p. 19). To tackle these issues, many factories in Bangladesh have taken on under suggestion of trade unions some educational programs that encourage investment on female operators, which impacted positively the image of the whole Bangladeshi garment sector, very well-known for its flawed system rather than for its achievements (Sebastio, 2015, p. 20).

From this predictable information the question whether fast fashion is an oxymoron comes spontaneously, taking on Green's article. The author has indeed reflected on the oxymoron and paradox that exploited and dehumanized workers are creating garments containing feminist messages while working in factories that have all but feminist ideals and implications (Green, 2020, pp. 1-2). In the meantime, the targets of the clothes were girls that, by buying those clothes, were affirming their identities (Green, 2020, p. 3) in a nowadays western liquid modernity.

2.3.5 Social upgrading

Social upgrading is a similar concept to that of industrial upgrading but in a different field of application: labor intended as rights ensured to workers. Social upgrading is defined by Barrientos, Rossi and Gereffi (2021, p. 324) as *"the process of improvement in the rights and entitlements of workers as social actors, which enhances the quality of their employment. This includes access to better work, which might result from economic upgrading"*. Social upgrading is constituted by two components: measurable standards, work-wise aspects that are quantifiable and observable, and enabling rights, which are an outcome of complex bargaining processes like freedom of association (Barrientos, Rossi and Gereffi, 2021, pp. 324-325). As it will be seen later, this mechanism is rather selective, as it may occur to only a part of the workers of the same factory, for instance to the male component and rather than the female one, or to regular workers rather than the irregular ones (Barrientos, Rossi and Gereffi, 2021, p. 332). Furthermore, the authors argue that *"economic and social upgrading trajectories involves understanding that*

economic upgrading is not always the most appropriate strategy for long-term sustainability” (Barrientos, Rossi and Gereffi, 2021, p. 333). A successful joint economic and social upgrading from OEM to OBM has been beneficial for some global apparel production networks; however, it is a unique process and cannot be adapted to everyone. There are, in fact, various possibilities for social upgrading mechanisms that fall into the measurable standards: small-scale worker upgrading, labor-intensive upgrading and higher skill technology or knowledge upgrading, as shown in the graph below (Barrientos, Rossi and Gereffi, 2021, pp. 335-336).

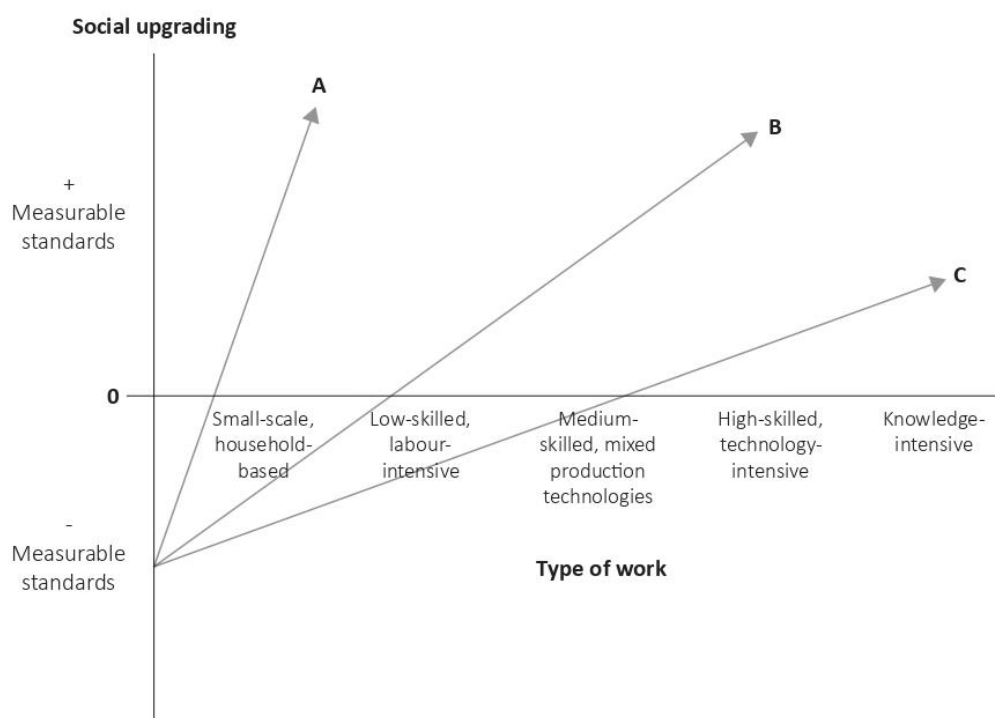


Figure 11. Possible social upgrading cases.

Source: Barrientos, Gereffi, Rossi, 2011.

2.4 Study cases

As for the first chapter, this second one will also focus on study cases analyzing the same two brands through the social sustainability viewpoint. Both brands, Levi Strauss and Missguided in fact present some relevant peculiarities and governance aspects worth underlining.

2.4.1 Missguided

To briefly summarize, Missguided was a British fast fashion firm that in a really short time reached fame among young people and huge profits too, through effective communication campaigns, presence on social media and low prices. However, nowadays the firm does not operate anymore under its founder.

The most popular questions that NGOs working in the field of rights for workers of apparel supply chains ask consumers is whether they know who made their clothes and why they have such a ridiculous price. Very often the question goes unanswered. Truth is that brands are not transparent about the production processes, even less when it comes to their workers and workplace's conditions.

In 2020, Good on You has reported on Missguided's overall sustainability rating after it had recently been under the spotlights for not having paid its workers. Good on You (2020) rated the firm as *"to avoid"* since its overall care of planet, people and animals added up to 1.5 point out of 5. Its labor rating is very poor: *"there is no evidence it has worker empowerment initiatives such as collective bargaining or rights to make a complaint; that it implements practices to encourage diversity and inclusion in its direct operations or supply chain; that it ensures payment of a living wage in its supply chain"* (Good on You, 2020). Some audits claim to be operating in some segments of its supply chains, but no clear data has ever been disclosed. Moreover, Missguided is part of those fast fashion brands that claim to be empowering young women through their clothes, forgetting about their 80 percent female workers in its supply chains, where no campaign about empowerment and leading female roles' training has been even tracked down (Good on You, 2020). After long and difficult research, audits found that the pay gap between men and women's wage was of 46 percent favoring men.

In 2021, the brand was partially bought by investors that gave liquidity despite early scandals about supply chain disruptions. To these followed some more news about Missguided not paying its suppliers, apparently owing to the pandemic crisis. In fact, in its last year, Missguided decided to outsource its production from United Kingdom, and

this costed it everything, also considering the rising of even cheaper Chinese fast fashion and ultra-fast fashion brands (Iddenden, 2022). Attention should be paid to workers are those who suffered from these imbalances the most as they have not been paid their wages for months -nor their living wages at all- since the firm was withholding at least 800 thousand pounds (Hastings, 2022). The Chinese-based supplier, who employs around 100 people, said they sent clothes worth 800 thousand pounds to Missguided in January after being forced to give the firm a 'ridiculous' 30 percent discount and in March there was not a track of payments yet. In the meantime, other orders amounting to additional 400 thousand pounds have been sent that have also not been settled yet (Hastings, 2022). The Chinese supplier argues that British law should be strengthened to prevent suppliers from having to tackle situations like this. Among British clothes-making industry, the company was thought to have improved its records regarding audits and minimum wage lately, but it seems the opposite.

Labor Behind the Label, an ethical fashion campaign group, underlined that investors only face impunity while securing their money, leaving the hard part to workers living on the other side of the world (Hastings, 2022). The supplier's lawyer advised not to send any more clothes until a payment arrives; he also added that in his long life, he has never seen an improvement in fashion regarding these issues nor the law functioning in similar cases (Hastings, 2022). Labor Behind the Label together with other NGOs launched a petition to strengthen the suppliers' case and raise awareness among modern consumers.

However, the same NGO reported a statement released by Missguided on its website: *"We believe that all workers in our supply chain should be treated with fairness, dignity, and respect..."*, and *"We do all this and as much as we can to ensure we source ethically and to avoid acts that constitute modern slavery. To this end we have a team that is dedicated to understanding our supply chains, ask them about their operations, ensure they understand what supplying ethically means and provide guidance, training and assistance where necessary."*¹⁰ (Missguided, 2022). After the repeated scandals, these declarations remind green and blue washing only, which makes the brand's image more

¹⁰ Moreover, following the last statement, the website provides a link and the opportunity to check on their way to implement the Modern Slavery Act (in line with United Kingdom's Law), but the webpage is inaccessible (Missguided, 2022).

difficult to build and maintain. Pressure is indeed felt more by those in charge of communication: the ability of companies to do the right thing and communicate to stakeholders about their plans and achievements is heavily undermined (McClimon, 2022).

Bluewashing takes on the previously analyzed greenwashing and refers to those companies that signed the United Nations Global Compact¹¹ and its principles but never implemented any reforms; in fact, 'blue' is claimed to remind of the UN flag's color, thus meaning that all the signatories were taking advantage of the initiatives without enacting any of their plans (McClimon, 2022).

Therefore, following what has been explained in this chapter, a simple way to ensure that workers are granted their rights in the workplace needs to be done: transparent brand's statements. Certainly, it is not easy as it seems like many other issues could arise like corruption of audits, including scheduled visits from the team, internal audits, which tend to release selected information.

2.4.2 Levi's: 2021 Sustainability Report

Starting with the 'ordinary' assessment used also in the first chapter, Levi Strauss' social sustainability will be under scrutiny: on one hand, Good on You (2022) gave it a score of 2 out of 5 for its labor commitment and an overall score of 3.5 out of 5 for its sustainability; on the other hand, differently from Missguided, Levi's did publish a Sustainability Report containing data about labor and related initiatives enhancing the role of workers.

The first series of data shown are numbers relative to the community: 16600 employees, 62 percent of executive leadership team is female, more than half million workers in its supply chain and all its tiers (Levi Strauss and Co., 2022, p. 3). These data are framed

¹¹ The UN Global Compact is "*the world's largest corporate sustainability initiative*" aiming at encouraging companies to do business responsibly by aligning their actions and plans with human rights, labor, environment innovatively and with a focus on the social sphere as a whole (UN Global Compact).

within the broader range of the 2030 Agenda Sustainable Development Goals and Global Compact Principles. In fact, diversity, equity and inclusion metrics were included: for instance, 61 percent of women are executive leadership team, almost 43 percent at top management level, female corporate employees added up to 55 percent while among 'frontline' -supposedly suppliers and those involved in the supply chains- 52 percent are women. No discrimination seems to be accepted since even a small percentage of people from different ethnicity – Latinos, Asian, Indigenous- are present and cover leadership roles (Levi Strauss and Co., 2022, p. 14). The Report also ensures that human capital management is taken care of, such as *"policies and strategies regarding culture, recruiting, retention, career development and progression, talent planning and diversity and inclusion"* through the whole value chain is carried out by a specific Board Committee (Levi Strauss and Co., 2022, p. 21).

Moreover, and most important and relevant for the subject, Levi Strauss' work with suppliers is more than regulated: they claim to have worked during 2021 with more than 500 supplier facilities in 40 different countries properly reporting them in the Open Apparel Registry, which is accessible to anyone (Levi Strauss and Co., 2022, p. 171) and whose lists includes almost 95 percent of tier 1 and tier 2 of production on a total of 4. Since 1991, Levi Strauss and Co. pioneered a comprehensive code of conduct for suppliers known as the Global Terms of Engagement which is based on ILO Conventions and UDHR and are part of standards nowadays, but recently transferred all the social and environmental requirements to a new Supplier Code of Conduct, which is part of a bigger Supplier Sustainability Guidebook updated regularly (Levi Strauss and Co., 2022, p. 173). In 2020, for instance, the Supplier Sustainability Guidebook was updated in conjunction with the necessary pandemic security systems, gender equality, migrant worker protections, digital wage payments and safety guidance addressing building risks. The rules and regulation implemented were and are valid for *"every factory, subcontractor, licensee, agent or affiliate that manufactures or finishes products for LS&Co., including company-operated factories"* that were all checked upon for compliance (Levi Strauss and Co., 2022, pp. 173-174).

Assessments on suppliers are conducted by LS&Co. approved third-party monitors when a new one joins the production and on an annual basis -or more frequently based on the

latest assessment's outcome. The procedure to verify quality and integrity to the Supplier Code of Conduct starts with the approval of a third party monitor and training them on the *"Code requirements, assessment process, gathering information from workers' process, procedures and legal requirements, followed by examinations to check a monitor's level of competence and readiness to perform onsite assessments"*. At the end of the process and also annually, a shadow assessment is carried out so that the brand can review the knowledge of those trained (Levi Strauss and Co., 2022, p. 174). Suppliers' eventual violations are divided into three levels: zero tolerations violations, in which serious breach personal violations are included; immediate actions item, a breach that could result in negative impact to individual rights and safety of corporate reputation; and continuous improvement item, the lowest degree of toleration that includes labor, health and safety, or environmental issues that LS&Co. believes the factory should address to enhance its workers' well-being (Levi Strauss and Co., 2022, p. 174). Among the zero tolerance violation appear: underage workers, corporal punishments, violation of ethical standards, falsification of records, failure to provide adequate emergency exits –to avoid situations like the Tezran fire-, failure to complete zero tolerance or immediate corrective actions within the agreed timeframe, forced labor, sexual harassment, infringements on freedom of association, inadequate fire prevention and unauthorized subcontracting (Levi Strauss and Co., 2022, p. 175). There are, currently, three programs under which factories are being evaluated: LS&Co. Supplier Code of Conduct, Social and Labor Convergence Program Framework and Better Work. They represent a sort of transition between different levels of compliance and enhancement of human and especially workers' rights. Moreover, new projects are being implemented, such as the Worker Well-being Impact Study conducted by one of the Harvard University's Divisions which found that what had been done until that moment through that study is not enough to establish whether workers are satisfied, healthy and properly engaged (Levi Strauss and Co., 2022, p. 182). Therefore, the Worker Well-being approach has been improved and will be carried out in 2022 focusing on a sort of qualitative analysis of workers' experience, since implementing workers' voices is sign of social sustainability.

Each program undergoes an assessment and consequently a rating from 1 to 10 based on overall performance, past records and timeliness in achieving eventual correcting actions. These ratings are used by manufacturing operations team when they are about to choose a supplier: those receiving high scores are those committing no violation to the Supplier Code, proving to have a good management system while satisfying the buyers' requests timely. On the other hand, those receiving lower scores are those committing violations and not tackling the related situations in a short time: the buyers' response is a warning that if they do not improve the situation, they will receive a lower number of orders. Reportedly, this is a sufficient 'stick and carrot' method to make them change trajectory towards corrective actions (Levi Strauss and Co., 2022, p. 182). However, if this is the right way to act should be established. Moreover, when Levi Strauss and Co. detects suppliers violating standards and gives them a score of 6 or less, it works together with other brands sourcing from the same factory to monitor them and improve performances. Levi Strauss believes in not abandoning facilities with these situations as a decrease in quality of work conditions and life can be the result, instead of monitoring the situation and being able to address the issues (Levi Strauss and Co., 2022, p. 182). In fact, as figures show, zero tolerance violations in both tiers 1 and 2 have increased overtime since 2019 as well as immediate actions and continuous improvements (Levi Strauss and Co., 2022, p. 184).

Overall, it can be argued that Levi Strauss and Co. is careful to share as many data as possible on relevant and contemporary issues; however, it is necessary to confront this praiseworthy initiative with other data. As Good on You (2022) suggests backed up by the Fashion Transparency Index, contrary to what they state and argue in the sustainability report, Levi Strauss is not that transparent after all.

The Fashion Transparency Index is an annual review of more than 200 global brands rated according to their degree of information disclosure related to human rights in their production processes. In fact, according to the founders¹², knowledge is pivotal to achieve a systemic change towards a more sustainable -and thus transparent- production

¹² The founders are a group of people who created a no-profit organization 7 years ago and ever since have collaborated with some of the biggest NGOs dedicated to sustainability in fashion.

and fashion industry (Fashion Revolution, 2022, p. 3). However, the authors claim that “more brands than ever -48% in 2022- are disclosing their first tier suppliers, however, half still disclose nothing” and 85% of major ones do not disclose their annual production amount, despite proves of overproduction (Fashion Revolution, 2022, pp. 6-7). The problem with overproduction is that the annual waste ends up again in developing countries, under the form of huge landfills, deserts of them filled with clothes, or swamped in the sea, then ending up on beach shores, making the perfect environment for bacteria and infections like cholera or malaria. This also makes the case for encouraging brands to disclose more and more information not only about everything that occurs in tiers but also the volume of what they produce, which is usually too much (Fashion Revolution, 2022, p. 7). These cases highlight on one hand the resistance from the brands to publish their data, on the other the positive change that information may bring. Again, greenwashing is behind the door, as it is argued that fashion brands prefer to disclose the number or percentage of green or circular economy rather than the actual waste that they create pre- and post- production in terms of cloth but also energy and water (Fashion Revolution, 2022, p. 7).



Figure 12. Atacama desert landfill in Chile.

Source: Martin Bernetti/AFP.

An example related to this is that 46 percent of brands have published a target of sustainable material, but only 37 percent of them disclosed what is in that sustainable material (Fashion revolution, 2022, p. 8). Moreover, 94 percent of brands and retailers do not disclose the number of workers in their supply chains paying recruitment fees¹³ and only 13 percent of firms disclose the number of unions present in their suppliers' facilities. Almost the totality of brands does not inform their consumers about the reason why women's wages are so low and in general lower than their male colleagues', and neglect labor violations (Fashion revolution, 2022, pp. 10-11). Finally, only 4 percent of brands do not publish if and how many workers receive a living wage: if they do not, workers' children will probably stay in modern slavery in their lives (Fashion revolution, 2022, p. 13).

The Fashion Transparency Index takes into consideration all the data of the 3Ps - environment, workers and business model- that they call 'spotlight issues', which are tackled according to the authors only within and outside the fashion industry: policy change and cultural change occur outside the brands' systems through actions from the outside, while industry change can only occur from within the system but remains related to the previous ones (Fashion revolution, 2022, p. 20). Transparency, as seen before, is a driver of scrutiny and accountability, thus, hopefully, change. For instance, Garment Worker Diaries leverage open source data to map factories, workers and safety in the workplace; through these two open-source datasets, they were able to monitor the garment sector's vulnerability, make local people in Bangladesh aware since Bangladesh is an area known for floodings and many live nearby their factories and perhaps saved their lives (Fashion Revolution, 2022, p. 24), thus this initiative might save them. More transparency in the supply chain was achieved also by the Myanmar Centre for Responsible Business and local organizations harness traceability data for enhanced due diligence, through the publication of data but mostly by doing that in a common registry (Fashion Revolution, 2022, p. 25).

¹³ According to the ILO, they are fees paid by workers to agencies to be recruited, even if there is an 'Employer Pays Principle' requiring that no worker to pay to work, since it may be cause of enormous debts (Fashion revolution, 2022, p. 10).

The Index uses various parameters to rate a brand's transparency: policies and commitments add up to 13 percent, governance to 4, traceability to 29 percent, human rights and due diligence processes to 20 and finally spotlight issues -including forced labor, living wages, unionization, overproduction, raw material use- to 33 percent (Fashion Revolution, 2022, p. 35). Also, the data comes both from their published reports and from the answers they gave to the Fashion Revolution's questionnaire. Levi Strauss' overall rating was in the 41-50 percent range: but the general explanation of the range does not say much, thus specific data from each score will be briefly analyzed. In fact, Levi Strauss scored 92 percent in policies and commitments as the whole field is focused on issues like child labor, discrimination, diversity and inclusion, equal pay, health and safety, living conditions, freedom of association that overall match the information on the Sustainability Report previously analyzed (Fashion Revolution, 2022, pp. 42-43). Levi Strauss and Co. also scored high in governance with 82 percent; where governance means the brands' accountability in environmental and social performances, whether they publish direct contacts details for the relevant department dedicated to sustainability, but also the publishing of a responsible tax strategy and wages payments (Fashion Revolution, 2022, pp. 51-52). As for traceability, the brand scored 55 percent, probably owing to their lack of accessibility to information regarding their suppliers' list, raw material suppliers, specifically: name of parent company, address of the facility, approximate number of workers, gender breakdown, percentage of migrant workers, certifications held by the facilities. In the fourth parameter, defined 'know, show, fix' and included due diligence issues for human rights and the environment, extra points are awarded if the brand disclosed information on how these issues are tackled, how stakeholders are affected and involved in the due diligence process, if suppliers allow unions to intervene in rules negotiations (Fashion Revolution, 2022, pp. 69-70); LS&Co. scored between 31-40 percent range. Suggestive is the fact that none of 250 brands scored between 80 and 100 percent.

Finally, the last field analyzed is that of the so-called spotlight issues where Levi Strauss ranked in the 31-40 percent range. The 2022 Index focused on spotlights issues among those of the Sustainable Development Goals that are decent work and purchasing practices, gender and racial equality, sustainable sourcing and materials,

overconsumption, waste and circularity, water and chemicals' use and climate change and biodiversity (Fashion Revolution, 2022, p. 77-78).

In addition, Nguyen et al. (2021, p. 584) researched best practices to develop sustainable corporate social responsibility models in fast fashion in developing countries too. Findings lead towards the promotion of a sustainable leadership, being more socially sustainable address issues like gender equality and transparency. The authors also argue that motivation should be created among employees but also among the other stakeholders such as institutions, which obviously play a relevant role in sustainability mechanisms. Moreover, sustainability should become enmeshed in a previously existing corporate culture, which already needs self-controlling and soft regulating instruments like mostly sustainability awareness, foundation for creating common values and business culture (Nguyen et al., 2021, p. 585). Finally, Nguyen et. al (2021, p. 584) found Levi's as, among global brands under analysis, the most careful about corporate environmental sustainability practices.

2.4.2.1 Better Work program

Through an initiative of the ILO and the International Finance Corporation the Program intends to reorganize the global garment industry to improve working conditions and workers' rights, while boosting competitiveness of business apparel (Mayer and Pickles, 2014, p. 34). Levi's has been the first to join Better Work in 2001; by 2021, 11 percent of their tier 1 was assessed under the project (Levi Strauss and Co., 2022, p. 180). This Program is made of a combination of independent monitoring by the ILO and a search for *"solutions, mainly through efficient management, training and information"*. However, buyers have handled it as a form of reputation risk insurance and countries that have been part of it -Mayer and Pickles took Cambodia as example- underwent a reorganization of both private and public sectors, the former of private self-regulations like that of firms and the latter of national and international public interventions. The outcome of this United States-Cambodia Textile Agreement until 2004 was an incentive for the Cambodian government to improve working conditions in factories so as to obtain

greater access to the US market (Mayer and Pickles, 2014, pp. 34-35) and an eventual increase between 2005 and 2009 has been experienced in competitiveness by creating infrastructural development, reducing the steps in the import-export process, eliminating corruption, increasing workers' skills. Nevertheless, ILO noticed that after the project implementation, the number of short-term contracts started to increase vis-à-vis long term ones; until the costs of production in Cambodia peaked so much that China decided to further outsource production by subcontracting suppliers in Vietnam and Bangladesh, where production costs were cheaper. However, Cambodia was a sort of pilot project but similar initiatives through different programs were implemented also after China's entrance in the WTO (Mayer and Pickles, 2014, p. 34-35). It is not clear whether the shift to cheaper countries was linked to the effects of the program or the 2008 global crisis. However, the Better Work Program has expanded enormously to other Asian countries and South African ones, reportedly bringing enormous benefits to the countries involved for what concerns business performance and working conditions thanks to its multiple parties involved¹⁴ (Mayer and Pickles, 2014, pp. 35-36).

However, one of the latest news regarding Levi Strauss, on the tenth anniversary from the Tazreen Fire in 2012, is its reiterated refusal to sign the Accord on Safety and Health in the Garment and Textile Industry, which mainly targets those brands sourcing from Bangladesh. The Accord is, in fact, binding in two ways: at the factory level, since one may be forced to close its business with all Accord signatories if it does not take action on safety issues; at the brand level, through a dispute resolution clause, allowing the union signatories to file arbitration charges against the signatory brands that do not fulfill their obligation under the Accord (Clean Clothes Campaign, 2022b). This is relevant for Levi's as it has 21 factories in Bangladesh and has never signed any version of the Accord; in 2021, in response to this accusation, Levi's spokesperson stated that they do not source from suppliers working at multi-level and multi-owner buildings; however, this just proves that one risk is avoided but structural integrity of buildings is ignored as issue, as well as that of workers' safety (Clean Clothes Campaign, 2022b).

¹⁴ Among stakeholders show relevant employers and workers' organizations, the national government and international buyers, all focused on monitor compliance through international labor standards (Mayer and Pickles, 2014, p. 36).

Chapter III

3. Consumers' behavior: possible systemic change in contemporary world

According to the World Fair Trade Organization's glossary, the definition of 'consumer' matches not that of a passive player in the market, rather a citizen whose purchases hold a political meaning. Generation Z, the youngest generation living, is expected to play a pivotal role in the emergence of environmental crisis and remediate issues caused by previous generations through a shift towards a sustainable lifestyle. This chapter will in fact analyze the role of consumers, their shopping habits, the various alternatives to fast fashion available, mainly slow fashion and its nuances like recycling, upcycling, re-wearing, second-hand shopping and their feasibility.

3.1 Global Fast Fashion Market

Before starting with consumption habits' state of the art, it would be useful to give a few data on fast fashion statistics for the future, also owing to the growing awareness of its harmful effects on people and environment. As a matter of fact, the fashion industry is the world's seventh largest economy, third polluter and by 2030 its consumption is expected to rise by 63 percent reaching 102 million tons (Okafor, 2021). There has already been a doubling in production over the last 16 years due to the demand of rising middle class population mixed with an increase in per capita sales in developed countries. Two main actors can be indicated in this frame: China's textile and apparel industry as world's top supplier and United Kingdom's consumers as most habitual ones (Okafor, 2021). Along with overconsumption of fast fashion items, it comes waste: only in the UK 140 million pounds worth each year goes to landfills and more than 500 billion of value is lost due to the lack of recycling facilities and underutilization, Ellen MacArthur Foundation reports (Okafor, 2021). To these data it must be added that most of fast fashion item comes from cheap and oil derivatives materials like polyester and other synthetic fibers, which are a huge threat to the environment and oceans as the

microplastics that are released from them end up in our food and water (Okafor, 2021). Moreover, the fact that many clothes are cheap, thus easily wearable, makes them unrecyclable and incapable of receiving a second life.

Owing to its growing demand, fast fashion sector will shortly reach 200 billion dollars value, peaking in the following five-year term 2022-2026 (Adegeest, 2021). The Asian Pacific region was among the most active ones, accounting for almost 30 percent in 2020 followed by North America, western Europe and in the next few years South America and Middle East regions will be the fastest-growing (Adegeest, 2021). As much as it may seem unbelievable, virtual reality and augmented reality seem to be playing a role in fashion and specifically fast fashion too, owing to their presence on e-commerce stores (Adegeest, 2021).

On the other hand, the European Commission, which has been always attentive to sustainability issues both in the environmental and social field, is pushing a strategy to enhance sustainable textiles and circular economy and forecasts that by 2030 fast fashion will not be so trendy anymore, despite the previous data revealed in the 2022 Fast Fashion Global Market Report. The news may come unexpected, it was indeed European consumers that from 1996 to 2012, purchased 40 percent more clothes than everyone else (Sajn, 2022, p. 1). This forecast will explicitly be realized under the push of European Green Deal, the new Circular Economy Action Plan and the Industrial Strategy: these will be the means the European Commission aims at developing to create a more competitive and greener fashion sector (European Commission, 2022). Virginijus Sinkevičius, the EU Commissioner for the environment, wishes that by 2030 textiles placed on the EU market will last longer, will be recyclable, and mostly made of recycled fibers (Euronews, 2022). Moreover, the Vice Commissioner wants sustainable products to become the norm. Timmermans also acknowledges that a cultural change is already occurring, that designers and big fashion houses like those part of Kering Group are doing their share in reviewing their production models (Euronews, 2022).

Measures to tackle consumerism are mainly innovation in textiles and undertaking a new way of designing and consuming, but mostly a switch of production's business models (European Commission, 2022) in almost all its segments, from design to repair and

recycling (Briggs, 2022). More practically, the European body intends to tackle greenwashing, enhancing stricter rules to protect consumers from misleading information, by creating a Digital Product Passport based on mandatory information of the textiles involved, requirements on circularity so as to provide clearer information; tackle the unintentional release of microplastics from textiles with measures addressing manufacturing designs; harmonizing existing *“EU rules on extended producer responsibility for textile together with economic incentives to make products more sustainable through the so-called ‘eco-modulation of fees’ to integrate the Waste Framework Directive in 2023”* (European Commission, 2022). All these initiatives, if implemented, would affect the exports of textile wastes, allowing the shipment to some non-OECD countries only under certain conditions.

Clearly, all these initiatives are aimed at limiting the consumption of fast fashion, whose production involves all the above mentioned factors: low quality, cheap fabrics, poor labor conditions outside the EU, but also at modifying demand and supply. The means to achieve this include the ‘transition Pathway’, a strategy thought to engage stakeholders to scale up to resource-efficient manufacturing processes, reuse, repair, upcycle, recycle by economically helping member states implementing these kinds of initiatives locally, regionally and nationally in the textile sector. On the other hand, that of consumption, consumers will be encouraged through some guidelines provided by the European Circular Economy Stakeholder Platform created with the help of designers, producers, retailers (European Commission, 2022). The Strategy would also aim at addressing the social aspect behind fast fashion, with the promotion of Decent Work as internationally established by the ILO together with the Corporate Sustainability Due Diligence Directive, which could be enacted whereas the initial directives did not work. Ultimately, the last tool is that of EU pact for skills, which intends to enable people to acquire more and more skills to upgrade or reskills, to keep theirs updated (European Commission, 2022).

An issue linked to non-EU countries could be that of international cooperation, especially for those countries whose great share of economy depends on apparel production, like Southeast Asian ones. This obstacle could be overcome by operating in the G7 and G20 context under the Global Alliance for Circular Economy and Resource Efficiency, beside to other bilateral and multilateral agreements (European Commission, 2022). It can

definitely be argued that not only the EU is catching the wave of sustainability in fashion, but also intends to trigger it.

A similar proposal has been made in the United States Senate in May 2022, mostly to prohibit apparel employers to pay workers by piece of clothes, to encourage them to bind in contracts, thus under the Department of Labor eventually regulating the industry's labor through hourly rates (The Fabric Act, 2022, pp. 1-2). The act, which in 2022 is being reviewed by the Department of Finance, is called FABRIC, which stands for 'Fashioning Accountability and Building Real Institutional Change Act'.

However, these initiatives seem far from being implemented while a change is required now. Nowadays young people are required to act, and they are playing, in most fields, relevant roles and want their voices to be heard. Certilogo has conducted a survey called 'sustainable fashion and connected product: the pairing that consumers desire', which investigated on what nowadays consumers really look for: a brand that enmeshes more sustainable relationship with fashion achievable through experiences and services (Certilogo, 2022). The survey is very recent, dates to August 2022, and was conducted on 1000 people who authenticated their products through Certilogo to verify their attitude towards sustainability in their purchases. The outcomes were various and surprising: firstly, sustainability affects the purchasing process for 7 out of 10 consumers; leaving just one unconcerned with regards to a product's carbon footprint. Moreover, 6 out of 10 generation Z consumers claimed to care greatly about eco-sustainability of a product they intend to purchase as well as 3 millennials out of 4 (Certilogo, 2022). Almost all of them found products with sustainable services attached useful and expected the EU to do all the required steps towards the establishment of a Digital Product Passport in line with EU Sustainable and Circular Textiles Directive. Moreover, as also claimed by the EU, *"throw-away fashion culture is falling out of fashion"*, as consumers have been pushed for years to become more conscious about what they buy also considering their interest in retrieving part of what they spend for their purchases through reselling for example, method used by 35.6 percent of mostly generation Z interviewees (Certilogo, 2022). A small but indicative share of consumers claimed that they would return the -used-product to the brand for recycling reasons in exchange for reward. Certilogo (2022)'s researchers finally found that the 'new' consumers' behavior should be encouraged

towards sustainability by brands in the first place, in line with Mio (2021) findings about enterprises' active behavior. Firstly, products that are from better raw materials can live longer and by extending their lives and can become sustainable also by reducing overconsumption. An example led by interviewees is repairing and care services -like those implemented by Levi's- which can help clothes to live longer and retain more value in case one wants to resell them, and the overall product's lengthening is at least doubled, hampering -ideally for now but practically once this mentality becomes widespread- the continuous overproduction.

In addition, the fight against fake products can help with sustainability issues saving up until 70 percent carbon and 45 percent of water. However, lately the risk is rising owing to the online e-commerce. Services that allow circularity can help diminishing resources use and waste, since the rate of textile recycling is extremely low accounting for maximum one percent of waste (Certilogo, 2022). Overall, according to interviewed consumers, brands that are able to overcome the 'green storytelling' by enacting some good practices, offering practical services and enabling the use of digital passports for their products are worth purchasing from, as they jointly allow consumers to become more aware yet establishing mutual beneficial relationships with the brand itself (Certilogo, 2022).

Regarding the creation of Digital -fashion- Product Passport, usually big fashion brands are those that create trends, thus, that can implement the use of these Passports. However, Certilogo found that smaller brands are those more willing to connect their products with digital passports so as to not only add services and purchasing experiences, but also to verify the products (Iovinella, 2022) and increase brand loyalty. Many small brands get started with an enmeshed concept of sustainability and green values, carrying on a minimal but equal production, and it is them that request certificates the most, according to Certilogo's Head of Sales and Marketing. The concept of 'connected product' can exit apparel sector and establish a new trajectory, together with brands, towards synergies in technological, normative and consumers' sensitivity fields to develop best practices (Iovinella, 2022).

Moreover, the Digital Passport may help consumers to acknowledge what is behind their purchases, global supply chains and mass production and consumption. More than a half

of those interviewed claimed to believe that apparel mass production only uses machineries' labor (Generoso, 2022). Therefore, both consumers and producers could benefit from eliminating waste in global supply chains mainly through the capacity to efficiently handle demand so as to make margins grow, reduce environmental disruption and substitute losses with salary raises and more investments in firms' corporate social responsibility. This long and difficult process can start with brands making information about products and their production more transparent to people, so that that can make a conscious choice while shopping; Chinese and French interviewees confirm this link the most, followed by Japanese and Americans. On all the interviewees, 43 percent believe that a product's origin and its sourcing are relevant for their purchases and 36 percent believe that there is a connection between the transparency and sustainability (Generoso, 2022).

Sustainability for many people is synonym to durability - from the French '*durable*': durability is the third of three factors that consumers care the most after quality and cost. France proves to be the first that puts on the first place durability, followed by Japan, China, UK, USA. As for China, it is the first favoring sustainability while purchasing. The research showed that people are willing to spend more if a product promises a longer durability overtime, since it embeds the possibility of less waste and more efficiency, whose eventual higher price is eventually retrieved overtime and that product could also be recycled (Generoso, 2020).

The Milano Finanza report also highlighted what is in firms' mind with regards to sustainability and overproduction. The latter proved to be a huge negative externality as millions of dollars get lost for the non-use of finished products that remain in storages and end up being thrown away. As for the apparel sector, this figure reaches almost 4 percent of its production; enterprises in fact stated that they prefer to suffer from these huge losses rather than not having some products available (Generoso, 2022). Demand volatility is impossible to eradicate but it can also be handled better and more efficiently. In fact, as last figure to highlight, it is the supply chains segments that suffer from lost or low investments in the ESG framework which amount to slightly more than an average 4 percent per budget, while 97 percent of interviewed enterprise would rather go more sustainable soon.

3.2 Consumers' behavior in fast fashion and their impact

In her research for the European Parliament, Sajn (2022, p. 1) found that in fashion, especially the fast industries, the environmental, social and distributional impacts fall upon the non-EU countries, where production takes place. The amount of clothes bought by Europeans has grown dramatically until the last decade and has now stabilized, to a rate that is unfortunately still too much. Mostly, owing to the large amount of clothes that people own, only 50 percent of it is used frequently. When they get thrown away, they are not recycled and end up in mixed household waste making them unrecyclable indeed (Sajn, 2022, p. 2). Eurostat showed that each EU citizen spent an average of 750 euros for clothes and footwear, except for 2020 owing to the pandemic when consumption rate decreased by 9 percent -in EU only- but will probably rebound in the next few years. Also, the increase in fast fashion purchases is strictly connected to the extremely low prices, lowered by at least 30 percent between 1996 and 2018 (Sajn, 2022, p. 2).

In its 2020 report, the European Apparel and Textile Confederation (Euratex) found that in 2019 a huge turnover in clothing occurred amounting to 162 billion euros, which has been growing dramatically since 2009 (Euratex, 2020, p. 14). The outerwear ranked first with 41 percent share of the total textile production amount (Euratex, 2020, p. 15).

Clearly, it is not only about European citizens with purchasing power or UK citizens, but also US ones, who can afford to buy about 70 pieces a year, with this data representing about 3.5 of their annual income (Norris, 2022). The issue with compulsory purchasing involves anyone, and since it is not conscious but encouraged by some factors, these will be identified and later analyzed.

3.2.1 Consumer's behavior analysis

According to Yinyin Wang (2010, p. 22), the conventional general consumer behavior theory identifies seven stages of decision process: need recognition, search for information, pre-purchase alternative evaluation, purchase, consumption, post-purchase

alternative evaluation, divestment. The first three stages are made as the consumer approaches to the purchasing moment, meaning when one feels the need and desire to buy items, which at turn translates in the eventual thought of environmental sustainability, the interaction between values and needs that bring to the comparison between products and finally to the last four stages of purchasing and consumption. Possibly, when this model is applied to fast fashion, it is subject to changes. For example, the second and third stages match the fact that one may have expectation before buying but as for fast fashion only two third of consumers have some and yet while buying, they do not have to make a rational consideration to respond to a problem because fashion is not a necessity (Yinyin Wang, 2010, p. 22). The pre-purchasing stage involves comparison between models, colors, and considers these alternatives first internally and then externally and if something seems perfect at a first glance, the price is inviting and perhaps there is a limitation in time, shopping is done (Yinyin Wang, 2010, pp. 22-23). Therefore, the first three stages have not been followed and a new model arises according to three patterns: *“purchasing in accordance with certain expectation, purchasing some unexpected item during the shopping with certain expectation, and go shopping without any expectation”* (Yinyin Wang, 2010, p. 23). It can be easily noticed that every path, either in a need recognition or pure discovery, ends up in a purchase. The second and third pattern can be explained through impulse purchase, an unplanned action triggered by product display or point-of-sale promotion (Yinyin Wang, 2010, p. 24). Rook and Hoch (1985, p. 23-27) were the ones providing explanation of such behavior observable in fast fashion purchases: a sudden desire to act along with urgency to act, a state of psychological disequilibrium towards a loss of control, onset of conflict and struggle that is resolved by immediate action, minimal objective evaluation, maximum emotional one and a lack of interest for future consequences. The quickness of fast fashion makes this process even more accentuated as consumers know that in a few days or week that one item they are interested in will not be there anymore, which creates urgency.

However, there can be different degrees of personal involvement during purchases, meaning values and motivation reflected in the purchase, which present a high level of involvement. Other cases in which there is high level of involvement: the involvement

grows when there is a lack of information about a product, so that the consumer is encouraged to find more to be reassured; when the consumer is put before a purchasing decision; when the product of interest has a social relevance, for instance when one has to gift something to someone else (Yinyin Wang, 2010, p. 25).

This clarifies that a product may have a big meaning to consumers; however, the detected trend leads towards high significance if the item is a gift to someone else, on the other hand, a low one if the purchase is personal, ending up representing a self-image symbol. Thus, specifically fast fashion gives its consumers a good self-image, but this does not make fast fashion significant to those who consume it (Yinyin Wang, 2010, p. 25). Findings from the author reveal that consumers do have knowledge about the contours of fast fashion before they buy some items such as the current trends, whose information is easily retrieved, which can be done also while shopping. Generally, consumers are very updated with fast fashion 'houses and their style thus the first possible case of involvement is falsifiable (Yinyin Wang, 2010, p. 25). As for the second one, there is no risk for consumers to make a purchasing decision since many items, especially in the first years of fast fashion trends were extremely cheap and economic risk is rarely there. Finally, the third claim is again refuted as fast fashion does not have social importance, cannot be used as social tool, as it was back in 2010 used only for daily needs (Yinyin Wang, 2010, p. 26).

The findings make a quite strong and evident statement: it is low price that drive consumers in fast fashion garments' arms, mixed with a bit of fashion trends with regards to other kinds of garments. Price is without question a relevant attribute. Other variables are retail environment, their music and smells, point-of-purchases stores, the so-called 'pop up', crowd, unplanned purchases (Yinyin Wang, 2010, p. 28).

Still in the price section, which certainly helps with identifying the trend, we can see that people belonging to all income ranges still purchase from fast fashion at least once a week. The author reveals that the general consumer behavior theory underlines that relation between income and spending are usually the most visible. However, a survey conducted in the US also revealed that in a comprehensive range of income, *"the top 20 percent spend more than five times as much as the lowest quintile for apparel"* (Yinyin,

2010, p. 30), confirmed by Norris' article (2022) stating that an average American can afford to buy around 70 pieces of clothes. Anyway, fast fashion appeals to all-range consumers since those belonging to lower income range choose fast fashion for the cheap price and for "*having basics in their closet*", while the higher income range to have variety in their closet and for last-minute special occasions. Moreover, consumers' jobs also play a significant role: those having free time may indulge in time dedicated to shopping; in fact, according to the research those working full time jobs are less likely to buy less more frequently than twice a month (Yinyin, 2010, p. 31). Beside knowledge about specific brands, such as if they produce more feminine clothes or masculine ones, attitude is pivotal for purchase: attitude is, in fact, a mix of personal beliefs and feelings, which may be created by brand's windows display, but also by post-purchase stage. Many consumers were satisfied from their fast fashion purchases from the past half year but admit that some of them lost their initial appeal as they have fallen out of style (Yinyin, 2010, pp. 33-34). Therefore, it may seem that with fast fashion a democratization of fashion has occurred, which was not completely needed and that has had immense backlashes.

From Yinyin writing in 2010, Norris (2022) did not find many differences after a decade: people cannot stay without following "*ever-changing trends*" that we see in society but also in social media, especially in the world of fashion. Marketing in fact has become pivotal in fast fashion, as well as advertising. In 2010, users of social media amounted to 970 million, in 2021 there are 4.5 billion of them. Moreover, in the meantime, fashion bloggers and fashion influencer has been relevant, and their influence has really been perceived, especially with their becoming more and more well-known, for example by working at the beginning with fast fashion houses, then with *haute couture*. This - relatively- new marketing strategy is based upon the general belief of the so-called everyday people, as the average person is more relatable than a famous one and this thesis has been validated by data and growing product sales. Thus, over a decade there has been a shift that did not affect negatively fast fashion at all, only advantaged it, perpetrating fast fashion culture, the related need to have goods as soon as possible through the fastest delivery system and the subsequent ineluctable drive in the global market for more and faster products (Norris, 2022).

Moreover, many other studies on the purchasing behaviors in fast fashion and results were of utmost interest. Stringer et al. (2020, p. 99) confirmed the connection between superficiality and ephemerality of modern purchases, especially those made for fast fashion, whose items are of little perceived value and done through little investments both economically and psychologically. This contemporary business model has demonstrated to end up in obsolescence very quickly opposite from the smaller production during the 1920s, and despite its overall successes, it encourages over production and overconsumption. However, truth is also that fast fashion has been facing several critiques for its unsustainability in production, treatment of human beings and the environment that has been trying to tackle through different programs such as 'conscious' collections or CSR, which at turn encourage customers to think about their purchases (Stringer et al., 2020, p. 100). Usually, studies focus on the role of personal beliefs in consumption behavior, with reference to growing numbers in ethical consumption. The reason comes from the value belief norm theory of environmentalism suggesting that individuals' choices can be influenced by personal norms and an internalized sense of obligation to behave in a 'pro-social' way (Stringer et al., 2020, pp. 100-101). Another relevant theory to consider is the general theory of marketing ethics in which both deontology and teleology enter the decision making process, respectively for ethical evaluation to rules or obligations and teleological evaluation regarding the consequences of actions, such as purchases. Therefore, after a quasi-mathematical calculation on possible alternatives and outcomes, mixed with belief, a judgement is formed and subsequently a behavior (Stringer et al., 2020, p. 101).

Another relevant theory, from Hunt and Vitell (1986), is that of moral potency applied to the retail context that occurs when consumers, who daily deal with marketing advertising and misleading messages. Further research found out that moral potency is made of three elements: moral courage, moral ownership and moral efficiency. In the fast fashion retail context, when consumers are presented two identical t-shirts but one is with recycled organic cotton and thus more expensive, the consumer with higher perceived moral ownership will choose the cheaper one, being able to ignore the moral qualities and ethical social and economic *ensemble* of the whole meaning of buying the cheaper, non-environmental friendly t-shirt; whilst consumers with moral courage are those that

would choose to buy the ecological t-shirt despite external factors (Stringer et al., 2020, p. 101).

A research method used in the studies about sustainable consumption behavior has been the Schwartz Value Scale (SVS) applied to the vaster areas of sustainable consumption, ethical decision-making, fair trade consumption and ethical fashion consumption. Interesting is that although consumers have lately manifested growing attention towards sustainable consumption, there are incongruities between their thoughts and values, intentions and actions, also because consumers are human beings and often act irrationally (Stringer et al., 2020, p. 102), other than to satisfy themselves but also act out of personal satisfaction through purchases. However, recent studies revealed that it is still unknown whether all consumers apply their values in all circumstances; also, there are three variables affecting consumers behavior: animal welfare, environmental concerns and worker welfare. The analysis brought on by Stringer, Mortimer and Payne (2020) covered 360 people, both male and female, of all age, mainly in the US -where consumption is one of the most concentrated and findings showed that hypothesis about self-transcendence and openness to change values were sustained as they have a positive impact on consumers' level of ethical concerns for animal welfare. Similarly, the same two values abovementioned proved true for workers welfare to a certain extent. On the contrary, the two values that resulted in a non-supported or non-significant result regarding the hypothesis of conservation values being able to have a positive impact on the amelioration of the three situations in analysis (Stringer et al., 2020, p. 109). Finally, results on consumers' concerns regarding animal welfare and environmental safety indicated positive intentions to purchase ethically marketed fast fashion (Stringer et al., 2020, p. 109). However, unfortunately, this relation was weaker for what concerned workers' welfare.

Implications found after these results were several, considering that the starting point was that of consumer values play an important role in the field of the 3Ps within the fashion industry (Stringer et al., 2020, p. 109), thus that consumers may drive the market. Subsequent implications of the findings were that self-transcendence and openness to change values -including self-direction and stimulation- are the only ones able to influence decisions to be more sustainable in a purchasing apparel context. These

findings also influence purchase intentions, which, it must be reminded, are different from the final consumers' behavior, specifically for environmental issues and animal welfare, leaving behind workers welfare for its insignificant result in the relation between workers' situation concerns and purchasing intentions (Stringer et al., 2020, p. 113), although extensive and frequent reports have been issued overtime criticizing the industry. Results about these findings may be explained in relation to higher marketing and advertising conducted by brands towards environmental 'consciousness' and cruelty free options, while perpetrating silence in the field of workers' rights. An additional reason that may encourage consumers to not choose an ethical item could be skepticism: a slice of interviewed people is aware of the possibility of greenwashing or bluewashing, also perpetrated by firms. Some suggestions coming from the authors are that both industry and retailers, which are already integrating sustainable initiatives, continue to do so trying to make fully understand their audience what this means. However, since this could be self-defeating for brands, especially the fast fashion ones, it is up to advocacy groups and micro level of governance adjust their communication skills (Stringer et al., 2020, p. 114), which they are already doing, in fact results have been detected.

3.3 Possible ways forward

As already mentioned in the previous chapter, valid alternatives to fast fashion have been gaining interest to counteract twentieth-century capitalistic economy, materialistic values and unlimited consumption, which also include unprecedented speed and quantity. Fashion world plays a huge role in this mentality too, since it has always been a way to show one's status (Kim et al., 2013, p. 244). However, some consumers have come to a deep understanding of what has been happening in industries, including that of fashion, and have gone other ways. Scholars have been naming it 'fast fashion avoidance', an active form of beliefs and behavior that reject fast fashion and its consumption (Kim et al., 2013, p. 244), not a simple preference towards slow fashion. There is also the brand avoidance phenomenon, which is a strong starting point for anti-consumption and

personal choice for condemning unsustainable practices, very popular in the web nowadays (Kim et al., 2013, p. 246).

Still in 2013, authors were reporting about slow fashion, which was still in an early stage with few people adhering to it as well as a gap between understanding the related problems and practically behave accordingly (Kim et al., 2013, p. 246). The slow fashion movement emerged as an alternative to fast fashion and to favor anti-consumption, business ethics, sustainability, environmentalism, local economies and small businesses - whose production is more sustainable (Kim et al., 2013, p. 246). The positive benefits of slow fashion, which is certainly a powerful turning point, involve reducing, reusing, recycling: the 3R slogan tracing back to the 1970s. Recently these 3Rs have become 5: *“Reduce, Rewear, Recycle, Repair, Resell”* (Hill, 2022).

Some possible ways forward and beyond fast fashion have lately been listed also by the European Parliament, highlighting how big brands are already investing in new technologies and in transforming their business models. A relevant highlight is the fact that entry-level, small and medium sized companies are facilitated in changing their business models or in entering the market as more sustainable firms, as the big ones need bigger investments, time and ways to adjust; this being the reason why they do not do it (Sajn, 2022, p. 6). Those brands that decide to put effort in this transition have decided to act on production process, and especially the longevity of clothes, since studies conducted by Environmental Coalition on Standards demonstrated that extending the life of clothes¹⁵ by only nine months would reduce their carbon foot impact, water and waste impact by 20 to 30 percent, also wearing more -at least twice- a piece of apparel would reduce greenhouse gas emissions by 44 percent, in respect to a new purchase (Botta, 2021, p. 9).

Generally, when trying to identify a real slow fashion piece, it is possible to look for ethical production, which may take different forms: slow fashion involves different denominations, such as ‘upcycling’ or ‘recycling’ or ‘respectful choice’ or ‘conscious choice’. It generally aims at making consumers purchase less, of higher quality in order

¹⁵ WRAP Sustainable Clothing Action Plan– Design for Longevity is a newly introduced European instrument to ascertain durability, reusability, repairability, recyclability of apparel, together with other certifications, labels and initiatives on textiles (Botta, 2021, p. 14).

to cherish clothes for longer. This philosophy includes trusted supply chains, small-scale production, traditional crafting techniques, use of local and natural materials (Sajn, 2022, p. 6). This model represents a particular threat towards economy, since consumers shall be willing to spend more on clothes and still be satisfied to have less of them, contrary to what happens today, thus a shift in mentality shall occur at first¹⁶. Slow fashion brands may largely vary as eco-designers may choose to focus more on textiles and fiber, that at turn may be cruelty-free or eco-sustainable rather than on production processes, such as workmanship, yet preserving both ethics and aesthetics.

Another way forward could be represented by circular fashion, which aims at reducing the creation of new textiles as much as possible and maintaining the existing materials as long as possible, but in order to achieve this more high-quality textiles should exist with other specific characteristics to make them more usable (Sajn, 2022, p. 6).

The European Parliament's research group also found that a positive turnout could be smart and instant fashion, which could reduce waste and consumption at the same time. The term instant could seem tricky at first, but it would allow consumers to have the specific piece they are looking for with the perfect cuts requested through 3D printing for example, with textiles that could change colors and production on demand, therefore without waste. Virtual fashion is also going, according to the Ellen MacArthur Foundation, to play a role in reducing social media users' purchases since they could see how it looks on them there and show it off, removing the need to produce physical products (Sajn, 2022, pp. 6-7).

Therefore, the slowing down of production must be accompanied by circularity to be integrated in the business models: beside longevity and durability just discussed, access-based models, which is better explained by 'fashion as a service', meaning that the number of times clothes are worn could be increased by renting, leasing and sharing clothes. Some brands already offer these kinds of services as a plus, others are all centered and were created *ad hoc*: they display online pictures, characteristics, measurements, payment services, shipment and returns for everyday clothes as well as

¹⁶ This may be the reason why this model could not be appealing, especially if individuals do not dispose of high income.

those for special occasions, maternity or protective clothes, an example recently used also by the cinematographic industry is Rent The Runway, only active in the United States. This brand was founded with the precise aim to counteract fast fashion and open the possibility of shared access to all consumers. They are engaged with achieving net zero emissions, ensure diversity of our workforce and support diversity in fashion. Moreover, their most relevant data from 2022 are their savings of 24 percent in water, 6 in energy and 3 percent less emissions per garment rented versus a new purchased one (Rent the Runway, 2021). In addition, 4 million garments have been repaired and initiatives to hamper garments from going into landfills by reselling, donating or recycling them are being implemented since the beginning of the company's activity. In 2021, the company has conducted a survey on their clients' consumption habits after joining their company presenting this very different business model and, after a third-party life cycle assessment, 89 percent of members replied that they buy considerably few clothes than before and 83 percent that they buy less fast fashion items than they used to, displacing more than 1 million clothes' production (Rent the Runway, 2021). This brand's users can also opt for a monthly or annual subscription for renting a certain number of garments for special prices of course.

Another option available, that could however be greenwashing-borderline, is that of textiles collection and resale, which involved brands' intervention in organizing collections of in undamaged and good condition clothes not necessarily belonging to the brands' past collections. The aim is to recycle or send them to secondhand markets. If consumers want to act on their own, they can sell their garments directly on online platforms that have gradually developed full stack regulations and codes of conduct (Sajn, 2022, p. 7): Vinted, for instance, ensures items purchases with a reimbursement policy and while being shipped, incentivizing sellers by charging buyers for shipping and giving it for free for smaller packages, using already existing small hubs around cities to send them also internationally. Research conducted by McKinsey foundation, one of the biggest involved in circular fashion, show that re-commerce represents around 7 percent of the market and currently is the primary vehicle for circular models, with GenZ and Millennials living in urban areas supporting this model by choosing it thus increasing its demand. It is estimated that re-commerce will represent 12 percent of the market by

2030 (Berg et al., 2020, p. 15), and that though the years more and more brands will push for establishing repair services, like Levi's has already done. Re-commerce proved to have extended products' life for at least twice their normal life as well as the previously seen rental model. Overall, since demand grows, brands will be required to integrate circular business models or could risk losing control of their products and their additional value (Berg et al., 2020, p. 15). Therefore, in this way, the production model in fashion may actually change, making fast fashion and slow fashion one the extension of the former instead of opposites.

To conclude, the last alternative listed by the European Environmental Agency Report is represented by recycling of fibers or textiles and material reuse, which is also called upcycling. Overtime, a growing number of companies have used this as their only ever existed business model, which is supported by a particular type of scheme called extended producer responsibility (EPR), which makes producers and importers legally responsible for ensuring that used clothes are reused or recycled, organizing initiatives or financially contributing to create some through an accredited organization (Sajn, 2021, p. 7).

Ellen MacArthur Foundation (2021, p. 47) identified the scaling of the varieties of circular business models to grow more than 23 percent by 2030, generalizing them in: more use per user, more users per products and beyond physical products, providing several brand names that have developed these kinds of business models, such as Dress X and The Fabricant that produce digital clothes to be worn immediately, adapted on their avatar and specialized in digital and social media 'production' (Ellen MacArthur Foundation, 2021, p. 48). For 'more users per product' Hack Your Closet and Ganni are mentioned, which operate very differently: the former aims at selling the unsold clothes after having identified the users' styles combining innovation through data analytics and human judgement, that in the future may be replaced by Artificial Intelligence; instead, the latter is more focused on combining rental, remaking and resale, born in Denmark as trial project and then exported to the US and UK involving more and more brands in their projects (Ellen MacArthur Foundation, 2021, p. 49).

To encourage 'more use per user' additional two examples have been brought: first, H&M Group has been implementing a project called M.IN.T based on customization to extend clothes' lives for a small price, not comparable to buying something new, which involved repairing and delivery and tips in their online webpages to encourage at home repairs; secondly, something very similar has been done by Tommy Hilfiger, which instead put repaired or modified items back to be resold after the TRW- the Renewal Workshop (Ellen MacArthur Foundation, 2021, p. 50). Whilst there are these relevant ways to implement circular business models, others could and will be created in the future (Ellen MacArthur Foundation, 2021, p. 51).

On one hand, in case of both shifts towards a more sustainable business model and creation of a new brand, enterprises might face particular and very different costs, yet being careful to maintain standards of sustainable practices. Authors listed as first element the proper building of internal business capabilities, since without a proper structure a business cannot have success; the need for operating spaces follow as well as product authenticity, especially for the higher-end market (Ellen MacArthur Foundation, 2021, p. 52). For the businesses focused on fashion as service, more users per use or access models, relevant attention must be placed on treatment of products, such as their hygiene, which may include non-toxic treatments¹⁷, packaging and delivery, that in order to be more environmentally friendly could include more hubs around cities. Other related costs could be represented by the technological ones, connected to the online platforms where the 'beyond physical product' occurs and communication services that must be updated to maintain affiliation (Ellen MacArthur Foundation, 2021, p. 52).

On the other hand, revenues are as interesting as much. The Report shows that circular business models present several revenue benefits: increased brand loyalty, access to consumer and product use data that increases affiliation even more, increased customer base since renting for example allows everyone to use luxury -thus unique- items too, proactivity to financial institutions' requirements, making brands appealing to investors, which also leads to improved organizational performance connected to the more users

¹⁷ For example, Rent the Runway claim to use biodegradable detergents, free from added fragrances and zeolites and halogenated solvents such as Perchloroethylene. Clothes pass through a high temperature steam tunnel and are immediately sealed in plastic.

per use which increases financial efficiency (Ellen MacArthur Foundation, 2021, p. 53). Ellen MacArthur Foundation (2021, p. 54) also highlights the cost benefits, which include improved inventory management through the application of 'beyond physical products' able to reduce lead times and facilitate the on-demand manufacturing. This statement is also supported by one of the McKinsey's reports published in 2020, which analyzed both investments and cost savings of the so called 'economic of emissions abatement' so as to encourage the decarbonization dialogue within the industry (Berg et al., 2020, p. 17). To do so, a cost curve analysis is needed as it provides a clear visualization of lever abatement potential and economics as well as a good integrated perspective on economic feasibility: the curve is different for each brand and stakeholder, based on products, sourcing country, and considers "*end-to-end value chain, from material and garment production to retail, product use and end-of-use*" except for greenhouse gas emissions from fashion shows and back-office activities (Berg et al., 2020, p. 19). This analysis can be conducted using an XY graph, where on the y-axis additional costs savings or spending needed to retain one ton of emissions in one year are calculated, including an eventual depreciation charge to the upfront capital expenditure needed to implement the decarbonization lever. A negative y-axis indicates cost savings, while a positive one indicates additional costs to achieve abatement level. The x axis indicates, instead, the abatement under that lever in one year (Berg et al., 2020, p. 19). This kind of measurement only brings good news for the fashion industry: 55 percent of levers required for the abatement of 1.7 billion tons of emissions in 2030 generate savings on an industrywide basis (Berg et al., 2020, p. 20) through digitalization, better geographical organization in supply chains, limitation of data analysis on consumers' behavior. However, as already underlined by the previously analyzed report, it is not only about costs, but also incentives, impact on brand image, commitments and regulatory requirements (Berg et al., 2020, p. 21). It should be noted that in the XY graph, improvements relative to greenhouse emissions bring a 55 percent cost savings, *vis-à-vis* costs to bear for the whole industry (Berg et al., 2020, p. 19).

However, the general reputation of brands while using circular business models generally increases and is rarely subject to critiques. It is, however, important to remind that this kind of business model right now are in the mainstream owing to the environmental

disruption that has been nowadays acknowledged; circular business models are ‘ahead of regulations’ with the European bodies investing and of course regulating them (Ellen MacArthur Foundation, 2021, p. 54) but also incentivizing them, like through Waste Framework Directive (Berg et al., 2020, p. 21). Owing to their being mainstream, the rate of employee retention inevitably grows, especially among younger generations. Finally, this model, being sometimes ‘mixed’ is more resilient during crises and diminishes its negative impacts (Ellen MacArthur Foundation, 2021, p. 54).

To conclude and complete the frame of actors involved, policymakers should play a role in ensuring the circular business models’ deepening of exploration and scale by harmonizing collection systems, aligning them with the other type of business, the so-called linear fashion model. The Report calls for a mobilization of private and public institutions to facilitate specific investments in infrastructure, skills and innovation, including the introduction of an Extended Producer Responsibility to enhance transparency and efficiency, but also necessary systems for collection, sorting and processing, cleaning facilities, and sort of traceability programs (Ellen MacArthur Foundation, 2021, pp. 55-56). It is argued that EPR schemes would work in domestic markets, but such rules should transcend national borders and obligations involved in participating businesses should conform. Again, the European Union is in a continuous work in progress in setting benchmarks for businesses not only to enable positive environmental outcomes, but also to create them under the European Green Deal, for example, aimed at accelerating decarbonization among member states. In 2019, for instance, France announced a ban on destruction of unsold garments to be implemented in 2023 (Berg et al., 2020, p. 23).

Confirming this last Report’s findings, McKinsey also argues for a more active role by governments and brands. Incentives for energy aimed at encouraging a greener transition, building recycling infrastructures to extend the end-of-use segment -for which considerable capital investment is needed- have been settling by the EU under the Waste Framework Directive (Berg et al., 2020, p. 21). However, brands are encouraged to cooperate, co-finance solutions and distribute potential savings, since governmental incentives are rare and difficult to obtain. Anyways, the report sheds light on how at least one fifth of abatement measures depend strictly on consumers’ behavior, which needs

changing in order to support the decarbonization efforts initiated by firms, like Levi Strauss has begun, offering many end-of-use solutions to also lead consumers' choices and behavior (Berg et al., 2020, p. 21). The 2020 McKinsey Report suggests that a shift is already occurring and that there is growing support towards real actions from all involved stakeholders, who should continue to create equal partnerships with each involved in developing sustainable practices (Berg et al., 2020, p. 23).

According to 2020 McKinsey Report, investors have the power to encourage decarbonization efforts, through ESG factors, as well as enough interest in driving their firms towards advanced goals, transparency and innovation maintaining a vision on sustainability. In the meantime, consumers can do the same: prefer products with lower emission footprint, choose circular business products if possible, and adopt sustainable usage and end-of-use behavior, thus *“driving industry decarbonization efforts through their purchasing decisions”* (Berg et al., 2020, p. 24).

3.4 Results from *“How much fast fashion is there in your life?”* survey

3.4.1 Methodology

To complete this thesis' framework, I decided to conduct my own survey to establish the general purchasing habits on a sample of people. The quantitative research was conducted based on the assumption that consumers can make a change in the fashion market, that many might be open to explore alternative -circular- models to that of fast fashion that today resembles a monolith. Some questions aimed at confirming some general purchasing habits analyzed in the paragraphs above, others to understand at which point in accepting and knowing sustainability we are. The survey consisted in filling in an online form, anonymously, with the only request of inserting a valid email since some people were interested to my research and to the outcome. The questions were multiple choice, and in some cases more answers were accepted. The link to the survey was shared to my personal contacts at first, with the request of sharing it with their colleagues, friends and family, but I also shared it to online groups in social media

platforms so as to reduce the bias of close contacts in the research. I managed to gather 102 valid responses in a 10-days timeframe.

Participants were sorted out by gender, age groups divided into 16-34, 35-54, 55-70 and over 70. Another interesting parameter to measure was the participants' educational level, to be linked to participants' willingness to change their purchasing habits in fashion at least, which was at turn inherently connected to their place of residence. The fourth question aimed at understanding the interviewees' occupation, whether they were students, working students, workers or they were currently not working nor studying which was an umbrella answers for retirees, unemployed and similar. This question was strictly connected to the following one "*Does your personal income play a role in your choice towards fast fashion?*", to establish whether income is the main driver towards purchasing mainly fast fashion, but without proposing annual income in numbers, only their occupational status, which states the assumption that if a person of any age works can decide over its own purchases. By asking question number 7, "*Have you ever heard of fast fashion carbon footprint and of it being one of the most polluting industries and disrespectful of workers' rights in the world?*" participants' basic knowledge on the topic was detectable, also in order to connect this data to their level of education, object of question 6, and if the latter plays a role in being aware of fast fashion's implications. The eighth question aimed at understanding the actual shopping habits in fast fashion, and, in question 9, the reasons they choose it over other available options. Towards the end, I focused instead on slow fashion, if there was basic understanding of the whole world around it -recycling, upcycling, re-wearing, vintage- and if they have ever bought from any certified slow fashion brands, including some famous ones such as Patagonia, but also other less famous but easily available online but also in stores. Finally, I counter proposed in questions 12 and 13 a small investigation on slow fashion purchasing habits and what drives them; in alternative, for those who claimed they do not buy slow, I asked whether they would be open to do so and under which circumstances.

3.4.2 Analysis

Regarding the first question on age group, there were 64 respondents between 16 and 34 years old thus Gen Z and Y -Millennials-, 30 in the 35-54 range, 6 aged 55-70 and 2 over 70-year-old.

1. How old are you?

102 risposte

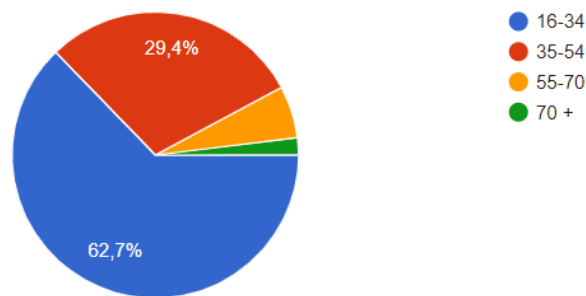


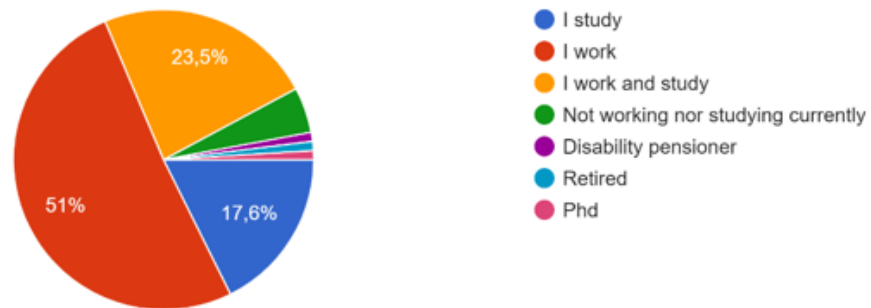
Figure 13. Answers to the survey's first question on respondents' age.

In the third question, respondents were asked where they lived: their responses covered Northern and Southern European states such as Italy, Greece (12), France (7), Germany (1), The Netherlands (1), North American region (10). Italian responders were the most numerous and amounted to 71, from all age ranges, study levels and regions.

As for question 4 investigating the respondents' occupation, 51% respondents, claimed to be currently working, 25 claimed to be working and studying, 18 to be only studying and the rest, 6, are currently not working nor studying. 42 interviewees hold a Master's degree or higher qualifications, 28 a Bachelor's degree, 7 hold a middle school diploma, whilst 25 a high school diploma.

4. What do you do?

102 risposte



6. Your qualification:

102 risposte

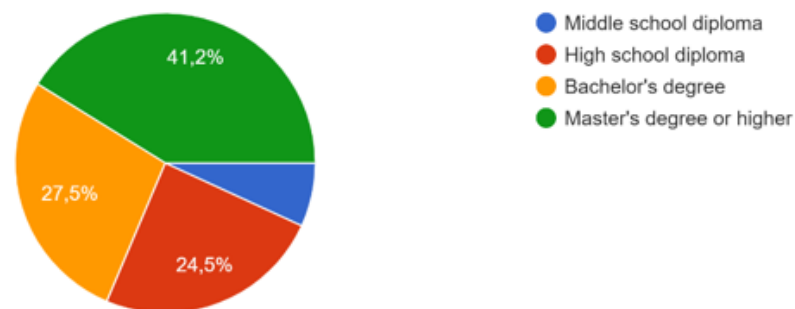


Figure 14. Link between respondents' occupation and educational level.

Whether they worked or not, it was interesting to understand the role played by personal income in fast fashion purchasing process, since fast fashion is the cheapest way to buy new pieces: more than a half responders answered “yes”, which means that income plays a relevant role while shopping, thus it can be argued that fast fashion responds to their economic needs. Those answering “maybe” were 14 people; 30 consumers responded that their income does not play a part, with a specific answer that may clarify them all: “I am able to afford sustainable brands, but even if I weren't I would avoid fast fashion”.

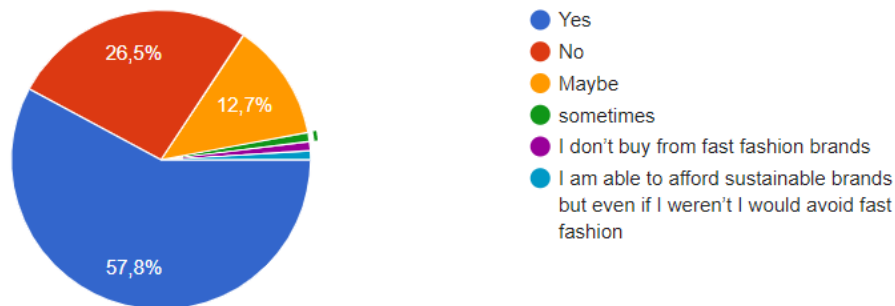


Figure 15. Answers to survey's fifth question about income playing a role in the choice towards fast fashion. Source: Google form.

Moving on, before analyzing the nexus between respondents' answers and their educational level, the seventh question aims at establishing if people were aware of "fast fashion carbon footprint and of it being one of the most polluting industries and disrespectful of workers' rights in the world", whose answers have been affirmative for 77,5%, negative for 14,7% and uncertain for 7,8%.

7. Have you ever heard of fast fashion carbon footprint and of it being one of the most polluting industries and disrespectful of workers' rights in the world?
102 risposte

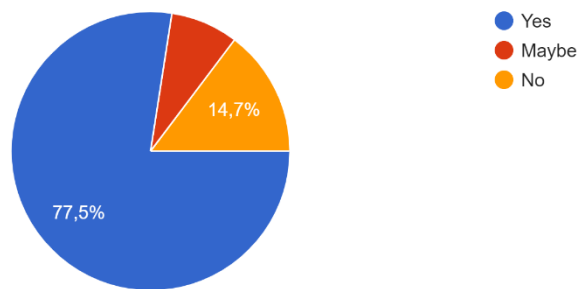


Figure 16. Rates of awareness on fast fashion's implications.

One of the entrenched matters regarding fast fashion is the problem of knowledge around the sector, which could be connected to consumers' education. In this research, after having compared the data regarding respondents' latest held qualification and their knowledge about environmental, societal and welfare issues around fast fashion, the result was that only 1 out of 5 consumers, belonging to the youngest age group, Generation Z, is aware of them. Those holding a high school diploma, of all age groups and aware of the issue amount to 13 people, 4 of them are between 16 and 35 years old.

Among undergraduates of all ages, 26 have a knowledge of fast fashion issues, 20 of them are aged 16-34. Finally, 39 respondents holding a Master's degree are aware of fast fashion damages, among them 27 are Generation Z and Y. Therefore, the nexus linking a higher education and awareness on sustainability can be confirmed. However, one important data that should be noticed is that since the survey was conveyed in English, all respondents could be considered in any case at least inserted in a paradigm of people with a certain cultural level, despite their educational qualifications.

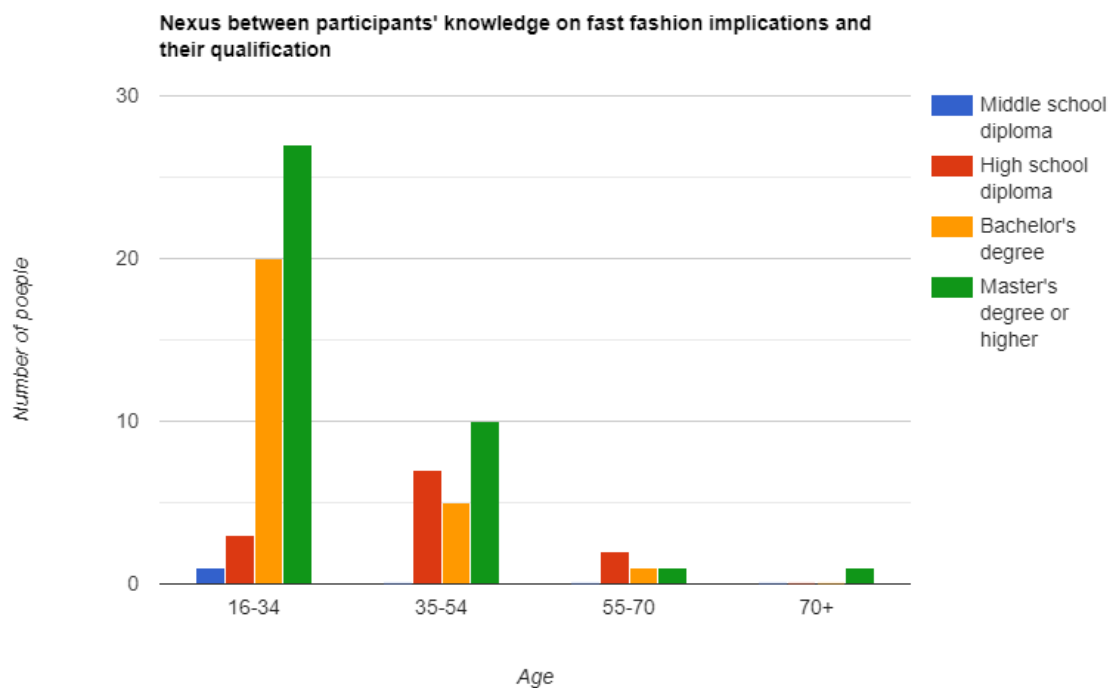


Figure 17. Nexus between participants' knowledge on fast fashion implications, their qualification and age.

Moreover, it can be argued that educational systems at all levels should be shifting towards a more comprehensive way of speaking about the world and sustainability. Nowadays, information is available everywhere, especially in developed countries, where all respondents are from. According to the World Economic Forum, it is indeed young people who will shape the future of sustainable fashion, as it is already happening all over the world, with different Hubs in all the main cities of developed and developing world under the Global Shapers' initiative with the scope of raising awareness on the pivotal issues around the sector (Salyer, 2019). Global Shapers Community is a network where people under 30 years old are cooperating from 165 different countries to introduce the discussion about their communities' needs and to start a dialogue addressing local, regional and global challenges, among which appear the need to raise awareness on

fashion industry and the way to fight it with more sustainable activities (Salyer, 2019). The connection between age and environmental knowledge is also supported by other studies that indicated younger consumers as those with a greater knowledge about the issue; against Millennials' need to stay updated and gain awareness (Papadopoulou, Papasolomou and Thrassou, 2021, p. 356).

Another variable worth analyzing is that of gender: respondents who identify as females and answered affirmatively to be aware of the fast fashion industry's negative implications amount to 83%. On the opposite, out of 29 male respondents, 18 claimed to have knowledge of fast fashion's implications, amounting to 62%. However, the educational approach is more important than the gender one: almost all the female responding affirmatively about the system's implication hold a degree – 80%; the remaining 20% hold a high school diploma. Almost the same scheme is repeated when applying the percentages to male respondents: 88% of them responding positively to knowing the industry's effects on people and environment are graduates or undergraduates. This result made me return to the previous step of considering only the education-knowledge nexus (Figure 17).

Moving on to the second part of the survey, consumption habits in numbers will be analyzed. Most consumers claim to be purchasing fast fashion pieces less than once a month. Those buying once or twice amount to 24, whilst those buying about a piece a week are only 4. Those claiming to have stopped buying from these companies are 5 on 102 participants. These answers must be connected to the twelfth question *“Do you ever wear vintage or any other type of slow fashion clothes?”*: 19 consumers claim to wear slow fashion -intended as vintage, second-hand, recycled- *“all the time”*, 55 to wear it *“sometimes”*, 18 responded to not like the idea of wearing other people's clothes, to have never thought of doing so or to not have a vintage shop nearby; while 10 consumers claim to wear family vintage clothes only. On the other hand, purchasing from slow fashion brands becomes a little more complicated probably owing to the higher prices: only 32% of respondents do so.

8. Think about your shopping habits. How many pieces of apparel do you buy per month from fast fashion brands (like Zara, H&M, Bershka, Shein, Stradivarius, Asos, Missguided, etc.)?

102 risposte



11. Have you ever bought from any certified slow fashion brands (such as Pact, Kotn, VETTA, Quince, Sézane, Reformation, ADAY, ABLE, Patagonia, etc.)?

102 risposte

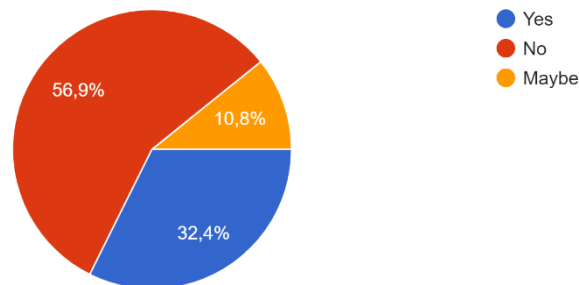


Figure 18. Differences between shopping habits.

On the other hand, those that claim to be purchasing brand new pieces from eco-labels, such as Patagonia, Pact, Sézane, Quince, amount to only 33% of consumers. It has been observed that it is middle aged consumers who are keener to buy eco-labels and the most aware towards fashion industry's implications (Papadopoulou, Papasolomou and Thrassou, 2021, pp. 355-356), whilst according to my data, it is mostly people aged 16-34 who do so, confirming the World Economic Forum's analysis. Consumers are increasingly becoming aware of the need for ethical and environmentally conscious behavior and many practice green consumerism (Papadopoulou, Papasolomou and Thrassou, 2021, pp. 365-366).

The research continues with questions 9 and 13's analysis, which aim respectively at stating the reasons pushing consumers to choose fast and slow fashion. Fast fashion is

chosen over other forms of purchases owing to the display of “trendy clothes at affordable prices” for 55 consumers, its “easy availability” since you can find shops anywhere both online and physically for 30 consumers, while only 3 people believe they do not have other choices. 9% claim to be buying from fast fashion companies, but only from their ‘conscious’ collections; whilst 18 consumers have completely changed their shopping habits and have stopped buying fast fashion, 37 “try to avoid it”.

9. If you buy from fast fashion brands, why do you choose them? You can choose more than one answer.

102 response

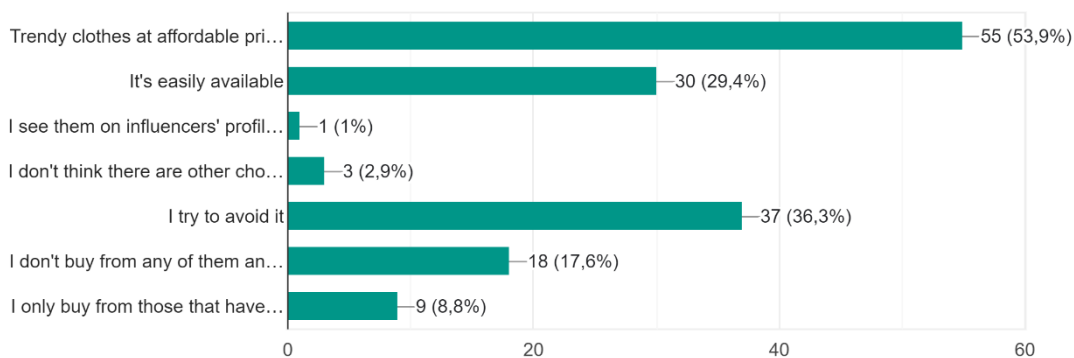


Figure 19. Reasons for purchasing fast fashion.

Moving to answers to question 13, the majority of consumers purchasing circular fashion do it mainly for its quality -the same reason that allows clothes to last longer- and for environmental, animal and social reasons for 20 participants. As a response to the easy availability of fast fashion clothes, 19 respondents claim to wear second-hand apparel pieces from their relatives' closet, because they have at their disposal.

13. If your previous answer is yes, why?

73 response

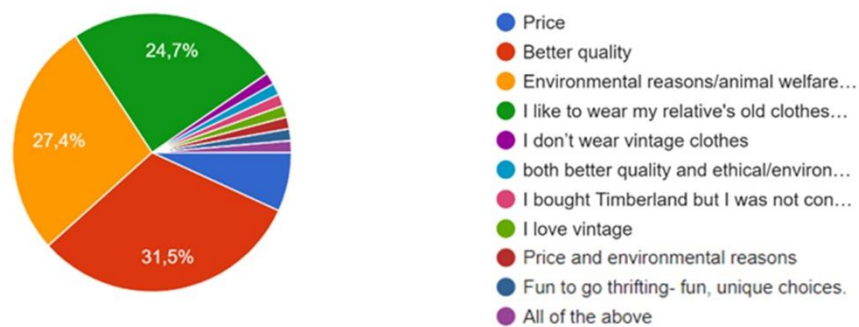


Figure 20. Reasons for choosing slow fashion.

Moreover, there is another variable worth analyzing, whose research has been conducted by Papadopoulou, Papasolomou and Thrassou (2021) where the connection between consumers' awareness on environmental, social and economic implication of sustainability in the fashion industry and their purchasing habits has been explored. A study about environmental consciousness and consumers' willingness to adopt environmentally friendly products and behaviors showed that although consumers deeply understood the negative implications of fast fashion production their initial positive attitude and understating were weak in the actual purchasing moment (Papadopoulou, Papasolomou and Thrassou, 2021, p. 355). Therefore, *"even though consumers may generally have positive attitudes towards sustainable brands, they often do not buy them. This tendency is known as "the attitude-behavior gap"* (Papadopoulou, Papasolomou and Thrassou, 2021, p. 356). This study was of utmost interest because of its starting point from knowledge intended as socially constructed and not neutral (Papadopoulou, Papasolomou and Thrassou, 2021, p. 357).

Consumers, from all aged groups, intend, in the beginning, buy eco brands, but ignore this initial willingness in the end. Instead, they usually prefer to buy from one precise brand that claims to be sustainable, which points at the brand loyalty in the purchasing behavior. This acknowledgement should push brands to *"align their business values and practices with the consumers' environmental values and consciousness"* (Papadopoulou, Papasolomou and Thrassou, 2021, p. 364).

Finally, to confirm Stringer (et al., 2020, p. 109) hypothesis testing the openness to change values, thus beliefs and behavior, the last question was targeted to those who had never worn slow fashion piece, if they will ever be open to try some: 73% answered positively, 13% would be open if incentivized in some ways and only the remaining 13% were against.

14. If your previous answer is no, will you ever be open to wear slow fashion in the near future (10 years from now or more)? The example below is fr...ion sponsored by Vogue and done from upcycling.
60 risposte

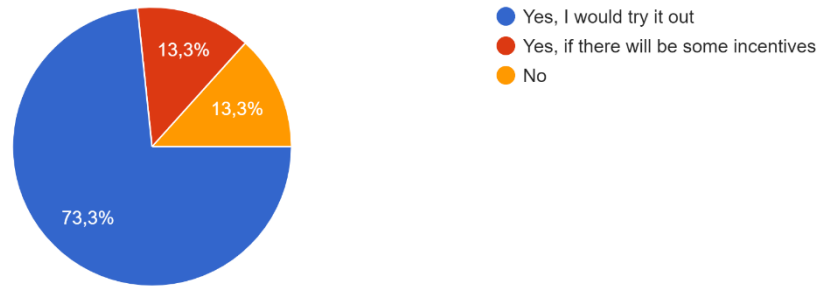


Figure 21. Openness to wear any type of slow fashion.

Conclusions

It has been illustrated that each chapter and each 'P' provide a different insight through the sustainability viewpoint on an initial harmless human activity, such as dressing up, then become a mean for development and economic growth, which has proven to be detrimental overtime. What occurred has been economic growth, not development. The first conclusion that can be deduced is that we need to decouple economic development which is usually equaled to growth and human development. In fact, Agenda 2030 since its archetype was created to be enacted so as to restore a genuine sustainable development for all on Earth. Sustainability ends up being, in fact, actions that we, who live the planet and act on it, must take to preserve it for future generations. The three Ps of the Triple Bottom Line approach converge in fact in the Planet, with a virtuosity typical of the sustainability concept.

Consequently, the second conclusion from the topic discussed is that a permanent non correspondence between economic growth and development exists also due to the numerous nuances that development has, meanwhile economy has just one, profits. As also reported in the Our Common Future Report, *"the concept of sustainable development does imply limits - not absolute limits but limitations imposed by the present state of technology and social organization on environmental resources"* (UN, 1987, p. 16). The reason why this missing correspondence cannot be retrieved is entrenched with international politics: the reason why many developing countries specialized in global apparel value chains are also those in which the strictest autocracies are established is not a coincidence; social inequalities are needed to maintain low prices, the status quo but enabling them to develop industrially. On the other hand, human development is minimal as well as labor; workers refusing to do their job in the segment of the value chain for 0.3 cents per garment are not irreplaceable. Moreover, many are aware that they cannot rebel against that system otherwise their family will starve, or they will pass their debts to them, thus forcing them to be the next in line on the same consuming job. Therefore, inequalities are convenient as they allow this global supply chain to be

maintained: this, however, has been the fortune of some Southeast Asian and Asian countries beside some economic maneuvers such as their switching from ISI to EOI, proving to be the most successful in buyer-driven commodity chains. This has been possible owing to initial Foreign Direct Investments but also through the continuous trade that at turn needed FDI to boost interregional trade. Overall, outsourcing has been beneficial to the world economy: developing countries starting in the 1980s have been able to specialize in one segment rather than another of the apparel value chain, allowing them to actually develop, yet not socially. However, it has been noticed by scholars that industrial upgrading often led to social upgrading, meaning an improvement in workers' lives: it has been the case of Bangladesh, Cambodia, Vietnam, China, Indonesia, Thailand, India, China, Honk Kong, South Korea, Taiwan and then Japan, they have all climbed up the ladder of apparel production from the lowest value-adding activities to the highest, capitalizing from their knowledge and moving up in the higher-value-added stages, and in some cases social upgradings occurred too.

It was also demonstrated that all aspects of global value chains are interconnected as they allow the whole chain to function better, to always have the best machineries, and less developed countries can grow and industrially upgrade, as shown in Figure 4. Ineluctably, economic stability enabled 'transition economies' to become more politically stable, which at turn depended on their fastness to reform their trade policies.

Another important result has been an appreciation of the deep and complex structure in which global value chains operate: a strongly structured governance where each actor plays a relevant role at a different level. As for apparel, it is the case of buyer-driven commodity chain as the production is carried out not by the same business but by different retailers, brand-name merchandisers, trading companies, making the production decentralized not only geographically but also governance-wise. Buyer-driven commodity chains rely on highly competitive, locally owned, and globally dispersed production systems, where the key is rent generated from barriers to entry in the market (Gereffi, 1999, pp. 75-79). All in all, it can be argued that locally integrated manufacturing and marketing networks, connections with foreign buyers, internationalization of the apparel commodity chain and their coordination, as well as the regionalization of apparel commodity chain within Asia is needed to add value and eventually upgrade. The 'full

package supply' is the ultimate level of industrial upgrading, which implies that a business can think, create and sell a product, using a relation type of supply chain instead of the captive one, which allows countries to have a domestically integrated supply chain. This means having Research and Development, Design, Purchasing, production, distribution, marketing and services all developed in their own economy.

Moreover, global supply chains operate within a wider frame, which can be divided into macro, meso and micro level that at turn have been analyzed and correspond respectively to the big international or regional organizations dealing with trade and regulations, firms or interfirm networks and civil society.

Moving to the second chapter to tackle the issue of labor, the main actors will be those belonging to the macro level of society: ILO is first in line and has always been in line to help and assist workers with an international vocation. Labor is an essential element in a global supply chain, in a tight relation with development, decent work and governance. The key to achieve sustainability in the labor field is that efforts from four different levels of society must be made, specifically bottom- up, top-down, from the public sphere to the private one, consumers and workers. Corporate social responsibility was my starting point to develop this thought; however, this proved to be an extremely obsolete concept and at the same time very futuristic as the problem stands with responsibility and governance, especially with interfirm and global networks, which act in a globalized and fragmented frame, not restricted to national borders with univocal rules. Transnational governance should be so powerful to manage to reshape organizational behavior: when accountability core components -standards, information and sanctions- are involved, accountability assumes a strong teaching and moral power (Landau and Hardy, 2021, pp. 46-47), which can immediately be juxtaposed to governance, especially its deficits, caused by globalization, and fill them up. The lack of accountability is reflected not only in private-public-social level but also in lead firms and international organizations. It is clearly understandable that the path towards responsibility is a long and difficult one, despite the many private initiatives to make actors at least accountable, if not responsible. These initiatives again have derived from all parts of society: bottom-up and top-down, private and public spheres. The most recent events have been all connected to global apparel value chain, with the most disastrous ones in the Southeastern part of

the world, where the most relevant actions started and goals achieved by civil society in collaboration with the most important international organizations, like International Labor Organization.

Another finding concerns the human value added, which enables the discussion of sustainability, like Mio suggests when referring to *'long-term value-added creation'* involving all stakeholders. Not only this practice and view of sustainability implies the recognition of human value and of people's human inalienable rights, which must never be taken for granted, but also of the value that a firm synergistically creates when hiring, not only economically but also among stakeholders and the environment. This is what some firms, like Levi's, have been trying to do for the last 20 years: in the study cases analyzed, Levi's commitments through the Better Work program, LS&Co. Supplier Code of Conduct, Social and Labor Convergence Program Framework were shown to ensure workers their rights, derived from the existing international conventions but also national and localized in the firm. Moreover, Levi's has managed to ensure that equality and inclusion in the workplace so that women can lead a team and have access to that, at least. Research conducted by third party, in this case by Fashion Revolution with its Fashion Transparency Index, have shown that when women were in charge of units, and the whole firm experienced an upgrade.

Also, profit-wise, Levi's constitutes a good example for sustainable fashion with innovation as its key. Although Levi Strauss and Co. produce in mass, its supply chain has been improving its sustainability practices, without using greenwashing -which instead other brands like Misguided have been doing. Beside innovation in digitalization, using a tool that cuts textiles so not to waste any of it thus saving energy, water and textile, its value chain is extending and improving in quality: recycled cotton, thus stretching fabrics' life, less chemicals in jeans' washing, better fabrics which makes the product durable and allows consumers to recycle, sell, repair it. In 2015, a service including personalization of old jeans was implemented and in 2020 Levi's implemented its own secondhand website where old jeans were sold. Thus, Levi's targeted its consumers, bringing them to the center of its sustainability strategies. To perfectly match with the definition of sustainable, Levi's also chose to publish voluntarily its sustainability report annually, ranking first in 2021 for transparency, a fundamental and intrinsic element of

sustainability. Finally, with this stretching in the supply chain, fast fashion can become slow fashion. Sustainability in firms however occurs also when the human capital is included.

All in all, in order to make a firm sustainable there are three ways: align sustainability strategy with business strategy, enhance governance for better results and embed sustainability into business functions (McKinsey & Company, 2017, p. 11).

The third and last chapter enabled the formulation of a more complete answer to the thesis question, since the supply chain involves consumers too. As the European Parliament proposed in May 2022, secondhand and other strategies should be promoted to improve the fashion systems; France particularly stands out among all for the attention towards the matter.

The European Union guidelines aim at stretching the durability of clothes, which could be possible only if textile's quality is privileged. Moreover, the three-R rule -reuse, reduce, recycle- comes back become the five R rule: "*Reduce, Rewear, Recycle, Repair, Resell*". The EU wants to guide the market towards sustainability, also through its prediction of fast fashion disappearance within 2030, against the other projections that see fast fashion market growing more and more.

After having analyzed some surveys on consumers' behavior towards apparel and sustainability, which demonstrated that humans are *homini economici*, the solutions restituted are mainly those of the 5Rs and innovation. These Rs could vary in form but recall the same actions: more use per user, more users per products and beyond physical products, which all end up in circular economy.

The last chapter also involved a personal survey investigating the practical feasibility of a sustainable fashion among consumers. Respondents have been more than a hundred, from all age groups, educational level and from many countries, mostly western. Some answers I want to highlight for this conclusion will follow. Since sustainability also involves the concept of transparency and knowledge, it has been good to notice that about 75% of the surveyed people are aware of the high carbon footprint caused by fast fashion, regardless of their educational level. In general, there has been a confirmation from EU's forecasts: young people are breaking away from old habits created by consumerism and

opting for greener ones, like purchasing secondhand vintage or from slow fashion brands, but in general avoiding fast fashion brands. Moreover, those purchasing from fast fashion brands do it because of cheapness and easy availability of clothes: this is probably a variable depending on where they live, if it is in a highly urbanized area versus a smaller urban reality. Age has proved to not play a role in fast fashion consumption. Another question that was particularly important and derived from a previous survey was the measurement of mental openness of consumers who were not buying second hand: from my survey it turned out that most of them would without even needing incentives.

To conclude and respond to the thesis' question, yes, a sustainable fast fashion is an oxymoron, but it is also feasible: the action of 'stretching' in the global supply chain, in its delivery time and in consumption activities is the game changer. As a consequence, some small actions in everyday life would drive the market and change it together with the attached situation of workers' rights. A sort of multilateralism must be enacted and enforced in the private and public sphere, in firms, politics, by governments, but people must drive them by their purchasing and transparency requests: globalization should be rethought, not eliminated, and should go hand in hand with sustainability and green transition to achieve net-zero future, generate inclusion and equality through the prevailing innovation in all sectors, including fashion.

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