

FASHION + 'Spotlight on Sourcing'

Sourcing from Asia

Tuesday 19th May 2009

Introduction, Tamsin Lejeune, director of the Ethical Fashion Forum

Fashion+ is about looking at the way that people within the fashion industry can use their roles within the industry to benefit sustainable fashion.

This event is the first in a series focusing on geographical areas, EFF will also be looking at South America and Africa. The Asia event is also running alongside an Asian themed month on our online network. We encourage you to join and promote what you are doing and discuss your interests.

About the Event

Based on feedback from previous 'Spotlight on Sourcing' events the format for the panel at this event was changed from, each speaker giving a separate presentation, to a chaired role, where questions would be asked to the panel for them to answer. Questions were asked based on the panel's specific expertise. This method showed positive feedback from audience members and allowed more time for questions and answers.

Facilitated by:

CHAired: Clare Lissaman, Ethical Supply chain consultant

Clare has worked in both trade and aid for over 10 years, including heading up Rugmark UK - working to end exploited child labour in South Asia's rug industry. Clare has helped the Fairtrade Foundation develop and launch Fairtrade cotton and now works with NGOs and companies researching, developing and implementing strategic ethical trading programmes.

Abigail Petit, Gossypium

Abigail has worked with fair trade and organic cotton for more than 20 years, producing Traidcrafts first clothing collection in the 1980's. Since then she has worked as a consultant for Marks and Spencer, Greenpeace, the EU and others, worked directly with Indian cotton farmers, and launched Gossypium in 2000.

Julia Hawkins from The Ethical Trading Initiative

Homeworkers form an important part of the garment supply chain, particularly in Asia. Homeworkers may face very poor working conditions and are rarely protected by national labour law. Julia will introduce the ETI's homeworker

project, which has developed guidelines for companies to improve conditions for homeworkers.

Sury Bagenal, Head of Design at Adili

Sury Bagenal has been designing for more than 20 years and now heads up Adili's own label, produced in India. Sury will talk about producing fashion products to high ethical standards in Asia, the challenges in launching a new fashion line and how these have been addressed by Adili's own label.

Bernice Leppard, Code of Practice Manager at Next was unfortunately stuck in a late meeting in Leister.

Why is Asia so important to the Fashion Industry?

Clare:

There is a large number of people living in Asia, 1.8 billion, and there are actually more people living in poverty in India than the Africa Sub Sahara.

Asia is a major clothing exporter. Out of the top 15 clothing exporters in the world, 9 of these are in Asia. The value of clothing exported from Asian countries is extremely high.

China:	\$115 bn
Hong Kong:	\$ 28 bn
Bangladesh:	\$10.1 bn
India:	\$9.7 bn
Indonesia:	\$7.2 bn
Thailand:	\$4.1 bn
Pakistan:	\$3.8 bn
Sri Lanka	\$3.3 bn

The International Trade Organisation feel the issue within Asia that need to be solve, is that workers should have:

- Pay that provides workers with more than just food
- Their rights met
- Employment & income opportunities
- Social protection & security
- Social dialogue and tripartism

The economic crisis has made it further necessary to be concerned for workers in Asia. In 15 months, 750,000 jobs have been lost in the textile industry. Some believe that as many as 10,000 factories have closed down every month since the economic recession, affecting hundreds of thousand of people; not just workers but also their families.

Fairtrade, how did we get here?

Abigail:

Fairtrade was, and often still is defined through two principles:

- Direct contact with the producers
- Sustainable manufacturing

So far retailers have faced crude prices from the middlemen between them and the producers, these middlemen want to have a percentage of profit as it moves along the chain from the producer to the retailer.

Why retailers have been able to source more and more from Asia is due to two things:

- Increase in technology has made it easy for retailers to source from the other side of the world.
- When the Multi Fibre Agreement expired in 2005, export quotas stopped (although still some tariffs on some products and still safeguard on China), meaning retailers can source from any country without any limit on the amount they can bring into the country they wish to sell the goods.

Retailers have used Asian countries, such as Taiwan and Korea is because of their ability to produce high quality goods. Ganda has provided more protection than many cheap labour countries, providing retailers a place to now go to for ethical trading and traditional textiles.

Through Abigail's experience, she explains to new businesses wishing to improve the conditions of their producers the challenges they will face;

- It is unfair to use payback methods to producers, and also to cancel orders or make changes near the end of production
- It is important to build a strong relationship with your producers, and will be worth the effort for businesses
- The producers are often waiting for fabrics/ components to come in from other countries, this means workers cannot work or receive income
- Tractability and labelling are essential, there is no longer a shield between the farmers/ factory workers and the consumer.
- Cotton does need to be booked long in advance, understand that there may be a poor harvest etc.
- Ensure cotton farmers are brought into your retail loop

As a designer, how does Asia inspire you?

Sury:

It is important to go out there and meet the workers and see what they can do. Sury found in Gujarat, India, people have amazing craft skills and a long history of textiles. Garments at Adili are often made more contemporary and use traditional Indian stitching, this means using the amazing high quality skills you find in India and working with the producers to share ideas on bringing their skills into collections. Designs should also keep workers in mind, for example if more appliqué is used in a collection (which needs to be done by hand) you are providing lots more employment for homeworkers.

(View the blog on Adili to see how Asia has influence Sury's designs)

Challenges:

- Organic or fairtrade fabrics for collections are hard to find, although they have become easier to get hold of in recent years, demonstrating the change in fashions culture
- Sury, coming from a high street background, feels the transition to ethical designing is difficult:
 - There are far more constraints than at high street level, mostly because high st. orders are larger
 - Education is needed to learn new skills and ways of thinking to source ethically
 - At high st. level designs need to be perfect and you can be very fussy about the smallest of mistakes, something that you are always going to find when sourcing ethically and will have to except
- Building a long term relationship with suppliers is important but difficult, orders often arrive late and it can feel that it would be damaging for the business to use them any longer (this is the difficulty, ethical vs economic)
- Building a relationship means understanding their skills and capabilities and reasonably pushing them to the limit with regards to garment construction, this means they also learn new skills.

Clare:

What is challenging for businesses wanting to source ethically is the delicate balance of: Ethical vs something that will sell.

Useful Frameworks?

Clare:

Building an ethical trading policy with key principles you want your products to cover is a great framework for a company to begin trading ethically.

Example of principles:

- Ethical Impact Area
- Transparent Supply Chain
- Labour Standards
- Empowerment, Organisation, Co-operatives
- Artisans, Craftspeople, Fair Trade
- Animal Products & Animal Welfare
- Environment
- Terms of Trade

The principles do not need to apply to every garment but incorporate at least one of them. The aim is to incorporate more and more of those principles into products from collection to collection.

Using expert consultants will help you apply the principles, as they will have specific knowledge on the culture of that region and will be able to communicate effectively with them.

The High Street don't usually go into Asia for trade skills. So what is it?

Please explain a little about the ETI

Julia:

The Ethical Trading Initiative was set up ten years ago to encourage retailers and others to exercise their responsibility to those who are affected by their decision-making. Retailers at this time were excusing themselves from this responsibility, as they were using a third party (between them and producer).

Companies will go to Asia as they find that the labour is not only cheap but also plentiful. Asia needs to be further recognised for its historical and traditional textile skills, which are often overlooked.

Garment retailers are very important for Asia, for example, 20 million citizens in Bangladesh rely on the garment industry. Retailers, particularly large retailers, are so significant in Asia that they must become more responsible for it.

Country Specific:

China

Notorious for low wages, long hours and discriminating managers. A specific issue in China is that workers have no freedom of association, this means

they can no longer present their demands or needs to management and will have to use a more drastic way, e.g. striking.

ETI wants to educate workers within China in order for them to learn their rights. Also to educate management, to make them understand that by treating their workforce better their staff turnover will reduce which will lead to many other benefits, e.g. save money on retraining and a higher skilled workforce.

India

There are 30 million home workers in India. Retailers need to realise many homeworkers are on extremely low wages, amongst other issues, and so is something that needs to be dealt with.

The ETI have helped some homeworkers (13,000), through:

- Improving the lighting in their home; brining the lights closer to the garment so workers do not have to strain their eyes
- Encourage homeworkers to take regular breaks
- Provide health insurance
- Government funding schemes.

Retailers have so far relied on auditing to solve some of the issues within their supply chains. Many retailers have begun auditing but this is not always a solutions, the ETI have found that so many suppliers are able to hide any problems they have from the retailers, examples of this have been:

- The suppliers bribing the auditors to give them a better report
- The suppliers have trained their workers to say positive things about the company
- The suppliers have been known to place different music when auditors arrive, to alert children or temporary workers to leave the factory.

It is important to remember that just because retailers are auditing, does not make them ethical.

So what is the next move?

Abigail:

We need to treat people as equals
Buying decisions happen too late in production and this needs to stop!

Sury:

The challenges for high st. retailers is they are trend led and so do make product changes at last minute, fast-fashion has caused this problem. The next move is to encourage retailers to visit their producers and discover their skills. Designing should be done together.

Clare:

The next move is to explain to factory employers how they will be able to build a stronger more effective workforce if they treat them better. E.g. employee retention, or communicating with them to avoid strikes which are costly.

Julia:

The problems within China are huge, particularly the effect that the recession is having over there.

In Asia, the recession has had a huge impact on workers, for example factories are hiring more people as temps as they are unsure of what work they can provide for employees. This has created job insecurity.

Audience Questions

Gap buyers have had training in trading programmes, but what about Head Office who are profit focused?

Julia:

Progress can clearly be seen in ethical trading when buyers are being educated on how their decision-making impacts others.

Companies are now beginning to add 'using ethical suppliers' to their reward schemes, obviously if this wasn't happening buyers would be reluctant to use, in practice, ethical trading as they won't have any support for it.

How have consumers responded to the different products Adili sells which focus on different ethical issues?

Sury:

Being an online retailer the internet can easily show which products are selling better, although this is still not an easy question to answer. Those products that are selling best are, environmentally friendly products, those that donate a percentage to charity and those products that encourage/support artisans.

Clare:

It is a challenge to identify which ethical issue appeals to consumers when it comes to purchasing products. However 'no sweat shop conditions' is seen as the most important thing to consumers.

Is there a danger to companies who want to do both environmentally and socially respectable goods? Are the two too separate?

Abigail:

Culturally, social concerns are one view and environmental is seen as more scientific as it relates a lot to chemicals, it is about educating those who are working with the chemicals on health and safety.

Environmental issues are more in the hands of the consumer, as a large proportions of environmental damage per product is due to washing, consumers must also recycle if they are concerned about the environment.

Sury:

You can put the two together, e.g. Artisans will use environmentally friendly products if you ask them to.

Julia:

Big companies are competing so much right now on the basis of Corporate Social Responsibility (CSR), that labour standards is only one small section for them to cover. For example, in M&S's Plan A, labour issues are just one section they want cover.

Retailers will have different issues they want to promote, therefore will represent their company to consumers in different ways, E.g. donate to charity or the community, reducing carbon footprint.

Clare:

Before, small retailers would only specialise in one ethical area. As time goes on and as collections go by it is easier to merge more policies into your products (framework above).

Retailers are now more reluctant to shout about their good labour standards, as it is an issue that they cannot guarantee is under control. (**Agreed by all speakers**).