



WORLD EXPORT DEVELOPMENT FORUM – W·E·D·F 2008

SPECIALIZED NETWORK SESSION: EXPORT FOR GOOD AND GOOD FOR EXPORT: ITC AND ETHICAL FASHION

The Proposition:

Recent developments in all 'lifestyle' markets have opened up new opportunities for disadvantaged communities in developing countries, particularly for micro entrepreneurs, fashion designers and SMEs. They are the result of a new pattern of personal consumption in affluent societies which has been labelled 'ethical consumerism': purchasing decisions are influenced by consumers' perception of the products link to ethical issues, such as human rights, social justice, and the environment. One major feature is how production and distribution contribute to reducing the levels of poverty of disadvantaged communities and improves their livelihoods. This trend of ethical shopping influences the majority of traditional consumer goods including fashion, so much so that marketing gurus have acknowledged the birth of a new segment: ethical fashion.

Ethical fashion encompasses all fashion, accessories, jewellery and footwear items produced in a socially and environmentally responsible way. Recent research works have highlighted that the market is expanding, in particular the high value, design-led segment. With an emerging market of younger consumers (aged 25-45), characterized by high spending power, political consciousness, and a high degree of loyalty towards fashion brands and retailers, international designers and fashion houses have embraced the trend.

The features of ethical fashion products partially overlap with those required in mainstream fashion: high quality and design inputs are required. However, what differentiates them is the need for compliance with 'ethical expectations' throughout the production and distribution process and the willingness of the consumer to pay a premium for these attributes. This means that products have to be the outcome of a supply chain that guarantees:

- Fair wages and non-hazardous working conditions, as well as a respect for workers' rights;
- Support to sustainable livelihoods, i.e. products produced by disadvantaged communities with a clear impact in terms of poverty reduction;
- No use of toxic pesticides and chemicals;
- Use of natural or organic materials
- A minimum use of water;
- Improved energy efficiency, recycling and waste.

The reference point for the ethical consumer is no longer the prize for a similar item produced in unsustainable sweat-shop conditions, but the positive development and environmental impact of its shopping act. Thus, communication becomes an important marketing feature. Statistics suggest that clear communication and labelling could greatly increase the market share of this segment. Consumers want to know what they buy.

Focus of the Debate

The session discusses how to map out the key criteria to be adopted to communicate the ethical nature of fashion goods to consumers. It is about outlining a compliance scheme for ethical fashion. Not another certification scheme, but a combination of existing social and environmental standards that should assure the consumer of responsible production and sourcing. Fashion experts and designers, lawyers, managers, fair labor experts, representatives of groups of African micro-manufacturers, TSIs will debate the way forward.