

Refashioning Apparel Business

Industry leaders must address poor, dangerous working conditions that arise from pressure to cut costs.

By **BRUCE DOBB** and **FRANCES HARDER**

THERE'S been a new phrase coined to express the latest twist in L.A.'s trendy ready-to-wear fashion industry and it's "Ethical Fashion." Not quite as glamorous as the splash and glitz found during LA Fashion Week, but it summarizes a new reality that the industry faces.

These recent developments have cast a disturbing light on our industry:

- 1,100 garment workers killed in a factory collapse April 24 in Bangladesh – this after another fire there killed 110 workers in April.

- Publication of a book titled "Overdressed: The Shockingly High Cost of Cheap Fashion," pointing out the real cost in terms of human suffering and environmental contamination caused by America's clamoring for ever cheaper clothes.

- Clothing manufacturing has been excluded from the overall resurgence of domestic manufacturing this decade. Advances in robotics have helped companies in other industries save on labor costs when manufacturing in the United States, but in apparel, the construction of a garment requires a lot of manual work.

All of which points to a need to rethink the race to the price bottom brought on by the globalization of manufacturing and advent of "throw-away" fashion – making poor-quality, cheap clothing a staple for today's American consumer. The direct result is a disaster for workers in underdeveloped nations when they compete against each other to see who can produce our clothes faster and cheaper.

"We've been totally trained to buy it cheaper. It's a challenge for the designers and the makers out there," said Erica Wolf, executive director of Save the Garment Center, a campaign aimed at preserving domestic production of clothing in New York. Even shoppers who want to buy ethically produced clothing find it difficult, prompting another group, Fair Trade USA, to launch a pilot program to certify to the conditions under which it is produced.

Just as the Triangle Shirtwaist Fire of 1911 in New York ignited labor reform at the turn of the 20th century, the Bangladesh tragedy has started the process of rethinking the hidden costs of global price wars for cheap labor.

Southern California is the largest center for ready-to-wear fashion labels in the world and already has the nation's largest sweatshop-free domestic clothing manufacturer within its boundaries, American Apparel Inc. That company has led the charge by paying a living wage to its employees. But this industry problem can't be addressed by one company alone.

In the 1950s and '60s, almost 100 percent of all clothing



BLOOMBERG NEWS

Overseas: An employee works with a yarn spooler at Vintage Apparels Ltd.'s factory in Dhaka, Bangladesh.

sold in the United States was produced domestically. Up until 1990, it was still 50 percent. Now, as little as 2 percent is made in America, thanks to the North American Free Trade Agreement and pricing pressures to find cheap labor. The erosion of consumer purchasing power in other areas of consumption such as health care, housing and education has also fueled this downward pricing push.

Household expense

A 2010 study found that the average American household spends about 3.8 percent of its income on clothing – down considerably from the 10 percent to 15 percent of previous generations. Few other areas of consumer spending have witnessed such price drops.

Just as fair-trade coffee and organic vegetables have become commonplace for the grocery business to interject considerations other than price, so must working conditions, environmental issues and wage fairness become part of the retail clothing landscape. Price alone cannot remain our sole purchase consideration.

Ethical Fashion is a concerted effort to raise consumer awareness of working conditions and substandard wages paid to garment workers worldwide, and not just in Bangladesh, but here as well. Los Angeles is the low-wage capital of the nation – 28 percent of its labor force earns less than \$25,000 a year, according to the Census Bureau. The largest first-time employer for the work-

ing poor in Los Angeles County is still the garment industry.

On April 13, CBS news reported that a handful of some of the world's largest retailers signed binding commitments pledging to conduct safety inspections, be more transparent about work conditions and pay for factory upgrades. It was decided that this is far cheaper than the cost of negative press and public outrage that would result from yet another disaster.

All of this is good news for L.A.'s Garment District. Many of our local young designers and manufacturers are too small to outsource their production. Much of their production still occurs here in downtown Los Angeles, up and down Central Avenue, where hundreds of independent cut-and-sew shops, cutters and finishing contractors service this vital industry. They can only hope to compete if there's a level playing field.

Los Angeles is where fashion trends that sweep the world begin. It's time we also became the mecca for a new call for accountability in the fashion world. It's about more than which new trendy top is cheaper – it's about karma as well.

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