



## Mankato Area Fair Trade Town Initiative

### The quest for Fair Trade clothing

Paul Renshaw



#### 1. Trading standards

Trade – and discussion about its regulation and the standards by which traded goods are produced - is an essential part of economic and political life.

Where the political will exists at national level, legislation sets standards in the fields of labor rights, health and safety and environmental protection. At the international level conventions perform the same role and can act as stimuli for national legislation.

The [International Labour Organization](#) is a key body. Founded in 1919, the ILO became the first specialized agency of the United Nations in 1946. The main aims of the ILO are “to promote rights at work, encourage decent employment opportunities, enhance social protection and strengthen dialogue on work-related issues.”

The [World Trade Organization](#) was established in 1995 “to ensure that trade flows as smoothly, predictably and freely as possible”, which is not quite the same thing.

Enforcement of both national legislation and international conventions can be a problem but at least standards establish benchmarks for monitoring purposes and targets for further advocacy by those who disagree with their provisions. (The weakness of the regulatory function of the Bangladesh Government is recognized as one of the factors that contributed to the world’s worst industrial accident at the Rana Plaza garment factory complex on April 24, 2013).

Outside the realm of national governments and international conventions (though drawing on the latter particularly when strategically useful) is the Fair Trade movement that has developed in the post-WWII period. This has grown up within the non-profit and the private business sectors to try to model an alternative to conventional trade practice which, historically, has given producers in the Global South - farmers and small artisans - a raw deal.

#### 2. Fair Trade

##### 2.1 Mission-driven businesses

Fair Trade can be traced back to the mid-1940s when handcrafted goods began to be brought into the USA from Puerto Rico through Mennonite channels. Over the years this initiative developed into what is now the [Ten Thousand Villages](#) chain of stores. This is a prime example of a committed Fair Trade business. It is one of about 250 such enterprises in membership with the [Fair Trade Federation](#) in the USA, which has connections at the international level with the [World Fair Trade Organization](#), based in the Netherlands. Members of the WFTO and FTF adhere to a number of Fair Trade principles. Some of these businesses are involved with handcrafts, some with coffee, olive oil, soap, quinoa and other commodities and some with wearing apparel, accessories and jewelry.

FTF was founded in 1994 but has not sought to establish product certification schemes, not least because of the complexity of certifying the sourcing of multiple ‘ingredients’ in the fields of handcrafts and wearing apparel. Instead, the FTF relies on membership to confer validation of its principles. The WFTO recently implemented a [Guarantee System](#) that is not a product certification scheme, but an assurance mechanism that ‘fair trade’ is implemented in the supply chain and company practices.

2.2 Product certification

Fair Trade certification is a development of the last 25 years, initially in the field of agricultural commodities. Pioneered by the Max Havelaar label in the Netherlands in the late 1980s, the international Fair Trade certification movement developed in the 90s with Fairtrade Labelling Organisations International (now just [Fairtrade International](#) but still known as FLO) as its hub, based in Germany. This certification applies to products, not to the producing companies.

In the USA a national Fair Trade labeling initiative was set up in 1998 with the name of TransFair, based in Oakland, CA. In 2010 its name was changed to [Fair Trade USA](#) and, in December 2011, it left FLO following a policy disagreement over coffee certification.

3. **Fair Trade and wearing apparel**

3.1 Public consciousness about working conditions of garment workers has been pricked from time to time, but never as strongly as when the Rana Plaza factory complex in Dhaka, Bangladesh, collapsed on April 24, 2013 with the loss of over 1,100 lives and injuries to over 2,500. US retail chains that sourced from Rana Plaza include *Walmart, Dress Barn* and *The Children's Place*, all represented in Mankato.



One of the lucky ones



Desolation & loss



Grieving one year later

3.2 Some facts and figures

Apparel	Americans purchase 20 billion items each year; only 3% made in the USA.
Factories	75% world's clothing exports come from poor countries like Thailand and Bangladesh.
Conventional	
Apparel factories	Child labor, low-wages and long hours are common as factory production has been relocated to the lowest-cost countries. Only 0.5-4% of the final retail cost of a garment reaches the garment worker.
Cotton farms	More insecticides are used than on any other single crop — accounting for over 10% of total pesticide use and nearly 25% of insecticides use worldwide. Textile production has environmental and health impacts from high-pesticide use, including water contamination from toxic dyes used in fabrics.
Impact of Fair Trade	
Economic	On average, workers in certified factories earn 15% above the local minimum wage. Cotton farmers in countries like Mali and India can earn up to 30 percent more on Fair Trade sales through a guaranteed minimum price.
Environment	Standards address waste disposal, chemical use, and water management.
Social	Women must receive equal pay and equal rights as well as maternity leave and freedom from harassment. Fair Trade certification delivers direct economic benefit at two different levels of the supply chain: cotton farmers and cut-and-sew factory workers.

Adapted from Fair Trade Campaigns - <http://fairtradecampaigns.org/>

**4. Identifying Fair Trade wearing apparel**

4.1 Increasing awareness of the potential for Fair Trade within the apparel industry has never been more timely, despite the difficulties. In the USA, 57% of consumers surveyed have said they were willing to pay at least 5% more for Fair Trade Certified products.

4.2 The longer standing tradition – that of the members of the Fair Trade Federation – has some experience to offer. One of its members is *Global Mamas*, whose North American office is in Minneapolis. *Global Mamas*, established in Ghana in 2003, is also a full member of the WFTO. *Global Mamas* describes how its business embraces Fair Trade principles [here](#).

*Global Mamas* thinks of itself as, and is recognized as, a Fair Trade company, but it is not yet ‘100% fair trade’. Its garments are not made with Fair Trade cotton due to lack of availability. The company continues to work on finding sources of organically grown cotton and more environmentally friendly ways of dyeing cloth and establishing ‘safe zones’ where materials purchased to be used in manufacturing are known to be ‘fair trade’.

In a communication to MAFTTI in August 2014 *Global Mamas* confessed that “We’ve spent countless hours researching sources for importing fabric on our own, but it has not been fruitful to date. Sadly, there are very few options out there in the world and those producing fair trade cotton can pick their buyers. Until the point arrives when we can import fabric on our own, the fabric we currently buy is our only option. We do purchase it white and add all of the batik designs through a very fair trade process.”

The experience of *Global Mamas* points up the need to understand that Fair Trade recognition in wearing apparel can be split between the material used and the process of assembly (“cut, sew, trim”).

4.3 This pattern can also be seen in the recent development of certification for wearing apparel by [Fair Trade USA](#).

Fair Trade Certified Labels for Apparel and Linens		
Type of label	What it means	Explanatory text on package
Full label		
	All certifiable ingredients and processes are 100% Fair Trade Certified. This includes the raw material (cotton) and manufacturing in a Fair Trade USA-approved facility. The Fair Trade Certified cotton constitutes 50% or more of the product content.	“Your purchase of the Fair Trade Certified item supports better working conditions for the cotton farmers and factory workers who made it. And for
Fair Trade Certified Factory or Sewing		
 	Non-cotton or artisan products that are sewn in a Fair Trade USA-approved facility.	

Fair Trade Cotton		each product sold, they earn a premium to invest in social development projects and fight poverty in their communities.”
	All certifiable raw material (cotton) is Fair Trade Certified. The Fair Trade Certified cotton constitutes 20% or more of the product content.	
Back Panel Description (No label)		
	Products with <20% Fair Trade cotton can note on the back label of the package “Fair Trade Certified cotton” as part of the ingredients statement; non-FTC factory.	Products can have additional explanation of the Fair Trade ingredient on the back or side of the packaging, on their website and Corporate Social Responsibility reporting.

Adapted from Label Use Guide, Fair Trade USA

## 5. The way forward

- 5.1 In view of the complexity of supply chains in the clothing industry, it may well be that Fair Trade principles stand the greatest chance of being fully implemented in relationships between small and independent producers. The ethically-minded consumer who wants to find an item of wearing apparel produced under Fair Trade conditions has little option but to research the field and look outside household-name stores on Main Street.
- 5.2 Clothing companies in membership with the Fair Trade Federation and those that produce clothes and shoes bearing the Fair Trade Certified label, in full or in part, are those that most clearly make the availability of Fair Trade products known. In the retail field, as in other fields, there are those that sell Fair Trade clothes largely because of a niche market for such items has been identified. But there are also others, probably smaller, that maintain ethical, sustainable business relationships within the apparel industry independently and without third-party verification.
- 5.3 With that awareness and understanding, much can be done to promote Fair Trade by
- supporting companies and organizations that are working to apply Fair Trade principles in the production of clothing.
  - assimilating FTUSA’s certification process and monitoring its impact. (A FTC Cotton label can still mean that only 20% of the cotton used comes from recognized Fair Trade Certified producers. This was, and probably still is, a contentious element in this particular certification scheme.)
  - finding new ways to educate people about why they should buy recognized Fair Trade clothing and identifying the opportunities of doing so.
  - helping local merchants make recognized Fair Trade clothing available in their shops.

## 6. But what about the 3% clothes still made in the USA?

A typical US apparel company manufactures their products at dozens of factories spread across the developing world utilizing unjust labor conditions and lacking environmental standards. The carbon footprint of these companies is further enlarged by shipping materials back and forth thousands of miles. Add to this the terrible worker conditions of those who work on the ships.

Take, as an example, [New Balance](#) running shoes. The cheapest pair bears a label stating “made in (some foreign country)”. As the price increases the label says the pair was made partially in a foreign country and partially in the US. The most expensive pair of *New Balance* label shoes says “made in the USA” ... which is not completely true. It is **mostly** made in the USA but a small part is foreign. US law allows companies to put “made in USA” on their products if a certain percentage of the product is made in the USA, even if not 100%.

Alternatives are, however, possible to find. If a company is ‘vertically integrated’ it is easier to follow the supply chain and monitor how far Fair Trade or other criteria of corporate social responsibility are met.

[American Apparel](#) is just one example. It controls all aspect of the process: It manufactures in and distributes from factories in Los Angeles, California all within 30 miles of one another. Spools of yarn are knit into rolls of fabric, dyed, cut, sewn, and packed into boxes. At the same time the creative department, including photographers, models, and graphic designers, create the marketing campaign without the help of an outside PR firm or celebrity spokespeople. Furthermore, the shipping and retail departments handle the distribution of the products. Workers are paid living wages; garments are made of higher quality materials; environmental standards are met; and the company’s manufacturing method shrinks its carbon footprint.

Furthermore, new models of manufacturing are also emerging and challenging the idea that only big businesses can succeed. [Lolly Wolly Doodle](#) was founded in 2008 in Lexington, NC to manufacture women's and children's clothing for sale online. It uses a whole new approach to manufacturing garments, custom-making clothing (in the USA) for the consumer, paying workers good wages, and avoiding overproduction, thereby also reducing its carbon footprint.

## 7. A last word pro tem

Patterns of business wax and wane as innovation brings constant change to the market place. Fair Trade holds up some basic ethical principles against which to judge the impact of those changing patterns of business on the supply chain, especially on the most vulnerable, wherever they are to be found. The degree to which these principles influence the production and marketing of wearing apparel will be highly influenced by the consciousness of the consumer and their willingness to pay fairly.

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## Appendix

Online sources present the widest range of recognized Fair Trade clothing in the USA

<i>Dsenyo</i> Boulder, CO	<a href="http://www.dsenyo.com">www.dsenyo.com</a>	Women’s clothing, bags and jewelry
<i>Global Mamas</i> US office: Minneapolis, MN	<a href="http://www.shopglobalmamas.com">www.shopglobalmamas.com</a>	All age apparel, jewelry and accessories
<i>HAE Now</i> Emeryville, CA	<a href="http://www.haenow.com">www.haenow.com</a>	Indian Organic cotton T-shirts, all ages
<i>Indigenous Designs</i> Sebastopol, CA	<a href="http://www.indigenous.com">www.indigenous.com</a>	Variety of men’s and women’s from Peru
<i>Inter-American Trading Inc.</i> Denver, CO	<a href="http://www.i-at.com">www.i-at.com</a>	Alpaca, cotton, wool apparel from Peru and Bolivia

<i>Marigold Fair Trade Clothing</i> Olympia, WA	<a href="http://www.marigoldfairtradeclotthing.com">www.marigoldfairtradeclotthing.com</a>	Mainly women's apparel from Mumbai, India
<i>MarketPlace: Handwork of India</i> US office: New Windsor, MD	<a href="http://www.marketplaceindia.com">www.marketplaceindia.com</a>	Men's shirts, women's apparel and accessories made in India
<i>Mata Traders</i> Chicago, IL	<a href="http://www.matatraders.com">www.matatraders.com</a>	Women's apparel and accessories from India
<i>Maule Wear</i> Nipomo, CA	<a href="http://www.maulewear.com">www.maulewear.com</a>	Men's and women's sweaters, ponchos, scarves and skirts from Chile
<i>Mehera Shaw</i> Chapel Hill, NC	<a href="http://www.meherashaw.com">www.meherashaw.com</a>	Upscale women's apparel from India
<i>Minga Fair Trade Imports</i> Lake Geneva, WI	<a href="http://www.mingaimports.com">www.mingaimports.com</a>	Woolen and cotton wearing apparel for all ages, from Ecuador, Peru, Bolivia and Colombia.
<i>Nativa</i> San Antonio, TX	<a href="http://www.nativashop.com">www.nativashop.com</a>	High quality women's blouses, men's shirts and accessories from Mexico
<i>Nomi Network</i> New York, NY	<a href="http://www.nominetwork.org">www.nominetwork.org</a>	T-shirts for men, women and children from India and Cambodia
<i>Rupalee Fair</i> Philadelphia, PA	<a href="http://www.rupalee.com">www.rupalee.com</a>	Women's apparel, including nightwear from India
<i>SERRV International</i> Madison, WI	<a href="http://www.serrv.org">www.serrv.org</a>	Apparel for women (mainly), men and children
<i>Sevya</i> North Charleston, SC	<a href="http://www.sevya.com">www.sevya.com</a>	Designer shawls, scarves & other women's apparel from India
<i>Unique Batik</i> Raleigh, NC	<a href="http://www.uniquebatik.us">www.uniquebatik.us</a>	"Kidswear, bottoms and tops" and accessories from Ghana, Thailand and Guatemala

Retail outlets in Minnesota offering wearing apparel produced by members of the Fair Trade Federation or carrying the Fair Trade Certified label

<i>Ganesh Himlal Trading Products</i> at Farrington's 312 Water Street Excelsior	<a href="http://www.ganeshhimaltrading.com">www.ganeshhimaltrading.com</a>	Clothing, bags from Nepal
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<i>Liz Alig</i> Products at Brightwater 256, Water Street Excelsior	<a href="http://www.lizalig.com">www.lizalig.com</a>	Women's apparel produced in South Asia, Central America & West Africa.
	Additional outlet at Gallery 360, 3011, W 50 <sup>th</sup> Street, Minneapolis	
<i>Maggie's Organics</i> Products at St.Peter Food Co-op St.Peter	<a href="http://www.maggiesorganics.com">www.maggiesorganics.com</a>	Women's apparel, socks, scarves
<i>Oliberte Footwear</i> Products at Brightwater, 256 Water Street, Excelsior	<a href="http://www.oliberte.com">www.oliberte.com</a>	Men's & women's shoes made in Ethiopia – first Fair Trade Certified shoes
	Also at Brightwater 4388 France Avenue S, Minneapolis	
<i>PACT Apparel</i> Products at Linden Hills Co-op, 3815 Sunnyside Ave., Mpls and at Mississippi Market: 1500 W7th Street, St.Paul	<a href="http://www.wearpact.com">www.wearpact.com</a>	Claims largest selection of Fair Trade clothes in US At any one Whole Foods, shelf stock is likely to be very limited in range.
	Also at Whole Foods in Minneapolis:- Minnetonka: 1001, Plymouth Road Lake Calhoun: 3060 Excelsior Boulevard Wedge Co-op: 2105 Lyndale Avenue S Hennepin, 222 Hennepin Avenue Maple Grove, 12201 Elm Creek Boulevard N	
<i>Patagonia</i> Products at 1648 Grand Avenue St.Paul	<a href="http://www.patagonia.com">www.patagonia.com</a>  Search 'Fair Trade'	Women's sports- wear first FTC products from a company strong on the environment.
<i>prAna</i> Products at 3926 W 50 <sup>th</sup> Street Edina	<a href="http://www.pрана.com">www.pрана.com</a>	Fair Trade Tees, dresses & wraps amidst wide selection of organic products.
<i>Sakaad</i> Products at Simba Craftware 920 E Lake Street #120, Minneapolis	<a href="http://www.sakaad.com">www.sakaad.com</a>	Cotton apparel from East Africa for women, men & children.
<i>Ten Thousand Villages</i> 3825 W 50 <sup>th</sup> Street Minneapolis	<a href="http://www.tenthousandvillages.com/minneapolis">www.tenthousandvillages.com/minneapolis</a>	Scarves Jewelry Accessories
<i>Ten Thousand Villages</i> 867 Grand Avenue St. Paul	<a href="http://www.tenthousandvillages.com/stpaul">www.tenthousandvillages.com/stpaul</a>	Scarves Jewelry Accessories