

Ethically Sourced & Produced

Ethically sourced materials are sustainably harvested from renewable resources and are sourced locally. Ethically produced fashion is created using eco-friendly processes and techniques. All people involved are treated with dignity and equity, and the processes involved are respectful to our planet and the balance of its wellbeing. These are must-have principles for ethical fashion companies like Hearts.

THE CHEAP CONSUMPTION CYCLE AND ITS IMPACT ON PRODUCERS AND CREATORS

As consumers, the products and services we spend our money on represent our overall purchasing power. This has a substantial influence on how ethical our economy really is. As humans living in developed countries, we come by our desire to consume stuff honestly. Our modern world teaches us to be consumers. We consume more today than we ever have. In fact, though the human population is only 2.2 times larger than it was in 1960, consumption has increased six fold from \$4.9 trillion to \$23.9 trillion.ⁱ

Advertising campaigns for everything from stationary companies to fashion houses encourages individuals to believe that their value is defined by how much they can consume and how quickly. This is even true of our children according to some recent studies:

- **Children's understanding of the world:** In a 2002 study, researchers discovered that children could easily recognize many Pokemon characters, but were unable to identify common wildlife species. Worse is that some children could recognize the M-shaped golden arches of McDonald's but didn't know how to identify the letter M.ⁱⁱ
- **Children's' exposure to advertising:** In a 2004 study, it was discovered that children are exposed to 25,600 television ads covering 10,700 minutes over the course of the year. That's equivalent to 7.4 full day's worth of advertising.ⁱⁱⁱ
- **Advertising budget for children:** Big businesses spend \$17 billion every single year to advertise to American children. They even go as far as to hire professional anthropologists to study how children react to advertising and how to get them to want more things.^{iv}

Of course, similar numbers were found in adult populations as well. We are inundated with messages about consumption every single day – from billboards to radio ads to television ads to bus ads to Internet ads.

Yet it is important to note that the problem isn't *that* we consume, it's that we consume *so much* and that we as consumers demand that our products be delivered to us *as cheap* as possible. This creates a negative impact which harms people and the planet and turns into one seriously vicious cycle.

THE PROBLEM OF FALLING PRICES DUE TO HIGH DEMANDS FOR CHEAPER CONSUMER GOODS

Consumers in wealthy countries cycle through cheap products faster than ever before, and as a result, demand lower and lower prices in order meet their consumer habits. The only way most

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manufacturing industries can provide low cost goods to consumers is by using cheaper materials and decreasing wages for those working in factories.

In order to meet consumer demand, the big corporate business model requires low prices, quick turnarounds, and constantly changing products to keep consumers interested and buying more. These giant companies demand for high production at bottom basement prices, fuels a very unhealthy cycle:

1. Consumers want cheaper goods and constantly new styles and functionality.
2. Big corporations transfer these demands to the manufacturers by negotiating contracts at low price points per unit. Looking for short cuts in reducing overall production costs, manufacturing and production companies will jeopardize the quality of fair labor rights while harming local environments.
3. Manufacturers can only provide cheap goods if the cost for the materials are sold to them at a lower price point and by reducing worker's pay rate. Those companies that cannot compete with the lower cost turn to other countries where laws are less stringent and people are so improvised that they will work for virtually nothing.
4. This leads to social injustice, and poor quality products that flood the market so that supply meets the overall demand rate.
5. As supply exceeds demand, prices for cheaper goods fall even further, thereby repeating the whole cycle.

This vicious cycle is evident in every value chain in the fast consumption economy. By and large, a consumer's choice drives this engine of cheap goods production, though other factors, such as government interventions.

THE ROLE OF GOVERNMENTS IN SUPPORTING UNETHICAL TRADE

Unfortunately, governments have a huge part to play in unfair trade practices that support unethical production methods. Goods are driven to sell at lower prices when governments allow monetary value to overshadow their duties in the protection of their citizens and their countries natural resources. Everything from coffee to chocolate, and fruit, to flowers has been driven to sell at low prices in order to generate quick and easy compensation. Rich governments in developed countries sometimes wield their power in ways which do not favor the poor and struggling nations. The citizens of such nations are forced to succumb to cheap labor and unethical treatment in order to maintain a living for themselves and their families. Most consumers do not realize these types of trade games are taking place around the world. The biggest concern is the fact that the trend is spreading to more and more industries as natural resources become scarcer and the consumer's demand for cheaper and cheaper products continues to rise.

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UNETHICAL FAST FASHION: LOW WAGES AND HIGH PRODUCTION RAISE CONCERNS ABOUT HUMAN RIGHTS AND ENVIRONMENTAL ABUSES

The fast fashion industry is an excellent example of how this unethical practice of producing works. All products from apparel to jewelry, services like the food industry, and practices like gaming will unfortunately, continue the same methods of production as long as the demand is there. In order to keep up with the supply chain, production Immoralities involving cheap labor, inhuman treatment and unethically sourced materials that are mined and pulled from the earth by any means necessary will continue to occur. As long as the consumer elects, unknowingly in most cases, to spend their money on goods that support those types of practices and consumption, we will get exactly what we ask for. Education serves at the best tool in combating these methods of fast consumerism. When an educated consumer makes the choice to say no to the unsustainable and unethical products that sit on our shelves, we all become one step closer in make seriously needed changes to our supply system.

FARMERS AND MATERIALS SUPPLIERS MUST LOWER THEIR COSTS TO MEET DEMAND FOR CHEAP GOODS

Consumers demand low-cost fashion, but in order for manufacturers to supply what consumers demand, they must source their materials at lower and lower costs. As such, the foundation of unethical clothing and accessories begins with the basic materials and how they are produced and traded. This applies to all materials including agricultural products, wood, seeds, nuts, leather, and so forth.

Farmers and raw materials extractors are the first to suffer when consumers demand cheaper, faster fashion. Large corporations have significant influence to control supply streams, and use that to control prices. They can afford to sell at a lower price, and do so in order to monopolize the market. As a result, small farmers are forced to either sell at a price that is not profitable or to let their goods go unsold.

Producers use many methods to try to lower their costs so that they can continue to sell their goods for a profit.

- Hire others to work for very little money
- Engage in human trafficking to obtain slave labor to produce their goods
- Save money by forgoing the use of safety equipment , which puts the health of the workers at risk
- Use chemicals that speed up production and insure larger crop harvest by combating fungus, pests and other natural adversaries from damaging their crops; these chemicals often poison their backyards, the workers , the consumers, and makes continued harvesting all together unsustainable and improbable

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- Treat their animals cruelly by giving them less space, less food, and natural habitat in order to lower costs

These practices are unethical, violate human rights and reduce the chances to improve quality of life. In addition, stark statistics point out: 40% of all workers worldwide earn a living in agriculture, though in regions like Rwanda, the number is closer to 90%.^v Many agricultural products are used in the fashion industry which is often produced by people earning less than \$2 per day, which is usually insufficient for supplying daily needs, never mind sending money back to family members living in rural communities.^{vi}

UNETHICAL FAST FASHION: LOW WAGES AND HIGH PRODUCTION

By lowering the costs for raw resources is one way manufacturers are able to produce cheap products. Another way is to drive down wages in the manufacturing portion of the value chain. Many people come to these jobs believing they will earn high wages to support their families. However, after they migrate from rural communities to urban centers, they find themselves working in appalling sweatshop type conditions. The following are some of the working conditions endured by those in the manufacture of unethical fashion:

- **Millions earning below poverty level:** There are 150 million Chinese migrant workers, with 6.5 million of them working in the fashion industry. These people produce 34% of the world's clothing but because of low prices usually work for wages that are below the poverty level.^{vii}
- **Women dominate sweatshop industry:** 70% of all textile workers are women. Most of these women work in clothing factories where they are exposed to sexual discrimination and extremely low wages.^{viii} Women are often responsible for earning a family income and conducting affairs of the home in single parent households, making this burden twice as difficult to bear.
- **Union busting:** Workers are forbidden from forming collectives or unions which would give them bargaining power for better working conditions. When workers try to fight for higher wages, the companies will either bust unions and other efforts to organize, or they will close up the factory and move to another country in order to avoid making changes. Thousands lose their jobs as a result. Supporting ethical fashion helps to protect workers from these unfair labor practices.^{ix}
- **Forced overtime:** Laborers are often required to work 7 days a week sometimes up to 20 hours per day with few breaks. Employees who refuse to work overtime are usually fired, and when they do work overtime, they are often not paid a higher rate for their time beyond 8 hours. Some are not paid at all for their extra time. Ethically-produced fashion is created by humans in a safe work environment, who work a reasonable number of hours, can choose whether or not they wish to work overtime, and are compensated fairly for their efforts.^x
- **No safety equipment for dangerous work:** In many factories, companies will avoid costs by refusing to supply workers with the necessary safety equipment. For example, abrasive sand blasting with crystalline silica is used to give denim jeans used and worn look, but

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breathing in this dust causes a rare, incurable disease of the lungs known as silicosis. In 99 cases of silicosis from exposure to this substance, 14 people died, and the remaining 85 are likely to follow according to the National Institute for Occupational Safety and Health (NIOSH). Budget concerns prevented the employer from providing safety equipment.^{xi}

- **Denied training and advancement:** Factories value automaton workers who don't think for themselves. Therefore denying workers opportunities for training and advancement.
- **Slavery and non-living wages:** Children and adults are often forced to work to pay off debts, often with no hope of every getting free.
- **Physical abuse:** Many workers are subjected to sexual and physical abuse without reproach.
- **Workplace discrimination:** Laborers are often subjected to discriminatory employment practices. This can take the form of lower wages for particular ethnic groups, unfair working conditions for women, and even verbal abuse of those who are different.
- **No employee benefits:** Workers are often denied benefits such as health care insurance or pensions. Women are rarely given maternity leave, are not provided with child care options, and are often forced to send their children back to live with families in rural communities. As a result, when they face health challenges, pregnancies, or want to retire, they must find their own financial solutions.

The bottom line is that profits are outweighing the need to reinforce safe, ethical working conditions for the people who make a living providing consumers with the products they demand. When we support fair trade, we are insuring the workers are in an environment where their best interests are of the upmost concern. This includes heath care, chances for advancement through training and skill development, livable wages that include time off, paid vacations and sick leave, and mostly importantly it insures the respect and dignity of each individual. Fair trade supports a healthy form of business practice where in the end everyone benefits, including the environment and the quality of our goods.

DEPRIVATION OF NATURAL RESOURCES FOR USE BY INDIGENOUS PEOPLES

Another problem associated with unethical production of cheap goods is the co-opting of natural resources by the giant consumption machine for goods sent to developed nations. For instance, in India, women are tasked to collect seeds from the sal tree for use in making lipsticks. At one point, these people may have used these seeds for their own purposes, but when those resources are co-opted by big corporations, they are often no longer available for use by the indigenous peoples. Stripping natural resources for profit may provide temporary local jobs but without replacing the natural resources and seeding new sal trees, a natural resource that should be available to all, will be lost forever.

This kind of overconsumption is happening all over the world. Consider 20% of the world's population – those with the most money – consume 86% of the world's resources every single year. The poorest fifth of the planet, on the other hand, consume just 1.3%.^{xii}

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TRANSFORMING FAST FASHION INTO ETHICAL FASHION WITH SOCIALY RESPONSIBLE BUSINESS PRACTICES

Products that are ethically sourced are created using components that are harvested from natural resources that using sustainable, fair labor principles to ensure human rights and environmental limitations are respected. Ethically produced fashion means clothing and accessories are produced by humans who have been afforded the basic concerns addressing proper safety and equitable employment.

Consumers drive the cycle of cheap clothing and fast fashion, and that means they are also able to create changes. When consumers choose ethically-sourced and ethically-produced clothing and accessories, their purchase supports safety, fair, and humane working conditions for those producing the raw materials and those creating the finished products. This includes fair wages and safe working conditions, the ability to influence the work process, benefits such as maternity leave, pensions, and health care, and freedom from discrimination and abuse.

In essence, ethical fashion means there's a closer link between consumers and producers which humanizes the process. When consumers support ethically-sourced and produced fashion products, they are supporting the following practices:

- Ethically-sourced raw materials are purchased from producers and farmers at a fair price, which allows them to operate using sustainable practices and fair labor principles.
- Non sweatshop clothing provides workers with fair and stable prices for their products and their time, with humane and dignified respect for their human rights.
- Sweatshop free clothing brands purchase materials at prices that provide workers with extra income with which to improve their lives.
- Ethical fashion designers are able to produce their pieces using materials that are created with respect for the environment.

Within the ethically-sourced and ethically-produced fashion market, there are several ways consumers can support fairer trade and working standards for employees in the industry. Seeking out fashion that is certified by a fair trade organization is the ideal, but when that is not possible, consumers can shift their spending from mass market produced fashion items to fashion that is created through cooperatives, niche producers, and artisans groups. There are also many passionate companies like Hearts, who can supply your fashionable tastes with a transparent line of sight.

ETHICALLY-PRODUCED FASHION THROUGH COOPERATIVES AND NICHE MARKETING

Marginalized farmers and producers can collectively work toward their goals through a cooperative. Cooperatives involve several farmers or produces joining together to form a union that is governed by shared goals, standards, and practices. The cooperative then negotiates contracts

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with buyers collectively to achieve fair prices that allow them to be more profitable and to use more sustainable practices.

Niche marketing is another option, which involves encouraging producers to choose commercial crops or goods that have hitherto been ignored by the larger market. These are consumer goods that have some unique properties or value that will garner the attention of a smaller market, but will reap the producer's higher prices per unit than cash crops can.

These products are not traded on the large, global scale that cash crops are generally traded at, and are therefore insulated from wildly fluctuating world prices. By choosing to produce niche materials rather than mass-marketed items, producers are able to operate more sustainably, gain a higher profit, and benefit their communities more holistically.

One example of niche marketing comes from Mexico. In this small market, growers have been able to establish international commercial links and increase their income by 53%.^{xiii} Yet profits aren't the only benefit of these systems. Niche marketing and cooperative products have many benefits:

- Cooperatives work together to get bulk purchasing discounts for their supplies and capital expenses.
- Cooperatives can share equipment and buildings to achieve economies of scale benefits.
- Through cooperatives, farmers and producers are able to share ideas and expertise to achieve a better result.
- Cooperatives speak together to have a unified voice in public policy.
- Both niche market producers and cooperative producers are able to achieve more competitive prices for their goods.
- Niche producers are able to generate materials that are sustainable for their local environment in order to ensure the long-term viability of their community.
- Both cooperative and niche producers are often able to generate enough jobs to employ more people in their community than they otherwise could with cash crops. This helps to minimize the migration of workers from rural to urban communities and to maintain cultural awareness and cohesiveness.

Consumers can identify products produced through cooperatives by looking for some identification or description of the cooperative or niche production methods used on the product label. Without third-party verification, it can be difficult to verify such product marketing claims.

ETHICALLY-SOURCED FASHION BRANDS THROUGH ARTISAN GROUPS

Rather than choosing fashion produced in mass market manufacturing plants, consumers can make a difference in the life of producers by choosing ethical fashion items through smaller artisans groups. As part of the ethical fashion brand value chain, small artisans produce unique items under

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fair, humane working conditions rather than those found in sweatshops. There are many social and environmental benefits to supporting small artisan producers:

- Small artisan systems empower women, families, and communities.
- Social entrepreneurship provides sustainable livelihoods for many people, and encourages the growth of more small businesses.
- By keeping more of the profits in the community, small companies reduce poverty and minimize market risk.
- Small artisan systems help to fund schools in their communities to increase access to education for women and children.
- By charging fair prices for their goods, small producers are able to pass those funds on to their employees by providing fair wages and equitable contracts as well as other perks such as health benefits, pensions, and maternity leave.
- Small holders usually value the children in their community and as such prohibit child labor.
- In small shops, employees have the freedom to choose their employment and to protect themselves with any associated dangers of their work.

There are many larger-scale benefits as well. For instance, by purchasing ethically produced and sourced fashion items through the small holder industry employs 1.5 to 2 billion people worldwide.^{xiv} What's more, those who receive fair prices for their goods and labor generally have higher self-confidence and self-esteem, which gives them increased confidence to negotiate better deals and achieve higher prices for their goods.

Of course, consumers need to be aware that by supporting ethical fashion, they will likely have to pay a premium for their goods. This is only natural – someone has to pay for the living wages and fair prices for materials that are provided to these workers. Ethical consumers purchase products that benefit the planet and those working within the system, and for that, we reward the makers with fair prices. In most cases the additional costs to insure ethically produced products is slight and while we may not notice an extra dollar or two, to the producer providing us with our goods, that may be enough to put food on the table, provide an education and insure healthcare.

This is the foundation of an ethical consumption model: actually paying the price for a product's value rather than sacrificing people and the planet to get it at a lower price point. When you hit the retail counter, if you find yourself asking: "How in the world did they produce this alarm clock for \$0.50?"

It's probably too good to be true. Somewhere during the production process, someone or something has suffered in order to produce that product at such a low price. At Hearts, we pride ourselves on supporting a people-centered, environmental based economic system that is truly transforming the way we use our purchasing power for good.

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ETHICAL LIVING TIPS FOR ENGAGING IN FAIR TRADE

- **Support paying what a product is actually worth:** If we want to change our economic system, we have to be paying what a product is actually worth. That means becoming totally at peace with a bit paying more for a product rather than always looking for the cheapest possible option. That doesn't mean breaking the bank, but it does mean weighing options carefully for a purchase with more intent.
- **Choose certified fair trade:** Whenever possible, turn over a product and check for a fair trade label. These systems provide third-party verification of the ethical business principles being claimed by a particular product and are the best assurance a consumer can get that they are using their purchasing power for good.
- **Choose certified organic:** Often organic certifications come with ethical business principles as well as eco-friendly practices, such as fair wages and trading standards. If you have the choice, select the organic option where no fair trade labels are available.
- **Look for ethical standards:** When a fair trade label is not possible, look for some claim of ethical business principles being practiced by the company selling the product. If you can, write to the organization and ask questions about their corporate social responsibility to verify any claims they are making on your own. If there are companies that you love with less visible practices, implore them to make changes. If there is enough demand and social pressure for a clear line of sight, companies will follow suite with fair trade practices. There will be no choice but to rise to the demand.
- **When in doubt, don't buy:** If you're concerned about the ethical standards used to produce a given item and you can't find any claims of ethical production, you can always choose not to consume at all. Withdrawing consent for a corrupt economic system is an important tool in the eco shopper's tool chest. Just be sure to write and let companies know that you've chosen not to purchase their products to ensure your message is really heard.
- **Tell your politicians you support *fair trade*:** The economic system that your government supports may be disadvantaging people around the globe through unfair trade policies. And don't be confused by "free trade" that is often touted by politicians. Free trade usually has very few benefits for producing countries as all of the benefits are built in for the consuming countries instead. Make your views known by becoming politically active on the issues of fair trade.

ⁱ *State of the World: Transforming Cultures from Consumerism to Sustainability*. (2010). Retrieved August 14, 2012, from The Worldwatch Institute:
<http://blogs.worldwatch.org/transformingcultures/wp-content/uploads/2009/04/Chapter-1.pdf>

ⁱⁱ *State of the World: Transforming Cultures from Consumerism to Sustainability*. (2010). Retrieved August 14, 2012, from The Worldwatch Institute:
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- xiv *Smallholder Supply Chains*. (n.d.). Retrieved March 30, 2012, from Oxfam: <http://policy-practice.oxfam.org.uk/our-work/private-sector-markets/smallholder-supply-chains>