



FASHIONOMICS:

THE GOOD, THE BAD AND THE UGLY

Hosted by Kokou Agbo-Bloua

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EPISODE 23 – Featuring Anne Critchlow

Did you know that in 2022, the global apparel market was valued at over US 1.5 trillion dollars and is expected to increase to almost US 2 trillion dollars by 2027 (Consumer Market Outlook)?

But here is the catch: the industry accounts for 8 to 10% of global greenhouse gas emissions, and that figure is growing! So, forget “Emily in Paris” or Fashion Week — this episode promises to go beyond the glitz and glam, brand labels and fashion runways to ask the critical questions.

What's the carbon footprint of the fashion industry? Why are we so obsessed with clothes and why is it getting worse? And can sustainable fashion reach net zero and defeat the irresistible forces of economics?

Join Kokou Agbo-Bloua in this captivating investigation into the economics that underpins the fashion industry.

Stay-tuned to the end as Anne Critchlow, retail analyst at Societe Generale, breaks-down the retail industry, the evolution of consumer habits and the challenges to the retail industry in meeting its carbon emissions. Get ready to dive into the world of fashion!

2050 INVESTORS – EPISODE 23 SCRIPT

Fashionomics: The Good, The Bad and The Ugly (ft. Anne Critchlow)

Welcome to 2050 Investors, the podcast that deciphers economic and market mega-trends to meet tomorrow's challenges.

I'm Kokou Agbo-Bloua, I head up Economics, Cross-asset and Quant Research at Societe Generale.

In each episode of 2050 Investors, I'll investigate a key mega-trend that relates to the Economy, the Planet, Markets and You.

(Beginning of episode 23)

[Siri] How do I look?

You are fabulous! Siri. This new leather case really looks good on you. A smart case on a smart... phone [pun intended].

[Siri] Thank you but ... I don't know if this is really me, you know? I'm still torn between the smart battery case, the green biodegradable one and the latest and very popular case by Gucci.

Really? why?

[Siri] Because I'm worth it ...

[Sigh] Ha ha! Ok, Siri, as long as you don't wear a new case for every episode... Should I remind you of the proverb? Clothes don't make the man, ahem... I should probably rephrase, "smart cases don't make phones smart". Besides, you already have at least 10 cases in your drawer...

[Siri] Really funny. I beg to disagree. Mark Twain once jokingly said, "Clothes make the man. Naked people have little or no influence on society."

Ok, I give up. You do have a point though. Since the dawn of time, and across civilisations, clothing has been a vital part of our human experience. People will judge and make assumptions based on what you choose to wear. In fact, what you wear is a key part of the identity you convey. Think about my Karate Gi and the brown belt I often wear in the Dojo [Osu!] or my suit and blue tie in the office for example.

You can use your clothes to broadcast an image of you: your apparent social status, your line of work, your cultural background, character, mood, age, gender, religious belief or simply the activity or event you are taking part in, from sport to attending a party...

And THIS is the reason why I'm now wearing a suit and a black tie for a very special occasion tonight. [Tadaa]

[Siri] A men in black costume party or... a dinner date with the wife? Lol

No, I'm attending a podcast awards ceremony. So, how do I look?

[Siri] Smashing. Wait, what award ceremony ?

Well, well, weeeell !... the Webby awards, of course, '2050 investors' is a 2023 honoree for the best branded podcast! Our star-studded production team and all the podcast superstars will be there on the red carpet, showing off their designer clothes on the runway. [flashlights sound, people asking questions] [sound of tapping the microphone before a speech after receiving the award] Ahem... On behalf of everyone at "2050 investors", I would like to thank our loyal listeners, our fans, friends, family, and bosses of course for all your support over the years. [Applause]

[Siri] Congratulations! I cannot wait for our next investigation! Let me guess: podcasting in 2050 or how to decarbonise the 'red carpet' ?

You're close, Siri! I suggest we investigate the future of fashion and calling it the 'green carpet' won't be enough!

Here are some questions worth asking ourselves: What's the carbon, water and biodiversity footprint of the fashion industry? Why are we so obsessed with clothes and why is it getting worse? Can sustainable fashion reach net zero and defeat the irresistible forces of economics? Later in this episode, we chat with Anne Critchlow, our senior retail analyst at Société Générale. Anne will explain to us the solutions and fashion tips proven to work at scale. And could the future of fashion be a world where we wear the same SUPER durable clothing, like Marvel's superheroes, think Spider-Man and Wonder woman?

Let's start our investigation!

First, a quick poll for our listeners. How many of you look at your closet full of clothes and feel like you have nothing to wear? Nod if you agree. [sound of countdown...]

[Siri] Based on the information shared by my AI friends across all the connected smartphones, we have 76.2% of the audience who have nodded.

Wow! This is interesting. We have so many clothes that they have now become an enormous and very diverse ecosystem of fabric of all kinds, from cotton to polyester, growing exponentially. A sort of Darwinian process of evolution by human over-selection, with zero circularity whatsoever.

The number of clothing apparels has skyrocketed, pushed by brightly, multi-coloured posters/billboards plastered across the metro station in EVERY major city, 365 days of the year, 24-7, 7 days a week. With every new fashion trend, and every fashion cycle: spring/summer and fall/winter and the cycle goes on and on... Adverts are all trying, desperately, to quench our insatiable thirst and desire 'to dress to impress'. The following brands have now become universal: Gucci, Dior, Prada, Armani, Hermes, Louis Vuitton, Zara, H&M, Uniqlo, GAP, Primark etc...

Of course, this is all happening with catastrophic consequences for the environment, sea water pollution, landfills coupled with deplorable working conditions across the supply chains in developing countries.

[Siri] Are you not getting overly dramatic, now?

Unfortunately, NOT.

Think back to the collapse of the Rana Plaza building in Bangladesh in 2013. More of this later.

Let's talk about the history of clothing to understand our obsession with fashion.

[Siri] It sounds like you are calling Emily in Paris to the stand.

Ha! Don't shoot the messenger. Siri, this might shock you, but we humans didn't always wear clothes. In fact, an article from the NYTimes reports that scientists determined that humans lost their fur at least 1-point-2 million years ago. Meanwhile, another study by the University of Florida concluded that humans started wearing clothes about 170-thousand years ago after the second to last ice age.

[Siri] Truly alarming. It's interesting that humans are the only species out of the estimated 8 million needing to wear clothes.

Yes indeed. When you look at the animal kingdom, lions, bears, pandas, cats, zebras, turtles, birds... Mother nature seems to have taken care of their dress code.

Clothes were a vital mechanism to protect us from the harsh, cold climate after migrating out of Africa.

[Siri] Ok, ok I get it. You guys lost your fur, then you stole it from other animals to get warm. Classic.

Today, isolated Indigenous peoples in tropical climates continue to be without clothing in many everyday activities. Meanwhile, let's not forget the nudist community advocating for us to return and embrace our "natural" state.

[Siri] You mean back to the times of Adam and Eve in the Garden of Eden? Keep me out of it. So how did you get so obsessed with clothes?

To really grasp this change in mindset, I suggest you read this great novel by French author, Emile Zola, « Au Bonheur de Dames » or 'Ladies' Delight'. It tells the fascinating story of a 20-year-old woman who comes to Paris to work as a saleswoman at the department store 'Au Bonheur des Dames'. These stores were a new and innovative concept at the time of the industrial revolution. The model was based on the following principles: mass advertising, large discounts, abundance of choices, home delivery, a system of refunds, reading rooms, and economies of scale. It marked the beginning of consumerism as opposed to consumption. Customers could live out their intoxicating fantasies and succumb to their buying impulses. This eventually drove smaller speciality shops out of business.

[Siri] These massive department stores are now everywhere !

Indeed. This was also the beginning of the end for the planet.

I came across an interesting article from the Worldbank-dot-org entitled: “How much do our wardrobe cost to the environment?”.

Here are some key facts. Now, Siri, do you want the blue or the red pill? I.e. the propaganda or the truth and nothing but the truth.

[Siri] The green one, please.

Smart choice. Ok here we go! Take my favourite pair of blue jeans in my closet, for example.

The United Nations Environment Programme (UNEP) says it takes roughly 3-thousand 8-hundred litres of water to make my pair of jeans. The carbon footprint across its supply chain is 33 kilograms of CO₂e. Not far from what it takes to produce 1kg of beef.

But other sources put this figure even higher. The UN also estimates that a single pair of jeans requires a kilogram of cotton which uses 7-thousand 5 hundred to 10-thousand litres of water throughout the production chain. In context, that’s about 10 years’ worth of drinking water for one person or 10-thousand, or 500-milliliter bottles of water.

Now, for the whole industry, the UNEP and the Ellen MacArthur foundation have some interesting stats:

Fact number 1: Talking about water! The fashion industry uses 93 billion cubic meters of water. 20 percent of wastewater worldwide comes from fabric dyeing and treatment.

Fact number 2: At the current pace, our global consumption of apparel will grow from 62 million metric tonnes in 2019 to a monstrous 1-hundred and 2 million tonnes in 10 years. This is even more alarming as the fashion industry is responsible for 10 percent of global carbon emissions, more than all international flights and maritime shipping combined.

[Siri] Wow. And at the current pace, it will increase by 50% by 2030.

Fact number 3: This last stat is even more shocking, so hold on to your pearls! Of the total fibre input used for clothing, 87 percent is incinerated or disposed of. Yes, you heard me right, a whopping 87 percent is incinerated or disposed of in landfill mostly in parts of Africa or Southeast Asia. Moreover, every year, we drop half a million tonnes of plastic microfibers into the ocean - the equivalent of 50 billion tonnes of plastic bottles. These fibres cannot be extracted from water, and they have entered our food chain and even our blood cells. We discussed this alarming issue in the Life in plastics episode.

So, we’ve learned that clothes are a recent phenomenon for humankind, after shedding our literal coats to adorn ourselves in the latest garments - even furs - and that the clothing industry is a major pollutant. But when did we all go “gaga” for fashion and why is it getting worse?

This is the second question we now need to investigate. Your honour, I call Fast Fashion to the stand.

Investopia.com describes Fast fashion as clothing designs that move quickly from the catwalk to stores to take advantage of trends. These styles are produced at increasingly higher speed, in massive quantities, and disposable quality, and, this is the key, for a very low price – economies of scale.

Furthermore, collection launches are no longer seasonal. Many low-cost clothing stores offer new designs every week. The Ellen MacArthur Foundation says, in 2000, the industry made 50 billion new garments; nearly 20 years later, that figure has doubled.

The exponential pace of apparel manufacturing has also accelerated consumption: the average person today buys 60 percent more clothing than in 2000. And not only do they buy more, but they also discard more as a result.

The Ellen MacArthur Foundation estimates that every year, some US 500 billion in value is lost due to clothing, barely worn, not being donated, recycled, or ending up in a landfill. In the end, less than 1 percent of used clothing is recycled into new garments.

Now, one important reason for the growth in fast fashion is the use of polyester.

[Siri] I didn't see that coming. And why is that?

Because of its durability and versatility, it can, therefore, handle abrasion from machine washing and doesn't need special care, unlike cotton and other natural fibres. As Fashinza.com puts it, polyester fibres are thermoplastic. That means that the material is heat-sensitive and can be folded and pleated into any shape. Hence, for apparel manufacturers, polyester material is a no-brainer. Designers, meanwhile, love this fabric over many others as 100 percent polyester is extremely stain-resistant.

[Siri] So, what's the catch? You cannot judge a plastic by its cover...

Synthetic materials like polyester are highly unsustainable, besides offering poorer quality. As Commonobjective.com notes in an article that: "Factories producing polyester without wastewater treatment systems can release potentially dangerous substances including antimony, cobalt, manganese salts, sodium bromide and titanium dioxide into the environment. As an oil-based plastic, polyester does not biodegrade like natural fibres".

And it gets worse. An article from Saddlebackleather.com shows that heat can release Polyester chemicals like Antimony oxide, which is used to make Polyester - a known carcinogen. With body

heat, it is partially dissolved with sweat and absorbed by the skin. It can cause heart, liver, kidney, and skin disorders.

[Siri] It might be better to walk around naked.

Hmm, thanks but no, thanks. I think we simply need to make smarter decisions on what clothes we buy. We'll return to this later. But first, I think we should dig a bit further into the environmental and social issues of fast fashion, shall we?

An article from [eco-stylist-dot-com](https://www.eco-stylist.com) states that some negative environmental and social issue impacts include worker harassment, diseases due to toxic chemicals, greenhouse gas emissions, biodiversity loss, and resource and soil depletion.

The majority of the women who are part of the fashion supply chains are located outside the US and Europe, mostly in the global south where regulations and wages are far below what is considered dignified or liveable. They are not only paid low wages but are also subjected to unhealthy labour conditions.

In 2013, the Rana Plaza in Bangladesh collapsed, killing over a thousand garment workers after the vibration of a diesel generator switched on after a power outage shook the building violently.

[Siri] Shocking and heart-breaking

The event highlighted the plight of garment factory workers globally and triggered calls for better working conditions. There have been improvements, but more still needs to be done!

The next question is: What can be done and what fashion tips can work at scale?

The industry needs to reinvent itself. According to [statista.com](https://www.statista.com), the global apparel industry is worth US 1-point-53 trillion in revenues in 2022. The fast fashion market worldwide is estimated to be worth US 106 billion globally and directly employs 75 million people throughout its value chain. It is the world's third-largest manufacturing sector after the automobile and technology industries.

A Ted Talk called 'I broke up with fast fashion and you should too' by Gariella Smith argues that we should check the tags, the origins of clothes, think in terms of cost per wear and see clothing as an investment. Buying something cheap that you will only wear a couple of times can be more expensive over time than a quality and higher-priced item that will last longer.

With this goal in mind, the [worldbank.org](https://www.worldbank.org) article also brings interesting recommendations, like repairing your clothing, and only buying what you need. Every additional year a garment is worn means less pollution, so buying second-hand clothing provides an attractive alternative.

[Siri] Thanks for the tips. I'm not so sure I need a new case now.

[Interview]

Here is a thought from quora.com on fashion vs self. When you say that someone is being worn by their clothes, it means that the person is trying too hard—you can't stop seeing the clothes—and don't notice the person underneath. The clothes are so noticeable that you can't take your eyes off them, and the person's face takes a backseat.

With this in mind, I will therefore conclude this episode, with the following proverb: “Wear the clothes. Don't let the clothes wear you”.

Thank you for listening to this episode of 2050 Investors and thanks to Anne Critchlow for her time and valuable insights.

I hope this episode has helped you get a better sense of the future of fashion. You can find the show on your regular streaming apps. Please subscribe, leave comments and stars anywhere you like and spread the word!

See you at the next episode!

Credits: Presented & Writer: Kokou Agbo-Bloua. Editor: Vincent Nickelsen, Jovaney Ashman. Production Designer: Emmanuel Minelle, Radio K7 Creative. Executive Producer: Fanny Giniès. Sound Director: Marc Valenduc. Music: Rone. Graphic Design: Cédric Cazaly.