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Reducing the true cost of cotton T-shirts

A report authored by True Price

Clothes are a basic human necessity but also a popular form of individual expression. Cotton t-shirts are known for their versatility and widespread use, coming in a variety of colours, forms and finishes. The cotton used to manufacture t-shirts is mainly cultivated in Asian countries such as India and China (Statista, 2021). Once cultivated, cotton is processed into fabric and used to manufacture the shirts. Garment manufacturing offers employment to millions of people in Asia. The production of T-shirts thus offers demonstrable benefits in the form of working opportunities in the countries involved in its value chain.

However, the garment industry is also associated with negative impacts on people and the planet. These impacts are costs to society incurred during the production of garments, but which are not paid for by the consumers or companies involved in the value chain. An example of such external costs is the labour rights violations, which workers in the garment industries of some Asian countries often face (D'Ambrogio, 2014).

The OECD states “businesses can play a major role in contributing to economic, environmental and social progress, especially when they minimise the adverse impacts of their operations, supply chains and other business relationships” (OECD, 2018) indicating that companies and organisations -for example, in the garment industry- must take responsibility for the social and environmental impact which their operations, supply chains and relations result in.

The Greens/EFA group in the European Parliament (Greens/EFA) recognises the need for change in the global garment industry. In its trade policy, the EU recognises the build-up of global value chains has had a dichotomous impact on societies (European Commission, 2021) and stresses its commitment to fair trade and the need for EU assertiveness to combat unfair practices. Amongst others, the Greens/EFA want to raise awareness, impose high environmental standards, and improve labour conditions in the value chains of the garment industry as to support the EU in its transition to fair and sustainable trade and minimise negative impact on people and planet.

The results of this report illustrate that our current economic system is unable to meet societal needs. It focuses on financial and economic gains and fails to value and prioritise human rights, the environment, and people's life satisfaction over profits. How can we adjust our economic system such that it creates value for people and planet? What is needed to move away from the polluting practices present in our current system? And how will we ensure value creation for people and planet in our economy?

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