# A case for regulatory oversight of online apparel retailers

Online fashion retailers have to be brought under the same regulations that other apparel businesses have to follow



S a clothing manufacturer, there are a great many legal and regulatory hoops I must jump through in order to remain in operation without falling foul of the law. Like the government regulations, there are mandates from my customers

around environmental and social standards. Environmental and social compliance are basic requirements of doing business in the RMG sector of Bangladesh these days, and I, personally, have no complaints if this means we are moving towards a more responsible industry. We must all play our part.

While manufacturers have been compelled to operate more responsibly over the past decade—otherwise they risk being closed down or losing business—the same cannot be said of retailers. Many fashion retailers have also become responsible and ethically minded in recent years, but there are others in the market who appear to be working to a completely different set of rules. And what's frustrating is that there appear to be no consequences.

I should clarify that my personal concern here is about online fashion retailers. This is an area where regulators appear to be failing to keep pace with its rapid development.

Let's take the example of the rapidly growing Chinese online-only fashion brand Shein, which is capturing market share from traditional rivals such as H&M and Zara. Shein is now valued by some analysts at more than USD 30 billion. And yet, analysis by international news agency Reuters found that Shein has not made public disclosures about the working conditions along its supply chain, despite such disclosures being a legal requirement in one of their key markets, the United Kingdom.

In addition, it has been found that, until

recently, Shein falsely stated on its website that the conditions in the factories it uses were certified by international labour standards bodies. Shein sources from China.

Shein also claims that it never engages in child or forced labour, but the company does not provide the full supply chain disclosures required by the British law. In fact, unlike many major brands such as H&M, Shein does not share its supplier list with the general public.

I use the example of Shein, but this is

compliance issues.

The issue here is one of accountability, which sadly seems to be lacking in the online fashion space. Online brands can quickly become operational across multiple markets around the world, and the regulatory oversight of their activities becomes difficult—if not impossible. Where is their tax jurisdiction? Which environmental and social standards are they adhering to?

While some online-only retailers seem to operate to their own set of regulations,

The advent of online buying has opened up the fashion industry to many smaller, online-only sellers who are able to evade compliance rules.

by providing better information on how and where the clothes are made, or by putting emphasis on bettering workers' rights in supply chains.

Meanwhile, as a manufacturer—certainly as a garment exporter from Bangladesh—it is difficult these days to operate irresponsibly. Our customers would simply shop elsewhere, and the many audits we have to undergo each year would soon expose and flush out the bad practices. We are under the microscope like never before, but at least that has the effect of raising standards.

There is a major difference in the onlineonly fashion space and it is that the public is the end customer. The problem is that end consumers often lack the knowledge or understanding to ask proper questions about the clothes they buy. It is easy for online sellers to pull the wool over their customers' eyes on sustainability issues; for evidence of that, one only has to look at the rapid growth of Shein these past few years.

The point, then, is that while manufacturers are accountable in areas of compliance, it is hard to say with a great confidence that it's the same for the rapidly growing online fashion space. Who is doing the audits in the online fashion market? Who is checking where their supplier factories are, whether they are sub-contracting, whether child labour is involved and whether these factories are even safe? The global apparel supply chain is huge. If one is not ethically minded, it is easy to cut corners.

There is always somebody who will produce for a lower price—especially if one is happy to not ask many questions about where and how their clothes were made. A new, online fashion seller could easily source irresponsibly and unethically, and there would likely be very few repercussions.

If fashion is to become more responsible, there must be consistency and a level playing field for all—this includes manufacturers, traditional brands and retailers, and the new breed of online-only brands.

A start here would be for the governments of major markets—such as the US and Germany—to make it mandatory that any online retailer selling to their respective general customer bases should be obliged to illustrate full supply chain transparency. This would include detailing the full supplier lists on their websites and adherence to appropriate industry standards. Do people buying from the likes of Shein have any idea about where their products were made, and under what conditions?

I am under no illusion that there are any easy solutions here. The broader point is that at a time when we, as an industry, are trying to drive improvement across the board, it is easier than ever to set up an online fashion business which has little or no regulatory oversight. I feel for responsible brands and retailers, which have spent years investing in doing the right thing, only to find that they are being undercut by newcomers who care little for ethics and sustainability.

There is only so much that such brands can do if new online operators simply refuse to play fair and by the rules. In such circumstances, they as well as we, responsible manufacturers, are dependent on firm, global regulations to ensure a level playing field for all.

A few cowboys cannot be allowed to undo all the good work we have achieved.

Mostafiz Uddin is the managing director of Denim Expert Limited. He is also the founder and CEO of Bangladesh Denim Expo and Bangladesh Apparel Exchange (BAE)



Online fashion retail is one area where regulators appear to be failing to keep pace with its rapid development.

not the only online fashion retailer that lacks transparency when it comes to ethical and environmentally responsible business practices. In fact, the advent of online buying has opened up the fashion industry to many smaller, online-only sellers who are able to

use their fleetness to evade regulators on

more established names continue to push the needle forward on sustainability. Big brands such as H&M have led the industry for years—be it by setting science-based targets around climate reduction, working with more sustainable materials, introducing consumer-facing transparency on products

## As war keeps poisoning humanity, organising continues to be the antidote



Norman Solomon

ARLIER this month, the US corporate media continued a 20-year repetition compulsion to evade the central role of the US in causing vast carnage and misery due to the so-called War on Terror. But millions of Americans fervently

its extremely immoral nonstop warfare.

CodePink and Massachusetts Peace Action
hosted a national webinar to mark the 20th

oppose the military-industrial complex and

hosted a national webinar to mark the 20th anniversary of 9/11—the day before the launch of the Cut the Pentagon campaign—and the resulting video includes more than 20 speakers who directly challenged the lethal orthodoxy of the warfare state. As part of the mix, here's the gist of what I had to say. When we hear all the media coverage and

when we hear all the media coverage and retrospectives, we rarely hear—and certainly almost never in the mass media—that when people are killed, whether it's intentional or predictable, those are atrocities that are being financed by US taxpayers.

And so we hear about the evils of al-Qaeda and 9/11—and certainly those were evils—but we are not hearing about the predictable as well as the intentional deaths: the tens of thousands of civilians killed by US air strikes alone in the last two decades, and the injuries, and the terrorising of people with drones and other US weapons. We are hearing very little about that.

A part of the role of activists is to make

those realities heard—make them heard loud and clear, as forcefully and as emphatically and as powerfully as possible. Activist roles can sometimes get blurred in terms of becoming conflated with the roles of some of the best members of Congress.

When progressive legislators push for peace and social justice, they deserve our praise and support. When they succumb to the foreign policy "Blob"—when they start to be more a representative of the establishment to the movements, rather than a representative of the movements to the establishment—we've got a problem.

It's vital for progressive activists to be clear about what our goals are, and to be willing to challenge even our friends in Capitol Hill.

I'll give you a very recent example. Two leaders of anti-war forces in the House of Representatives, a few weeks ago, circulated a "Dear Colleague" message encouraging the members of the House to sign a letter urging the chair of the House Armed Services Committee, Adam Smith, to stand firm behind President Joe Biden's 1.6 percent increase in the Pentagon budget, over the budget that Trump had gotten the year before.

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In the long run, peace activism is essential to overcome militarism and stop warfare.

The point of the letter was this: Chairman Smith, we want you to defend the Biden budget's increase of 1.6 percent, against the budget that has just been approved by the Senate Armed Services Committee with a 3.3 percent increase.

That kind of a letter moves the goalposts further and further to the liking of the military-industrial complex, to the liking of war profiteers, to the liking of the warfare

FILE PHOTO: REUTERS

state. And so, when people we admire and support—in this case Rep Mark Pocan and Rep Barbara Lee—circulate such a Dear Colleague letter, there's a tendency for organisations to say: "Yeah, we're going to get behind you; we will respond affirmatively to the call to urge our members to urge their representatives in Congress to sign this letter.'

representatives in Congress to sign this letter. What that creates is a jump-off point that moves the frame of reference farther and farther into the militarism that we're trying to push back against. For that reason, my colleagues and I at RootsAction decided to decline an invitation to sign in.

I bring up that episode because it's indicative of the pathways and the crossroads that we face to create momentum for a stronger and more effective peace and social justice movement. And it's replicated in many respects.

When we're told that it's not practical on Capitol Hill to urge a cut-off of military funding and assistance to all countries that violate human rights—and when we're told that Israel is off the table—it's not our job to internalise those limits that have been internalised by almost everyone in Congress, except for the Squad and a precious few others. It's our job to speak not only truth to power, but also about power—and to be clear and candid, even when that means challenging some of our usual allies. And to organise.

At RootsAction, we've launched a site called Progressive Hub as an activism tool to combine the need-to-know with the imperative to act.

It's not easy, to put it mildly, to go against the powerful flood of megamedia, of big money in politics, of the ways that issues are constantly framed by powerful elites. But in the long run, peace activism is essential to overcome militarism. And organising is what makes that possible.

Norman Solomon is national director of RootsAction.org and founder of the Institute for Public Accuracy. He is the author of "War Made Easy: How Presidents and Pundits Keep Spinning Us to Death."

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### Quotable Quote



Canadian author (1874–1942)

We must have ideals and try to live up to them, even if we never quite succeed.

#### **CROSSWORD** BY THOMAS JOSEPH

**ACROSS** 1 Takes care of the final details 7 Told tales 11 Playwright Eugene 12 Not busy 13 Doorway hanging 15 Bona fide 16 Saloon quaff 18 Word of action 21 Edges 22 Kitchen gadgets 24 Phone download 25 Brooks of film 26 Director Spike 27 Tie up

29 Chess win

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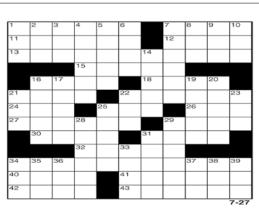
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14 Competitor

16 Human, for one 17 Unoccupied 19 Take it easy 20 Quarterback Favre 21 Sewer dweller 22 Apiece 23 Notice 25 Army healer 28 Delayed 29 Get together 31 Painful spasm 33 Thomas Hardy

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WHO TAKES PICTURES
OF THEIR FOOD BEFORE
THEY EAT IT?



#### **BABY BLUES**

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