



Institute for
Sustainable
Futures

**Erasmus
University
Rotterdam**



EEB
European
Environmental
Bureau



LUND UNIVERSITY

Wellbeing Wardrobe: A wellbeing economy for the fashion and textile sector

Summary Report: Prepared for European Environmental Bureau
by UTS Institute for Sustainable Futures, Centre for Innovation
Research (CIRCLE) at Lund University and Erasmus University Rotterdam

March 2022

Summary: The Wellbeing Wardrobe

Clothes are an essential part of our daily lives. Every day, we put on clothes in order to function in the world, and choosing what we wear has always been an important cultural marker of who we are. However, in the post-industrial era, the choices we make as to what we wear have direct impacts on the environment around us, requiring us to confront the reality that the fashion and textile sector has become one of the most unsustainable industries in the world.

We need a new way forward.

The wellbeing economy – an umbrella concept for several growth-alternative economic models, including degrowth, post-growth and steady state economics – has been proposed as a way to reorient our way of life to pursue human and ecological wellbeing rather than economic growth.

The fashion and textile sector provides an urgent example of the need to pursue economic alternatives. Fashion is one of the most unsustainable industries in the world, based on both environmental and social sustainability metrics. The sector's rapid growth over the past decades has been enabled by the advent of fast fashion, globalised supply chains and a massive increase in the consumption of garments.

Transitioning to a post-growth fashion and garment sector will require wide-ranging reforms and a broad reconceptualisation of roles and responsibilities. The forthcoming European Union (EU) Textile Strategy offers an opportunity to start this journey. The purpose of this research report is to envision a new direction for the fashion and textile sector in the EU and to provide policy recommendations to continue to increase the ambition of the EU Textile Strategy.

We have drawn together two distinct bodies of literature – the wellbeing economy and fashion sustainability – to look for intersections and overlaps. The goal is to identify common ground for policy conversations and practices that might take us towards an ethical and sustainable fashion future that supports the livelihoods and respects the dignity of all those who make clothing. This is the vision of a 'Wellbeing Wardrobe.'

The Wellbeing Economy

Conventional measures of the health of a nation's economy – such as GDP (Gross Domestic Product), employment rates and inflation – focus only on growth. Yet it's increasingly clear that this current economic paradigm is not sustainable and has resulted in climate change, biodiversity loss and environmental degradation. A large percentage of the global population does not have stable livelihoods, adequate nutrition or access to education, housing and health care. There is substantial evidence that economies and societies based on growth and consumption have not led to increased levels of human happiness or wellbeing.

A wellbeing economy approach revolves around a planned reduction of energy and resource use to bring economic activity back into alignment with environmental health and human wellbeing. Wellbeing can be defined in different ways. Most broadly, it refers to the ability of humans to meet our needs while keeping in balance with the planet and safeguarding the rights of future generations. Human wellbeing depends on meeting physical needs (such as for food, water, housing, health care and education) as well as emotional and psychological needs (such as for meaningful relationships and work, a sense of identity, thriving communities, and the ability to participate in social and political life).

The wellbeing economy is defined by several overarching objectives:

- reducing the environmental impact of human activities through reduced material and energy consumption and more localised economies;
- supporting a more even income distribution both within individual countries and internationally using methods such as redistributive income, universal basic income, non-monetary exchange systems and new modes of ownership;
- fuelling the transition from material consumption-based societies to more participatory and community-oriented societies through innovations such as shorter work weeks, limits to advertising and more humane ways of recognising unpaid and/or informal labour;

- encouraging simplicity and downscaling by promoting alternative forms of economic exchange such as those that are local, community-based, reciprocal (rather than operating on monetary exchange), and recognise the value of collaboration, sharing, recycling, upcycling and blurring the boundaries between consumers and producers.

This transition to a post-growth model will depend on the actions of many stakeholders and require new mechanisms for deliberative and participatory decision-making. We will need both grassroots and top-down approaches to reduce unsustainable activities and scale up activities that contribute to achieving wellbeing.

It's also crucial to consider how this shift would have different conditions and consequences for the Global North and the Global South. While the objectives of the wellbeing economy in the Global North might focus on post-growth and reducing materialism, in the South the focus will be on a form of development that does not rely on growth or the South needing to 'catch-up' with the North. We will also need to pay attention to short-term impacts and disruptions on employment and livelihoods across global supply chains as we make these changes.



The Wellbeing Economy and the Fashion Industry

Many of the current sustainability initiatives in the fashion industry are based on a green-growth approach that still puts economic opportunity before environmental concerns. At the core of many of these business models are initiatives that are commendable but do not fundamentally overhaul the industry, such as shifting to sustainable fibres and textiles, providing ethically conscious options to consumers, or introducing 'green' certification and labelling systems.

These changes do not meaningfully allow the fashion and textile sector to decrease material throughput and the needless disposal of clothing and textiles, which in turn leads to increasing contributions to global carbon emissions, natural resource use and biodiversity loss. Some leading experts estimate that a 75-95% reduction in resource use (compared to current levels) is needed for the fashion industry to meet looming climate targets.

These environmental and social sustainability challenges facing the industry have led to a growing body of research on sustainable fashion alternatives that truly reimagine and restructure how the sector might operate, including slow, eco, green, fair trade, ethical and circular fashion. Sustainable fashion and textiles

can be broadly defined as fashion products, actions and practices that are both ecologically and socially sustaining.

This report identifies the following guiding principles for a sustainable, thriving fashion and textile sector:

1. **Establish limits:** A wellbeing economy approach sets limits on resource use and consumption and shows people how they can still live well while respecting these boundaries. Examples of current limit-setting activities in the fashion industry include slow fashion, sufficiency or consumption corridors (quantifying how many garments one should have) and increased attention to the repair and care of existing garments. Sustainable fashion campaigns and social movements can raise awareness of the different place-based dimensions of the fashion industry, and better data and indicators can improve transparency within the sector.
2. **Promote fairness:** Equitable wealth distribution systems are needed to ensure global and intergenerational fairness. Examples of current activities in the industry include ethical fashion initiatives that demand and enable fair work and fruitful debates around the potential benefits of shifting to local production.
3. **Create healthy and just governance:** Robust participatory and deliberative processes that emphasise inclusivity, open dialogue and diversity are key to creating lasting change. Good governance encourages capacity-building and stakeholder engagement across every level of the fashion industry.
4. **Embrace new exchange systems:** Innovative exchange models can ensure the fashion industry thrives while still meeting human and environmental wellbeing needs by providing dignified work, regenerating the environment, and strengthening community bonds. There are a number of inspiring current activities within the sector that are transforming fashion industry practices and narratives, including collaborative consumption (peer-to-peer exchanges, fashion rental and fashion subscription), co-operatives, not-for-profit social enterprises, B-corps, ecopreneurs and second-hand shopping.

Visioning the Transition

As part of this project, we worked with 50+ stakeholders representing different parts of the global supply chain to start imagining transformative change for the sector. These workshops were held online in January and February 2022. Based on our collaborative workshops with a group of industry stakeholders, we have outlined the following steps that the thriving fashion and textile sector can take to transition to sustainability:

1. **Create a wellbeing economy:** We recommend a renewed industry focus on wellbeing for various stakeholders, including workers, consumers, and those dealing with fashion waste. This will require action from industry and consumers to drive the wellbeing economy, global agreements and collaboration across sectors, and clear metrics to measure progress in both qualitative and quantitative terms. This will also require considerable reduction in production volumes, joining in conversations about consumer responsibility to live within planetary boundaries, and being prepared to ask difficult questions about the possibility of dematerialising and dismantling a global fashion system that depends on ever-changing trends and rapid turnaround of merchandise.
2. **Design distributive systems for global and intergenerational equity:** This will require policy-based industrial transformation and benefit redistribution to improve livelihoods across global supply chains. A shift in ownership structures and power dynamics between stakeholders and across supply chains is required to decolonise fashion and ensure an equitable distribution of value. There is also a need to consider reparations from high-income to low-income communities in the supply chain to repair the harm done to those communities and their ecosystems.
3. **Inform inclusive transitions through participatory and deliberative processes:** These collaborative processes should align with the United Nations' Sustainable Development Goals (SDGs) and work to nurture a diversity of clothing cultures, including the incorporation of Indigenous knowledge. Sustainable fashion initiatives need to represent the values of all members of global supply chains.

- 4. Establish new business structures for providing and exchanging goods and services:** This shift requires normalising new forms of clothing provision such as fashion libraries, consumer sharing platforms, second-hand markets, social enterprises, repair shops and maker-spaces. There is also the need for improved data to confirm which business models and materials offer more sustainable options. Exchange communities need to be encouraged to recognise the value of clothing, not only economically but culturally, and to rebuild emotional connections with garments to support long-term use and care.

Policy Context and Opportunities for the Wellbeing Economy

Creating economies of wellbeing relies on the implementation of major, macro-policy proposals to support the transition away from a focus on economic growth, while also enabling the redistribution of resources and the introduction of regenerative fashion practices.

In Europe, policy frameworks already exist for combined actions towards better trade and labour regulation in the fashion industry. Yet a much broader international approach encompassing formal and binding agreements is needed if real change is going to happen within the necessary timescale to address the scope of the complex challenges facing the industry.

The existing policy framework for supporting a sustainable fashion industry is still too focused on optimising and increasing efficiency within the existing patterns of the supply chain (such as increased design for circularity, primarily with a focus on recycling and using recycled materials). While these measures are commendable, the EU fashion sector's policy framework needs to be much bolder and more innovative to remake the industry into a wellbeing economy, and ideally should include:

- more stringent regulations on fashion and textile products produced within and imported into the EU;
- increasing seed and start-up support and funding to sustainable businesses and not-for-profits to allow them to upscale and disrupt the fast fashion incumbents;
- more regulatory intervention on fast fashion firms headquartered within the EU, including the possibility of limits and production volume caps, transparency of materials, payment of wages to workers, and responsibility for environmental damage in the production of inputs in their supply chains;
- more stringent requirements for the provision of reliable and transparent sustainability data, indicators and metrics, and the public reporting of performance on wellbeing factors.






Policy change is crucial to supporting the creation of a fashion and textile wellbeing economy. Forward-thinking regulation and industry-wide initiatives should encourage the implementation of limits and thresholds to reduce production and consumption to sustainable levels, support the development of participatory and redistributive processes locally and globally, and encourage lasting transformations in how we think about the impact, meaning and value of the clothes that we make and wear every day.


Our work with stakeholders over the course of this project has highlighted priority areas for change and policy opportunities that we can take up now, within existing policy frameworks, and others that represent transformational change and will require support and momentum from a broad range of the sector and community to be pursued.

The move away from growth-based economies to a wellbeing economy will involve multiple pathways, levels and contexts. It is with this understanding that we make the following policy recommendations, including opportunities and actions that can be undertaken now to accelerate the transition beyond growth, and others that will need further work, momentum, and commitment from stakeholders.

Policy opportunities for wellbeing economies for fashion and textiles

Attribute	Policy opportunities
<p data-bbox="164 824 296 875">Establishing limits</p> 	<p data-bbox="363 824 1422 965">The research shows that we need to reduce the amounts of textiles and clothing that we produce and consume. For the garments we continue to make and use, these need to be of higher quality, used and cared for longer, and have multiple lifecycles (either with us or through second-hand markets and other forms of exchange). We also need to better understand what drives over-consumption and over-production and how these drivers can be re-oriented within a wellbeing approach.</p> <p data-bbox="363 976 863 999"><i>Recommendations within existing policy frameworks</i></p> <ul data-bbox="363 1010 1422 1720" style="list-style-type: none"> • Within existing policy frameworks, we need a comprehensive strategy of eco-design requirements, labelling and extended producer responsibility (EPR) schemes that make sustainable clothing and textiles the norm. These strategies must take every opportunity to achieve quality and durability in the clothing, with pressure to eliminate over-production and consumption, and reward re-circulation. • Expanding EPR schemes to encourage increased focus on quality and reduced volumes. For example, EPR fees could be increased when certain volume thresholds are reached, so as to encourage brands to supply high quality and lower volumes of clothing into the market. • Broadening circular economy policy and incentives away from just addressing waste and recycling to support strategies that truly embrace circularity across the product lifecycle. This can include: levies for virgin fibre use, increasing the re-use and repair economy through investigating tax incentives, rebates, and other forms of support for consumers and businesses providing repair, reuse and second-hand sales services, and options for mandating fashion brands to provide these services for their customers. • Ban the export of textile waste as well as the destruction of unsold or excess clothing and textile goods. • Provide support for public awareness-raising campaigns that emphasise less consumption. • Provide support for training people in sustainable fashion practices such as care, repair and reuse of garments and textiles. • Set a clear legislative framework for the claims that can be made about products in advertising to combat 'greenwashing'. <p data-bbox="363 1731 727 1753"><i>Policy for more transformative change</i></p> <ul data-bbox="363 1765 1422 2020" style="list-style-type: none"> • Develop methods for establishing clothing, resource, and pollution budgets or limits. There is the opportunity to learn from other sectors such as carbon budgets and fishing quotas systems. These budgets will need to be developed with clear linkages to planetary boundaries and other existing climate and sustainability policies, and dialogue would need to inform at what level, scale, and form these budgets could be considered and applied. Options for application could be based on resource-use reduction targets or consumption-based emissions targets, or a combination of both. Targets would start as voluntary to build capacity and awareness for change, but also have clearly established pathways and timelines to mandatory application.

Attribute	Policy opportunities
	<ul style="list-style-type: none"> Quantify the role, and understand the drivers of e-commerce platforms/markets and targeted advertising on social media platforms in driving clothing consumption and investigate regulatory options to limit provide more opportunity to consumer to limit their exposure to this form of advertising.
<p data-bbox="164 394 256 450">Promote fairness</p> 	<p data-bbox="363 394 1410 450">We need to develop equitable wealth and resource distribution systems to ensure global and intergenerational fairness.</p> <p data-bbox="363 461 863 488"><i>Recommendations within existing policy frameworks</i></p> <ul style="list-style-type: none"> Use Due Diligence requirements and standards in EU Trade Agreements to eliminate hazardous and toxic chemical use, regulate the use of other chemicals and materials, and to obligate brands, and buyers to ensure safe and just working conditions (including living wages) throughout their whole supply chain. Revise the EU Public Procurement Directives to include social and environmental criteria and to mandate that public entities choose the most sustainable options in their procurement, instead of the cheapest option. Enforce value chain accountability through robust Due Diligence regulations with specific provisions for the fashion and textile sector , and enable full supply chain transparency through public disclosure of all facilities across value chains. Develop and use wellbeing indicators in the fashion and textile sector that focus on health, social and environment indicators, rather than only financial and income measures. Support a range of businesses, public authorities, and other industry stakeholders to collect data and report against these indicators to use this information in their decision-making. <p data-bbox="363 972 727 999"><i>Policy for more transformative change</i></p> <ul style="list-style-type: none"> As regulating purchasing practices is key to improving labour rights, in this respect, legislation on Unfair Trading Practices in the fashion and textile sector is vital to address the negotiation of disproportionately low buying prices, short lead times, and unauthorised subcontracting. Support global alignment Hold stakeholder assemblies to create an agenda and strategy for transitioning to a wellbeing economy for the fashion and textile sector. This would bring together all stakeholders across the globe with an agenda for a global living wage and coordinate multilateral organisations and national and international institutions in addressing several key sustainable trade practices including trade volumes, material and chemical composition, traceability, and transparency. Investment in the transition to wellbeing economies would also be needed to identify and implement redistributive measures that support a just transition and establishment of a wellbeing economy for workers throughout the supply chain. There is also a need for investments that regenerate environments from the impacts of the fashion and textile sector, such as water pollution.
<p data-bbox="164 1480 316 1563">Create healthy and just governance</p> 	<p data-bbox="363 1480 1430 1563">This requires robust participatory and deliberative processes that emphasise inclusivity, open dialogue, and diversity to create lasting change. Good governance encourages capacity-building and stakeholder engagement across every level of the fashion industry.</p> <p data-bbox="363 1574 863 1601"><i>Recommendations within existing policy frameworks</i></p> <ul style="list-style-type: none"> Launch EU and national citizen assemblies on wellbeing indicators for our economy and create balanced multi-stakeholders' deliberative processes accompanying EU and national authorities. <p data-bbox="363 1715 727 1742"><i>Policy for more transformative change</i></p> <ul style="list-style-type: none"> Create safe spaces and clear, deliberative processes for planning a wellbeing economy at the global level. This includes ensuring the participation of a wide range of stakeholders, paying special attention to enabling engagement from underrepresented stakeholders. Support local and global social movements that champion deliberative processes for the wellbeing economy and use these processes to inform and scrutinise public policy. There is also a need to investigate best practice in the formation of inclusive multi-stakeholder dialogues in terms of composition, capacity, issues mapping, and adequate and effective decision-making processes. Create transformational education and learning systems for wellbeing economies generally, and then specifically for the fashion and textile sector. These systems can them be used to

Attribute	Policy opportunities
	<p>change the culture and narrative around fashion, such as supporting decreased production/ consumption of clothing, increased quality of work, capacity and participation in deliberative processes, and knowledge and awareness of new business models.</p> <ul style="list-style-type: none"> • Ensure participation in multi-stakeholder initiatives does not provide companies with a ‘safe harbour’ from any legal liability for their actions.
<p>Embrace new exchange systems</p> 	<p>Innovative exchange models can ensure the fashion industry still thrives while meeting human and environmental wellbeing needs</p> <p><i>Recommendations within existing policy frameworks</i></p> <ul style="list-style-type: none"> • Ensure a broad range of policy support for sustainable and less profit-driven activities in the fashion and textile sector. This could include resources for not-for-profit business structures, regulations ensuring ‘easy-start’ not-for-profit businesses, tax incentives and other support such as access to seed funding, incubator support, legal and other business services. • Increased support and focus (including financial support) for sustainable fashion practice that does not involve market exchange including design and repair cafes, clothing swaps – this could include developing case studies and how-to guides of non-market exchange fashion practices, start-up and seed funding to assist early activities, and support for awareness-raising with the community. This could be aligned with the EU social economy strategy. <p><i>Policy for more transformative change</i></p> <ul style="list-style-type: none"> • Changes to legal and regulatory frameworks that encourage/prefer not-for-profit business structures and provide obligations on businesses to ensure environmental and social value creation. This could include public procurement guidance to integrate not-for-profit, social economy partners in all bids. • Enhanced support for new sustainable fashion and other non-market exchange fashion practices including facilitating the availability of physical space (e.g., within existing city centres and shopping centres) and accessibility (for example subsidising access for all members of the community) to design and repair services, clothing swaps, and supporting wide access to training and skills for clothing repair and re-design.

