

The Sustainability Question: 'Ouroboros'

By Victoria Palumbo

The snake that eats its own tail is a symbol in ancient mythology that signifies progressively repeating cycles. "Ouroboros," the name of the symbol, shows how all things, ideas, concepts, material objects, are never truly destroyed, just changed—reformed. Sustainable fashion, as a concept, is a snake eating its own tail. A cycle of competing forces constantly destroying itself, then building itself up, then destroying itself again.

Sustainability, which encompasses environmental, social, and economic sustainability, is a current-day privilege that firms cannot afford to offer to every class of consumer.

This is an especially present issue for the fashion industry, an industry consistently scrutinized for its adverse environmental impact, with 10% of global carbon emissions and 20% of global industrial water waste being produced by the fashion industry, as well as for its reliance on cheap labor—sometimes even slave labor—to produce its textiles. Contributing to both, demonstrating the larger issue at hand, is how trend-based the industry is: in constant movement and under constant pressure to evolve every few months or even every few weeks, depending on the sector. Trends are what drive the industry, and this is neither a critique nor a laudation; simply a statement of how the industry operates. Unfortunately, sustainability requires giving up this trendiness, and this is the industry's current balancing act.

There is intense pressure on the fashion industry to improve its commitment to sustainability if individual firms wish to operate as legal, global entities: over 35 new pieces of legislation related to sustainability will go into effect around the world over the next four years, targeting issues like import restrictions, labeling requirements, and product design guidelines. The Boston Consulting Group

estimates that, concerning raw materials, if fashion brands work immediately to find reliable sources of recycled and renewable materials, they could see up to an 8% increase in revenues over the next five years. What this means is that a brand like H&M, which made \$22.1 billion dollars in 2023, has the potential to make an additional \$1.76 billion in revenue over the next 5 years. Brands will lose if they do not place adequate importance on this issue.

The intention of this article is not to discourage conversations; rather, my aim is to provoke them. There are paradoxical requirements being placed on fashion brands: be sustainable, but be fashionable, but be affordable.

Sustainable Enterprise: The 'Cloeco' Case

To demonstrate this phenomenon, allow me to make a hypothetical fashion firm committed to selling sustainable, fashionable clothes accessible to all; we'll call the business Cloeco. Why go to SHEIN, H&M, or Forever 21, when Cloeco's clothes are cheaper and better for the Earth? The firm pays its workers more than livable wages and houses them in proper working facilities. The fabric is all environmentally friendly, the cotton used in their t-shirts is either organic or recycled from other garments.

Cloeco's clothes have caught the internet's attention: Alix Earle is wearing the brand's blue jeans, Taylor Swift is wearing their t-shirts, and David Goggins has shown off the brand's shorts in his fitness videos. The mass consumer wants in on Cloeco: trendy, sustainable, affordable. How can Cloeco sustainably manage the influx of demand without affecting their core business model? The brand has found a way to produce a sustainable t-shirt for \$4.00 and is selling it for \$8.00, shipping included.

An order comes in for 500,000 t-shirts, a t-shirt requires around 3 yards, or a pound, of cotton to be produced, meaning that this order needs 1.5 million yards, or 500,000 pounds of cotton. To accommodate this influx of demand, Cloeco will have to expand its operations, building more factories

and hiring more laborers. Let's assume this doesn't affect labor wages or conditions; the managers, machines, janitors, and all other factors required to maintain their social sustainability all still fit comfortably into their margins. Cloeco can make \$4 million in revenue and give all of its consumers access to socially sustainable and affordable clothes. The brand's C-Suite treats this as a win, pops a bottle of ethically-produced Prosecco, and writes it into their annual sustainability report.

However, is their commitment to environmental sustainability still valid? The gouging of natural resources because of requiring this much cotton, leading to cotton producers planting more than the soil can handle, is environmentally unsustainable. The cargo freighter responsible for shipping 250 tons of cotton is environmentally unsustainable because of the amount of fuel necessary to ship it. Even building the factories can be used as an argument against their sustainability principles: the resources used during the construction process and the emissions from the machines used to build the factories are two examples of how this process can negatively impact the environment.

Here lies the heart of the issue. The Sustainability Officer at Cloeco predicts this and lets the team know that they cannot accept the order, that they must produce less to remain true to all their sustainability principles: 50,000, instead of 500,000 t-shirts. If Cloeco resists the temptation to sell at demand, therefore producing less supply than there is demand to consume, then the firm operates at market failure according to supply and demand forces, leading to an economically unsustainable business model that the public cannot expect the company to continue to sustain.

The company produces less, choosing to make \$400,000 in revenue rather than \$4,000,000. The public applauds the company for its commitment to sustainability; however, the 450,000 potential consumers who weren't able to buy a t-shirt turn to other options at the same price point: SHEIN, H&M, and Forever 21. Investors begin to raise their eyebrows—the company will have to operate at a production cap for the rest of its lifetime.

Supply and demand dictates that if more people want to buy a product than there is supply of that product, the firm must raise its prices to not operate inefficiently, at market failure, and economically unsustainably. If Cloeco raises its prices, then it loses the affordability edge that made the brand as attractive as it was at its inception. If they produce at demand, the company succeeds at the cost of their commitment to environmental sustainability. If they decrease their production while raising their prices, they can still become successful as a firm, but then these environmentally sustainable options are no longer available to all of their target market, costing them their commitment to affordability. If they both produce less and keep their prices the same, then investors back out because the company will never be able to be as successful as it's able to be; without proper economies of scale, the company will never grow.

The very concept that made Cloeco as popular as it was will be the key to its downfall; the company destroyed itself at its inception. The company is a snake eating its own tail.

Of course, everything I say here is hypothetical. The numbers were pulled out of thin air, but I invite readers to play around with the business model. The numbers aren't concrete, but changing the numbers won't change the argument: sustainable business models are unsustainable when trying to compete with fast fashion. Because sustainability is, by design, impossible to make affordable in a capitalistic market, sustainability is a privilege available only to those able to afford it.

Our Individual Responsibility

This realization does eventually lead to the viewpoint that 'there is no ethical consumption under Capitalism,' which may be true; however, it must not be used as an excuse for overconsumption. Those with the privilege to afford better, more sustainable clothes, yet spend an equivalent amount of money on unsustainable clothes, are guilty of engaging in unsustainable behavior; however, the resources to

raise awareness of just how bad these behaviors are are readily available. There's a thin line between awareness and shame, and shame is an unsustainable driver of change. As firms and as changemakers, it's more proactive to present better options.